



HP PPS Operations

Tony Prophet

August 28, 2012

Every 60 Seconds....

PPS delivers to our customers



120 PCs



100 Printers

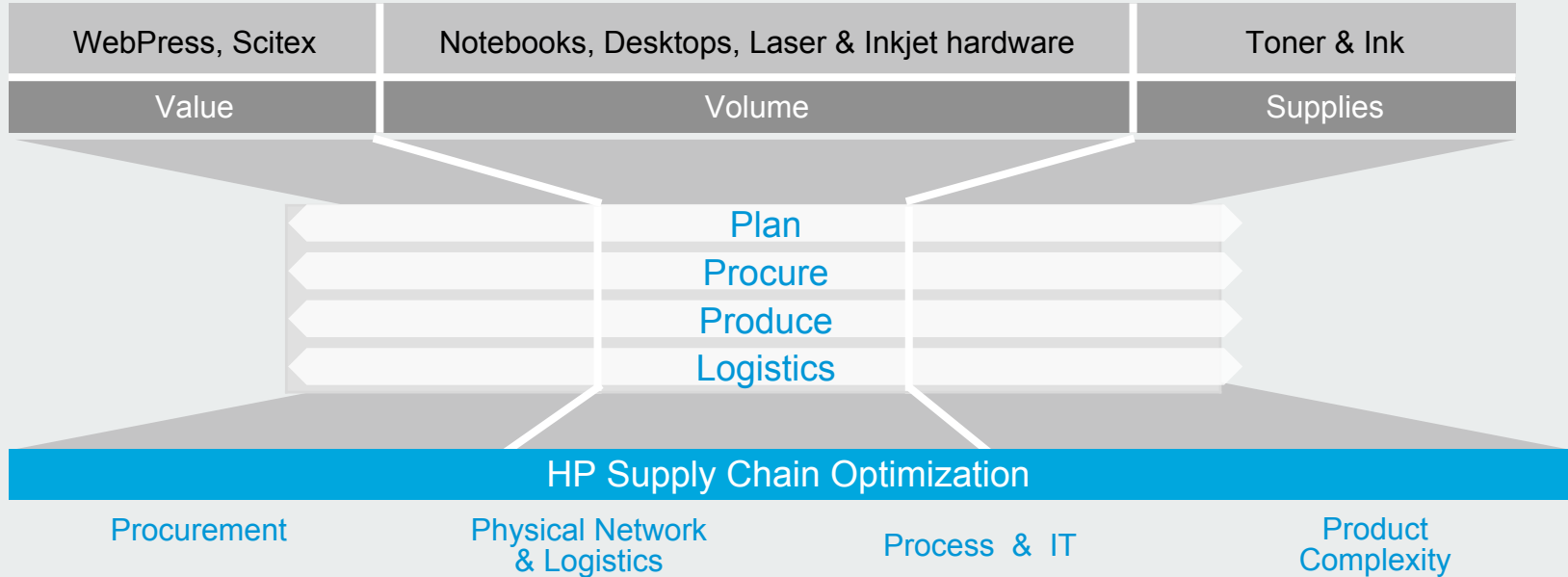
Moving from 2 organizations to 1

	Organizational Consolidation	We build on Pan-HP Progress (FY10-FY11)
Network & Logistics	Complete	125 Nodes Closed ↓ 23%
Procurement	Complete	985 Suppliers Reduced ↓ 44%
Capability Enablement	Complete	108 IT Assets Retired ↓ 35%
Region Operations	Complete	

Opportunity identification and goal setting underway



PPS Supply Chain Optimization

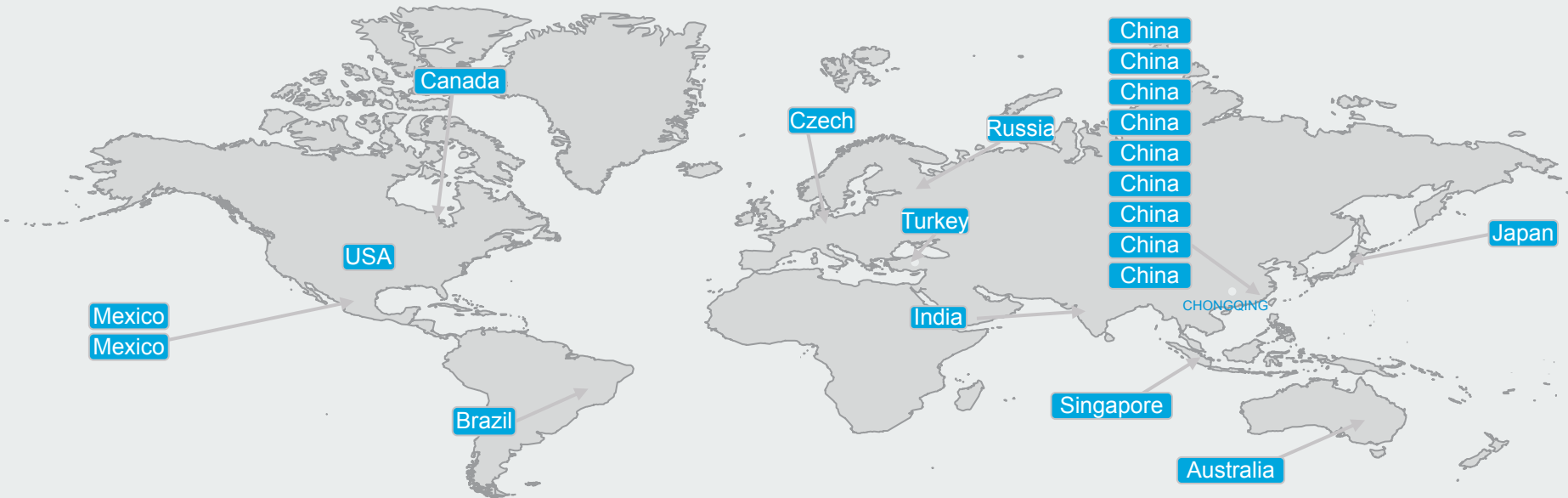


PC Final Assembly Locations, circa 2003



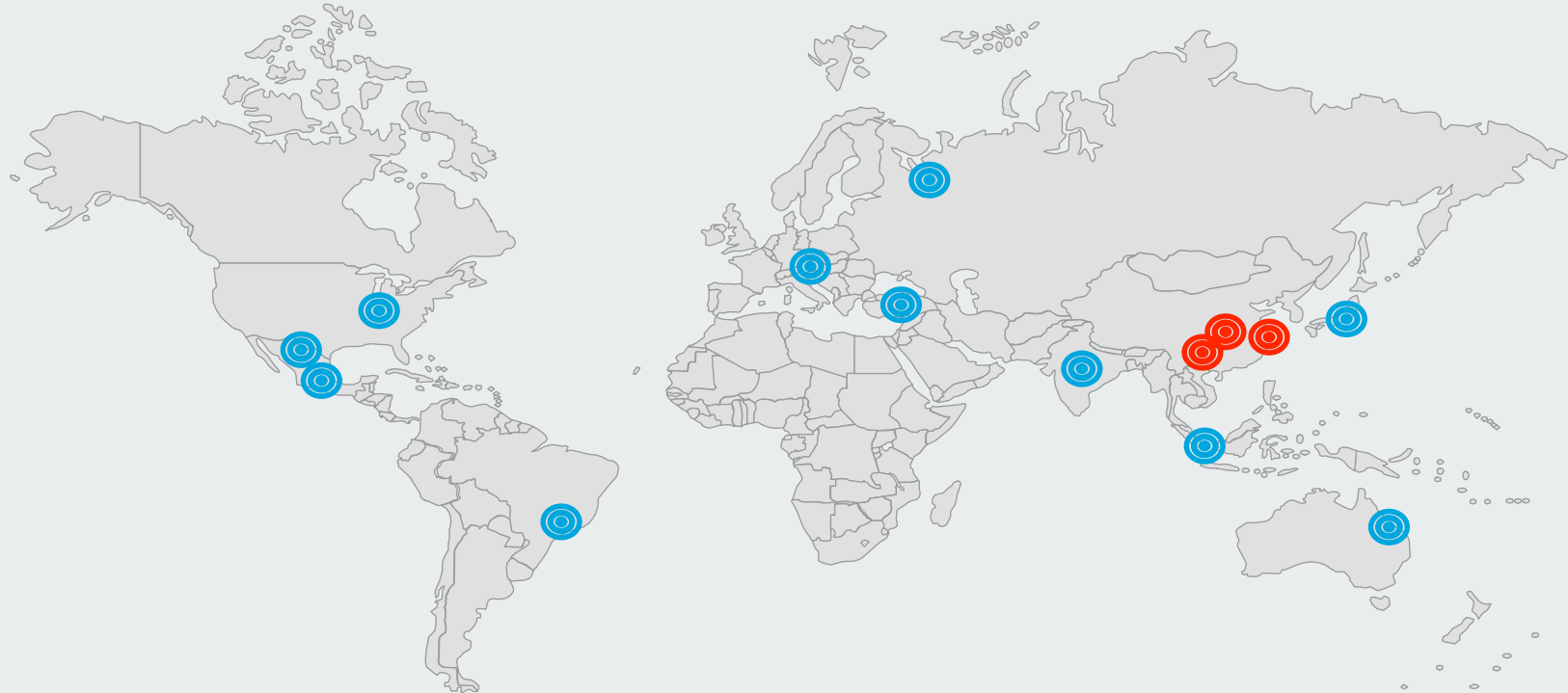
Includes owned and third-party facilities

PC Final Assembly Locations, circa 2012



Includes owned and third-party facilities

Global/Local Hybrid Desktop Model



Includes owned and third-party facilities

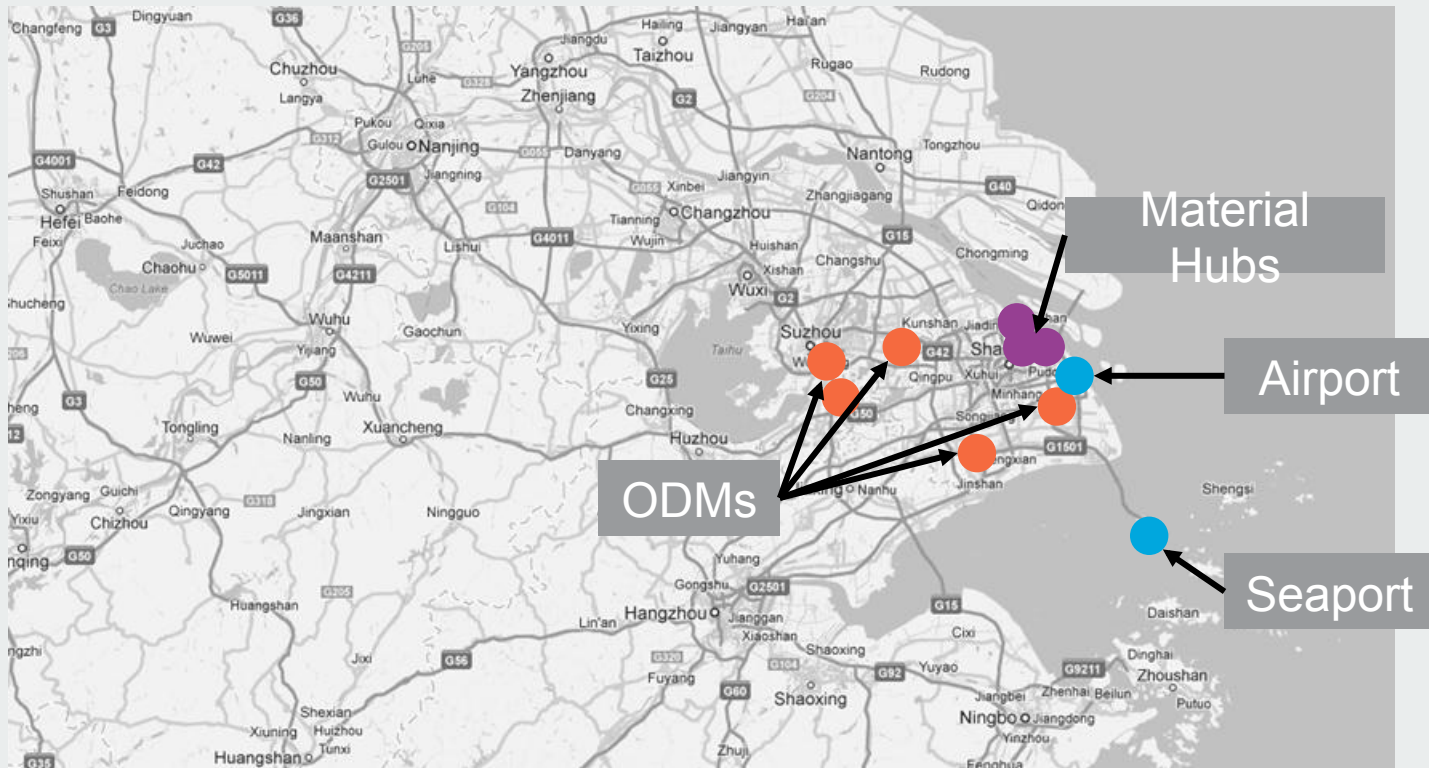
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 Regional/Local Hub
 Bulk China Hub



Hyper Scale Notebook Model

Shanghai



China's Go West policy and Success in Chongqing

1 + 5

China's decision to develop the West

Instruction delivered by President Hu Jintao on March 14, 2007 for **Chongqing development**.

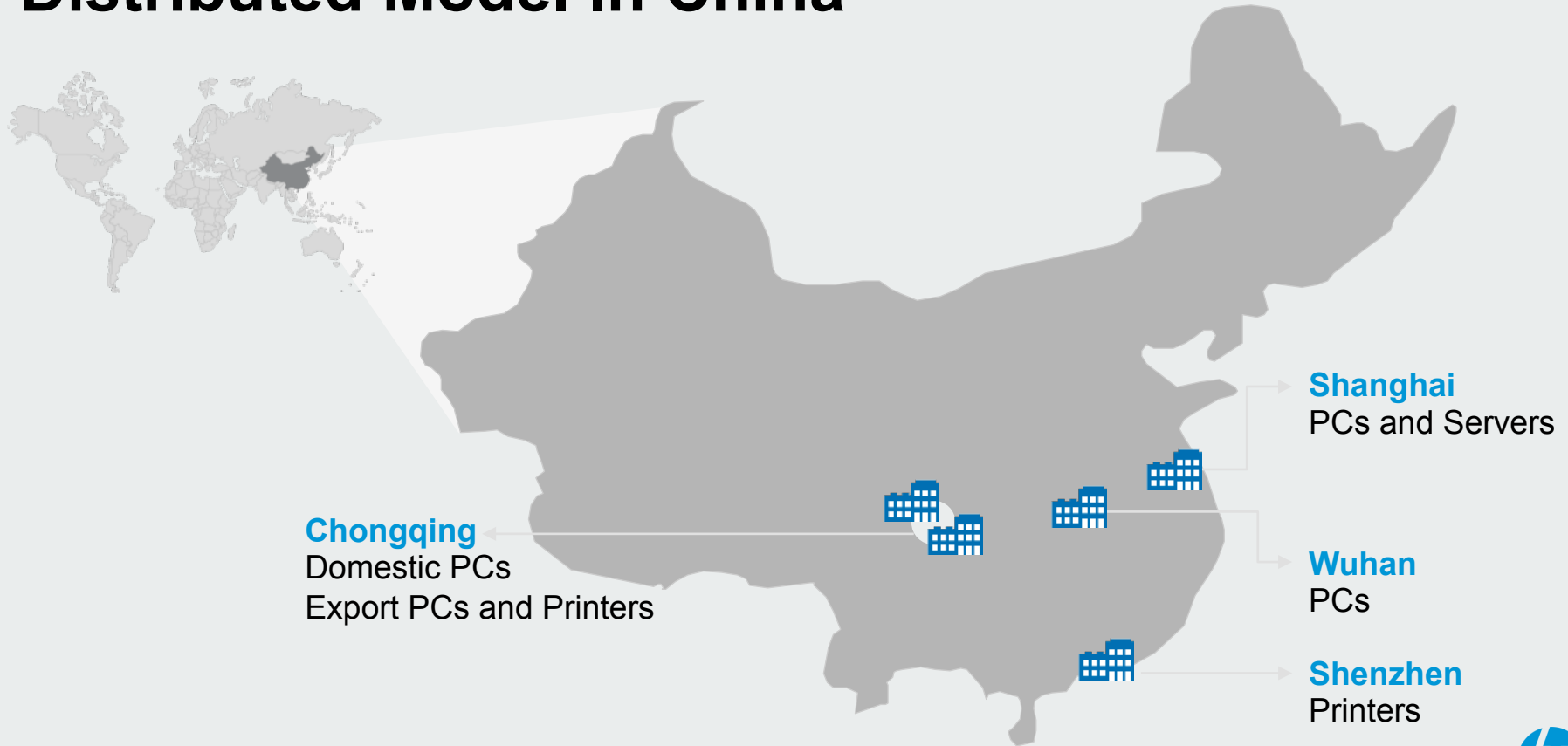
Central government's decision to make Chongqing a **special economic zone**.

2009 *No. 3 Document of the State Council* which permitted **12 preferential policies** for Chongqing.

Central government's decision to allow Chongqing to have **two duty free areas**.

State Council decision to make Chongqing a pilot for China's **urban and rural integration**.

Distributed Model In China



Hyper Scale Notebook and Inkjet model - Chongqing

Chongqing City



Hyper Scale Inkjet Model

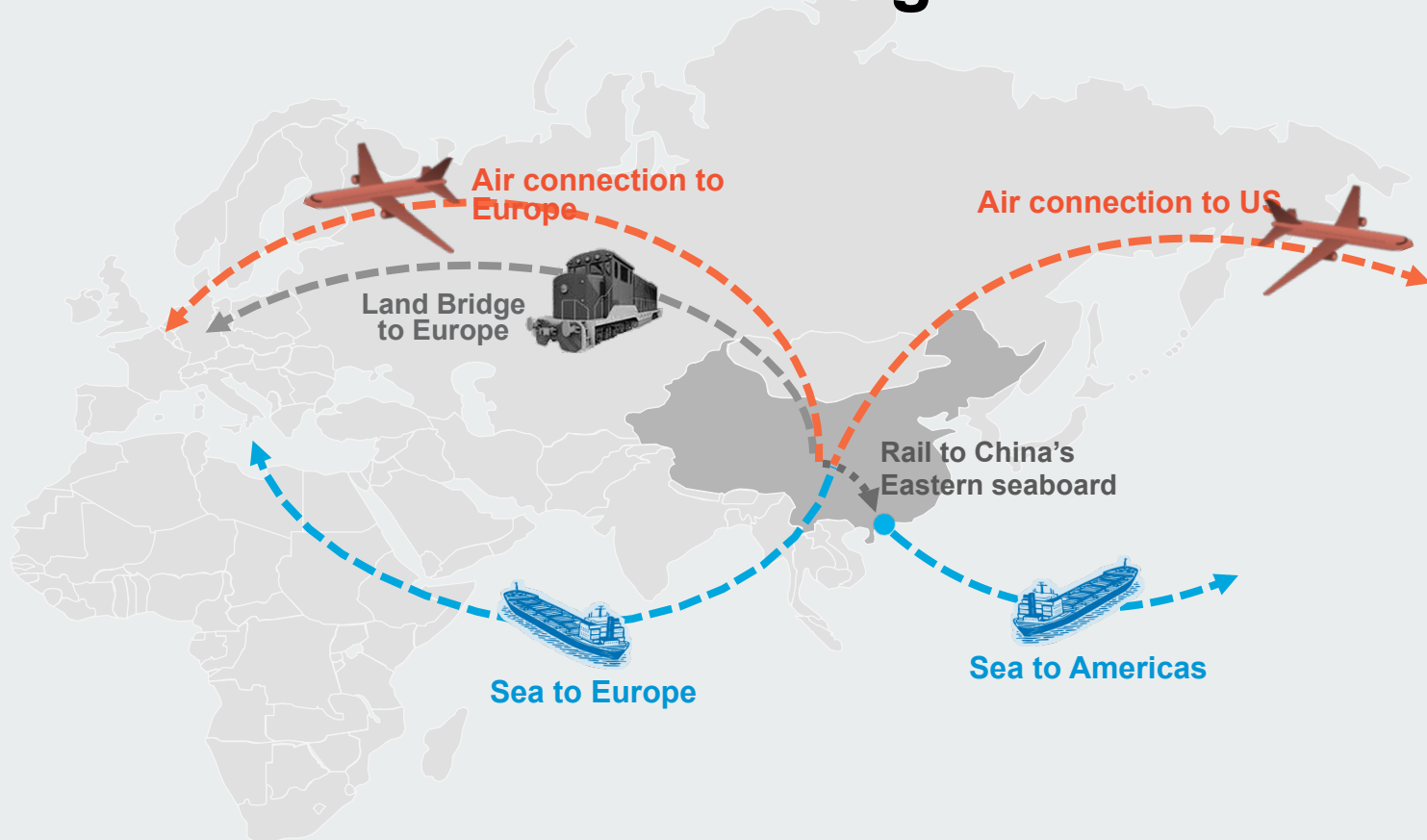
2009



2012



Western China Multi-Modal Logistics



Driving a New Model In Western China



Labor & Salary

~85% of **direct labor** live within the region

Competitive **Pay rate**

Training

Subsidies offered for secondary vocational school tuition fees

Living quarters

Extensive recreation, leisure and wellness **facilities**

Dormitories are owned by Government

Government Engagement

Government, HP and ODM coordination of **labor needs**



Social And Environmental Responsibility



Broaden our supply chain SER **assessment methodology** to include increased independence, transparency and **supplier ownership**



Continue our long history of ownership for **solutions to critical issues** in the IT supply chain

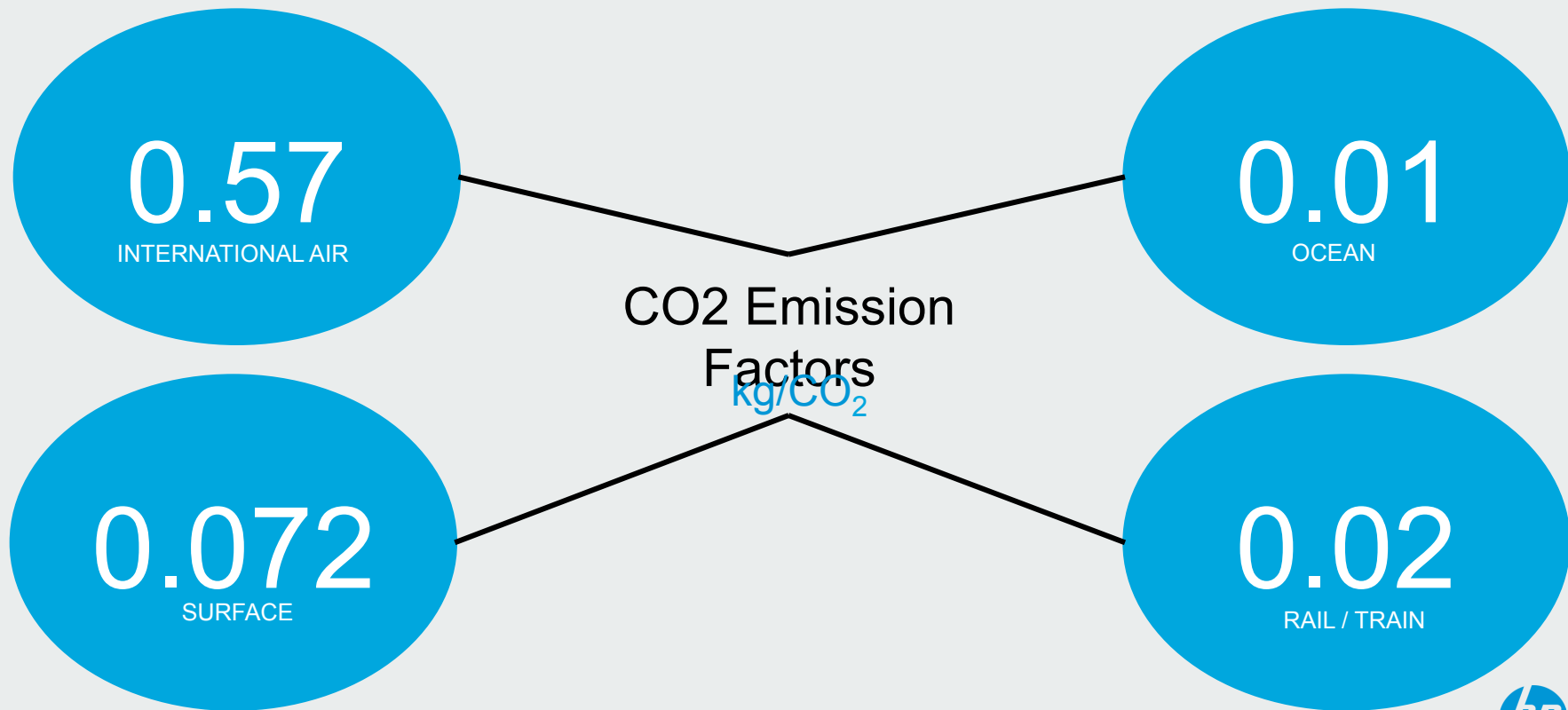


Reinforce the connection between **business incentives and SER performance** with our business partners



Drive deeper **environmental improvements** in the supply chain

CO₂e Emission Factors in Transport



HP Conflict Minerals Program Leadership

Supply Chain Due Diligence

Stakeholder Engagement

Supporting Responsible Sourcing



Set policy and supplier requirements last year

Surveyed all direct suppliers last year and will resurvey this year

Eventual requirement to only purchase material from compliant conflict free smelters

Signatory to four multi-stakeholder group letters to SEC

Piloting due diligence guidance with OECD

Enough Project recognized HP as a 'pioneer of progress' and ranked HP second in their Aug 2012 report

Solutions for Hope project enabling DRC conflict-free tantalum

Facilitating Industry Conflict Free Smelter Program and common supplier reporting template

Governance Committee member directing the Public Private Alliance for Responsible Mineral Trade



**Working to build
the industry's best
supply chain**





Thank you