

HP 2012 Global Citizenship Summary Report





Welcome to the HP 2012 Global Citizenship Report.

Our founders, Bill and Dave, first put Global Citizenship on the list of HP's corporate objectives in 1957. And we still know today that being a good corporate citizen is integral to our innovation and performance. It is central to our corporate purpose of advancing the way people live and work.

The world is facing many challenges: climate change and rising energy costs, the need for economic development and social equality, and increasing information security and privacy concerns—just to name a few.

HP is leading the way with a strong commitment to providing solutions for our customers that address business issues in ways that can also positively impact society and the planet.

We've made great progress in 2012.

We launched the first commercialized product from our Project Moonshot, which will truly revolutionize the data center with an entirely new category of server. We expect it to consume up to 89% less energy and 80% less space at 77% less cost, and I am confident it will be an extreme improvement over anything else on the market.

We also launched new responsible supplier guidelines for student and dispatch workers in China. This is an industry-first initiative that protects high-risk workers and promotes responsible labor practices. This initiative is part of HP's larger commitment to ensuring that our suppliers meet high ethical standards and treat our extended workforce with dignity and respect, reducing turnover and supporting product quality.

This past year, we also published our complete carbon footprint, a measure of our environmental impact as a corporation. This includes the footprint of our extended supply chain, our own operations, and the footprint of our products and services in use. This is another first in the IT industry.

The saying goes that you can't manage what you can't measure, and we can now measure our complete carbon footprint. This insight allows us to commit to new goals like reducing the carbon dioxide emissions of our operations by another 20% by 2020. Achieving this goal will help lower HP's operating costs and energy-price risk, providing business benefits as well as environmental benefits.

In our Global Citizenship Report, you'll learn about these examples and many others. In addition, to promote higher standards across the areas of human rights, labor, environment, and anticorruption, we endorse the United Nations Global Compact as a practical framework for the development, implementation, and disclosure of sustainability policies and practices.

The contributions we make to benefit people, communities, and the planet also create value for HP, our employees, our customers, and our shareholders.

It's not just good values, it's good business—and that means a path to sustainable growth.

Sincerely,

Meg



Executive summary

HP has long been a leader in global citizenship—it has been one of our seven corporate objectives since 1957. We fully embrace our social and environmental responsibilities, and we are committed to conducting our business in ways that positively impact society and the planet. Our global citizenship agenda covers a broad spectrum, including governance, environment, and society.

Below are our most significant achievements towards this vision in 2012.

Governance

Global citizenship strategy

HP demonstrates clear leadership and governance to achieve consistently strong global citizenship performance. This effort begins at the top and depends on active participation and support throughout HP.

- Conducted a formal materiality assessment to review and update our understanding of HP's global citizenship issues
- Launched the External Global Citizenship Council to provide external input and guidance
- Scored 92 out of 100 for disclosure in 2012 Carbon Disclosure Project Leadership Index
- Included in the 2012 Dow Jones Sustainability Index (DJSI) World Index and North America Index
- Included in four FTSE4Good indexes for the tenth consecutive year

Corporate ethics

HP emphasizes ethics in everything we do, making employees aware that we are accountable for our actions, responsible for the consequences, and proud of our efforts.

- Scored 99% in the 2012 DJSI category of Codes of Conduct/Compliance/Anticorruption & Bribery
- 99% of HP employees completed the ethics and compliance annual training session
- 25,000 employees viewed the Integrity Matters videos on handling ethical issues

Public policy

HP advocates with transparency and integrity to promote laws and regulations that encourage economic growth and innovation in a socially and environmentally responsible manner.

- Promoted public policy priorities, including working with governments around the world on technology, tax, trade, intellectual property, and social and environmental policies

Environment

Environmental sustainability

HP continues to improve the efficiency of our products, supply chain, and operations.

- Published our complete carbon footprint, making HP among the first companies globally to disclose this level of information (released in early 2013)
- 100% of HP Everyday Office Papers are FSC®-certified in the Americas (as of early 2013)
- Held a top spot in the *Newsweek* Green Rankings for the third consecutive year

Products and solutions

HP works to reduce the environmental footprint of products and solutions across our portfolio—from single-user personal computing devices and printers to enterprise servers, storage equipment, and data centers.

- The HP Moonshot system uses up to 89% less energy compared to traditional servers¹
- HP's Energy-Star qualified, latest OfficeJet range of printers use up to 50% less energy than the majority of comparably priced laser printers²
- Most HP PCs, printers, and servers are more than 90% recyclable by weight³

Product return and recycling

HP provides broad geographical coverage of take-back programs and ensures an environmentally responsible option for processing HP products at the end of their life.

- Reached 2.5 billion pounds of electronic products and supplies recycled since 1987
- Increased the number of U.S. take-back locations for HP print cartridges to more than 7,000 through partnerships with Walmart, OfficeMax, and Staples—and Office Depot in early 2013
- Established a new recycling facility to process used HP ink cartridges in São Paulo, Brazil

HP operations

HP continues to increase efficiency in our operations, reducing energy use and greenhouse gas (GHG) emissions and improving our landfill diversion rate.

- Established a goal to reduce total GHG emissions from our operations (Scope 1 and 2) by 20% by 2020, compared to 2010
- Reduced total GHG emissions from our operations by 8% from our 2010 baseline
- Achieved an 88.1% landfill diversion rate

¹ According to internal HP engineering that compares HP Moonshot servers with traditional x86 server technology.

² Majority of color laser printers <\$800 USD and color laser MFPs <\$1,000 as of August 2012. Energy use based on HP and HP commissioned third-party testing. Actual cost and energy usage may vary. For details, see hp.com/go/officejet. HP OfficeJet Pro 8600 e-All-in-One series compared with majority of color laser AiOs <\$600 and HP OfficeJet Pro 8100 ePrinter compared with majority of color laser printers <\$300, March 2011. HP OfficeJet Pro X Series compared with majority of color laser printers <\$800 and color laser MFPs <\$1,000, August 2012.

³ Calculated using HP's Recyclability Assessment Tool.

Society

Human rights

HP maintains a centralized human rights program in our Ethics and Compliance Office to identify and manage our own impacts in this area and provide leadership in multi-stakeholder forums promoting respect for human rights in business.

- Developed a human rights risk assessment process tailored to our operations and potential human rights risks
- Continued external advocacy and leadership through the Global Business Initiative on Human Rights and BSR

Supply chain responsibility

HP advances efforts to significantly improve social and environmental responsibility (SER) standards throughout the IT supply chain.

- Developed new supplier guidance on appropriate use of student and dispatch workers (released in early 2013)
- Conducted first independent management system assessments of HP supplier facilities
- Rated #2 in the Enough Project's survey "Taking Conflict Out of Consumer Gadgets: Company Rankings on Conflict Minerals 2012"
- First IT company to publish its supply chain smelter list (released in early 2013)
- First IT company to publish its supply chain water footprint (released in early 2013)

Privacy

HP works to protect customers' privacy and personal information through employee training and external engagement.

- More than 99% of permanent employees completed privacy training
- Led a consortium that was awarded European Community funding for research on accountability models for cloud services
- Served as a Trusted Advisor to the European Commission and data protection regulators to influence the development of new privacy legislation
- Our Privacy Office handled more than 70,000 inquiries

HP people

HP hires, develops, and retains the employees we believe will make our business continue to thrive, offering supportive, motivating workplaces where everyone can flourish.

- Engaged 10,000 employees in leadership training
- Increased participation in our mentoring programs by 40%
- 40,000 employees in 80 countries participated in global wellness exercise challenges
- Delivered more than 200 events for employees on diversity topics through our Employee Resource Groups

Social innovation

HP continues to expand our contribution to finding solutions to environmental and social issues by uniting the power of people and technology.

- Reached more than 2 million entrepreneurs since 2007, helping to establish and expand more than 25,000 businesses and create over 57,000 jobs through HP LIFE
- Tested more than 200,000 infants in Kenya and Uganda for HIV/AIDS through the HP Early Infant Diagnosis (EID) project
- HP employees donated more than 1.4 million hours to volunteer projects
- \$118.6 million USD in social investments made through cash, products, and services⁴

⁴ Social investments include all grants made to nonprofit organizations from the HP Company and the Hewlett-Packard Company Foundation, plus the valuation of employee volunteer hours. Data exclude contributions to the Hewlett-Packard Company Foundation and employee donations but include HP's matching contributions and contributions from the Hewlett-Packard Company Foundation to other organizations.



Governance

Employees, customers, and other key stakeholders increasingly look to HP for leadership in helping to address many of the world’s major environmental and social challenges. We believe that profitable and responsible operations make a positive impact on communities worldwide.

Global citizenship strategy

HP operates in more than 170 countries. We have long been a leader in global citizenship—it has been one of our seven corporate objectives since 1957. We fully embrace our social and environmental responsibilities, and we are committed to conducting our business in ways that positively impact society and the planet. Our Global Citizenship program covers a broad agenda, including governance, environment, and society.

During the coming decade, we intend to continue to focus on:

- Enhancing environmental sustainability across the product life cycle
- Building a leading human rights program
- Driving strong and sustained social and environmental responsibility in our supply chain
- Advancing an accountability approach to ensure respect for privacy
- Addressing global health and education issues through social innovation

Materiality

In 2012, we commissioned a formal materiality assessment, conducted by BSR and GlobeScan. Our objective was to take a fresh look at the wide range of global citizenship issues that HP faces, to reconfirm our long-standing areas of focus, determine any gaps in our current programs, and identify emerging issues and new leadership opportunities for our business.

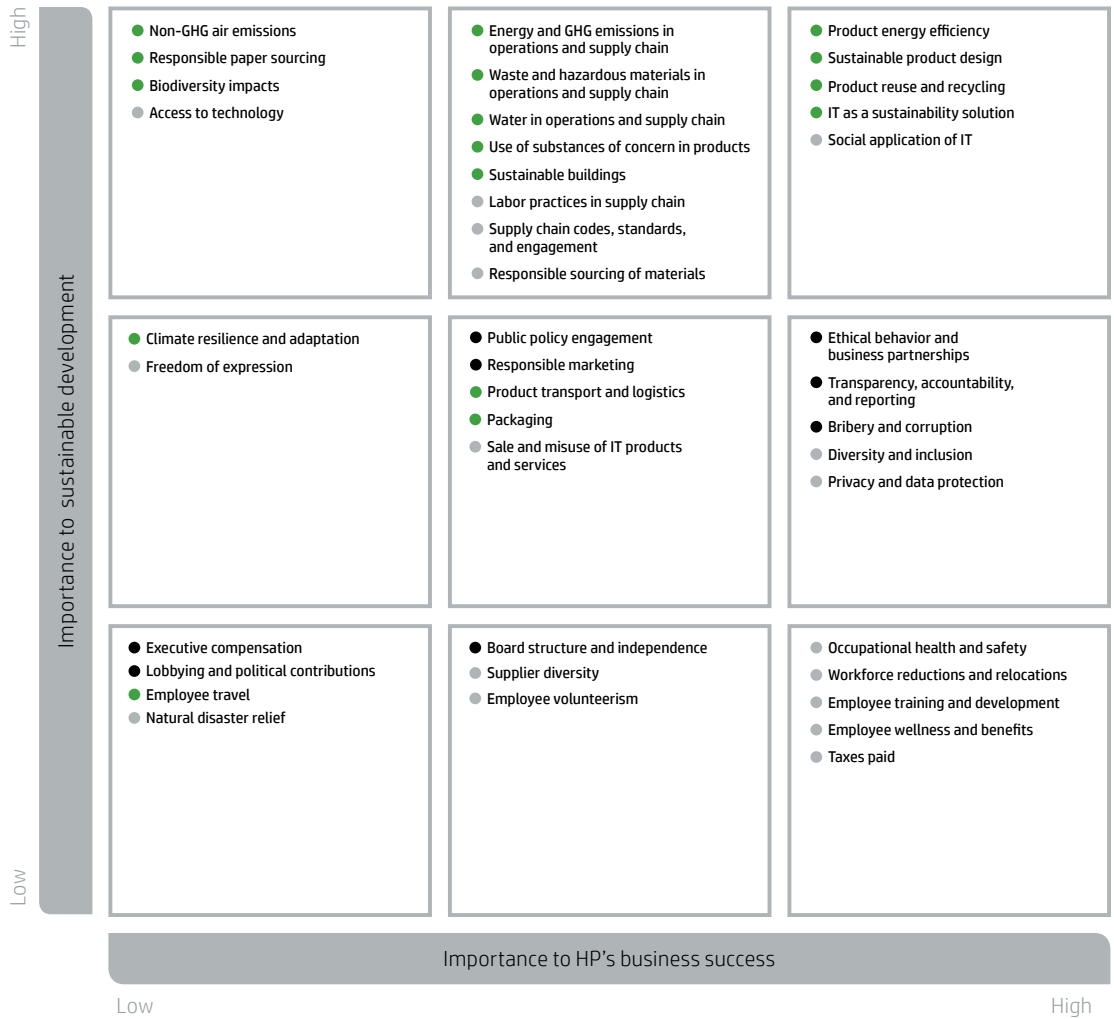
The assessment included insights from four main sources:

- Interviews and workshops with internal stakeholders and HP leaders
- Interviews with members of our newly formed External Global Citizenship Council
- Reviews of public and internal HP documents
- Quantitative surveys of more than 230 external stakeholders and opinion leaders and more than 650 HP employees

The following graphic illustrates the results of this assessment. Each issue is linked to one of HP’s three global citizenship pillars—governance, environment, and society.

HP 2012 materiality assessment

● Governance ● Environment ● Society



Overall, the materiality assessment illustrates the wide scope of global citizenship issues. These are all relevant to how HP conducts business in a way that positively impacts society and the planet. The assessment also helped confirm the issues that HP should prioritize going forward.

Key findings included:

- Product-related opportunities, such as improving product energy efficiency and expanding access to technology, represent the leading areas where HP can create value for society and for our business.
- Managing our operations responsibly—from decreasing environmental impacts and protecting customer privacy to promoting diversity and ensuring ethical behavior—remain important areas for HP.
- Enhancing labor conditions in our global supply chain is among the important ways we can drive sustainable development.

Based on this assessment, HP is also expected to focus on issues such as the human rights implications of the sale and misuse of IT products and services.

We plan to use the assessment results to help shape our global citizenship strategy and reporting efforts moving forward, and to help ensure that we continue to focus on areas of greatest importance to HP and to our stakeholders.



Environment

With more than 7 billion people seeking greater prosperity worldwide, balancing economic growth with environmental sustainability calls for innovation and leadership. HP is responding to this challenge by improving the efficiency of our products and solutions, supply chain, and operations. By combining the expertise of our people, our innovative technology portfolio, and collaborative partnerships, we are working to create solutions that reduce environmental impact and expand opportunities.

We are working with our customers, suppliers, and other stakeholders to develop and share solutions that streamline and replace resource-intensive processes. We will move our business forward by reducing HP's own environmental footprint while helping people prosper and companies thrive.

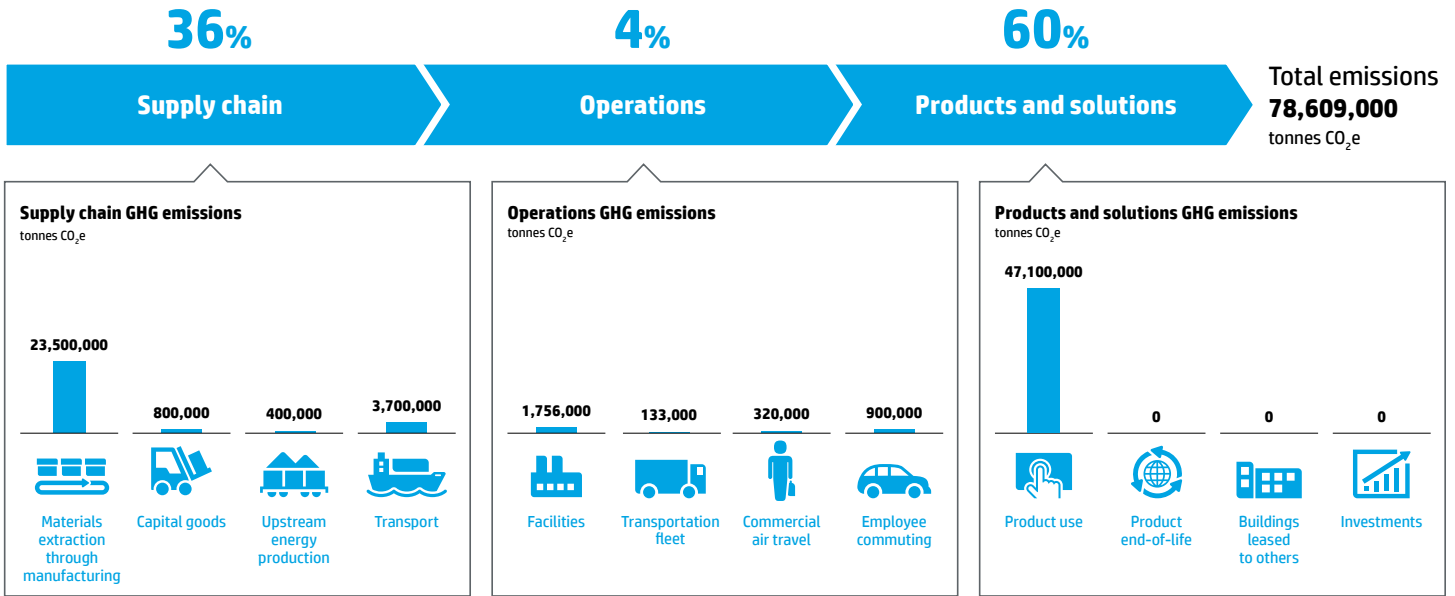
During 2012 we completed a comprehensive carbon footprint analysis to better understand the impact of our company and our products. HP is among the first companies globally to publish this level of information. This builds on years of leadership in this area. For example, in 2008 HP became the first major IT company to measure and publish aggregated supply chain greenhouse gas (GHG) emissions.

We have disclosed our Scope 1 emissions (mostly from fuel burned onsite and by employee-owned vehicles), Scope 2 emissions (from the electricity we purchase), and selected Scope 3 emissions in past years, for example first-tier production supplier GHG emissions based on supplier surveys. This year, we substantially expanded the categories of Scope 3 emissions reported to provide a more complete picture of our GHG impact as a company.¹ See our [data dashboard](#) online for more detail.

Our analysis followed the guidelines of the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development. Ernst & Young has reviewed the results and we detail our methodology and assumptions in our [Carbon Accounting Explanations](#) document. The results will inform our climate change strategy moving forward.

¹ The World Resources Institute defines Scope 1, 2, and 3 GHG emissions in its Greenhouse Gas Protocol; see ghgprotocol.org/calculation-tools/faq.

Our carbon footprint*



Greenhouse gas emissions in this phase are primarily due to materials use and manufacturing. Through innovative design, we work to decrease materials volume and impacts. We collaborate with suppliers to improve their environmental performance—resulting in a 24% decrease in production supplier GHG emissions intensity over four years.**

Greenhouse gas emissions from HP operations are primarily due to facility energy use. We met our goal two years early to reduce absolute GHG emissions from HP-owned and leased facilities by 20% relative to 2005 levels by the end of 2013. This year, we set a new goal to decrease total GHG emissions from operations (Scope 1 and Scope 2) by 20% by 2020, compared to 2010.

More than half of HP's total carbon footprint is due to the energy our products and solutions consume during use. We reduced product energy consumption across our portfolio by 50% on average over five years, and we continually work for further improvement.***





* Emissions from Facilities and Transportation fleet (Scope 1 and Scope 2) are from 2012. Emissions in the other categories included in this graphic (Scope 3) are from 2011. To calculate Scope 1, Scope 2, and Scope 3 emissions, HP has followed the principles outlined in the Greenhouse Gas Protocol. Ernst & Young has assured HP's global Scope 1, 2, and 3 GHG emissions for the years noted. Additional details on calculations and methodology can be found in HP's Carbon Accounting Explanations document.

** Refers to first-tier suppliers for manufacturing, materials, and components. The majority of these companies report on a calendar year basis. The year 2011 is the most recent one for which data are available.

*** The average energy consumption of HP products was estimated annually between 2005 and 2010 using high-volume product lines representative of the overall shipped product volume. The high-volume product lines include notebook and desktop computers, Inkjet and HP LaserJet printers, and industry-standard servers.





Supply chain

Greenhouse gas emissions in this phase are primarily due to materials use and manufacturing. Through innovative design, we work to decrease materials volume and impacts. We collaborate with suppliers to improve their environmental performance—resulting in a 24% decrease in production supplier GHG emissions intensity over four years.²

Supply chain categories	Emissions [tonnes CO ₂ e]	Description
 Materials extraction through manufacturing	23,500,000	Emissions associated with all levels of our supply chain from materials extraction through the manufacture of HP products. In addition to our work with suppliers, HP's Design for Environment program considers environmental impact in the design of every product and solution, from the smallest print cartridge to entire data centers.
 Capital goods	800,000	Emissions associated with capital goods, from raw materials extraction through manufacturing and building construction. HP practices sustainable building design to decrease these impacts. For example, two HP facilities received LEED® certification in 2012, and four more are due to be certified in 2013.
 Upstream energy production	400,000	Upstream emissions of purchased energy, from raw material extraction up to the point of combustion, as well as transportation and distribution losses in the grid.
 Transport	3,700,000	Emissions from upstream and downstream product transportation and distribution, including retail and storage. To reduce impacts, we work to maximize the efficiency of our supply chain network, shift to less energy-intensive modes of transport, and influence our logistics service providers.

Operations





Greenhouse gas emissions from HP operations are primarily due to facility energy use. We met our goal two years early to reduce absolute GHG emissions from HP-owned and leased facilities by 20% relative to 2005 levels by the end of 2013. This year, we set a new goal to decrease total GHG emissions from operations (Scope 1 and Scope 2) by 20% by 2020, compared to 2010.

Performance categories	Emissions [tonnes CO ₂ e]	Description
 Facilities	1,756,000	Scope 1 and Scope 2 emissions associated with energy consumption, PFCs, and HFCs in facilities under HP's operational control. In 2012, we decreased these emissions 8% from our 2010 baseline.
 Transportation fleet	133,000	Emissions associated with HP owned or leased vehicles. As part of the Clinton Global Initiative's Fleets for Change, we have committed to reducing GHG emissions from our U.S. auto fleet by 10% by 2015 from 2010 levels on a per-unit basis.
 Commercial air travel	320,000	Emissions associated with employee business travel by commercial aircraft. We promote digital communications such as video-conferencing as an alternative to travel when feasible and encourage less carbon-intensive forms of travel when possible.
 Employee commuting	900,000	Emissions from employee transportation between their homes and their worksites (in vehicles not owned or operated by HP) and teleworking. We promote programs in some locations such as ride-sharing, bike storage, and free shuttles from local public transportation to help employees reduce commuting emissions.

² Refers to first-tier suppliers for manufacturing, materials, and components. The majority of these companies report on a calendar year basis. The year 2011 is the most recent one for which data are available.

Products and solutions

More than half of HP’s total carbon footprint is due to the energy our products and solutions consume during use. We reduced product energy consumption across our portfolio by 50% on average over five years, and we continually work for further improvement.³

Products and solutions categories	Emissions [tonnes CO ₂ e]	Description
Product use 	47,100,000	Emissions associated with energy consumption of HP products across each of our major business groups, as well as the impact of paper and print cartridges. We work to design increasingly efficient products and solutions that help customers reduce the environmental impact of their operations and personal lives.
Product end of life 	0	Emissions associated with the disposal and treatment of sold products. HP’s product return and recycling programs, which recovered 159,550 tonnes of hardware and supplies in 2012, reduce and potentially make this impact net positive. For example, through our “closed loop” recycling process, Original HP ink and LaserJet toner cartridges are reduced to raw materials that can then be used (along with recycled plastic from bottles) to make new cartridges as well as other metal and plastic products.
Buildings leased to others 	0	Emissions associated with the operation of assets leased to other entities. This amount is de minimis.*
Investments 	0	Emissions associated with corporate investments in business intelligence solutions, HP Labs, software, and certain business incubation projects. This amount is de minimis.

* De minimis values are less than 0.25% of total Scope 3 emissions.

Beyond the impacts of our company, we realize it is essential to move toward a clean energy economy and are advocating for comprehensive climate action. HP is a signatory to the 2°C Challenge Communiqué, which calls for international government action to stabilize global average surface temperatures at a maximum of 2°C above preindustrial levels.

We also support the development and promotion of climate change policies through our participation in global and local organizations. For instance, we are working with WWF’s Climate Savers program to set aggressive GHG emissions reduction goals for our company and also to help define effective HP and governmental policies to curb climate change. HP has hosted roundtables with other leading information and communications technology companies to determine ways to collectively influence energy and climate policy.




³ The average energy consumption of HP products was estimated annually between 2005 and 2010 using high-volume product lines representative of the overall shipped product volume. The high-volume product lines include notebook and desktop computers, Inkjet and HP LaserJet printers, and industry-standard servers.

Products and solutions

HP's products and solutions help customers achieve more with fewer resources and less waste. We work to minimize the environmental footprint of products and solutions across our portfolio—from single-user personal computing devices and printers to enterprise servers, storage and networking equipment, and data centers.

We consider the entire life cycle to identify opportunities to improve environmental performance, from the earliest stages of development through manufacturing and customer use to end of life. We deploy insights from research and development, life cycle assessment, and stakeholder consultation to inform product design and foster innovations in materials use, manufacturing, and transport.

Improving environmental performance across the life cycle

Life cycle stage	HP t410 All-in-One Smart Zero Client	HP OfficeJet Pro X Series Printers	HP ProLiant Gen8 Servers
			
Research, development, and design Across HP, we conduct research and development on products and solutions—from ink cartridges to data centers—that require less energy, use more sustainable materials, and are easier to recycle than the previous generation of HP products.	ENERGY STAR® qualified EPEAT® Gold registered* Design collaboration with 3M Display Solutions to utilize new light-amplification film technology to enable usable display brightness on reduced power budget	ENERGY STAR® qualified EPEAT® Bronze registered Uses thin-wall molded parts to decrease product weight	ENERGY STAR qualified Toolless access aids servicing, life-extension maintenance, and end-of-life dismantling
Materials and manufacturing We collaborate with our manufacturing partners and suppliers to understand, reduce, and report the environmental impact of product manufacturing.	Manufactured at supplier facilities that participate in HP's Energy Efficiency Program Manufactured using low-halogen materials and with 10% postconsumer recycled plastic (by weight)	Manufactured at supplier facilities that participate in HP's Energy Efficiency Program Manufactured with 5% postconsumer recycled plastic from recycled HP printers	Manufactured at supplier facilities that participate in HP's Energy Efficiency Program
Packaging and transport We strive to develop more sustainable packaging options and make product transport choices that decrease fuel use and associated greenhouse gas emissions.	Surface transport within the United States and Canada uses a 100% SmartWay carrier network**	Efficient package design incorporating 75-85% recycled content fibers Cushion size minimized to only 2-3% of total package weight, while providing excellent product protection Surface transport within the United States and Canada uses a 100% SmartWay carrier network**	Eliminated some packaging altogether by using racks to provide required protection between manufacturing sites and to customers Use of 100% recycled thermoformed cushions Surface transport within the United States and Canada uses a 100% SmartWay carrier network**
Use We make it easy for customers to reduce their environmental impact by improving the energy efficiency and resource consumption of our products and solutions.	Provides the same performance as a traditional PC but runs on just 13 watts of power Most of the computing work occurs on servers, so HP Zero Clients typically have a longer life cycle than desktop PCs, reducing the frequency of replacement	Using page-wide print array technology, achieves printing speed comparable with color laser printers with low energy consumption Uses less than one watt of energy in off mode	Consumes 10% less energy and achieves 1.7 times the computing power per watt compared to the HP ProLiant G7 server Energy efficiency features: <ul style="list-style-type: none"> • Technology that adjusts power and cooling dynamically • Location-aware racks and servers, intelligent power distribution units, and rack-level power capping
Return and recycling We work with a global network of vendors in 69 countries and territories worldwide to collect, process for resale, and/or recycle returned products, as well as to qualify recycled materials for use in new products.	Designed to be more than 90% recyclable by weight***	Designed to be more than 94% recyclable by weight*** Supplies are recyclable	Designed to be more than 90% recyclable by weight*** Toolless access reduces time required to service, install, and remove components and dismantle at end of life***

* EPEAT Gold registered models of this product are available where HP registers thin client computers.

** Certification based on actions to reduce transportation-related emissions.

*** Using the HP Recyclability Assessment Tool.

Project Moonshot

One of our groundbreaking design initiatives is Project Moonshot, a multiyear, multiphase program first launched in November 2011 to develop a new generation of extreme low-energy and high-density servers. We are pursuing this through the collaborative HP Pathfinder Innovation Ecosystem, which includes third-party computing, storage, networking, and software technology providers to contribute their innovations to HP Moonshot. In April 2013, we brought the latest innovation from HP Labs and our Enterprise Group to market, the first commercialized product and the second generation of our HP Moonshot Servers. We expect this to revolutionize the economics of the data center with an entirely new category of software defined server architecture that for targeted workloads consumes up to 89% less energy and uses 80% less space, and costs 77% less than a traditional server environment.⁴

Services

Our services help enterprise customers measure and manage resource consumption and carbon emissions across their processes and operations.

- **HP Energy and Sustainability Management (ESM)** addresses the use of energy, water, and other resources across a customer's organization.
- **HP Critical Facilities Services (CFS)** focuses on improving data center energy consumption and efficiency, as well as water usage.
- **HP IT Infrastructure Consulting Services** helps organizations decrease the physical footprint of their IT and adapt energy efficient technologies.
- **HP Carbon Emissions Management Service** helps customers calculate, record, and analyze energy use and carbon emissions across their IT infrastructure—from desktop to mainframe.
- **HP Carbon Calculator** allows customers to calculate the energy use and GHG emissions of PC and printing products for both individual products and product fleets.

⁴According to internal HP engineering that compares HP Moonshot servers with traditional x86 server technology.

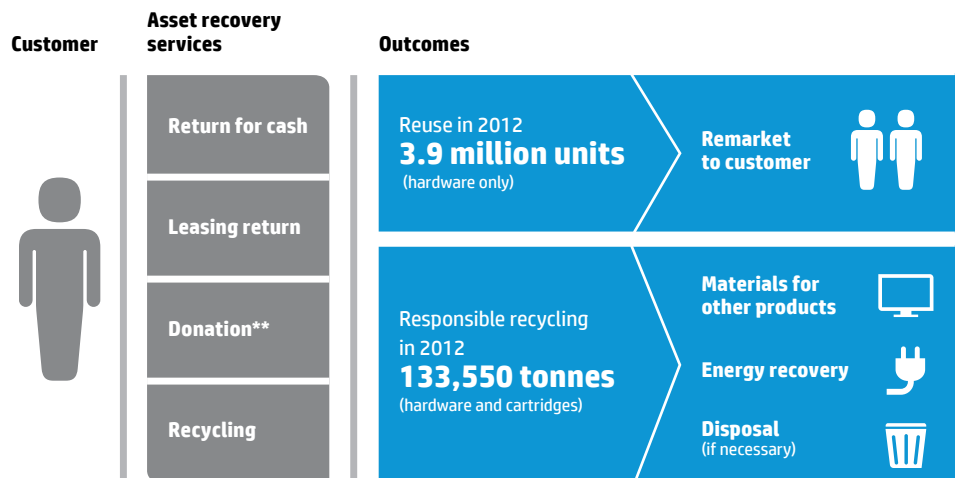
Product return and recycling

Addressing the end of life of our products is a priority for HP and central to our efforts to decrease environmental impacts across our value chain. We sell hardware products globally that have typical life spans of between three and ten years. Consequently, at the time of disposal, the age and condition of products vary greatly. Our challenge is to provide a broad choice of product take-back solutions with the widest geographical reach. Our take-back programs are currently available in 69 countries and territories.



After a customer returns his or her hardware product, our priority is to determine the best recovery solution for it. When equipment has resale value, we prefer to refurbish and resell it, the option with the lowest environmental impact. When reuse is not viable, we extract as much value as possible by breaking it down and recycling the constituent materials.

Product return and recycling options*



* Segments in this graphic are not drawn to scale.

** The relationship is directly between customer and charity.



Society

We apply our talent, technology, and partnerships to improve communities and address social challenges. We promote responsible practices in our supply chain, respect human rights, and strive for a workplace where all of our employees can flourish.

Supply chain responsibility

HP has worked with suppliers for more than 12 years to improve social and environmental responsibility (SER) standards throughout the information technology (IT) supply chain. In a constantly evolving supplier landscape, our supply chain SER program seeks innovative ways to approach SER issues and to increase the positive impact of our efforts. We use our scale, purchasing power, and knowledge to achieve our objectives. Our program addresses the full range of SER issues—combining rigorous auditing with collaborative capability-building initiatives and targeting both production and nonproduction suppliers.

We have made strong progress in several areas. Our audit results over time show a decrease in the number of nonconformances to our code of conduct between initial and full re-audits of supplier facilities. We have also led the IT industry in efforts to eliminate conflict minerals from our supply chain, while targeting high-risk issues such as student labor. We have enhanced our auditing program to cover a larger number of supplier sites more efficiently, and to include our first independent management system assessments. We have also expanded our program beyond production suppliers to also cover nonproduction suppliers. But we recognize that if we want to achieve a truly sustainable supply chain—one in which strong SER performance is self-perpetuating—we need to take more significant steps.

Program direction

HP's vision is for a sustainable supply chain, with empowered partners that own and prioritize the well-being of the people, communities, and environment around them. We have been working toward this vision for more than a decade, evidenced by the long history of our supply chain SER program.

In 2012, we introduced a series of fundamental changes to the way we manage supply chain SER. These are intended to deliver lasting value to our suppliers, customers, and the communities in which they operate. These changes include a focus on:

- Increased supplier ownership of SER and management system discipline
- Tackling new and persistent issues
- Addressing issues beyond our immediate suppliers
- Improving the link between suppliers' SER performance and our procurement processes

Transparency

HP has a long history of transparency in our supply chain SER program. In early 2013, we continued to advance in this area by:

- Becoming the first IT company to publish our supply chain water footprint.
- Becoming the first IT company to publish its supply chain smelter list and to have the smelter identification process be independently reviewed. HP is encouraging the responsible sourcing of minerals mined in the Democratic Republic of the Congo and used in HP products.
- Expanding the level of detail in our [supplier list](#) to include the locations and addresses of product assembly sites and the HP product types that are manufactured at each of these locations.

Social innovation

We focus the collective power of our people, portfolio, and partnerships where we can have the greatest impact. This includes education, health, and community. Solving complex social issues requires collaboration across a broad range of organizations. By combining the expertise of our approximately 331,800 employees worldwide¹ with that of our partners, we make technology work for people in ways that create a positive impact on the world.

HP LIFE e-learning

HP Learning Initiatives for Entrepreneurs (HP LIFE) supports enterprising individuals and young unemployed individuals worldwide who want to start or expand small businesses but lack expertise, IT skills, and resources. The program provides access to technology and training in IT and business skills. Since launching in 2007, HP LIFE has:

- Reached more than 2 million people with training, access to IT, and online activities
- Helped establish and expand over 25,000 businesses
- Helped create approximately 57,000 jobs

An evaluation study conducted with participants of the USAID-funded Educational Quality Improvement Program 3 (EQUIP3) found that HP LIFE helped improve participants' income and employability, as well as the efficiency of business operations.

In 2012, we re-launched HP LIFE as a free, cloud-based e-learning program to exponentially expand its reach worldwide. The expanded e-learning platform allows students, entrepreneurs, and small business owners to access business and IT coursework on their own time, at their own pace, wherever they are. In the first six months after the re-launch, there were approximately 30,000 registered users of HP LIFE e-learning in more than 200 countries.

Where in the world?

See how HP is making a positive difference around the world.

Visit our map at hp.com/social-innovation

¹ As of October 31, 2012.

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