HP SUPPLIER ENVIRONMENTAL PERFORMANCE REVIEW QUESTIONNAIRE

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I. INTRODUCTION

As supply chain management becomes more complex in today's procurement processes, supplier environmental management has become important to assure environmental compliance, to build awareness for continuous cost and environmental improvement opportunities, to minimize business risks and liabilities, and to support long term growth. Furthermore, proliferation of customer queries on environmental performance has become a burden to suppliers. Common tools enhance supplier relationships.

II. PURPOSE OF QUESTIONNAIRE

To provide a common tool to gather supplier environmental practice information, and to optimize the transfer of environmental performance information between purchasers and suppliers.

III. SCOPE OF QUESTIONNAIRE

- Addresses environmental performance at supplier company, not products or health and safety issues
- Constructed in modules:
  Part I: Compliance assurance and continuous improvement questions
  Part II: Risk assessment questions
- Business and procurement focus
- Internationally viable, not limited to the United States

IV. GENERAL REQUIREMENTS

It is expected that suppliers will:

- Have a written environmental policy with a commitment to continuous improvement and performance objectives with implementation plans and measures.
- Have a system in place to track environmental laws and regulations, and their compliance with those that are applicable to their facilities.

V. USAGE GUIDELINES

The questionnaire is recommended to be used in conjunction with supplier reviews.
Part I is to be used for all suppliers. Part II is for suppliers who are:

- Critical (e.g., sole source, highest revenue components/parts)
- High volume
- Whose processes have major environmental aspects

VI. SUPPLIER ENVIRONMENTAL PERFORMANCE REVIEW QUESTIONNAIRE

PART I*: *Continuous Improvement & Compliance Assurance

If your company is ISO14001 certified, please provide a copy of the relevant certificates, skip Questions 1-6, and go to Question #7 directly.

1. Does the company/facility have a written environmental policy statement?
   If "yes", please attach a copy.
   Does the policy statement include a commitment to continuous improvement of environmental performance?

2. Does the facility have written environmental performance objectives/targets and implementation plans to reduce cost or risk? Please describe three significant environmental performance objectives/targets, performance plans and measures for the next twelve months.

   (Examples of cost-reducing or risk-reducing environmental performance improvements may include: waste minimization, pollution prevention, source reduction including recycling and reuse targets, energy use, water consumption, packaging programs incorporating targets for reduction, reuse and recycled content, and enhanced training. These examples are not meant to exclude other types of programs, which you may be implementing.)

3. Is a management representative assigned responsibility for facilitating compliance with environmental regulations? If "yes", please give name and title.

4. Does the facility have a system to track environmental laws and regulations that apply to the operations of the facility? If "yes", is there a system for communicating this information and training to the appropriate personnel?

5. Are periodic environmental regulatory compliance audits of the facility's operations conducted?

6. Does the company have documented processes to implement corrective action plans for non-conformance to environmental laws and regulations?

7. Does the company have a documented supplier environmental program that addresses conformance of its suppliers to legal requirements?

Notes: The elimination of ozone-depleting substances, and the supplier's obligation to comply with applicable legal requirements are addressed by contracts, and General Specification of Environment.

VI. SUPPLIER ENVIRONMENTAL PERFORMANCE REVIEW QUESTIONNAIRE (continued)

PART II: Risk Assessment

1. Environmental Permits, Chemical Registration & Compliance Status

1.1 Is the facility required to have any types of environmental permits or registrations? Please check those that apply:

Industrial wastewater discharge
Hazardous waste storage
Hazardous waste treatment
Hazardous materials use/storage
Air emissions
Storage tanks
Radioactive materials
Other (please list)

1.2 Does the facility monitor its operations, emissions, or discharges to check compliance with permit requirements? Do regulatory agencies regularly monitor and/or inspect the facility? Is the facility in compliance?

1.3 Has the company obtained all necessary chemical registrations and submitted all necessary notifications for substances imported, exported, or used at the facility?

(Examples include, but not limited to, United States Toxic Substances Control Act (TSCA), European Inventory of Existing Commercial Substances/European List of Notified Commercial Substances (EINECS/ELINCS), and Canadian Domestic Substances Lists.)

2. Hazardous Wastes Management

2.1 Does the facility generate hazardous waste? If "no", go to Question 3.

2.2 Are hazardous wastes that are stored, treated, or disposed of on-site managed in properly designed facilities that will prevent future environmental impacts?

2.3 Are off-site transporters and treatment, storage or disposal facilities properly licensed?

VI. SUPPLIER ENVIRONMENTAL PERFORMANCE REVIEW QUESTIONNAIRE (continued)

PART II: Risk Assessment (continued)

3. Industrial Wastewater and Air Emissions Management
   3.1 Does the facility treat its industrial wastewater prior to discharge? Please describe.

   3.2 Is the facility required to control its industrial emissions? If "yes", does the facility have air emission control equipment installed? Please describe.

4. Environmental Release Potential
   4.1 Does the facility use chemicals that, if released accidentally, could create a business interruption?

   (Examples include, but not limited to, high volume chemicals, either pressurized gases or liquids that are flammable, highly toxic or radioactive)

   4.2 Does the facility have written emergency response plans in case of a release to the environment?

   (Examples include, but not limited to, training, drills, chemical hazard communication, hazard identification, audits of high-risk areas, mutual aid relations, emergency response and disaster recovery equipment.)

5. Company Environmental Standards
   5.1 Does the company have minimum company environmental standards that apply to the facility's operations regardless of the country in which the facility is located? If "yes", please describe.

6. Business Interruption Potential
   6.1 Is the company/facility aware of any chemicals used in the facility's manufacturing processes whose availability is currently restricted or scheduled to be restricted in the future due to environmental requirements (e.g., CFCs)? Please list chemicals that apply. If yes, does the company/facility have written plans to eliminate these chemicals, or otherwise accommodate their reduced availability?

VII. GUIDANCE DOCUMENT

PART I: Continuous Improvement & Compliance Assurance

An environmental management system should measure, improve and communicate the environmental aspects of the facility's operations in a systematic way. An effective environmental management system should have elements that can be integrated with other management requirements to assist the supplier in achieving both environmental and economic goals.

Q1. A written environmental policy statement outlines the commitment, purpose, objectives and mission of a facility's/company's environmental practices. The environmental policy statement provides direction and focus of the facility's/company's environmental improvements and progress. Reviewing the policy statement may give indications of priorities and of the strength of the commitment.

Q2. Written performance objectives/targets and implementation plans provide and communicate direction, resources, commitment, and schedules to complete identified tasks. Reviewing the plans ensures that the policy is being adequately and effectively implemented. Objectives should be measurable and pertinent to the operation or activity.

Q3. Identifying a management representative provides focus, priority and direction for environmental programs within a facility/company.

Q4. Regulatory compliance and environmental management system audits are an important aspect of an effective environmental management system. A system to track environmental laws and regulations provides greater assurances that a facility will stay in compliance. Communication and training of the environmental laws and regulations is important to stay in compliance.

Q5. Periodic compliance audits are a method to assure and to improve a facility's/company's compliance to environmental regulations. The scope of the audit should take into consideration the size, type of activities, and the risks of the facility/company and should be conducted by persons who are technically qualified.

Q6. Documented processes to implement corrective action plans for non-conformance is an essential part of compliance assurance.

Q7. Documented supplier environmental performance management program that ensures legal compliance is an essential part of environmental regulatory compliance in the outsourcing situation. Management of Tier 2 suppliers is the responsibility of Tier 1 suppliers.

VII. GUIDANCE DOCUMENT (continued)

PART II: Risk Assessment

Q1. A supplier's knowledge of applicable environmental permits and registrations provide assurance that a facility can meet specific compliance requirements. Facilities that do not obtain registrations or permits for the use, importation or exportation of chemicals or chemical wastes could be subject to temporary or permanent shutdowns and legal action.

Q2. The management of hazardous waste presents risks and liabilities for facilities. Managing hazardous waste with care can reduce operational and legal exposure, and could impact a supplier's ability to deliver products in a timely manner.

Q3. Industrial wastewater is generated in a manufacturing process and discharged to a municipal treatment plant, surface water, or to land. Facilities/companies should identify environmentally harmful wastewater discharge, and provide necessary controls and/or treatment to comply with applicable regulations.
Industrial air emissions are any emissions that are regulated by the government, or which damage public health or the environment if concentrations are not controlled.

Q4. Facilities that use high volume dangerous chemicals can experience releases that create business interruptions. Identification these chemicals and quantities helps in determining the relative risk of business interruption. Facilities/companies with emergency response plan are more likely to recover more quickly after an accident.

Q5. Company environmental standards establish the minimum operation standards that apply to any of their facility's operation regardless of country location. The documented company environmental standards establish ground rules in managing multi-country, multi-factory organizations.

Q6. Company's/facility's awareness of current and future restricted chemicals used in their manufacturing process is crucial to avoid potential business interruption due to environmental requirements. Identification of these chemicals and documented plans to eliminate these chemicals can minimize unwanted business interruption.