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COMPANY SUMMARY REPORT AS OF 9/2009

# Hewlett-Packard Company

TICKER HPQ EXCHANGE New York Technology Hardware & Equipment DOMICILE United States MARKET CAP US \$126.9b

## COMPANY AND RATINGS

### RATING SUMMARY

In spite of a number of business ethics scandals and lawsuits over the marketing and quality of its products, HP's overall ESG record is very strong. The company has instituted industry-leading practices on workforce diversity, supply chain management, e-waste, and climate change.

### BUSINESS DESCRIPTION

Hewlett-Packard Company provides printing and imaging products; personal computers, workstations, calculators, and other products; IT services; software; and financial services. Through Electronic Data Systems, HP also provides business process outsourcing and other IT services.

### COMPANY UPDATES

**September 2009:** In spite of a number of business ethics scandals and lawsuits over the marketing and quality of its products, HP's overall ESG record is very strong. The company has instituted industry-leading practices on workforce diversity, supply chain management, e-waste, and climate change.

### HISTORICAL RATINGS

No historical ratings are available for this company.

### CONTROVERSIAL INVOLVEMENT

ISSUE	INVOLVEMENT	% REVENUE
Abortion	No	NA
Adult Entertainment	No	0
Alcohol	No	0
Contraceptives	No	NA
Firearms	No	0
Gambling	No	0
Military	No*	NA
Nuclear Power - Services	No	0
Tobacco	No	0
ISSUE	INVOLVEMENT	% ELECTRICITY
Nuclear Power - Ownership	No	NA

## PERFORMANCE HIGHLIGHTS

### CLIMATE CHANGE

HP has strong programs to reduce GHG emissions from its operations as well as those associated with its products. The company has achieved reduction goals ahead of schedule and set ambitious new ones. HP also seeks to lead the industry with its transparency and in 2008 was the first major IT company to report GHG emissions associated with its supply chain.

### IMPACT OF PRODUCTS & SERVICES

HP's product take-back programs are strong but still leave room for improvement, particularly outside the U.S., Canada, and Europe. The company has also made a concerted effort to reduce its use of packaging and remove toxic substances from its products, but Greenpeace has targeted HP for several years for falling behind on its toxics phase-out commitments.

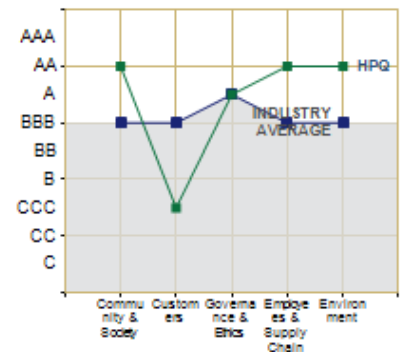
### WORKFORCE DIVERSITY

HP has done an exceptional job of promoting women and minorities into its highest executive ranks and has extensive programs to recruit, support, and promote employees from underrepresented groups.

### SUPPLY CHAIN

Like many technology manufacturers, HP has been implicated in labor rights abuses in its overseas supply chain, but NGOs have generally praised the company for having better responses than its peers. The company has taken steps to address this issue, mainly through development and implementation of the EICC. HP stands out from its peers as the first in the industry to disclose its supplier list.

### INDUSTRY COMPARISON



## ENVIRONMENT AA

### ▲ MANAGEMENT OF ENVIRONMENTAL ISSUES

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AAA</b>	<b>AA</b>
Environmental Policy	Yes	
All Operations Covered by Environmental Policy	Yes	
Environmental Management System	Yes	
EMS Operations Coverage	Yes	
ISO 14001 Certification	Yes	

### ▲ CLIMATE CHANGE

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MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AA</b>	<b>BBB</b>
Climate Change Policy	ND	
Operational GHG Emissions Reduction Programs	Yes	
Operations Covered	100%	
Quantitative Targets	Yes	
Programs to Increase Renewable Energy Use	Yes	
Operations Covered by Programs	100%	
Quantitative Targets	Yes	
Direct GHG Emissions		

### ▲ NON-CARBON EMISSIONS, EFFLUENTS & WASTE

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AA</b>	<b>BBB</b>
Overall TRI Ranking	ND	

## INDUSTRY BBB

### ▲ IMPACT OF PRODUCTS & SERVICES

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MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AA</b>	<b>BBB</b>
Programs to Reduce Environmental Toxicity of Products	Yes	
Programs to Recycle Final Products	Yes	

### ▲ RESOURCE MANAGEMENT & USE

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AA</b>	<b>BBB</b>
Programs to Reduce Water Use	Yes	
Operations Covered by Program	100%	
Quantitative Targets	Yes	

## COMMUNITY & SOCIETY AA

### ▲ PHILANTHROPY

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AA</b>	<b>CCC</b>

### ▲ IMPACT ON COMMUNITY

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AAA</b>	<b>AAA</b>

## INDUSTRY BBB

### ▲ HUMAN RIGHTS: CIVIL AND POLITICAL

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AA</b>	<b>A</b>
Human Rights Policy	Yes	

## CUSTOMERS CCC

### ▲ MARKETING & ADVERTISING

HP faces numerous consumer lawsuits, including both purported and certified class actions, alleging that the company deceived consumers about the characteristics of various products, primarily printers and print cartridges.

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>C</b>	<b>BB</b>
Responsible Marketing Statement	ND	

### ▲ PRODUCT QUALITY & SAFETY

A substantial portion of HP's operations is ISO 9001 certified. However, in September 2008, HP paid \$49 million to settle several class action consumer lawsuits alleging that the company sold computers containing defective floppy disk controllers.

## INDUSTRY BBB

### ▲ ANTI-COMPETITIVE PRACTICES

Although HP has not been implicated in allegations of typical anti-competitive practices such as price fixing, in May 2008, a federal jury ordered the company to pay \$184 million for infringing on a data processing patent held by Cornell University and the Cornell Research Foundation.

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>CC</b>	<b>AAA</b>

### ▲ CUSTOMER RELATIONS

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AA</b>	<b>BB</b>

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>C</b>	<b>BBB</b>
Consumer Health & Safety Policy	ND	

## EMPLOYEES & SUPPLY CHAIN AA

## INDUSTRY BBB

### ▲ LABOR-MANAGEMENT RELATIONS

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AA</b>	<b>BB</b>
Cash Profit-Sharing Plan	Yes	
Facilities Certified to SA 8000	ND	
Facilities Certified to SA8000	ND	

### ▲ EMPLOYEE SAFETY

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>A</b>	<b>BBB</b>
Employee Safety Policy	Yes	
Health & Safety Certification for Operations	Yes	
Targets/Goals for Improving Employee Safety	No	

### ▲ WORKFORCE DIVERSITY

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MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AAA</b>	<b>BBB</b>
Domestic Partner Benefits for GLBT Employees	Yes	
Female Senior Line Executives	2	
Minority Senior Line Executives	1	
Female/Minority Representation in Senior Line	43 %	

### ▲ SUPPLY CHAIN

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MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AA</b>	<b>BBB</b>
Supplier Code of Conduct	Yes	
Respect for Workers' Freedom of Association	Yes	
Compliance With Abolition of Forced Labor	Yes	
Compliance With Workplace Equality	Yes	
Compliance With Elimination of Child Labor	Yes	
Supplier Code Governs Entire Supply Chain	Yes	

## GOVERNANCE & ETHICS A

## INDUSTRY A

### ▲ SUSTAINABILITY REPORTING & ENGAGEMENT

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>AAA</b>	<b>BBB</b>
CSR Reporting Frequency	Annually	
GRI Reporting Level	Incremental (B or C Level)	

### ▲ GOVERNANCE STRUCTURES

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>A</b>	<b>A</b>
CEO is Also the Chair of Board of Directors	Yes	
Independent Directors On the Board	80%	

### ▲ BUSINESS ETHICS

HP and its acquired subsidiaries have been involved in numerous business ethics controversies in recent years, including stock options backdating, improper accounting, tax disputes, bribery, and spying on the company's board members and journalists. The company has made some efforts to strengthen internal systems, and its policies on whistleblowing and bribery and corruption are quite strong.

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>BB</b>	<b>AA</b>
Public Statement On Bribery and Corruption	Yes	
Publicly Available Whistleblower Policy	Yes	

### ▲ POLITICAL ACCOUNTABILITY

MEASURE	HPQ	INDUSTRY
<b>OVERALL RATING</b>	<b>BB</b>	<b>BBB</b>