

FY07 Global Citizenship Customer Report

LIFE CYCLE



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OUR LIFE CYCLE APPROACH

For HP to be a responsible global citizen, we believe our products and services should solve problems, not create them. That's why we look for opportunities across a product's entire life cycle—from the materials it uses, to how it is manufactured, packaged and shipped, to the energy it consumes and how it is disposed—to minimize its impact on the planet. This approach spans our three global citizenship priorities and guides our work as we strive to be a leader in our industry and beyond.



HP's employees delivered an impressive performance in 2007, and it showed in our results. We surpassed \$100 billion in revenue—a first for a technology company. And we delivered advanced products and services that helped make our customers—from consumers to the largest global companies—more cost efficient, more energy efficient and more productive.

As much progress as we've made, we still have work to do. We want to be the world leader—not only in our market and financial performance but in our global citizenship activities as well. We do business across most countries and markets in the world, and we know that our policies and practices—from our ethics and governance to energy and the environment—have an impact far outside the confines of our business. Global citizenship is not just an important business initiative; it is a statement of our values, a measure of our commitment to society and the planet we all share, and the foundation for responsible leadership in an increasingly interdependent world. To that end, HP continues to support the UN Global Compact, the world's largest global corporate citizenship initiative.

Our global citizenship priorities—supply chain responsibility, climate and energy, and product reuse and recycling—are more critical than ever to

our success. These areas reflect growing customer demands and opportunities where we can make the greatest contribution.

We continue to address other areas vital to our business. With the growing challenge to privacy from emerging technologies, HP is pioneering an approach to the protection and responsible use of personal information. We're also investing in programs that enrich the communities where we work and live around the world. In 2008, we will further align our investments with education, focusing on student achievement and entrepreneurship.

HP is in a rare position to help address some of the planet's most critical challenges—not alone but in partnership with governments, organizations, companies and individuals. I am confident we will meet these challenges the way we have met others—with focus, resolve and ingenuity—to become the global corporate citizen that we aspire to be.

Mark Hurd
Chairman, CEO and President



Every day, the news media is filled with stories of global environmental change. What we do today will affect our children, and their children and grandchildren. HP Canada has long been committed to supporting environmental sustainability and education, and this year we recognized that one of the most powerful ways we could make a difference was to bring them both together. We decided to focus many of our philanthropic efforts in the area of environmental education—aimed at all Canadians, young and old, within the business community and beyond.

It has been said that education is the most powerful way to improve quality of life. We certainly believe that principle, and we follow it in our corporate responsibility initiatives. Education opens doors to helping people to understand the issues surrounding our environment, and can guide them toward making more responsible decisions that will have a positive,

long-lasting impact on the world. Education is empowering, and we are committed to supporting educational endeavors that make environmental information accessible to people from all walks of life.

As you read through the pages of this report, I hope you will be inspired by the efforts HP is making to give back to the communities in which we live and work, and to make a difference to the world around us—for today, and for generations to come.

Paul Tsaparis
President
Hewlett-Packard (Canada) Co.

GLOBAL CITIZENSHIP AT HP

We believe leadership begins with holding ourselves to a higher standard. That means more than offering great products and services. It includes conducting ourselves with the highest integrity and building relationships based on transparency and trust, limiting our impact on the planet while helping others reduce their environmental footprint, enriching lives and fostering communities, and promoting the development and well-being of our employees. Taken together, striving to live up to a higher standard represents our companywide commitment to global citizenship.

But it also represents a tremendous opportunity for innovation and growth. For example, rising energy costs, soaring demand for computing and the growing urgency of climate change are broadening the focus of information technology (IT) beyond issues such as processing power and storage capacity. As natural resources become scarcer and more costly and concerns over the environment grow, we intend to be a leader in providing IT solutions in a carbon-constrained world.

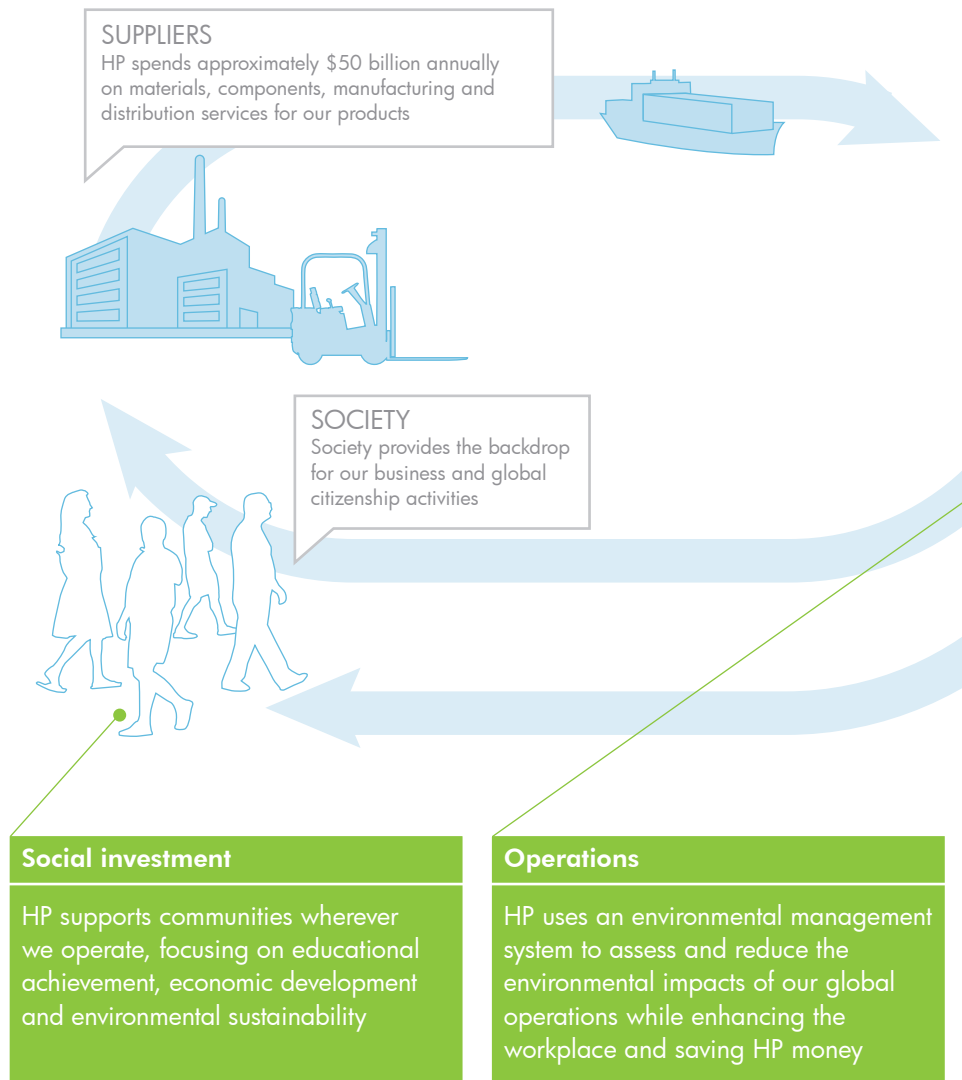
True to that vision, global citizenship remains one of HP's seven core objectives, and it is integrated into the daily work of our businesses, regions and employees. Three overarching priorities guide our efforts: supply chain responsibility, climate and energy, and product reuse and recycling. These priorities drive us to innovate products, services and solutions to meet the diverse—and rapidly evolving—needs and expectations of our customers.

Our global citizenship work extends to other areas as well, including accessibility, employee diversity, health, safety and wellness, privacy, the environmental impacts of our operations and our investment in communities. The breadth of our activities—and our legacy of contributions—demonstrates our commitment to fulfilling our responsibilities as a global citizen and meeting our goal to be the leading IT company in the world.

PRIORITY

Supply chain

HP is providing leadership to the electronics industry's efforts to raise labor and environmental standards in our supply chain through collaboration, supplier audits and capability building



Ethics and compliance are foundational to all parts of HP's business. We continue

PRIORITY

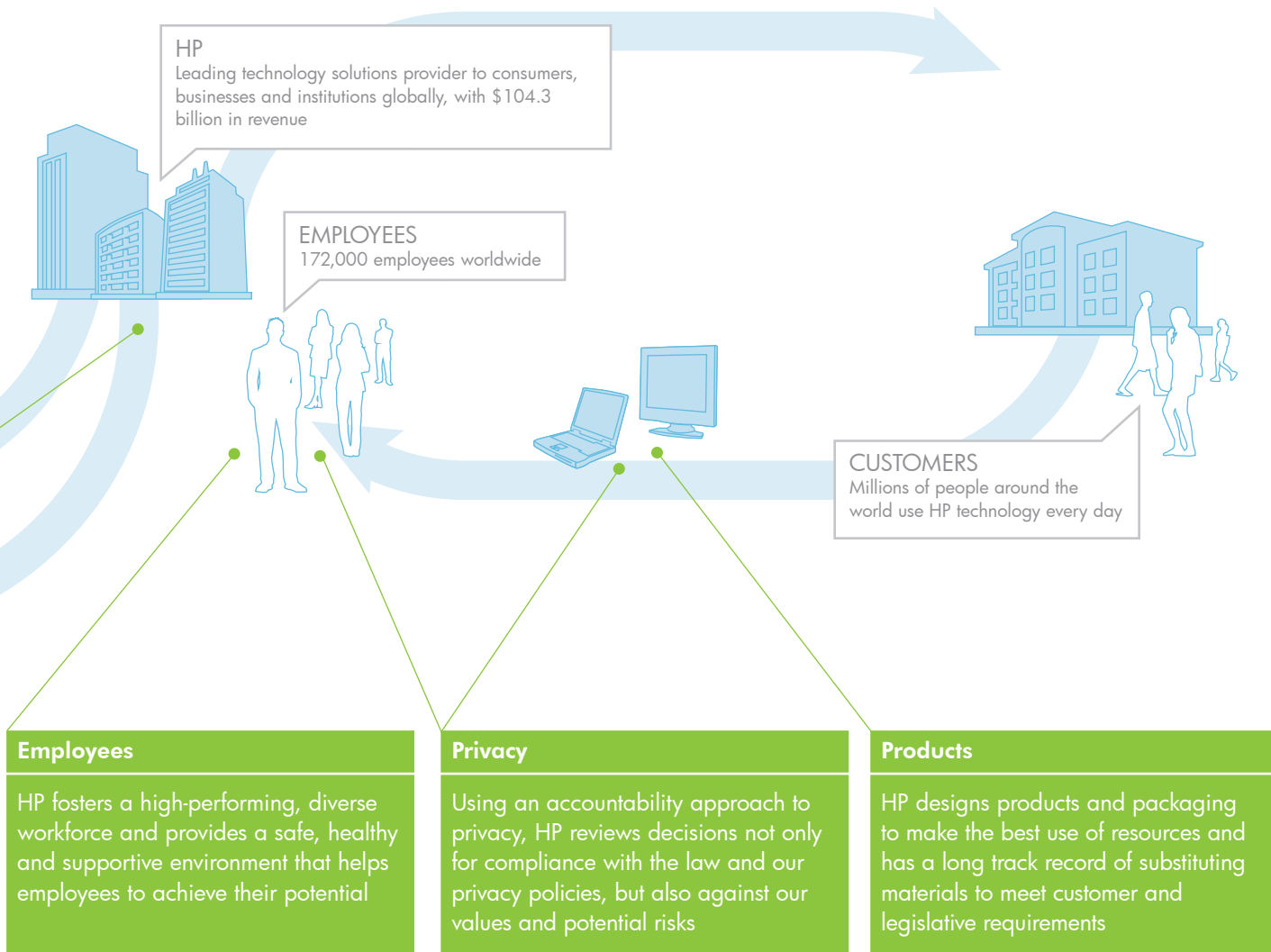
Climate and energy

HP minimizes the impact of our operations and supply chain on climate change while innovating to develop products and solutions for an energy- and carbon-constrained world

PRIORITY

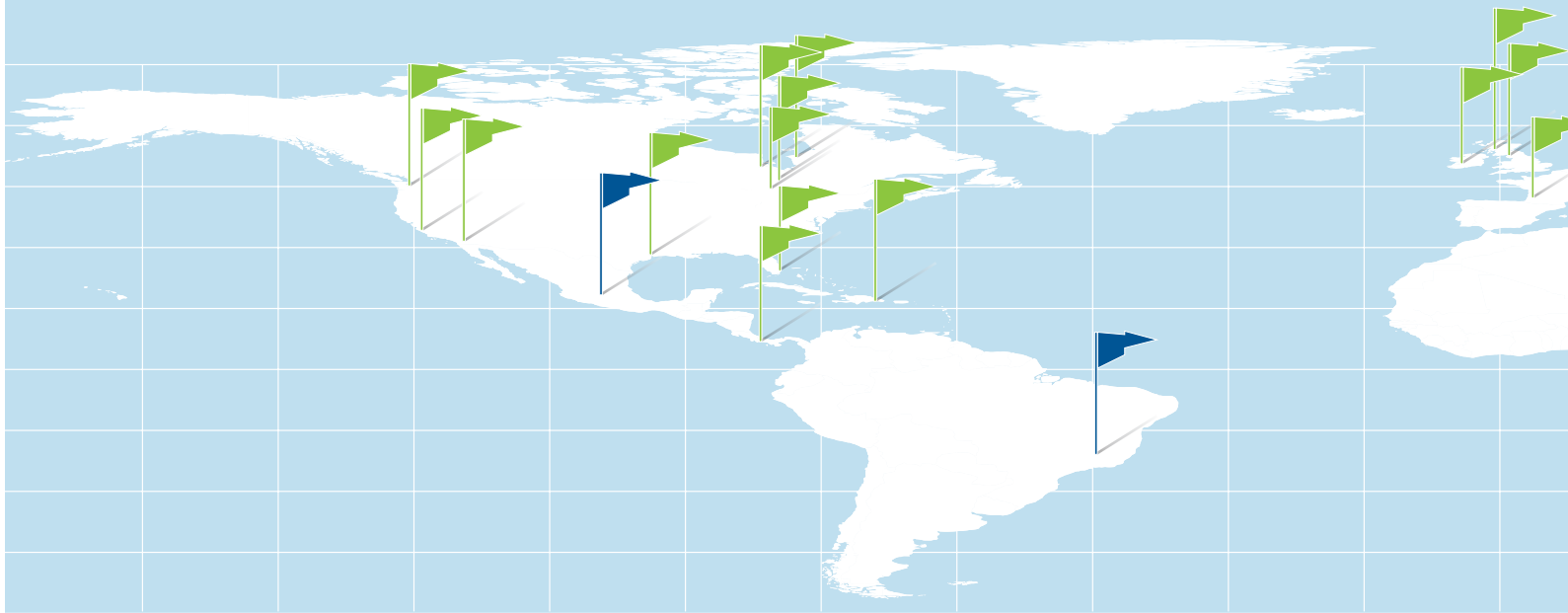
Product reuse and recycling

HP provides customers efficient reuse and recycling options, and we collaborate with other leading organizations to develop common standards and solutions



to expand our governance, ethics and compliance efforts to demonstrate our commitment to uncompromising integrity.

PROMOTING IMPROVEMENTS IN OUR SUPPLY CHAIN



In today's global economy, the social and environmental performance of our suppliers can impact HP, our customers and the planet. We see this as both a responsibility and an opportunity. We expect our suppliers to live up to the high standards we hold ourselves to, and we provide training and support to help them succeed.

As the world's largest IT company, HP has the industry's largest supply chain, enabling us to be an influential force for positive change. By working closely with our suppliers and measuring their performance, we are upholding our core values and meeting customers' expectations. We also benefit by protecting our reputation, keeping our supply lines open, identifying efficiencies and lessening our environmental impact.

This year we disclosed our list of suppliers, making HP, we believe, the first in our industry to do so. Greater transparency will drive further improvements throughout our supply chain while demonstrating to our customers that by choosing HP, they are choosing a company committed to upholding its social and environmental responsibilities.

2008 supply chain goals

Our supply chain goals for the coming year include providing best-in-class training programs, particularly those aimed at our second-tier suppliers; more fully integrating social and environmental responsibility criteria into supplier sourcing decisions; and reporting energy use and associated GHG emissions from our first-tier suppliers.

“Marks & Spencer is committed to operating responsibly, implementing Plan A—our 100-point, five-year plan to tackle our sustainability challenges. We have rigorous procurement policies and processes. For example, we want to know how suppliers monitor factories against their code of conduct and we want to see annual status reports by each factory. When we approached HP we found that its supply chain social and environmental responsibility program was closely aligned with our requirements. Overall, we are impressed with HP’s commitment to ethical sourcing and its commitment to find mutually beneficial solutions to complex environmental and social challenges.”

Mike Barry, Head of Corporate Social Responsibility, Marks & Spencer



Audit results

In 2007, HP conducted 150 supplier audits; 92 were follow-ups to verify progress. We focused on key suppliers with the highest procurement spending, the most nonconformances and the largest workforce. The verification audits found suppliers are making substantial progress, and we are providing training and support to help our suppliers make improvements and resolve any outstanding issues.

Material choices

The materials we use when designing products represent opportunities to improve HP’s environmental performance and meet customer expectations. We’re focused on:

- Being transparent about product material content and working to eliminate materials shown to, or likely to, pose an environmental, health or safety risk
- Developing products that are smaller and lighter, requiring less material
- Innovating to use new materials
- Using recycled materials
- Using materials that are easier to recycle

Increasing supplier diversity

In 2007, we estimate more than \$10 billion in revenue came from customers who required HP to demonstrate diversity in our supply chain. We expect this number to continue to grow, and we’re expanding our programs promoting supplier diversity from their U.S. base to places such as South Africa, Canada and Europe.

ADDRESSING CLIMATE CHANGE

While climate change poses serious environmental, social and economic risks, we believe it also offers tremendous opportunities—for HP as well as our customers. Our comprehensive strategy focuses on:

- **Reducing our GHG emissions**
Worldwide, we're investing in more energy-efficient technologies, improving our use of space and greatly increasing the amount of renewable energy we purchase.
- **Reducing GHG emissions associated with HP products and services**
We're designing our products—from the computer chip to the data center—to be more energy efficient throughout their life cycles and educating our customers about the impacts of their energy consumption.
- **Innovating to reduce GHG emissions in other parts of the economy**
HP is developing solutions that reduce energy use in industries such as agriculture and construction. We're also exploring ways to replace carbon-intensive activities with low-carbon alternatives. For example, our HP Halo Telepresence Solution reduces the need for business travel, a significant source of GHG emissions, by creating a virtual meeting environment. A third area of opportunity is facilitating the shift to a low-carbon economy with technologies that monitor and report carbon emissions.
- **Collaborating to combat climate change**
We're working with governments, nongovernmental organizations and other IT companies on developing strong climate change policies, advancing industry standards for energy efficiency and reducing GHG emissions throughout the global economy.

Energy-saving PC

The HP rp5700 Desktop PC can save as much as 80 percent of the energy used by its predecessor. It also has the longest planned life of any HP business PC and is easier to recycle. For its advances, the HP rp5700 earned a gold rating from the Electronic Products Environmental Assessment Tool (EPEAT™), making it the first product to meet EPEAT's stringent requirements. HP has the leading EPEAT portfolio in the industry.



A cool way to save

Data centers draw huge amounts of energy to keep cool—up to half of their total consumption, in fact. In 2007, HP launched our Dynamic Smart Cooling (DSC) service to lessen this load. DSC uses thousands of sensors to measure heat produced by servers. By constantly adjusting the cooling response, DSC can reduce energy consumption related to cooling by up to 40 percent—in a year, that can represent up to 480 tonnes of carbon dioxide equivalent (CO₂e) emissions for a 20,000-square-foot data center.

Climate and energy goals

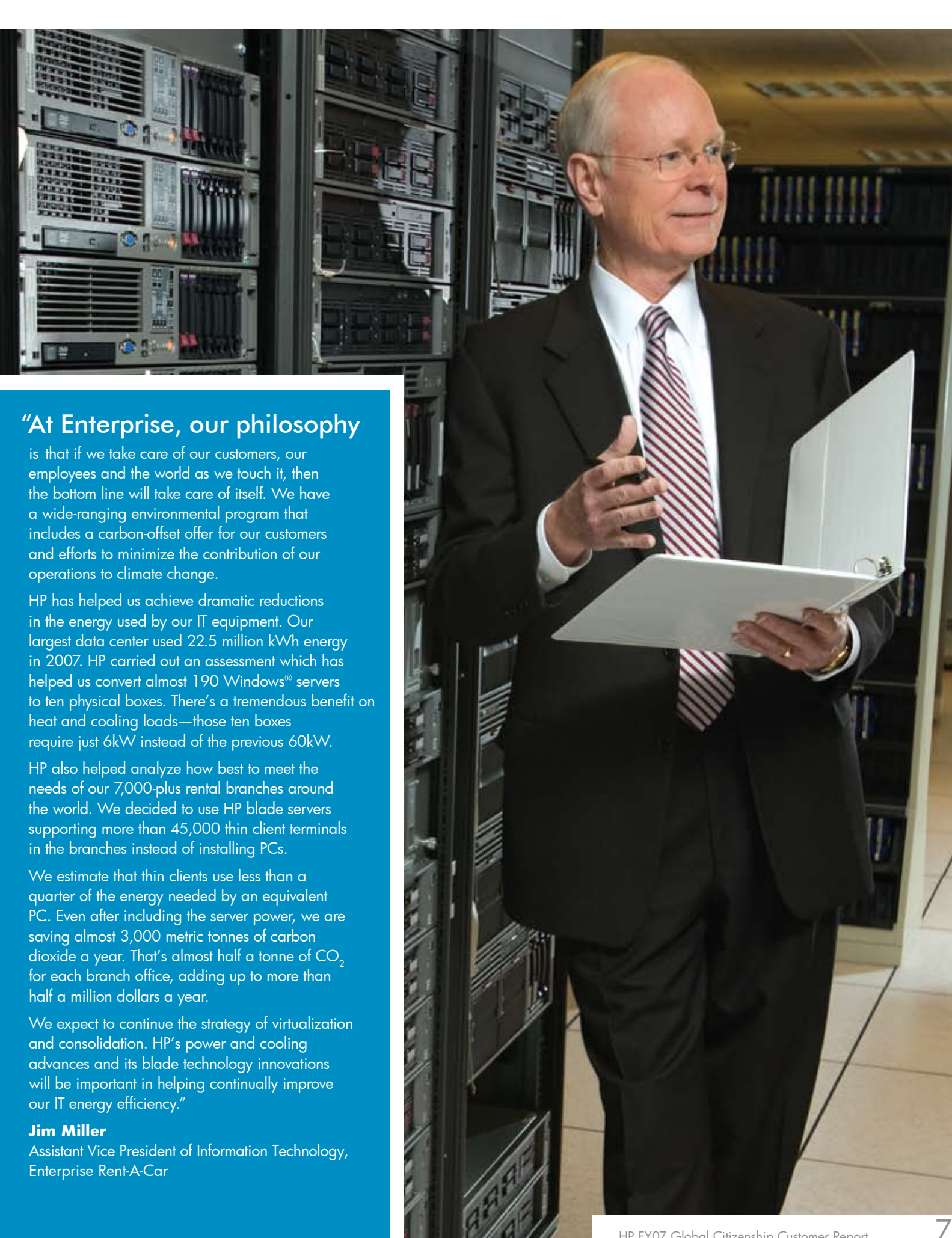
Last year, we set a goal to reduce the energy consumption of HP operations and products sold each year and their associated GHG emissions to 20 percent below 2005 levels by 2010. We met this goal nearly three years early and have increased the target to 25 percent below 2005 levels.

Instant efficiency

HP LaserJet printers with Instant-on Technology save energy in idle mode by responding to print jobs without keeping the print mechanism constantly warm. Since Instant-on Technology was introduced 1993, our monochrome LaserJet products alone have saved more than five million tonnes of CO₂e—comparable to removing 960,000 cars from the road for one year.

Saving energy saves money

HP solutions can automate workflows to save energy, cut associated GHG emissions and conserve resources. For example, we used HP Web Jetadmin and our Universal Print Driver to adopt double-sided printing as our internal standard. That switch is helping us save up to 726 tonnes of paper and \$7.7 million a year.



“At Enterprise, our philosophy

is that if we take care of our customers, our employees and the world as we touch it, then the bottom line will take care of itself. We have a wide-ranging environmental program that includes a carbon-offset offer for our customers and efforts to minimize the contribution of our operations to climate change.

HP has helped us achieve dramatic reductions in the energy used by our IT equipment. Our largest data center used 22.5 million kWh energy in 2007. HP carried out an assessment which has helped us convert almost 190 Windows® servers to ten physical boxes. There’s a tremendous benefit on heat and cooling loads—those ten boxes require just 6kW instead of the previous 60kW.

HP also helped analyze how best to meet the needs of our 7,000-plus rental branches around the world. We decided to use HP blade servers supporting more than 45,000 thin client terminals in the branches instead of installing PCs.

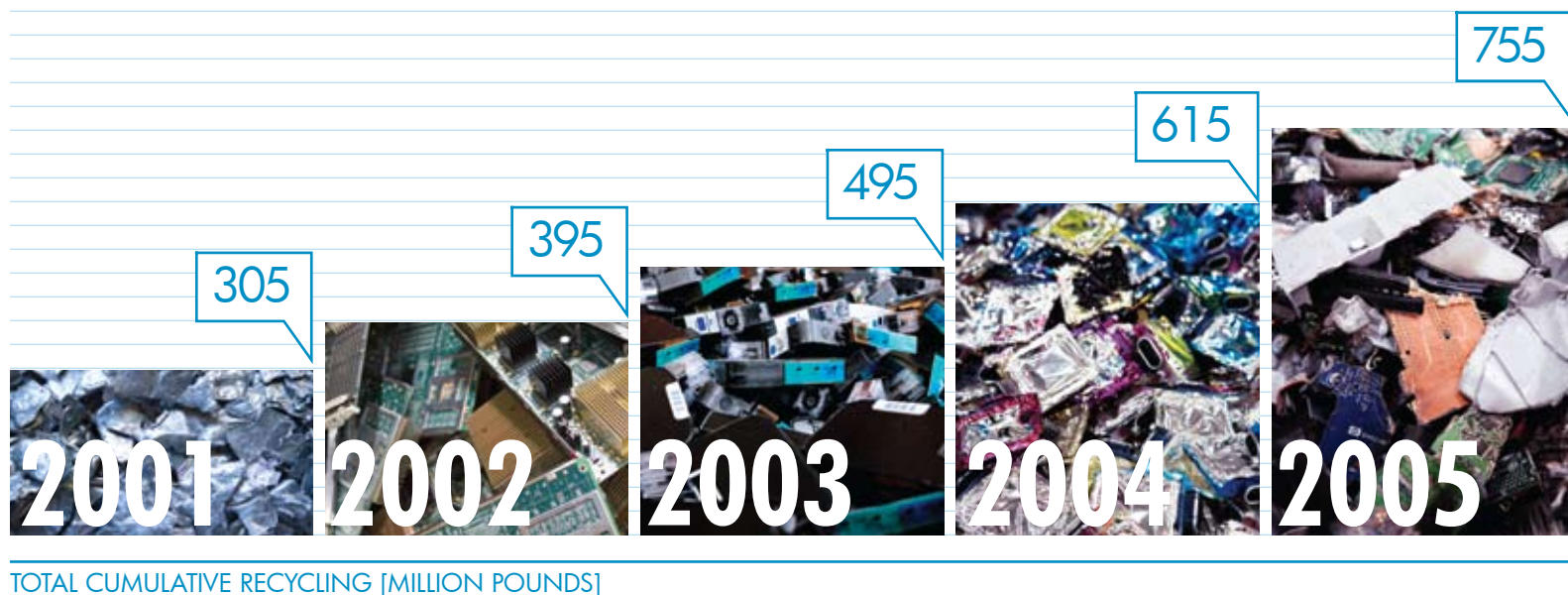
We estimate that thin clients use less than a quarter of the energy needed by an equivalent PC. Even after including the server power, we are saving almost 3,000 metric tonnes of carbon dioxide a year. That’s almost half a tonne of CO₂ for each branch office, adding up to more than half a million dollars a year.

We expect to continue the strategy of virtualization and consolidation. HP’s power and cooling advances and its blade technology innovations will be important in helping continually improve our IT energy efficiency.”

Jim Miller

Assistant Vice President of Information Technology,
Enterprise Rent-A-Car

TAKING BACK AND DOING MORE



TOTAL CUMULATIVE RECYCLING [MILLION POUNDS]

As use of IT products soars, it's increasingly important that our industry responsibly recover and dispose of discarded equipment and supplies. HP has long been a leader in offering take-back services to customers, and we continue to increase the volume of our products recovered for reuse and recycle. Last year, we exceeded our goal to recycle 1 billion pounds (450,000 tonnes) of electronic products and supplies by the end of 2007. Now we've set a new goal to recover an additional 1 billion pounds by the end of 2010.

HP began remarketing used equipment in 1981 and recycling in 1987. Today we offer a range of product recovery services around the world, including recycling services in 52 countries or territories worldwide.

Supporting recycling standards

HP collaborated with three other companies to establish the European Recycling Platform (ERP) in 2002. The ERP sets standards for recycling contracts and conducts audits to verify compliance. In 2007, ERP treated about 24,500 tonnes of equipment for HP. Overall, ERP treated nearly 150,000 tonnes from more than 750 producers in nine European Union countries.

In 2007, HP collected approximately 3 million hardware units weighing 28,500 tonnes for reuse and remarketing, an increase of more than 31 percent over 2006. Our total recycling volume increased to 113,000 tonnes—more than 50 percent over 2006.

2010 TARGET:
2 Billion

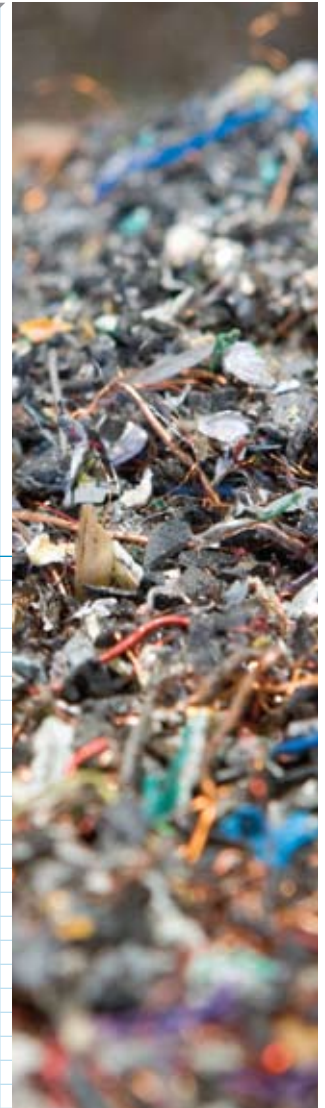
We've set an aggressive new goal to recover an additional 1 billion pounds by the end of 2010

1.17 Billion

Last year, we exceeded our goal to recycle 1 billion pounds of electronic products and supplies

920

2007 TARGET:
1 Billion



Reuse

Responsible take-back is core to our leasing and reuse services, which benefit customers by saving the time and expense of managing old equipment. Other customers benefit too, as they have the opportunity to purchase pre-owned HP products, which are refurbished or remanufactured as needed, at a discount and often with an HP warranty. With all reused equipment, we apply stringent processes to protect customers' data and comply with environmental laws.

Recycle

Eventually all IT equipment reaches the end of its useful life and needs to be recycled. Our consumer recycling services vary from country to country, depending partly on local regulations. We work with commercial customers to make take-back arrangements that address their specific needs and circumstances.

For HP print cartridges, we provide free recycling in 47 countries or territories. Since 2005, we have incorporated post-consumer recycled plastic as raw material in more than 200 million newly molded original HP inkjet print cartridges. We used 2,300 tonnes of recycled plastic in original HP inkjet cartridges in 2007. Cartridges returned through our recycling programs contributed half of that total.

PROTECTING PRIVACY

Powerful new technologies are transforming how data is gathered, compiled, stored and used. While they offer many benefits, such as providing more customized products and services, they also introduce risk. With greater collection and movement of sensitive data around the world, the top priority must be ensuring data security and protecting people's privacy.

HP products and services play a key role in keeping personal information secure, and we are pioneering an approach to privacy that goes beyond legal and industry norms. We hold ourselves to act accountably in all decisions related to privacy, reviewing them not only for compliance with the law, codes of conduct and our own privacy policies, but in relation to our values, customer desires and expectations, and a range of potential risks.

In 2007, we strengthened our already rigorous privacy practices and developed a Privacy Accountability Model. It helps us consistently consider our core values—integrity, transparency and respect for the individual—and potential risks to our reputation, investments and business continuity, among others. HP managers apply this model when making decisions affecting privacy and data protection.

On its own, our commitment to privacy is not enough to guarantee that the standards we hold ourselves to will be universally met. Responsible data handling in a global environment requires cooperation among companies and governments. We're working to educate government officials and other stakeholders about the impact of technological innovations

on privacy. We advocate that companies establish tighter standards and use greater accountability in decision-making to ensure that how they obtain, use and safeguard sensitive information protects the best interests of their stakeholders. We also believe that governments must find better ways to enforce laws against data breach, misuse and fraud while respecting the privacy of those they seek to protect.

Promoting privacy policies

HP participates in several areas of public policy relating to privacy and data protection. For example, we have worked to advance a unified U.S. privacy law through the Consumer Privacy Legislative Forum. We participate in the Pathfinder project of the Asia Pacific Economic Cooperative's Electronic Commerce Steering Group to promote accountability and help develop cross-border privacy rules for Asia Pacific and the Americas. We also meet with government officials and regulators around the world to understand their concerns and initiatives and to help them recognize the potential implications of new technologies on privacy.

Recognized for upholding privacy

HP was named the Most Trusted Company for Privacy for 2007 by TRUSTe, a leading Internet privacy organization, in conjunction with the Ponemon Institute, an independent research group. The award recognizes companies that protect and inform their consumers about privacy issues and encourage a safer and more secure online ecosystem.



In 2007, HP introduced Drive Encryption for HP ProtectTools, providing a full volume encryption solution for Microsoft® Windows® XP and Microsoft Windows Vista® Business, Enterprise and Ultimate editions. A modular client security suite, HP ProtectTools is pre-installed in most HP business notebooks and desktops, enabling businesses to implement needed security features. HP ProtectTools offers security and privacy protection capabilities to help businesses meet new and changing requirements, such as privacy regulations or PCI (payment card industry) compliance.

“Privacy is critical to Procter & Gamble. Working with a supplier like HP who shares our values for privacy enables us to have more confidence in our business relationship.”

Sandy Hughes, Global Ethics, Compliance and Privacy Executive,
The Procter & Gamble Company



ENSURING EQUAL ACCESS

We work to make sure our products and websites are accessible to everyone through our design guidelines and our partnerships with assistive technology (AT) vendors. Accessibility features can benefit all users, not just those with specific needs, by ensuring greater flexibility and improving usability, thereby boosting productivity.

Accessibility is becoming increasingly important because of the growing number of people worldwide who are disabled or experiencing age-related limitations. For example, more than 50 percent of working-age computer users in the United States are affected by mild to severe visual, hearing, dexterity, speech or cognitive impairments.¹ And in the European Union, there are 69 million people aged 50 years and older who have some degree of disability that needs to be considered in designing information and communications technology products and services.²

Reflecting these trends, many countries have introduced or are planning accessibility regulations and standards. In Australia, Canada, the European Union, Japan, parts of Latin America and the United States, government agencies have requirements to purchase accessible information and communications technology.

Our approach is to integrate accessibility into our products and website development processes. For example, HP products include buttons identifiable by touch, ports and switches positioned within easy reach, and large adjustable displays. In addition, some customers need specialized AT devices such as screen magnification or large-print keyboards. HP works with AT vendors to improve the compatibility of HP products with these devices to ensure customers have the best accessibility solutions to choose from.

Offering customizable monitors

Introduced in 2007, the HP L1950 19-inch and HP L1750 17-inch LCD dual-hinge monitors feature a range of height adjustments to aid those who wear bifocal, trifocal and progressive lenses.



Collaborating to promote accessibility

We partner with more than 50 AT vendors to ensure compatibility with their specialized products. They participate in our Developer and Solution Partner Program, which helps them provide customers with accessibility products that take full advantage of HP technology.

Making accessibility information accessible

We document the accessibility features of HP products offered to our public-sector customers through voluntary product accessibility templates. In 2007, we provided detailed information for 80 percent of applicable products, up from 67 percent in 2006.

SOCIAL INVESTMENT



HP has a legacy of supporting the prosperity of communities and individuals around the world. In 2007, we made over \$47 million in social investments, bringing our total to more than \$262 million over the past five years. As well as benefiting good causes, our investments build relationships, improve our reputation and deepen employees' pride.

We continually refocus our social investment strategy to align with our business objectives. In 2007, we addressed three main areas:

Education

HP donates products and cash to schools, colleges and universities, and provides technical and professional development support to increase access to quality education and improve teaching and student success. We also offer expertise to help teachers and policymakers apply technology to benefit students. We focus on math, science and engineering and supporting education in underserved communities.

In 2007, we donated more than \$12 million in cash and HP products through our HP Technology for Teaching program to 237 schools and universities in 36 countries.

Economic development

We believe information technology can play a critical role in accelerating economic development. It builds necessary skills and helps individuals and businesses access information and customers while improving efficiency.

We donate money, time and products to enhance professional skills and increase entrepreneurship opportunities in underserved communities. Small businesses are key to stimulating economic growth, which drives our focus on micro-enterprises. In 2007, we donated \$5 million in cash and HP products to promote micro-enterprise development.

Environment sustainability

We support projects that align with our global citizenship priorities, particularly climate change and reuse and recycling. Last year, we donated more than \$4 million in cash and HP products to support global and local environmental projects, most notably with the World Wildlife Fund. We also launched a one-year pilot project in Africa to identify sustainable recycling processes for e-waste in developing countries.

Promoting learning in China

A dramatic rise in students entering higher education in China is pressuring local resources. HP supports Pathways to Higher Education, an initiative to help disadvantaged students. In 2006, we donated HP equipment to equip learning centers in 16 colleges. Last year, we built on our efforts, launching a platform for participants to share ideas and experiences.

Supporting women entrepreneurs in Mexico

In 2007, HP donated over \$100,000 in equipment and cash to Pro Mujer Mexico, an organization that helps disadvantaged Mexican women improve their technological and business skills. About 2,000 women will graduate from the program in the next year.

Partnering to combat climate change

Last year, HP expanded our relationship with the World Wildlife Fund. We donated \$2 million in cash and equipment to help communities adapt to climate change, develop an online network to raise awareness and advance a project to reduce CO₂ emissions by one billion tonnes using information and communications technology.

CITIZENSHIP IN CANADA

Contributing to Canadian society

Giving back to the communities in which we work and live has always been a cornerstone of HP Canada's business. By leveraging our technology, our people and our expertise, we strive to make a significant contribution to Canadian society, particularly in the areas of the environment and education. In 2007, we brought together our experience in both of those fields and invested considerable resources into advancing environmental education, aiming to fill what we believe is a tremendous need in this country.

We continued our long-standing dedication to the environment by supporting local programs and initiatives that promote environmental sustainability across Canada, complemented by our Planet Partners recycling program and our Design for the Environment program. We have also long been a proponent of education and have brought technology into the schools through our Technology for Teaching program, a global, wide-ranging initiative aimed at utilizing technology to transform the way educators teach and boost students' learning opportunities. We also sponsor the Merry Go Round Children's Foundation, which gives disadvantaged youth access to computers, improving both their computer literacy and their self-esteem.

Over the past year, HP has also helped Canadians from junior kindergarten through to the business community better understand the issues related to environmental sustainability, through the following initiatives:

Junior Kindergarten to Grade 12

In 2007, we provided a \$100,000 grant to the non-profit organization Learning for a Sustainable Future (LSF), including cash and an equipment package. The grant made possible the launch of Resources for Rethinking, an online database of print, electronic and audio/visual classroom resources for elementary and high school teachers on sustainability issues such as climate change, habitat loss and human rights.

Emphasizing quality over quantity, Resources for Rethinking provides only the best resources available on the subject of sustainable development and aligns

to Canadian school curricula. The resources are available in French and English and can be directly downloaded free of charge.

We also worked with LSF to develop a teaching resource called Discover the Technology Loop!

Undergraduate and graduate students

HP Canada sponsors a dedicated Chair in Corporate Social Responsibility at the Schulich School of Business at York University. The creation of the Chair is the result of more than 10 years of academic leadership in CSR by Schulich and provides an opportunity for the university to continue its highly specialized research and education in the area of corporate responsibility. Dr. Dirk Matten, who currently holds the Chair, is an internationally regarded CSR researcher whose work is advancing the field.

In addition, we support co-op students from the University of Waterloo's ground-breaking Environment and Business program. This innovative melding of the two disciplines produces graduates who can work to change business paradigms. The on-site work experience students obtain at HP Canada provides the opportunity for hands-on learning about the integration of business and the environment and helps to educate a new generation of environmentally aware business leaders.

Business community

HP has rolled out a Green Education program for our channel partners that provides the knowledge and resources they need to deploy more environmentally sound IT infrastructure, processes and product lifecycle services. It includes four main training modules: (1) energy efficiency, including information about Energy Star certification; (2) electronics recycling (through our Planet Partners initiative); (3) the impact of a well-managed supply chain in your business; and (4) the "hidden component"—the extras you get with HP, including a focus on environmental design and award-winning environmental leadership. HP is ahead of the curve in offering this kind of education, and we reward our partners for learning from such programs.



“Each year we work with businesses, organizations, schools and municipalities across the country during Waste Reduction Week in Canada to raise awareness and provide information on how Canadians can reduce their waste. HP Canada’s support ensures we are able to spread the word far and wide, educating and engaging Canadians to do their part in preserving their environment.”

– Joanne St. Godard, Executive Director, Recycling Council of Ontario

All Canadians

For five consecutive years, we have been a sponsor of Waste Reduction Week, a national event that aims to raise public awareness about waste and its environmental and social ramifications. Municipalities, companies and schools from Victoria to Halifax participate in Waste Reduction Week programs. Through monetary donations and employee time and resources, we support activities across the country to help spread the word about reducing, reusing and recycling.

In 2007, we donated more than \$40,000 in equipment packages to three provincial recycling councils. The Ontario Recycling Council, Clean Nova Scotia and the B.C. Recycling Councils are non-profit, non-government environmental organizations that emphasize the importance of individual action to create environmental change.

We have also sponsored the Citation of Lifetime Achievement Award at the Canadian Environment Awards since 2003, supporting and honoring the work of individuals who have demonstrated exceptional dedication and made an outstanding contribution to environmental protection.

In the community

In addition to environmental education, HP Canada continues to be a strong supporter of community-based programs. HP Canada holds an annual United Way campaign, which raised more than \$500,000 for community programs in 2007, and each year HP employees deliver Junior Achievement’s Economics of Staying in School program to grade eight students in schools across Canada.

HP Canada’s commitment to corporate responsibility was recognized with the following awards in 2007:

- Sixth on the list of the 50 best corporate citizens in Canada by Corporate Knights

- Silver award for Most Environmentally Progressive Vendor in Canada at the Environmental Printing Awards
- One of the Corporate Knights Global 100 Most Sustainable Corporations
- One of Canada’s Top 100 Employers

University of Guelph, College of Physical and Engineering Science

The University of Guelph was one of four Canadian higher education institutions awarded an HP Technology for Teaching Higher Education grant in 2007. The grant was awarded to the Department of Computing and Information Science for a program called Integrating Tablet PCs into Project-based Courses and Initiatives to Recruit and Retain Female Students.

The first program to use Tablet PCs is the Distributed Programming course offered as part of a degree program in Applied Computing and Wireless Technology. Many of the students come from under-represented or low-income families, and the Tablet PCs enable everyone to fully participate in the course. In a traditional lecture environment, for example, a small handful of students usually dominate discussions. Using the Tablet PCs, all students can submit their answers to the instructor who can then select specific ones for discussion. This University of Guelph project showcases innovation in computer science education and demonstrates how technology can make teaching and learning more fun and accessible.

Discover the Technology Loop!

HP Canada’s partnership with the non-profit organization Learning for a Sustainable Future included the co-development of a teaching resource called Discover the Technology Loop! As more than 140,000 tons of electronic equipment accumulate in Canadian landfills each year, Discover the Technology Loop! arms teachers with activities and information to educate students on the environmental impacts of electronics and help them to choose, use and dispose of technology products in a responsible way.

Discover the Technology Loop! goes far beyond reacting to the waste that our communities generate. Its purpose is to help students develop the knowledge, skills and attitudes necessary to analyze the entire lifecycle of electronics—from design and sourcing materials; to manufacturing, distribution and use; through end-of-life. It will challenge students to consider the technology lifecycle using a global perspective that encompasses humans and the rest of the natural world, and in so doing, help them come to understand how humans are an integral part of nature.

PERFORMANCE SUMMARY

This is a summary of performance data from the comprehensive HP FY07 Global Citizenship Report online, which includes additional metrics and data. All data are for HP's fiscal year (ending October 31 of the year indicated), unless otherwise noted.

	2005	2006	2007
HP profile			
Number of employees [approximate]	150,000	156,000	172,000
Net revenue [million \$U.S.]	\$86,696	\$91,658	\$104,286
Research and development spending [million \$U.S.]	\$3,490	\$3,591	\$3,611
Supply chain			
Supply chain social and environmental responsibility			
Suppliers engaged [total, cumulative]	475	557	611
Audited [total sites, cumulative]	130	254	410
Audit results (see Supply chain responsibility–Audit results section online)			
Supplier diversity (purchasing results)^{3,4}			
Total small businesses [million \$U.S.]	\$3,011	\$3,510	\$3,106
Minority-owned small businesses [million \$U.S.]	\$1,052	\$1,150	\$670
Women-owned small businesses [million \$U.S.]	\$407	\$380	\$440
Climate and energy⁵			
Electricity use [million kWh]	2,801	2,759	2,704
Natural gas use [million kWh]	430.4	437.7	356.6
GHG emissions [tonnes CO ₂ e]	1,551,300	1,598,500	1,516,300
GHG emissions from HP employee business commercial air travel [tonnes CO ₂ e]	279,000	289,000	289,000
Product reuse and recycling⁶			
Total cumulative recycling—computer hardware and supplies combined [million pounds]	755	920	1,170
Total annual recycling—computer hardware and supplies combined [million pounds]	140	165	250
Total reuse and recycling combined, by year [million pounds, approximate]	190	210	313
Number of countries/regions/territories with HP return and recycling programs	42	45	52
Operations			
Nonhazardous waste [tonnes] ⁷	102,567	106,492	89,275
Nonhazardous waste landfill diversion rate [% of total produced]	87.8%	88.2%	88.4%
Hazardous waste [tonnes]	7,001	8,638	8,936
Ozone depletion potential of estimated emissions [kg of CFC-11 equivalent]	4,358	3,935	6,690
Water consumption [million liters] ⁸	8,136	8,358	7,359
Employees			
Worldwide workforce demographics [women as a % of total]	29.9%	29.9%	30.0%
U.S. workforce demographics (see Employees–Diversity–Performance section online)			
Lost workday case rate [global rate] ⁹	0.11	0.13	0.10
Value of cash and products donated by employees, including HP-matched funds [million \$U.S.]	\$16.9	\$14.8	\$13.4
Social investment			
Worldwide giving, total [million \$U.S.]	\$45.3	\$45.6	\$47.1
Percentage of pre-tax profits	1.3%	0.63%	0.51%

GOALS SUMMARY

This is a partial list of HP's global citizenship goals. See additional goals in several categories, as well as progress against goals for 2007, in the comprehensive HP FY07 Global Citizenship Report online. All goals are for 2008, unless otherwise noted.

Supply chain

Supply chain social and environmental responsibility

- Implement best-in-class supplier training programs, including programs aimed at second-tier suppliers
- Conduct new and follow-up verification audits at 100 sites, including joint industry and external verification
- Engage and assess high-priority goods and services suppliers to HP's operations in supply chain SER program
- Support industrywide reporting format and tools and begin aggregate reporting
- Report energy use and associated greenhouse gas emissions in HP's first-tier suppliers representing more than 70 percent of our materials, components and manufacturing supplier spend

Supplier diversity

- Award 13 percent of qualified U.S. purchases to U.S.-based small diverse businesses
- Award 7 percent of qualified U.S. purchases to U.S.-based woman-owned small businesses

Climate and energy

Goal for 2010: HP will reduce the combined energy consumption and associated GHG emissions of HP operations and products to 25 percent below 2005 levels¹⁰ by achieving the following:

- Operations: HP will reduce energy consumption and the resulting GHG emissions from HP-owned and HP-leased facilities worldwide to 16 percent below 2005 levels¹¹
- Products: HP will reduce the energy consumption of HP products¹² and associated GHG emissions through specific goals for representative product categories, including the following goals for HP's high-volume printer and server families, and desktop and notebook PCs:
 - Improve energy efficiency for high-volume printer families by 30 percent, relative to 2005¹³
 - Improve energy efficiency for high-volume server families by 50 percent, relative to 2005¹⁴
 - Reduce the energy consumption of desktop and notebook PCs by 25 percent, relative to 2005¹⁵

Product reuse and recycling

- Conduct annual verification against HP Recycling Standards through three tiers of recycling vendor base, including on-site audits of all first-tier vendors
- Goal for 2010: Recover 1 billion pounds (450,000 tonnes) of electronic products (for reuse and recycling) and supplies (for recycling) in the three years up to and including 2010

Product innovation

Materials

- Double the use of recycled plastic in print cartridges in 2008 compared to 2007, to 4,500 tonnes (10 million pounds)
- Goal for 2009: Eliminate the remaining uses of BFRs and PVC from new computing products launched in 2009 as technologically feasible alternatives become readily available that will not compromise product performance or quality and will not adversely impact health or the environment

Accessibility

- Develop VPATs for 95 percent of all applicable products

Operations

- Continue to divert at least 87 percent of solid (nonhazardous) waste from landfill globally through the end of 2008
- Goal for 2010: Reduce water consumption by 5 percent, compared with 2007

Privacy

- Achieve 85 percent completion by HP workforce of updated Standards of Excellence Data Privacy training
- Integrate all internal privacy tools in an end-to-end, knowledge-based system, and deploy a new self-certification assurance monitoring model

Employees

Employee diversity

- Thirty percent of employees participating in our leadership development programs to be women
- Twenty percent of employees participating in our leadership development programs to be non-white, with a particular focus on Latinos and African-Americans

Employee giving and volunteerism

- Pilot volunteer-incentive programs in all regions
- Expand retiree volunteerism both inside and outside the United States

Social investment

- One hundred percent of K-12 education grant recipients reporting that donated HP products have a positive impact on teaching and learning, as measured against project goals
- Ninety percent of higher education grant recipients report donated HP products have a positive impact on teaching and learning, as measured against project goals

To learn more, visit www.hp.com/go/report

About this report

This report covers all HP operations but does not include joint ventures.

Unless otherwise noted, all references to 2007 refer to the fiscal year, which ended October 31, 2007.

All references to dollars are to U.S. dollars.

"Tonnes" refers to metric tonnes. (One metric tonne is equivalent to 2,205 pounds.)

Throughout this report, "greenhouse gas" or "GHG" refers to all greenhouse gases emitted by human activities, and "CO₂e" refers to "carbon dioxide equivalent," the unit used to measure greenhouse gases. CO₂ is the main, but not the only, manmade greenhouse gas.

Also, throughout this report, product "reuse" or "remarketing" refers to the return to use of complete electronic products.

"Recycling" refers to the processing of waste electronic devices and consumable items for recovery of materials or energy.

Report endnotes

¹ Based on a research report commissioned by Microsoft Corporation and conducted by Forrester Research, Inc., in 2003.

See <http://www.microsoft.com/enable/research/workingage.aspx>.

² Assessment of the Status of eAccessibility in Europe.

³ All figures are for U.S. purchases from U.S.-based businesses.

⁴ Data is for the 12-month period ending September 30 of the year noted.

⁵ Data in this category is from HP operations.

⁶ Hardware recycling data from Europe/Middle East/Africa and HP LaserJet recycling data are calendar year. The remaining data is based on the HP fiscal year.

⁷ Data restated for 2005 and 2006.

⁸ Restated based on continued improvements in reporting.

⁹ Lost-workday case rate is the number of work-related injuries that result in time away from work per 100 employees working a full year.

¹⁰ Updated goal: Based on current progress and leadership commitments, HP increased its combined operations and products energy-reduction goal from the original 20 percent to 25 percent by 2010.

¹¹ HP has revised the baseline year of our operations energy goal to 2005 from 2006 to align with our other energy goals. This is not a change in substance of the goal since we remain committed to the same 2010 energy use target; it is only a change in the baseline year. As HP operations energy use was approximately 1 percent higher in 2005 compared to 2006, this increases the goal's percentage reduction to 16% below 2005 by 2010.

¹² Average energy efficiency per unit shipped using IDC-reported figures for 2005, across identified high-volume product families, using industry standard measurement benchmarks. Identified product families include notebook and desktop computers, inkjet and LaserJet printers, and industry-standard servers.

¹³ Efficiency is defined in terms of kWh (using the Total Electrical Consumption method)/pages per minute. Goal applies to printers referenced in endnote 12. These families represent more than 35 percent of inkjet printers and more than 45 percent of LaserJet printers shipped in 2005.

¹⁴ Efficiency is defined in terms of kWh/transactions per minute (using SPEC or another benchmark appropriate to the server class). Goal applies to industry-standard servers, referenced in endnote 12. These families currently represent 50 percent of sales volume in this category.

¹⁵ Energy consumption is defined as watts consumed in idle mode (using the U.S. EPA ENERGY STAR[®] test protocol). Idle mode represents over 75 percent of total energy consumption. The improvement will be calculated by averaging the energy consumption of desktop and notebook platforms across shipped volume.

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