



Melanie Brue: Hi everyone. Welcome back to day three of the Six Five Summit. In this next session, I'm going to be talking to James McCall, chief Sustainability Officer at HP. In this spotlight session, we're going to be discussing the very important topic of sustainability. Hi, James.

James McCall: Hello. Thank you for having us.

Melanie Brue: Thanks for being here. Okay. I'd love to hear from you just how the sustainability landscape has evolved and grown in recent years and how has HP responded?

James McCall: It's a great question. It's one that we actually get a lot, and so as you think about it, I would say that the sustainability landscape has not only grown, it's really evolved. It's evolved to the point that it's no longer just a sales differentiator. It's now table stakes. It's a key part of bid packages. It's a key part of customer request. Our customers have been clear that they want their choices, their dollars to make a difference in the world around them. And so it's become a key part of the way that they write in and ask for activities.

We also see that it's a significant business opportunity and a business driver for us because, as we think about it, it helps us attract the right talent. It helps us drive the next generation of innovation, and it's helping us win deals. Our channel partners have been clear with us that they are looking for devices that can hit these levels of not only responsible sourcing, but new levels of circular materials, new levels of energy efficiency.

And so we try to build that in, whether it's eco certifications like EP, HP's really proud that we have more EP gold products than any other OEM on the market, or whether it's building it in not only to our high end products, but across all of our products. Every new PC display or printer that's launched over the last year, all of our new product introductions have all included some level of recycled content. And so that really shows me that it's not just something that we're putting into niche products. It's something that our R&D teams are designing in across the board. And that really kind of starts to show up at our numbers. If you look at it, over 60% of our revenue this last year in fiscal year '22, could link be linked back to sustainable products. And so we're really seeing that asked for by our customers and we're seeing that impact in our day-to-day business.

But for us, we wanted to go beyond that. We wanted to make sure that we weren't just focusing on reducing our footprint or reducing our customers' footprints, but that we were leaving a legacy. We were leaving more of a hand print and impact on the world around us. And I think too often companies get very laser focused in on climate, and climate is super critical, but for us it's really broader than the planet. It goes back to the people. The real reason that we're trying to protect the planet is those people on the planet.

And so whether it's our own employees, whether it's people across our supply chain or whether it's people in the communities that we serve by helping close the digital divide, we really want to make sure that our Sustainable Impact Program touches on all three, on climate, on human rights, diversity, and also our digital equity work across communities.



Melanie Brue: That's great. I love those three pillars and how you can answer to all of them, but when you identify the sustainability and ESG metrics that you're using and measuring and tracking, how do you balance that with those three pillars and how do you report those out when you have RFPs to answer to?

James McCall: I think the way that companies should always start is you should really be intentional and data-based about where your footprint is. For us, we wanted to focus where we could have the biggest impact, where we, as HP, could really go back to our core principles and our core values and say what's important to us as a company and where are we leaving an impact on the world around us? And so we started in the early days with materiality assessment. A materiality assessment really enables you, if you're not familiar with it, to go out and to interview and to talk not only with key stakeholders like your customers and your investors, but we also sat down with our employees that know our materials, that know our products, that know our supply chain. And we said, "Okay, as we think about this in a very purposeful way, where are our biggest impacts? Are there any gaps in our approaches? Are there any new innovation opportunities that we could have that would really enable us to define our strategy for the decade ahead?"

As you work past materiality, that tells you where to hunt. So if you think about us as a paper company, we're one of the world's largest print companies, paper is key to our business. Forestry's key to our business. We have a substantial supply chain around the world. So things like human rights and making sure that we're building in responsible sourcing, those would all be key to our business. But we start to get into the more detailed tools. Like within climate, we look at the life cycle assessment. So we say it's not only our footprint, it's our true end-to-end footprint. Everything from the raw materials that you source to the way that we manufacture the products, to the way that we go through logistics and shipping to getting the end product to your home or to your office, and then how do you charge, how do you power that device over its lifetime and then how do you recycle that device at the end?

And so taking something like a full end-to-end lifecycle assessment really enables HP and enables other companies to understand where their footprint is and where they can start to make changes and start to transform to a low carbon or a more just or a more responsible economy. For us, that's really been one of our key drivers and it's been key to helping us understand where and how to set our goals. That's the other place I would really leave as a challenge out to other companies is, as you think about goals, it's not just looking at your own footprint and your own impact. It's looking at the world around you and saying, "Okay, what's our fair share? How do we know we're going far enough?"

And so I think that's where groups and partners like sciencebasedtargets.org or we do a lot of work in forestry with Conservation International, World Wildlife Fund, Arbor Day and others. And having these accountability partners, having science-based targets, database targets really enables you to say, "We're doing the right thing and we're doing our fair share towards a more equitable, just and sustainable planet."



Melanie Brue: So going to that, in terms of climate change in particular and measurement, in terms of reducing Scope 3 emissions, how do you move from measuring that impact into actually doing something about it?

James McCall: Well, you touched on the first piece. You can't impact what you can't measure. And so sitting down with that lifecycle assessment, sitting down with our suppliers and understanding their emissions, their footprint, that gave us the data to be able to start. And I would encourage companies, don't be paralyzed by the data. Don't let perfection be the enemy of progress. Often directional data is enough to be able to know where to engage, because we're working on planet-sized problems. You don't have to have microscopic data. You need to understand where your big opportunity are.

So for us, one of our big opportunities is nearly 70% of our emissions, 68% comes from our supply chain. And so by having that lifecycle impact, being able to understand that our emissions were in the materials, were in the manufacturing, were in the circuit boards, the components, the chassis, the frames around the PCs or the printers, we were able to go in and start to work with those suppliers.

And often you'll find that it's not every one of your thousand-plus suppliers, it's a smaller group of your biggest primary suppliers that represent a large part of that footprint. And so we began there, sitting down and understanding what they're doing, helping them see how their footprint links all the way back to the questions that our customers are asking. So if a customer is asking for an EP certification or they're asking for Energy Star or they're asking for renewable materials, what role does that supplier play? Getting them involved in the journey, having them understand the role that they play, it makes it more than just a goal. It makes it more than just a number.

It becomes something that they can have a personal impact on, and they can see how their changes at their factory can go all the way through to that final customer by helping us get that EP Gold or helping us get that Energy Star Platinum. So I think by telling that story, by helping the suppliers understand the role they can play, it really brings us all into that journey, because we really feel that sustainability is a team sport and it's one of those that every little action makes a difference and those small actions start to add up.

Melanie Brue: I love that. Yeah, sustainability is a team sport, for sure. How does your commitment to sustainability translate into wins with customers and specifically in the retail and commercial channels?

James McCall: I think let's start with retail and commercial because that's close to my heart. One of the things that we've done within the channel, we have a program called Amplify where we engage our 10,000-plus channel partners and how we're really kind of going to market. Within Amplify, we actually launched Amplify Impact, which is a sustainability program within that broader Amplify program. And I'm really excited about Amplify Impact because what it enables those channel partners to do is to come on their own sustainability journey. So we give them tools to help them do sustainability impact assessments. We give them tools to help them set their own goals



and their own targets because, again, we want to be influencing not only our footprint, but the broader IT industry. And I think influencing those channel partners and having them come on a sustainability journey with us, whether they're selling our products, whether they're selling our peers' products, it's better for the world around us, it's better for the community and the people that we serve.

So it started with getting them on board and getting them to understand and to engage. But then from there, we try to make sustainability a powerful differentiator in the bidding process. We're seeing more and more that our customers, whether it's governments, whether it's school systems, whether it's large enterprise partners, are writing in some of these specs. We see more people asking for things like EP Gold, for TCO, for Blue Angel in Europe for a lot of our print devices. It really starts to build back in because customers are realizing, especially in a hybrid world, your energy is no longer just something that happens at the corporate office. It's your own energy at home, it's your own purse that's paying for this, your own wallet that's paying for this. So people are a lot more aware of their own footprint.

And I think that takes us back into our day-to-day customers, our regular customers, whether you're a university student, whether you're a grandmother that's wanting to print out her children's photos, all of those things start to add back in. And so as we think about our day-to-day customers, we want to make it easy for them to make sustainable choices, as well. Whether it's something like Instant Ink where you can get highly sustainable water-based ink shipped right to your house, and at the same time that we ship it to your house only when you need it, as the printer tells us that you're out of ink and that you're ready for the next shipment, we also provide you the return packaging to be able to send that back to us to recycle.

Over the last 15, 20 years of our Planet Partners program, we just reached a milestone of a billion cartridges, one billion inkjet and toner cartridges that our customers have sent back to us and helped us recycle. And I think that goes back to that concept of every little small action makes a difference and that this is a team sport, is we cannot do this without our customers. We can't do this without them playing a key part of that sustainable choice, whether it's in the upfront buying or whether it's in the returning and the recycling of their products at the end of life.

Melanie Brue: That's great. I love the circular economy, and I think that's something I've looked at HP as really doing well in so many different ways, so well done, you. But I'd love to talk a little bit more about an example of one initiative, or maybe more if you want, that's really had a tangible impact.

James McCall: A tangible impact? I think a great example would be to go back to some of the work that we've done in Haiti. Back in 2015, 2016, HP started working in Haiti with some nonprofits there, a group called Work that was helping us collect ocean-bound plastic. So if you look at Haiti, it's a small island. They don't have very good water resources. And so a lot of NGOs, a lot of government support was going into bringing water and other resources into the country, but they also don't have recycling infrastructure. And so without the recycling infrastructure, a lot of that plastic, a lot of those water bottles were flowing out into the ocean, which is exactly what



we don't want. And so by working with Work and others to collect that waste, we were able to take what would be ocean-bound plastic and convert it back into something good.

And so we've been turning those plastic bottles back into new laptops, new inkjet cartridges and other products. And that was great because it provides sustainable jobs for the communities there in Haiti and it prevents plastic from getting back into our oceans. But for us, we didn't want to just stop there. I mean, we didn't want to just stop with launching some of the first PCs with ocean-bound plastic in them or some of the first print cartridges. It really goes back to people. I talked about the people being the focus of the work that we're doing. And so in partnership with Work and also in partnership with a group like NABU. NABU is an organization that writes children's books in native-tongue languages. They were writing children's books in Haitian languages. And so we said, "How do we work with NABU to not only build creative stories, creative books that can help teach these Haitian children to read?"

Because we found that literally about 80% of the people in Haiti speak Haitian Creole, but only about 20% of the books were available in Haitian Creole. Many were available in French and English. And so NABU comes in and closes that gap. And if you think about the digital divide, the first step in the digital divide is getting kids to read, getting kids to be able to use devices. And so by partnering with NABU in Haiti, in their logistical learning centers and the things that we're doing there with ocean-bound plastic collection, we've been able to take them from reaching about 400,000 students and young readers through books, to now NABU has accelerated and is touching over four million people today in the books that they serve.

Many of those books were created on HP Tech in HP reading labs. We have one in Rwanda and we just opened one in Miami that's focused in specifically on Haitian language books, including books that tell the stories of some of the waste pickers and some of the collectors there in Haiti. And so enabling them to tell their authentic story, to me that's a tangible impact. When you can go all the way from starting with something like circular materials, all the way back into helping people have a better life, helping people be able to understand the impact that they're having on the world around them and to let their story be told in their own words, in their own language, that's the kind of things that get me really excited about our work.

Melanie Brue: That's awesome. We got through all your questions, but do you mind if I just ask you some more?

James McCall: Please.

Melanie Brue: James, you have a really long history in sustainability, more than a lot of people, I would say. I mean, this is something that people are paying so much attention to now, but you knew to pay attention to it 25-plus years ago. What drew you personally to it? And then what kind of advice would you give to younger people who want to do this same kind of work?

James McCall: You're right. You're making me feel a little old. I'll be 50 next year.

Melanie Brue: Oh, I'm sorry.



James McCall: No, I'm joking. I'm joking.

Melanie Brue: Accomplished, not old.

James McCall: The thing that first drew me to this, I mean, back in the day when I was growing up, we didn't refer to it as sustainability. I grew up hiking. I grew up fishing. I grew up spending time in the outdoors and we just considered it respecting Mother Nature. We're doing our part to make a difference. And so as I came through my engineering career and I started in supply chain and in manufacturing, I was able to really see firsthand the impact that design choices could make, the impact that a company could make. And so if you look at it, we, as companies, play a key role, the same as governments, the same as consumers, the same as others do.

And so for me, being able to take the innovation work that I love to do, the engineering work that I love to do, the manufacturing and the supply chain work, and to shift that to do something that's both good for the company and good for the planet, really was a passion and an innovation engine for me and really kind of unlocked it. And you're right, I was doing it 15 years ago when very few companies had sustainability programs or the ones that did were in the early infancy stages.

And so I would just encourage people to not be afraid to learn as you go. I'm an electrical engineer by background. My degree is not in sustainability. A lot of it's been self-taught, much like many of my peers have been self-taught. And it's by being able to take that passion, that desire to make a difference, and to really kind of open it up and to bring diverse teams together, because we really are trying to solve planet-sized problems, and so I need as many diverse minds out there as I can get.

And so diversity of thought, diversity of race, diversity of background, diversity of gender, we want to make sure that we're bringing all of those things together to help solve these problems, and that you unlock people's passion to be a force for good, to have an impact in the world around them. And I think you'll find that if you do that, whether it's partnering with your customers, whether it's partnering with our channel, whether it's partnering internal with our own employees, it's one of the things that gives people amazing job satisfaction to know that the work that they're doing is both good for the company and good for the world around them.

Melanie Brue: Well, thank you so much for being a guest with us on this Six Five Summit. This has been great. I love the way that HP combines just the passion for people and technology and the Earth and the work you're doing is amazing. Thanks again for being with us.

James McCall: Oh, thank you for hosting us. Thank you for helping get the message out there. I mean, this is how we get more people moving in the right direction and how we drive culture change. And I think that's really, for us, part of what it means to be one of the world's most sustainable and just tech companies is we need to be influencing the broader tech industry, not just our own footprint and partners like you help us really get that message out and get more people moving in the right direction.



Melanie Brue:           Awesome.

James McCall:           Thank you. It was nice meeting you guys.

Melanie Brue:           Thank you.