



## HP Standard 007-3 Vendor Requirements for Hardware Reuse

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| <b>Responsible Group</b>   | Corporate Environmental Strategies  |
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| <b>Abstract</b>            | This standard identifies the requirements that must be met by vendors and contractors who perform reuse or refurbishment services and resale of HP products, components, and parts. |
| <b>Applicability</b>       | The vendor requirements set out in this standard apply to all vendors retained to perform reuse or refurbishment (and disposition) services.  |
| <b>Status</b>              | Approved  |

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### Table of Contents

- 1 Introduction
- 2 Applicability
- 3 Compliance with HP Supplier Code of Conduct and Ethical Business Practices
  - 3.1 Reuse, Resale or Donation
  - 3.2 Recycling or Disposal
  - 3.3 Landfill Avoidance
- 4 Insurance
- 5 Use of Sub-vendors, Subcontractors, and Downstream Vendors
- 6 Remarketing
- 7 Vendor Storage and Processing
- 8 Audits and Documentation
- 9 Product and Materials Tracking and Accountability
  - 9.1 Materials Accounting
  - 9.2 Inventory Control
  - 9.3 Infrastructure and Business Interruption
  - 9.4 Trans-boundary Shipment
  - 9.5 Information Security
    - 9.5.1 Remarketable Units
    - 9.5.2 Units to be Destroyed
- 10 Physical Security
- 11 Workforce Issues
- 12 Packaging and Shipping
- 13 Financial Stability
- 14 Definitions
- 15 References
- Revision History



## 1 Introduction

HP is committed to reducing the environmental impact of our products, services, and operations. Part of meeting this commitment is to provide our customers with efficient product reuse and recycling options while also minimizing the impact on the environment.

This standard identifies the requirements that must be met by vendors and contractors who perform reuse or refurbishment services and resale of HP products, components, and parts.

## 2 Applicability

The vendor requirements set out in this standard apply to all vendors retained to perform reuse or refurbishment (and disposition) services. This standard does not apply to direct product suppliers or to warranty returns covered under separate agreements.

Electronic equipment may only be recycled at an HP approved vendor. A list of approved vendors may be viewed on the Waste Vendor Program website.

## 3 Compliance with HP Supplier Code of Conduct and Ethical Business Practices

HP vendors must meet the following requirements:

- Understand the HP [Supplier Code of Conduct](#) and sign the [Supplier Agreement](#).
- Demonstrate a history of regulatory compliance based on government agency or independent input (such as environmental facility reports from Environmental Data Resources or Dun & Bradstreet).
- Notify the HP vendor manager within 24 hours of any occurrence that could materially affect or interrupt the vendor's ability to perform services for HP. In addition, any occurrences that involve security, health, safety, environmental, or labor issues that could negatively impact HP's interests must be reported to the HP vendor manager without delay. Notification will be made to the vendor's designated HP vendor manager.
- Obtain and maintain all applicable permits, licenses, approvals, agreements, and other required government or regulatory documents.
- Implement and maintain an emergency response plan to prepare for and respond to emergency situations including fires, medical emergencies, and uncontrolled release of toxic or harmful materials.

### 3.1 Reuse, Resale or Donation

Unless otherwise specified by HP, materials are to be reused or recycled to the extent technically and economically practical.

All whole or host units must be tested and inspected to ensure they are in working condition prior to resale or donation. Components and parts must be tested and inspected when technically and economically feasible to ensure they are in working condition prior to resale or donation. If a sub-vendor provides testing and inspection services, documentation must be maintained to provide assurance to HP that all items being sold or donated are in working condition.

For parts or components that are not tested prior to resale, records documenting sale at the fair market reuse value must be maintained.

Items for resale must have a limited return guarantee.



### 3.2 Recycling or Disposal

Recycling or disposal of whole units, parts, components or hazardous materials derived from computer, monitor, printer, television or associated peripherals from HP Reuse/Recycling programs must be processed by an HP approved E-Waste vendor in accordance with [HP Standard 007-2 Vendor Requirements for Hardware Recycling](#).

### 3.3 Landfill Avoidance

Equipment containing hazardous and regulated materials shall not be landfilled. These include, but are not limited to, the following:

- Whole monitors, CPUs, televisions, and printers
- Printed circuit boards containing lead, mercury lamps and switches
- Cathode ray tubes (CRT) and CRT glass
- Batteries
- LCDs and plasma screens
- Any materials containing lead, mercury, cadmium, hexavalent chromium or PCBs

## 4 Insurance

Vendors must maintain adequate general liability, comprehensive liability, and pollution liability insurance to comply with applicable regulatory requirements and HP's risk management requirements unless a documented exemption is provided by HP.

Vendors that store waste, scrap, or low-value equipment accumulated speculatively must maintain financial, insurance, or bonding instruments to cover the maximum facility closure costs, where disposal costs may exceed \$10,000 U.S.

- Closure cost estimates must be reassessed and documented at least once every two years.
- Closure plans, which document how materials will be managed and how the facility will be properly decommissioned at the time of closure, must be maintained and updated at least every two years.

Vendors must maintain Single Limit Public Liability and Property Damage Insurance, Statutory Worker's Compensation Insurance, and Employers Liability insurance, Automobile Liability, Technology Errors and Omissions insurance, Employee Dishonesty or crime coverage insurance, and excess liability insurance, in conformance with HP's risk management requirements.

## 5 Use of Sub-vendors, Subcontractors, and Downstream Vendors

Vendors must disclose the names of subcontractors and sub-vendors used to perform downstream reuse, recycling, or disposal services for HP product or materials.

Vendors must verify and maintain documentation that any subcontractors they employ to provide reuse, recycling, or disposal services for HP products or materials will and do comply with this HP Hardware Reuse Standard, the Code of Conduct, and, if applicable, the HP Hardware Recycling Standards (that is, the [Electronic Industry Code of Conduct](#) and [HP Standard 007-2 Vendor Requirements for Hardware Recycling](#)).

Vendors must agree that any such subcontract will impose on the subcontracted vendor all requirements to which the vendor is subject in its contract with HP. Vendors will ensure that subcontractors and sub-vendors comply with these requirements.



## **6 Remarketing**

Vendors must have an adequate sales staff and the remarketing infrastructure necessary to sufficiently handle volume accounts and at least meet market values on sales of equipment, subassemblies, and components.

## **7 Vendor Storage and Processing**

Vendor storage and processing areas must be secured to prevent unauthorized access. All HP products and materials must be stored and processed in covered or contained areas to prevent releases to the environment. Specifically, batteries, mercury lamps, PC boards, and monitors or CRTs must be protected from weather (wind, rain, snow) during storage and must not be stored for more than 90 days unless a longer period of time is approved by the HP vendor manager.

## **8 Audits and Documentation**

HP reserves the right to conduct audits and assessments of all vendor, sub-vendor, and subcontractor sites and operations used for handling, storage, or processing of HP products or materials. These audits may be conducted by HP or an auditor of HP's choosing.

Vendors providing reuse services for HP products or materials must ensure that those operations occur in a timely fashion and under appropriate security conditions, to prevent unnecessary stockpiling of products or material and to ensure that products and material are processed as specified and are not diverted. HP reserves the right to witness vendor operations at any time.

Vendors must make available the records and information related to the HP audit and assessment process and must supply copies of records and relevant information to HP upon request. Records include but are not limited to: material tracking documents, material balance, unit counts, materials, shipping records, disposal records, emissions monitoring, employee medical testing, inspection reports, regulatory notices, training records, spill/release reports, and so forth.

Audits and assessments required by HP will measure conformance to this standard and the terms of the contract.

## **9 Product and Materials Tracking and Accountability**

### **9.1 Materials Accounting**

Upon request, vendors must provide an accounting for all HP products and materials processed (that is, the quantity received, type of process, commodity generated, where sent, and transaction receipts).

### **9.2 Inventory Control**

Vendors must insure inventory controls are in place. These controls include: systemic tracking of assets, bin location, cycle count program, physical inventories, and reconciliation process. The system must show evidence that equipment can be tracked by serial number from receipt to shipment.

### **9.3 Infrastructure and Business Interruption**

Vendors' operations must be scalable and able to support large volume accounts without delays or adverse impacts to compliance with these standards. Vendors must have adequate equipment and support infrastructure (staff, storage space, equipment, process capabilities, and so forth) to meet current volume requirements and have the ability to scale up operations when necessary.



#### **9.4 Trans-boundary Shipment**

Products or materials exported across country borders for processing must have prior approval from the HP vendor manager. Once products have been tested and inspected, the terms of the specific vendor contracts will apply.

Any required permits or consents for trans-boundary shipments must be secured before shipment.

Hazardous or regulated materials for processing shall not be exported from developed countries to developing countries.

#### **9.5 Information Security**

##### **9.5.1 Remarketable Units**

- If hard drives are still contained within a CPU of a remarketable unit, each unit must be physically opened and the presence and number of disk drives shall be verified and documented.
- Each disk must be physically wiped using industry-standard disk-wiping software that meets or exceeds the US DOD 5220.22-M standard (sec 8-306). The overwriting process must ensure that the system BIOS is set to ensure that all sectors on the disk are overwritten during the process.
- The vendor will perform a full software verification on each wiped disk to confirm that the wiping of all sectors was successful.
- The vendor will maintain auditable records to document the disk wiping process, identifying the serial number, date of wipe, and verification of wipe performance.

New units in unopened (original) packaging, channel returns, surplus inventory, and other equipment that does not contain customer or HP business data are exempted from this requirement.

##### **9.5.2 Units to be Destroyed**

Any hard drive units that are specified for destruction or that fail testing following the overwrite process must be destroyed by shredding, crushing, shearing, or perforating the memory resident material.

If a disk cannot be overwritten in all sectors for whatever reason, it will be secured and processed for destruction as indicated in this section. Records indicating the serial number of the drive or unit and the date of destruction or processing will be provided to HP upon request.

All data-containing recording media such as CDs, DVDs, tapes, or other similar items must either be fully erased in conformance with the US DOD 5220.22-M standard or be destroyed by shredding, crushing, shearing or perforating the memory resident material. Vendors must maintain documents verifying destruction of data devices including, where applicable, device serial numbers and date of destruction or processing.

Vendors shall permanently remove any customer labels, tags or other identifying marks on the products and components.

#### **10 Physical Security**

Business processes and physical equipment must ensure the protection of equipment from the time it is entrusted to the vendor—including any transit and or third-party transfer—until final disposition. Some examples of required protection are: building construction, fencing and gates, and lighting), Security process controls (badging and identification, HR processes, concealed theft prevention, incident reporting and escalation, training, yard controls), business process controls (disposition, inventory control, loading and unloading), in-transit controls (driver requirements, routes controls, security seals, truck security).



## 11 Workforce Issues

Vendors will perform adequate pre-employment screening (unless prohibited by law) before assigning work or access to HP products or components to an employee or contractor. Work rules will be documented and enforced to facilitate the security of HP products and components, to prevent unauthorized use or resale of HP branded materials. Employees will be trained on the requirements for all HP materials and transactions.

## 12 Packaging and Shipping

Vendors transporting whole units, components, or parts to downstream vendors or resellers for further refurbishment, testing, inspection, or resale must package items in a manner consistent with transporting products of value for resale. Packaging of materials ultimately intended for resale or donation must be packaged in a reasonable manner to prevent breakage.

Vendors must comply with all applicable shipping, transportation, export/import, and customs requirements.

## 13 Financial Stability

Vendors must be in conformance with HP regional and country requirements for financial solvency and must not be undergoing bankruptcy proceedings. Requirements for financial stability are provided by the HP vendor manager.

## 14 Definitions

**Developing Countries:** Includes any non-OECD and non-European Union member country. OECD (Organization for Economic Cooperation and Development) indicates a group of 30 countries who discuss and develop economic and social policy.

**Disposition:** Management of unwanted electronic hardware products, parts, or components for resale, reuse, recycling, or disposal.

**Disposal:** Landfill, incineration without energy recovery, and any other disposition of electronics hardware products or materials that is not resale, reuse, recycling, or energy recovery.

**Electronic Hardware:** All electrically powered computer, printer, monitor, and flat-panel television equipment manufactured by HP and similar equipment from other manufacturers that is owned, leased, or managed for customers or otherwise under the management of HP for disposition. This includes, but is not limited to, products for sale or lease, sample and prototype products, factory scrap managed by HP, obsolete inventory, customer or reseller returns, trade-ins, components, subassemblies, and whole units.

**Energy Recovery:** Burning of electronic hardware products or components or of materials derived from recycling of these products or components, for collection and recovery of energy.

**Hazardous Materials:** Includes, but is not limited to, printed-circuit boards containing lead, mercury lamps and switches, cathode ray tubes (CRTs) and CRT glass, batteries, LCDs, any materials containing lead, mercury, cadmium, or hexavalent chromium, and any materials regulated by law as hazardous.

**Recycling:** Processing of electronic hardware products for retrieval of usable components or for recovery of plastic or metal materials values, including the processing of plastics-bearing materials for reuse in plastics manufacturing and the processing of metals-bearing materials for recovery of precious metals, or for resale as commodity scrap metal.

**Resale:** Sale of a used electronic hardware product for its original intended purpose, with or without prior repair or refurbishment.



**Reuse:** Use of an electronic hardware product for its original intended purpose, with or without prior repair or refurbishment.

**Sub-vendor:** Any subcontractor or downstream third party who provides disposition services of electronic hardware products and materials to or on behalf of HP's vendors.

**Vendor:** Any third party who provides disposition services of electronic hardware products and materials to or on behalf of HP. Also includes logistics service providers that either provide the processing services directly or through third-party recycling, reuse, or disposal providers.

**Vendor Manager:** The designated HP employee or contractor responsible for managing the vendor relationship, typically located in the HP Procurement group or the HP organization responsible for managing materials shipped to the vendor.

**15 References**

[HP Standard 007-2 Vendor Requirements for Hardware Recycling](#)

[Electronic Industry Code of Conduct](#)

U.S. DOD 5220.22-M, *National Industrial Security Program Operating Manual*

**Revision History**

| <b>Revision,<br/>Date,<br/>Change Number</b> | <b>Brief Description of change</b>     |
|--|--|
| A, 13-Aug-2008                               | Initial release.                       |
| A1, 11-Nov-2008<br>DCN 02925                 | Clerical update to indicate new owner. |