

Thinking globally and acting locally: HP community investment and involvement in Latin America



For HP, global citizenship is a long-standing corporate objective. We take responsibility for making a positive impact on the communities where we do business.

Our founders began a tradition of investing back into the community the first year they made a profit, with a US\$5 donation to a local charitable organization. The tradition is still going strong. Over the past 20 years, HP has donated more than US\$1 billion in cash and HP products to schools, universities, community nonprofits and nongovernmental organizations (NGOs).

We make investments to foster learning, develop business opportunities and improve quality of life in communities around the world. HP sets an example by contributing products, services and skills – as well as cash – to help increase access to information technology globally. Beyond increasing access, HP programs help people use technology to inspire creativity, find valuable information and open doorways into global web communities.

In addition to enhancing the lives of people locally, we play an active role in the global community. We engage with legislators to develop public policy and with NGOs and other stakeholders to shape our approach to social and environmental issues.

In all these activities, we keep in mind what Dave Packard said in a 1966 speech: “There is little conflict between a corporation’s social responsibility and its economic responsibility to its stakeholders.”

Community investment

Our community investment priorities are based on social needs as well as business objectives. HP invests in communities to empower people with training and technology resources that enrich lives and encourage educational achievement and entrepreneurial success. In addition, we support research and innovation to advance climate change science and reduce the impact of information technology on the environment. Our investments help inspire creativity and connect people around the world.

Educational achievement

Education fuels economic growth around the globe, yet educational investment falls short in most regions of the world. In particular, many schools and universities lack the technology resources students need to be successful. HP helps fill these investment gaps with grants to schools, colleges and universities to transform teaching and learning through innovative technology integration.

In 2007, HP awarded 31 Technology for Teaching grants in Latin America valued at approximately US\$1 million in total. The grants support innovative education projects that integrate technology into classroom instruction for primary and secondary schools, colleges and universities, enhancing students' learning experience and achievement and helping create a skilled and diverse workforce.

In Argentina, La Puerta del Sol, a school serving more than 200 disabled and special-needs students from low-income families, received a grant valued at approximately US\$15,000. The grant included PCs, printers and a digital camera. HP Peru delivered laptops and printers to the Peruvian Ann Sullivan Center (CASP), an educational center in Lima dedicated to teacher training and skills development.

Entrepreneurial success

In communities affected by high unemployment and economic decline, HP promotes business development through technology integration, fostering conditions and developing skills to help entrepreneurs succeed. HP is particularly focused on supporting the growth of microenterprises, very small businesses with few employees and limited seed capital.

The HP Microenterprise Development Program (MDP) is designed to promote an entrepreneurial culture and develop skills in underserved communities and among underprivileged populations throughout the region. In 2007, the program awarded grants totaling US\$5.4 million worldwide. By advancing the use of IT by nonprofit organizations that provide microenterprise development services, HP seeks to make nonprofits more effective and improve the sustainability of microenterprises among the disadvantaged and underrepresented groups they serve.

In 2007, HP's Microenterprise Development Program in Latin America offered three types of grant packages focused on office productivity, services mobility and business skills training. HP's investments help integrate the use of IT into nonprofits that serve small businesses, so they can reach more microenterprises, create new and innovative approaches to their services, and provide enhanced training, including the use of IT by microenterprise owners. HP awarded 24 grant packages valued at a total of approximately US\$480,000 to 14 organizations in Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela.

HP granted HP servers, PCs and notebooks worth US\$50,000 to Argentina's Business and Management School of Universidad Austral, dedicated to training Latin American executives and ranked among the world's top 25 business schools.

Environmental awareness

Through collaboration with NGOs, governments and other corporations, HP encourages environmental responsibility, addresses climate change and promotes energy conservation and recycling. We're putting our technology to good use by educating others and inspiring them to adopt environmentally responsible habits and take part in conservation efforts around the world. In addition, HP technologies are helping support the study of climate change.

HP is collaborating with the World Wildlife Fund (WWF) to advance climate change science and help raise global awareness. In 2007, HP invested more than US\$2 million in equipment and cash to support research, information gathering and collaboration among conservation scientists worldwide.

In Latin America, WWF is using HP technology and cash to model and assess how climate changes affect the rise in sea levels and the loss of critical habitats in the Caribbean and the coast from Mexico's Yucatan to the mouth of Colombia's Orinoco Basin Bay. In the Northern Andes mountain region of Colombia and Peru, WWF is developing and implementing adaptation strategies for forest and wetland ecosystems. In Brazil, an online forum called Climate Witness allows Brazilians to share their experiences with climate change. In particular, the forum will gather information related to drought caused by climate change in the Brazilian Amazon and the linkages between climate change and deforestation in the tropics.

In Mexico, HP is supporting WWF's initiative to improve forest conservation and management in three priority areas of Oaxaca: Sierra Norte de Oaxaca, Sierra Costera and Selva Zoque. An HP equipment grant of more than US\$35,000 supports forest restoration and monitoring, land-use-change remote-sensing analysis, environmental education, communication and the execution of national forest programs and policies.

Active employees

HP strives to provide programs and opportunities that encourage and motivate our employees to contribute to our social and environmental programs. Employees volunteer thousands of hours annually to global citizenship programs in their communities worldwide.

In Brazil, the HP Social Mentoring Program matches students with HP employee volunteers to help the young people improve skills, set career goals and map out a path for achieving their goals. Since the program began in 2004, more than 100 youngsters have participated, and every year approximately 50 percent of the students have found employment.

In Mexico, hundreds of elementary-school-age students in underserved communities learned basic concepts of business and economics, thanks to the more than 60 HP employees who volunteered with IMPULSA, a subsidiary of Junior Achievement.

Community involvement

We believe that the product and cash grants we make fulfill only part of our responsibility to be an economic, intellectual and social asset to communities worldwide. It's also vital to be involved in the communities where we operate. We actively engage in key public conversations and volunteer our time to promote our values.

Public policy development

HP has a long-standing tradition of civic engagement. We take part in the global public policy conversation, helping advance both our core values and our business objectives. Lawmakers at all levels of government make public policy decisions that impact our ability to innovate and compete. That's why we meet regularly with government officials, regulators, community leaders and stakeholders to discuss emerging issues and their potential impact. We also participate in approximately 130 industry associations relevant to major product and geographic markets, allowing us to communicate with government officials more efficiently.

By maintaining these important contacts, we can make our voice heard on the issues that matter to us. In particular, we focus our public policy work on encouraging innovation and competitiveness, increasing access to markets and fostering environmental responsibility.

Across Latin America, HP supports laws that foster the development of IT infrastructure and e-government, including favorable research and development, IT manufacturing and export tax environments in various countries. In Mexico, HP is working toward a comprehensive innovation, science and technology law that will foster private sector innovation. In Brazil, HP supports labor-tax and cost-reduction regulations within the IT Services Export Platform. HP also promotes tax incentives for responsible and proactive e-waste management across the region.

Stakeholder engagement

As a global business, HP interacts with a wide range of communities and stakeholders that affect, and are affected by, our products and operations. Together, we address issues of concern with a shared interest and common goal: to have a positive effect on the world.

We work directly with various stakeholder groups to understand their needs and to recognize trends and opportunities. By staying in touch with those who have a stake in our company, we strengthen our business and our brand.

We connect with a wide range of stakeholders, including customers, employees, investors and suppliers, as well as community groups, industry analysts, media, NGOs and regulators. Our interactions with these groups vary according to the stakeholders' interests and expertise. Customer loyalty surveys let us know what is on customers' minds – from product performance to environmental concerns. HP's Open Door policy encourages employees to make their voices heard through several internal channels. Employees help shape our citizenship programs by contributing to newsletters and participating in discussions and training programs on the environment, privacy and ethical business practices.

Stockholder meetings and briefings keep us informed of investors' concerns in the area of global citizenship. We also reach out to socially responsible investment specialists interested in our progress on key citizenship issues. We meet regularly with government officials and regulators to discuss emerging issues and their potential impacts. And we provide tours, interviews and briefings to the media as appropriate to keep them informed of our global citizenship endeavors. Suppliers are engaged in our Focused Improvement Supplier Initiative to continually improve social and environmental capabilities in our supply chain.

In 2006, we created a Stakeholder Advisory Council to provide strategic advice on our social and environmental programs, policies and practices. The council is made up of NGO representatives and senior HP managers. Recommendations from the council helped HP shape its program to study and raise awareness of climate change. The council also has helped sharpen our focus on ensuring good working conditions in the HP supply chain.

HP works with Mexico's Centre for Reflection and Action on Labor Issues (CEREAL) to ensure that our contract manufacturers, original design manufacturers and suppliers comply with HP's Supplier Code of Conduct and the Electronic Industry Code of Conduct (EICC). In a report released by CEREAL, the institution commented, "In comparison to other companies, HP has one of the most advanced philosophies and one of the best practices concerning corporate social responsibility."

Caring for the community is good business

As HP has grown to become the world's largest IT company, our commitment to community investment and involvement has remained integral to our business strategy. We respect the local needs and interests of communities, make contributions that enhance their welfare and prosperity and engage in dialogue and collaboration with their diverse constituents.

Learn more

You can learn more about our community investment programs by visiting the HP Global Philanthropy page at <http://grants.hp.com>.

To learn more about HP's public policy programs, please visit www.hp.com/hpinfo/abouthp/government/ww/policy.html.

For information on HP's stakeholder engagement programs, please visit www.hp.com/hpinfo/globalcitizenship/stakeholder.html.