

Global Citizenship at HP Environmental Performance

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Environmental sustainability

Deliver technologies, products and services that minimize not only our environmental footprint, but also those of our customers through product and material innovation, energy efficiency, end-of-life solutions and sound operations



Product design and materials innovation

Design for Environment program

- Established in 1992
- Integrate environmental design and performance criteria into product development and support

Materials innovation

- Reduce amount of materials used to make products
- Use alternatives for potentially hazardous substances
- Introduce recycled content in new products and packaging

Design for reuse and recycling

- Make products that are easier to upgrade and recycle at end of their use

Business challenge: Assurance of product safety, reduced environmental impact and compliance



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Trends driving focus on the environment

- Energy costs are an increasing part of IT and operational expenses
 - According to Morgan Stanley Research, “energy costs can make up as much as a third of total data center costs.”¹
- Growing interest in commercial operations impacts on climate change among end users and other stakeholders
 - Product environmental performance factoring into procurement and bids
- Data privacy, brand protection and legal risks associated with responsible product end-of-life services
 - Companies are legally responsible and liable in many jurisdictions for selecting compliant disposal or recycling processes
 - U.S. EPA fined AT&T \$195,000 for simply failing to provide adequate information about its computer disposal practices²
 - Finding or devising disposal solutions can consume significant man hours and budget resources³

¹ “Redefining the Data Center,” Morgan Stanley, May 18, 2006

² “Garden State Enviro Net, EnviroNews,” August 2000 (<http://www.gsenet.org/library/11gsn/2000/gs00817b.htm>)

³ “PC Disposal Cost Update 2005: Mitigating Risks,” Gartner Group, November 30, 2005

Global Citizenship at HP



Reducing product environmental impacts



Raising supply chain social and environmental standards



Increasing access to information technology



Protecting the privacy of customers, partners and employees



Conducting business with uncompromising integrity



Engaging with external stakeholders

Product reuse and recycling services

• Simple, responsible end-of-life disposal solutions

- Hardware asset recovery taps hidden value of used IT equipment
- Trade-in/trade-up, donation and leasing programs
- Commercial customer hardware recycling in the U.S., Canada and parts of Latin America
- Free return and recycling for HP original print supplies

• Leadership in product return and recycling

- More than 140 million pounds of used IT equipment recycled in FY2005
- 20 years experience in IT recycling operations
- Programs in more than 40 countries

Business challenge: Costs, compliance risks and requirements of used product disposal



Energy efficient products and solutions

Portfolio-wide product energy efficiency

- Energy Star certification for 1,000+ products
- Power management features in each HP PC and monitor save up to 675KWh per year – enough to power a 75W light non-stop for over a year
- New c-Class BladeSystems offer 40+% savings on power and cooling expense compared to conventional solutions

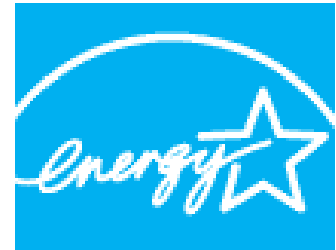
Process innovation to cut energy costs

- Smart Cooling can reduce data center energy consumption by 25% by reallocating cooling and computing resources

New ways of conducting business

- Halo Virtual Collaboration Studio improves business effectiveness of global teams while reducing travel
- In first year, one application cut trips by 25%, saving 5.5M air miles and 1,500 tons of CO₂ per year

Business challenge: Increasing cost of energy in business operations – from desktops to data centers



Environmental awards and recognition



Environmental Achievement Awards and Green Power Partners



Association Agency Brazil de Segurança Award of Environment for its Campinas site



analogZONE's 2004 Product of the Year Award in the Best Green Computing Product category



Washington State Recycling Association

Recycler of the Year award from Washington State Recycling Association



2005 Environmental Excellence Award from Idaho Association of Commerce and Industry



Environmental Printing Award by PrintAction



Demand Response Award in California Flex Your Power Program



2006 Private Sector Recognition Award from Recycling Council of British Columbia



Design for Recycling Award from Institute of Scrap Recycling Industries



2005 Corporate Leadership Award presented by the Recycling Council of Alberta



2005 Platinum Waste Minimization Award from the Recycling Council of Ontario



Multiple HP sites earn membership in National Performance Track



PRMA Award for Environmental Performance



SEMARNAT Ecological Merit Award

Hardware recycling process

(example from NA HW recycling facility)

1. Old computers equipment are loaded into the shredders



2. Conveyor belts transfer the computers from one shredder to another



3. A vibrating screen separates the copper and precious metals



4. Separated raw materials are collected in boxes

