C+

HP

While much has changed for HP in the past two years, including a cleaving of the company into a separate hardware division, HP Inc is still the world's largest manufacturer of PCs.[1] HP's transparency is among the best in this year's Guide, providing clear and detailed reporting of its own operational footprint, and an increasing amount of detail on its supply chain, material flows in its products, and chemicals restricted in both products and manufacturing processes. While HP was one of the first companies to establish greenhouse gas reduction goals across its supply chain and is making progress toward its long-term goal of 100% renewable energy for its own operations, stronger ambition is needed to reduce its supply chain emissions. Currently one of HP's most important contributions to charting a more sustainable path for the sector has come in product design that is better for the planet. HP has shown that is it more than possible to produce devices, including tablets, that are easy to repair and upgradable, in sharp contrast to recent offerings from Apple, Samsung, and other device manufacturers that are increasingly designing their devices in ways that make it difficult if not impossible to repair or upgrade.

Renewable Energy & Climate Change   B

TRANSPARENCY. HP provides thorough reporting of its own energy footprint (scope 1 & 2), including its overall use of renewable energy and progress toward its GHG reduction goals, and publishes product footprint data for a large percentage of its products.[2] HP also publishes a detailed supplier list[3] and provides above average reporting of its supply chain emissions,[4] allocating emissions into clear categories that are supply chain related, rather than kept bundled under a broader Scope 3 label. HP reports steady progress in getting its suppliers to report their scope 1 and 2 emissions associated with HP production, but greater detail and allocation of what is effectively 90% of HP's GHG footprint at both the country and supplier level, including the percentage of renewable energy, should be added.

B

COMMITMENT. HP is one of several companies in the Guide that have adopted the long-term goal to power their own operations with 100% renewable energy, and HP has also set a mid-term goal of 40% renewable energy by 2020, combined with a GHG reduction goal of 25% by 2025. HP deserves credit for being one of the first to establish a supply chain GHG reduction target, with dual targets of reducing first-tier production supplier and product transportation-related GHG emissions intensity by 10% by 2025, and a gross reduction of 2 million tonnes.[5] Greater ambition is needed, however. HP should follow Apple's lead and expand its commitment to become 100% renewably powered to its supply chain, where the vast majority of its carbon footprint lies. When product energy use by the customer is excluded from HP's footprint, manufacturing accounts for nearly 90% of HP's GHG emissions.[6]

B

Renewable Energy & Climate Change (continued)   **B**

PERFORMANCE. HP has made commendable progress in reducing its own energy footprint through a combination of energy efficiency and deployment of renewable energy. Both HP's own absolute GHG emissions and those of its supply chain decreased slightly in 2016 (a 21% reduction in emissions for its supply chain on an intensity basis.)[7] HP engages 95% of suppliers by spend on reducing environmental impact, and 93% have GHG reduction targets. Additionally, 47% of suppliers report to using renewable energy, though details are missing on total percentage or gross amount. In 2016, renewable electricity purchased and generated on-site accounted for 105 million kWh of electricity globally, 14% of total consumption and making progress toward the goal of 40% by 2020.   **B**

ADVOCACY. While HP is making commendable progress in reducing its energy footprint, it has not kept pace with other US IT leaders in supporting climate and renewable energy policies, and has even fallen off from its efforts in previous years. While HP Inc spoke out publicly after President Trump announced his intention to withdraw the US from the Paris Climate Agreement Accord,[8] it did not weigh in as strongly[9] in advance of the decision as many other IT companies did,[10] including HP's sister company HP Enterprise, whose CEO was quite vocal on the importance of the US remaining in.[11]   **B**

Sustainable Design & Resource Reduction   **B-**

TRANSPARENCY. HP reports typical material composition for its notebooks, desktops, and tablets. Additionally HP reports details of its take-back efforts, including the amount of devices repaired, refurbished and recycled. HP reports overall material use, but not the portion that is recycled (2016 CSR report, pg 43). In contrast to HP's detailed reporting on recycled content in printers and toners, HP only reports on its desktop products' use of PCR, without much specificity (pg 47). Finally, in addition to disclosing its smelter list, HP reports compliance level in avoiding smelters that may fund armed conflict for 3TGs.   **B**

COMMITMENT. HP has set vague priorities to use less material, increase recycled and recyclable content, use materials with lower environmental impact, increase product durability, repairability, and upgradability, and support repair; however, none of these efforts include a specific goal or timeline (pg 41). In terms of product take-back, HP does have a goal to recycle 1.2 million tonnes of hardware and supplies by 2025, from the starting date of 2016 (pg 65).   **C**

PERFORMANCE: CIRCULAR PRODUCTION. HP has not assessed priority materials for closed-loop sourcing. The company reports to be using some open-loop PCR plastic for new commercial desktop products (pg 47). HP does not report that it is sourcing any other secondary materials beyond plastic. HP's responsible sourcing due diligence program extends beyond 3TG to include cobalt (pg 88). HP offers take-back services beyond legal requirements and HP has a no-export policy to prevent the shipment of e-waste from developed to developing countries (pg 123). Finally, HP's products typically score 7 or higher on iFixit repairability assessments, which means disassembly for recycling is an easier process.   **B-**

PERFORMANCE: PRODUCT LIFE EXTENSION. While HP's performance in closing the materials loop leaves room for improvement, HP's product design and other efforts to keep existing gadgets in use longer are more laudable. HP seems unique in offering tablets whose memory can be easily upgraded, and HP's recently assessed laptops and tablets have easily replaceable batteries. HP offers repair manuals for most products and sells spare parts. The company also sells refurbished products in mature markets (pg 66).   **A**

Sustainable Design & Resource Reduction (continued)   B-

ADVOCACY. HP would have a D for its membership in ITI which has lobbied against fair repair legislations, as other ITI members in the Guide have received. However, HP's practice of providing repair manuals publicly along with its statement to "promote regulatory frameworks that support efforts to extend our products' lives through repair and reuse" saved HP from a lower score (pg 123).	C

Hazardous Chemical Elimination: Products & Supply Chain   C+

TRANSPARENCY. HP publishes a fairly detailed supplier list, which includes address and function for HP's final assembly suppliers, as well at other details.[12] HP publishes a General Specification for the Environment which includes information about chemicals restricted for use in products and manufacturing, including threshold limits.[13] HP reports aggregate non-compliance findings of annual supply chain code of conduct audits.	B
COMMITMENT. HP reports that its "current efforts to phase out substances of concern mainly focus on phthalates, brominated flame retardants (BFRs), and polyvinyl chloride (PVC)."[14] In HP's 2015 CSR report, HP appeared to set a 2020 deadline to phase out remaining uses of BFRs, PVC, antimony and certain phthalates; however, HP also places caveats on this effort, stating "future possible restriction of those materials depends, in part, on the qualification of acceptable alternative materials."[15]	C
PERFORMANCE. HP has taken some steps to phase out chemicals of concern from its line of products, though the work is incomplete. HP reports 75% of personal systems (tablets, notebooks, all-in-ones) sold in 2016 were classified as low halogen (low BFR and PVC), and that all personal systems launched in 2016 have eliminated four phthalates of concern. HP shares its historical timeline for phasing out arsenic, mercury and other materials of concern, as well as materials of concern it continues to use but monitors, such as antimony, beryllium, and BFRs.[16] Beyond auditing, HP reports some initial efforts to address worker health and safety risks in its supply chain, including a pilot project with two of its suppliers to build chemical management capability.[17] The company has also banned the use of several known hazardous chemicals in the manufacturing of its products, including benzene and n-hexane, according to its MRSL.	C
ADVOCACY. HP participates in the Chemical Footprint Project with aims to measure and disclose data on corporate progress toward reduction in chemicals of high concern and introduction of safer chemicals. Additionally, HP is part of Clean Electronics Production Network (CEPN) with a goal to move toward zero exposure of workers to toxic chemicals in the electronics manufacturing process.	B

ENDNOTES

1   https://www.idc.com/getdoc.jsp?containerId=prUS42464617

2   http://h22235.www2.hp.com/hpinfo/globalcitizenship/environment/productdata/ProductCarbonFootprintnotebooks.html

3   http://h20195.www2.hp.com/V2/GetPDF.aspx/c03728062.pdf

4   http://www8.hp.com/us/en/hp-information/environment/footprint.html

5   http://h20195.www2.hp.com/V2/GetDocument.aspx?docname=c05166311

6   http://www8.hp.com/us/en/hp-information/environment/footprint.html

7   http://www8.hp.com/us/en/hp-information/global-citizenship/environment/supplychainenviromgt.html

8   http://www8.hp.com/us/en/hp-news/press-release.html?id=2468421#.WXuJb9PyvOT

9   http://lowcarbonusa.org/business

10 https://www.c2es.org/international/business-support-paris-agreement

11 https://www.cnbc.com/2017/06/01/meg-whitman-to-trump-leaving-paris-climate-agreement-puts-us-behind.html

12 http://www8.hp.com/h20195/v2/GetDocument.aspx?docname=c03728062

13 http://h20195.www2.hp.com/V2/GetDocument.aspx?docname=c04932490

14 http://www8.hp.com/h20195/v2/GetPDF.aspx/c05507473.pdf, p. 44.

15 http://www8.hp.com/h20195/v2/GetPDF.aspx/c05154920.pdf, p. 47.

16 http://h20195.www2.hp.com/V2/GetDocument.aspx?docname=c05117791

17 http://www8.hp.com/h20195/v2/GetPDF.aspx/c05507473.pdf, p. 84.