

# Global citizenship strategy



As one of the world's largest technology companies—with operations in more than 170 countries—our technology and our people matter to the world. Global citizenship is rooted in values that have successfully guided our company for more than 70 years. Employees, customers, and other key stakeholders increasingly look to HP for leadership in responsible operations, innovative products and solutions, collaboration, and capability building.

HP embraces our role as a global citizen, and we recognize that what we do and how we do it matters. Global citizenship is pervasive throughout our business strategy. It is integrated into our policies and aligns with our core values. It spans everything from ethics, human rights, and environmental sustainability to privacy, responsible supply chain management, and social innovation. Nearly 350,000 employees<sup>1</sup> live our values, every day.

Today the world faces serious challenges—such as responsibly meeting the needs of a fast-growing population, addressing the effects of climate change, and advancing global health solutions. No single entity can meet these challenges alone. Governments, nongovernmental organizations, and companies all have an essential role to play.

To make a positive impact, we collaborate across institutions, industries, sectors, and borders. We apply our scale, talent, partnerships, and portfolio to help develop solutions to major environmental and social issues.

Through these efforts, we build strong, collaborative, and trusting relationships with diverse stakeholders. Their commitment and expertise help us to refine our global citizenship strategy to improve the lives and businesses of people around the world.

Global citizenship also makes us more competitive, spurs innovation, helps us attract and retain the best employees, and fuels growth. (See [Global citizenship and business value on page 8.](#))

**“The betterment of our society is not a job to be left to a few. It’s a responsibility to be shared by all.”**

—David Packard, Co-founder, HP

<sup>1</sup> As of October 31, 2011.

## Global citizenship priorities

HP believes that by operating profitably and responsibly, we make a positive impact on communities worldwide. We are well positioned to help address the world's major environmental and social challenges and accelerate change in several important areas. 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, promoting supply chain responsibility and improving suppliers' capabilities, being among the leaders in the industry to eliminate conflict minerals, advancing an accountability approach to ensure respect for privacy, and addressing global health and education issues through social innovation.

## Global citizenship reporting

We embrace transparency and accountability when communicating our progress in global citizenship. This is the 11th consecutive year that HP has reported on its global citizenship programs, performance, and goals. Over that period, we have broadened the scope of our Global Citizenship Report substantially, providing greater transparency into our operations, employee practices, product development process, supply chain management, social investments, and other aspects of our business. (See Overview on page 174 for more detail.)

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# Global citizenship and business value

Global citizenship is an important source of business value for HP. Our efforts enhance our reputation, strengthen our relationships with customers and other stakeholders, open up new market opportunities, and stimulate innovation and creativity.

Our investments in this area strengthen our business in numerous ways. Global citizenship-related business value drivers include the following:

**Access to capital** Investors increasingly consider global citizenship programs and performance in investment decisions (see [Investors on page 10](#)).

**Competitiveness** Leadership in global citizenship builds trust with customers, spurs innovation, and helps us identify opportunities for growth.

**Cost savings** Energy efficiency and other conservation efforts in our operations and those of our suppliers reduce costs and increase productivity. See HP operations on page 52 and Manufacturing on page 38.

**Customer insight** Global citizenship helps us understand and meet customer expectations in areas such as product environmental performance, privacy, and supply chain responsibility (see [Customers on page 9](#)).

**Employee engagement** By demonstrating a commitment to global citizenship and actively engaging employees in volunteering projects, we instill pride in HP as a company that matters, helping us attract and retain the most talented workforce. See HP people on page 120.

**External engagement** Engaging with stakeholders brings insight into emerging trends, risks, and opportunities. See Stakeholder engagement on page 12.

**Influence** Global citizenship gives us a powerful voice on issues that are vital to our industry, our customers, and the world.

**Innovation** We sharpen our competitive advantage by developing groundbreaking technology that improves the lives and businesses of people around the world, and helps to solve challenges in environmental sustainability, education, and health.

**Market access** Preparing for upcoming legislation, participating in public policy discussions, preserving our record of legal compliance, and innovating and collaborating to meet societal needs help us maintain access to markets.

**Reputation management** Leadership in global citizenship enhances our reputation with customers, governments, nongovernmental organizations, investors, and others (see sidebar on [page 10](#)).

**Risk assessment and reduction** Focusing on global citizenship helps us reduce risks to our operations and those of our suppliers and other business partners.

## Customers

Consumers, enterprises, and government agencies consider companies' environmental and social performance when choosing goods and services. We work hard to understand and meet customers' expectations about HP's programs and progress across a broad range of global citizenship issues. We also provide products and services to help them improve their own performance (see Products and solutions on page 29 and Tech gallery: environment on page 67 for more information).

### Consumers

HP highlights product features that help consumers reduce their environmental impact and save money. Many HP products qualify for [eco-labels](#) including ENERGY STAR®, EPEAT®, China's Energy Conservation Program, Germany's Blue Angel, and Japan's Green Mark.

We also engage consumers through the [HP Live Green](#) Facebook page. This provides information about our wide offering of sustainability-related products and solutions, programs, and tools. Visitors can post comments, ask questions, and provide feedback. In 2011, we launched an [HP.com EcoSolutions Store](#) that allows customers to find and buy these products quickly and easily.

## Enterprise customers

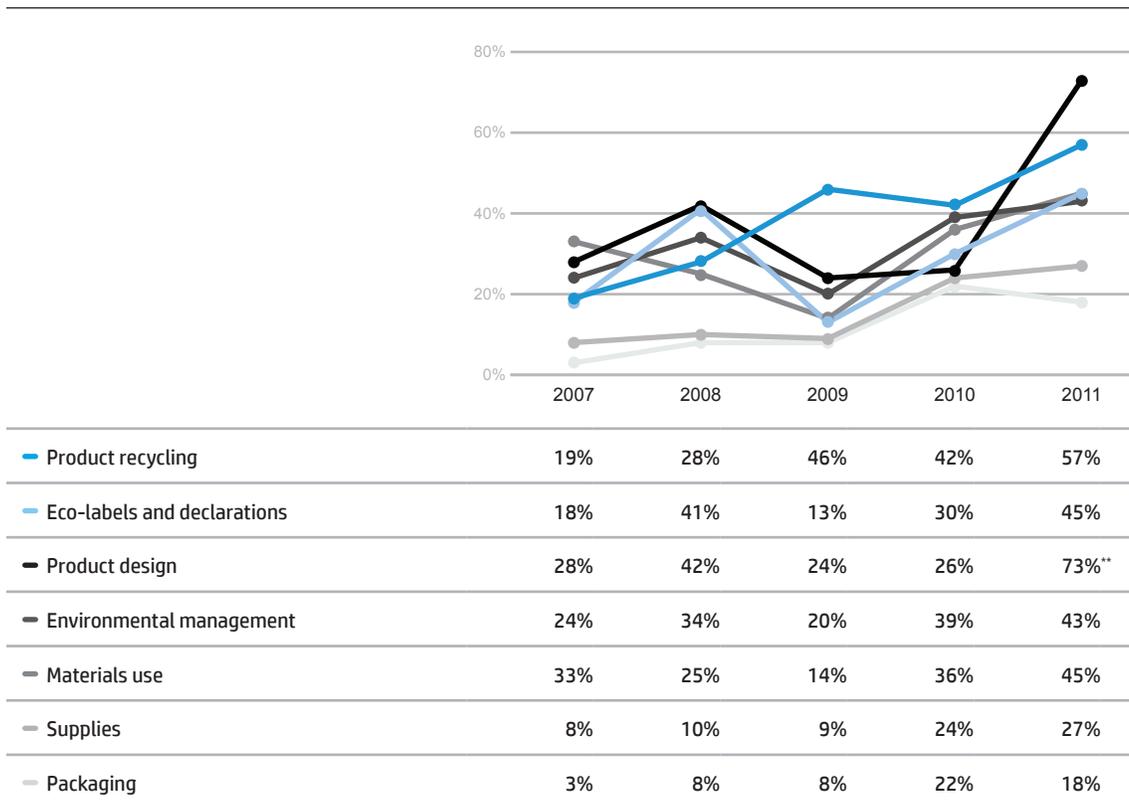
HP offers tools and resources to help enterprise customers understand and reduce the environmental impact of their information technology (IT) infrastructure. For example, the "[HP Sustainable IT Purchasing Guidance](#)" white paper is a vendor-neutral guide to help enterprise customers develop environmental procurement criteria for IT products and services. It outlines criteria, including eco-labels, product attributes, packaging, end-of-use services, and supply chain responsibility, and includes a sample questionnaire for evaluating IT vendors.

An increasing number of enterprise customers include global citizenship criteria in their procurement policies, and request information related to areas such as the environment, ethics, anti-corruption, and supply chain responsibility. For example, many requests for proposals (RFPs) that HP receives contain environment-related questions (see table below).

### Government agencies

Government policies and programs related to social and environmental priorities affect our ability to access and compete in several markets. Public sector buyers worldwide consider criteria in procurement related to the environment, privacy, supply chain

**Customer environmental requirements in requests for proposals, 2007–2011\*** [percentage]



\* 2011 data set has broadened to include reported data for RFPs with environmental questions for all regions (previous data only included HP's Europe, Middle East, and Africa region). Does not include RFPs for which environmental questions were addressed directly by customers or our sales force. Data is for the calendar year. Inquiries may have multiple subjects, so categories total more than 100%.

\*\* The product design category includes topics such as energy efficiency, chemical emissions, and design for recyclability.

practices, and other factors. [Eco-labels](#) are often a requirement for doing business with the public sector, and supplier diversity is critical to fulfilling contracts with federal and many state agencies in the United States, and increasingly in Australia and China.

Governments are increasingly looking to public-private partnerships as a way to address critical global challenges. HP considers these partnerships an important aspect of our [global citizenship strategy](#). For example, we are working with the Dutch Sustainable Trade Initiative to improve the social and environmental responsibility performance of our suppliers in the Pearl River Delta region of China.

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## Investors

Socially responsible investors evaluate environmental, social, and governance factors as well as company financial performance when making investment decisions. HP is among the top 50 companies most widely held by socially responsible investor (SRI) funds, and more than 100 SRI funds hold HP shares.<sup>1</sup>

We believe that providing information about our global citizenship performance enables socially responsible investors to make better decisions regarding their investments in HP.

Analysts from SRI firms and other investment-focused organizations regularly report on HP's performance (see above).

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## Global citizenship, reputation, and business outcomes

HP conducts research to understand factors that impact our reputation and the effect those have on a range of business outcomes. In 2011, we surveyed corporate IT decision makers, consumers, financial and policy leaders, university researchers, and employees about their perceptions of HP.

Organization	2011 ranking or rating
Carbon Disclosure Project	In 2011, HP scored 84 out of 100 for disclosure and placed in the "B" performance band. HP was included on the <a href="#">S&amp;P 500 Carbon Disclosure Leadership Index</a> .
Dow Jones Sustainability Index (DJSI)	HP is one of six companies listed as a leader in the DJSI North America index in the Computer Hardware and Electronic Office Equipment sector.
FTSE4Good	HP is included in all four FTSE4Good indices for the ninth consecutive year.

Several factors contribute to HP's overall reputation. Of these, the ones that are related to global citizenship collectively accounted for about 40% of HP's reputation. These factors include environmental responsibility, product recycling, governance, data security, supplier responsibility, employment practices, and community engagement.

In addition to identifying the impact on perception, our research has also revealed a link between these global citizenship factors and important business outcomes, such as customers' purchase decisions, policy leaders' decisions that impact HP, and our employee recruitment and retention. In other words, these factors function similarly to other well-known business outcome drivers such as quality and innovation.

The research results underscore the importance of global citizenship to HP's business, and the benefits we gain by managing global citizenship rigorously and communicating our progress effectively.

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# Global citizenship governance

Strong global citizenship performance begins at the top and depends on leadership, participation, and support throughout an organization, especially for a company as diverse and complex as HP.

<sup>1</sup> Ipreo.

## Global citizenship governance



### HP Board of Directors’ Nominating and Governance Committee

The Board of Directors’ [Nominating and Governance Committee](#) assists the board in fulfilling its responsibilities related to public policy, government relations, and global citizenship. The committee identifies, evaluates, and monitors social, political, and environmental trends and concerns as well as domestic and foreign legislative proposals and regulatory developments that could significantly affect HP’s business. The committee may also report and make recommendations to the board relating to activities, policies, and programs with respect to matters of local, national, and international public policy affecting HP’s business. These may include:

- Trade policy and major legislative and regulatory developments
- Relations with regulators, governmental agencies, public interest groups, and other stakeholders
- HP’s policies with respect to global citizenship
- General guidelines for political contributions

### HP Global Citizenship Council

HP’s Executive Council retains overall responsibility for global citizenship as part of our business strategy. Our Global Citizenship Council helps to ensure commitment and alignment to HP’s global citizenship objectives companywide. The council comprises executives and subject matter experts from across HP, and seeks input from across our business groups and functions, as well as from external stakeholders. It meets at least quarterly to strategically promote and advance global citizenship through integrated risk and opportunity assessment, governance, and policy oversight.

### Topic-specific councils

HP also maintains separate councils dedicated to areas such as the environment, supply chain, ethics, and privacy and information management (see graphic above). These councils include leaders with relevant expertise from our business units, regions, and functions. Each council meets periodically to evaluate our progress in implementing our strategies, and to establish performance goals.

### Global Citizenship Council

The Global Citizenship Council is sponsored by a member of the HP Executive Council who reviews progress quarterly. Co-chairs include the company’s vice president of Sustainability and Social Innovation, and the vice president and chief ethics and compliance officer. Other executives and subject matter experts represent the following areas:

- Communications
- Enterprise Risk Management
- Environmental Sustainability
- Ethics and Compliance
- Global Labor Relations
- Global Security Services
- Global Social Innovation
- Government Relations
- Human Rights
- Investor Relations
- Privacy and Information Management
- Social and Environmental Sustainability and Compliance