

# Purchasing the future you want

A guide to sustainable IT procurement



  **Go Beyond**

Resources to help your organization advance sustainable impact through the power of procurement

# Purpose of the guide

This guide is designed to help procurement and sustainability professionals leverage the power of sustainable procurement to advance your sustainability goals, while also contributing to the advancement of the circular economy. The focus of this document is on Information Technology (IT), in particular personal computers (PCs), displays, and printers, however the scope (particularly when assessing suppliers) can be extended to apply in other procurement areas.

For a primer on sustainable procurement, check out the [Buying Responsibly How-To Guide](#) developed by WWF Canada and HP.

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# Leveraging Sustainable Procurement

Procurement and sustainability professionals recognize the vital role sustainable procurement plays in “purchasing the future we want.” There has never been a more pressing set of indicators demonstrating the scale of the issues facing humans and the planet.

This document aims to give you objective guidance on how to leverage your technology purchases to advance the circular economy. The simple definition of sustainable procurement is:

## Sustainable procurement includes:

- Obtaining the best value,
- For the most sustainable services or goods,
- From the most sustainable supplier,
- In alignment with your organization’s stated purpose & goals.

- Sustainable Purchasing Leadership Council<sup>19</sup>

Even a small shift in the way we buy will have a significant impact on people and the planet, while helping to meet the Paris Agreement targets and the UN Sustainable Development Goals (SDGs). With the ever-growing impacts of climate change, population growth, scarce natural resources, global pandemics and calls to action for social justice, organizations will need to innovate their purchasing practices to build more resilient and sustainable supply chains.

Our use and discard models of consumption have had devastating impacts on our planet. Resource extraction and processing are responsible for around half of global greenhouse gas emissions.<sup>1</sup> They are also responsible for 90 per cent of biodiversity loss and water stress.<sup>1</sup> The spotlight is therefore squarely placed on extractive industries for climate change mitigation. Our consumption-based linear economy—take, make, use, discard—is not sustainable.

The transition to a circular economy, based on better design, reduce, reuse, and recycle, depends on procurement as a key driver. Organizations can support this transition, one that is restorative and regenerative by design,<sup>2</sup> by evaluating the services and products they buy and the companies with whom they choose to do business.

## Sustainable development goals

Many organizations have aligned their sustainability goals with the UN Sustainable Development Goals (SDGs) framework – a useful blueprint to address global challenges by 2030. While sustainable procurement influences many of the 17 interconnected goals, the two most relevant to procurement professionals may be SDG 12 and 17:



### SDG 12 – Responsible Consumption and Production

SDG 12.7 includes “promot[ing] public procurement practices that are sustainable, in accordance with national policies and priorities.” Our global material footprint continues to grow while natural resources are not used sustainably. The way organizations produce and consume has a real impact on our future; procurement has the power to meet your goals “to do more and better with less”<sup>3</sup> by keeping materials in use and at their highest value.



### SDG 17 – Partnerships for the Goals

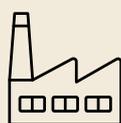
SDG 17 includes, “encourag[ing] and promoting effective public, public-private and civil society partnerships, building on the experience, and resourcing strategies of partnerships.” Sustainable development is a ‘team sport’ that brings many skillsets and groups together to find the best solutions. Procurement professionals have a wide range of knowledge yet cannot be an expert in all areas. This is why collaboration with suppliers, line of business experts and sustainability professionals is key for procurement departments, who can benefit from collaborators’ expertise in areas such as ecological and environmental science, and the social impacts within supply chains.

The [white paper](#) on the collaborations between HP and WWF Canada gives organizations guidance on the key elements of successful partnerships.

## The linear economy



Take



Make



Consume



Discard

# A model for change: The circular economy ecosystem

Procurement is a critical driver for the economy, and it is especially important in the shift towards the circular economy. Where and how we spend money matters. For instance, the simple act of transitioning from buying a good to buying a service, such as managed print services, brings a host of sustainability benefits. In a circular economy, resources (e.g., materials or products) are maintained at their highest form of value for as long as possible. This eliminates the need to extract ever-increasing amounts of natural resources, and, avoids discarding these resources into landfills, waterways, and oceans. The circular economy transition is critical for future-looking organizations.

End of (first) life means that an electronic device is heading to a second life, usually with another user. This is important because IT equipment requires a lot of investment of energy and materials to manufacture. Extending product life avoids the extraction of new raw materials and instead keeps existing materials in circulation.

## Circular economy ecosystem



“Habitual purchasing practices represent the single largest barrier to realizing a more sustainable industrial economy. Unless we innovate the way we buy and what we buy, we will continue to reproduce the social, environmental, and economic impacts that we experience in our industrial economy today.”

- Sam J. Hummel, Former Executive Director of the [Sustainable Purchasing Leadership Council \(SPLC\)](#)

## Circular economy ecosystem (continued)

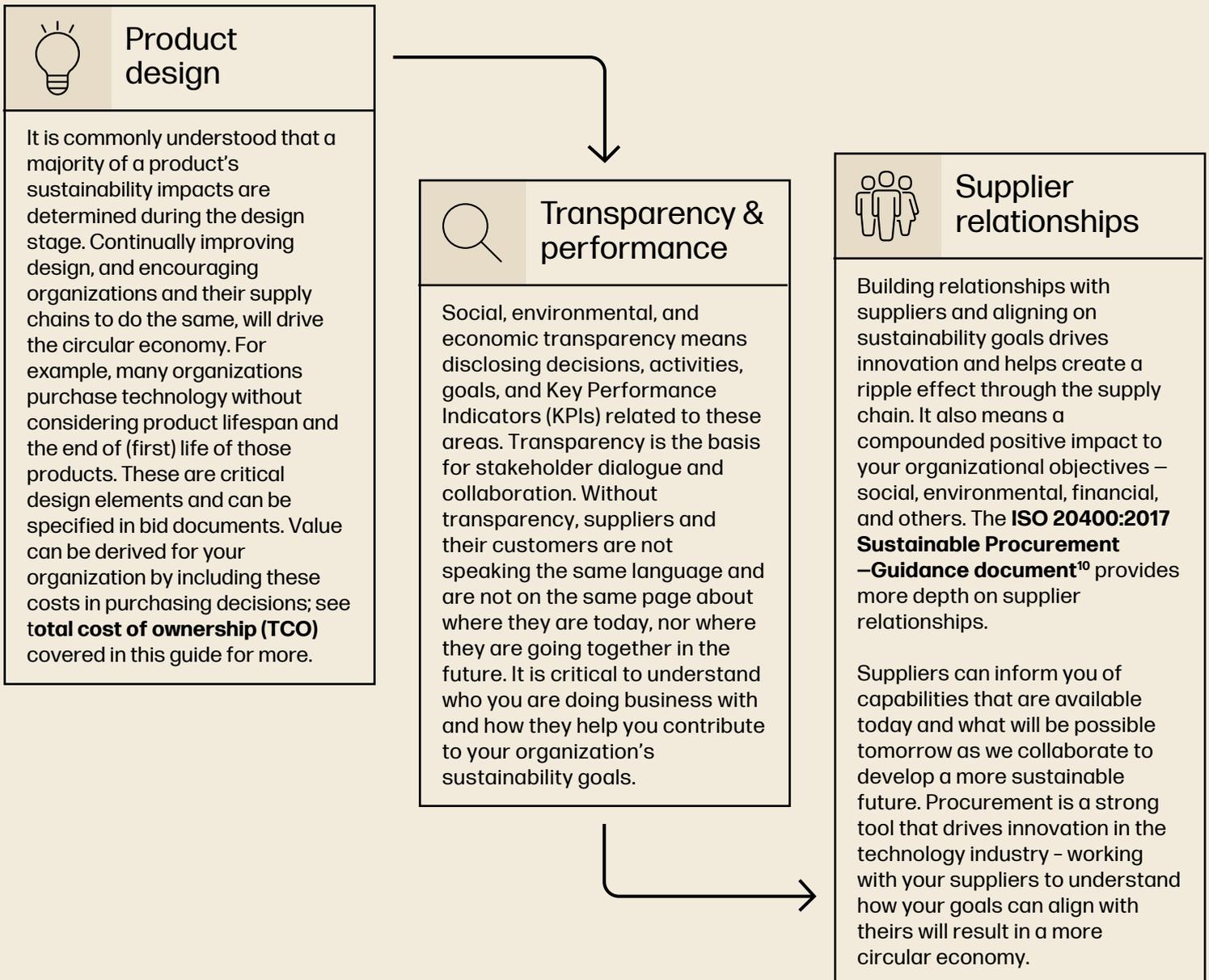
Circular economy is an alternative economic model in which services and products are designed with sustainability in mind, for example, by facilitating repair and reuse to extend product life. Ideally, within a circular economy, production and use are powered by renewable energy, while design allows for extending product life, device reuse and repair, and complete recovery and recycling of all product materials at end of life. Resources such as plastics from these products are then re-cycled into new products.

Aligning your procurement practices to encourage the circular economy can be achieved by making informed purchasing decisions regarding services and products. Critically, the transition to circular economy is driven by procurement with these three main circularity drivers: product design; transparency & performance; and supplier relationships.

“Without circular procurement, your sustainability work will be seen as just window dressing.”

– TCO Development 2020 report, Impacts and Insights: Circular IT Management in Practice<sup>4</sup>

# Circularity drivers



# Sustainability goals & supply chain impact

In this critical decade of climate action, organizations are increasingly setting and driving towards achieving ambitious sustainability goals. Whether these goals include reduced and sustainably sourced packaging, water conservation, value chain carbon reductions, supplier diversity, or workers' rights, the use and impact of sustainable procurement to advance these goals is often underestimated.

Sustainable procurement is, in fact, one of the most impactful and effective ways to meet your sustainability goals.

Leveraging your technology purchases to advance your social and environmental goals makes sense.

## Sustainable procurement includes:

- Obtaining the best value,
- For the most sustainable services or goods,
- From the most sustainable supplier,
- In alignment with your organization's stated purpose & goals.

- Sustainable Purchasing Leadership Council<sup>19</sup>

## Align your procurement with your sustainability goals

The supplier, type and quantity of services and/or products purchased collectively determine the social and environmental impact of any procurement activity. Align your decision-making criteria with your organization's social and environmental goals, policies, and priorities. For example, if your organization is striving to reduce its carbon footprint aligned with the Paris Agreement, you need to ensure that all services and goods under consideration include carbon footprint measurement, disclosure and footprint reduction goals from your supplier. You can then prioritize suppliers whose carbon footprint goals are aligned with yours<sup>19</sup>.

The impact of your procurement program will be maximized by prioritizing procurement criteria based on science-based targets and by focusing on the areas of greatest risk to your

## What are the impacts of your organization?

Although it may seem logical for an organization to improve the sustainability impacts within its own operations, the greatest contributors to an organization's footprint usually come from its supply chain. Operations are only the tip of the iceberg. Below the surface, there are many other risks associated with purchasing and suppliers.

For most organizations, the largest contribution to carbon footprint lies in the supply chain. For example, emissions in the supply chain account for 68% of HP's global carbon emissions, while operations account for only 1%. By developing a better understanding of how each supplier addresses their own impact on carbon emissions and resource acquisition, you can choose those employing the most responsible practices.



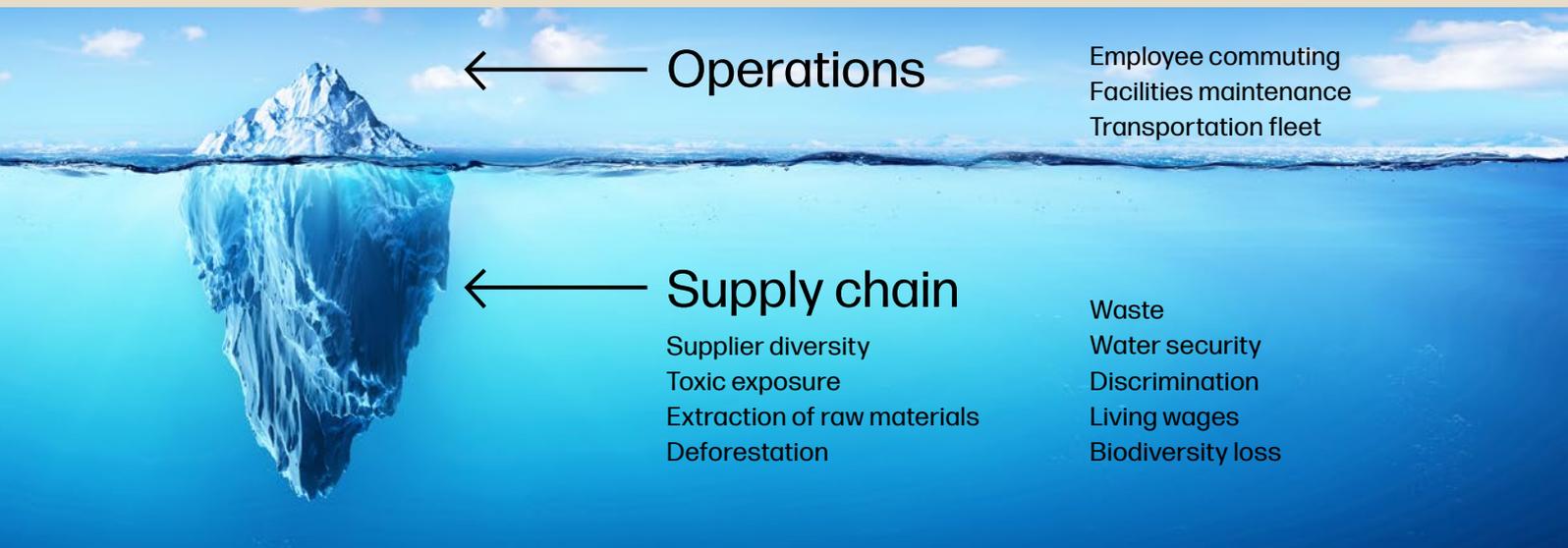
For climate change, supply chain emissions (upstream Scope 3) are, on average, 11.4 times greater than operational emissions.

[CDP Global Supply Chain Report 2022<sup>13</sup>](#), page 4

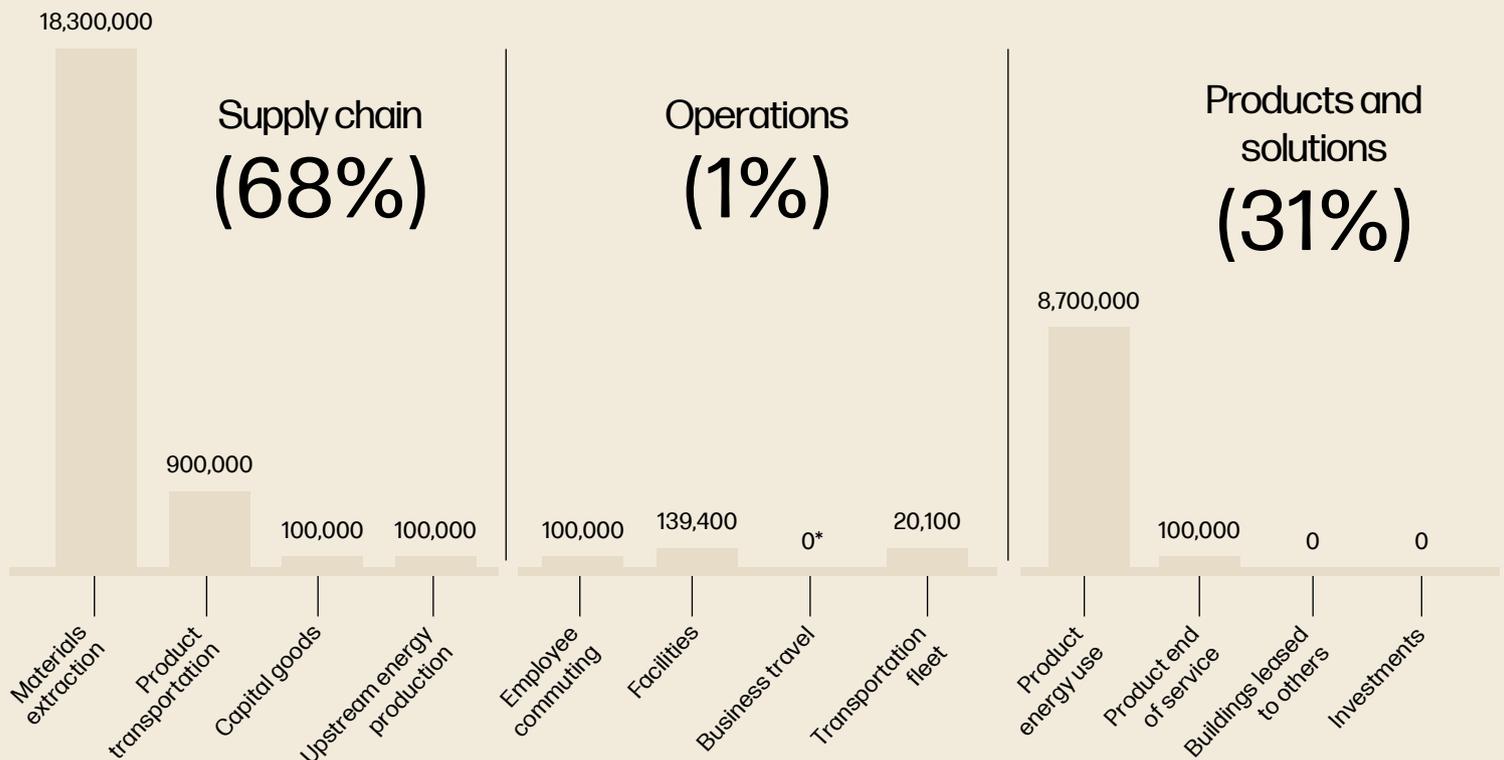
# Sustainability goals & supply chain impact

The impact of a vendor's own operations are only the tip of the iceberg

The greater impacts sit below the surface of operations within your vendors supply chain.



## HP carbon footprint, 2021 - 28,459,500 tonnes CO<sub>2</sub>e



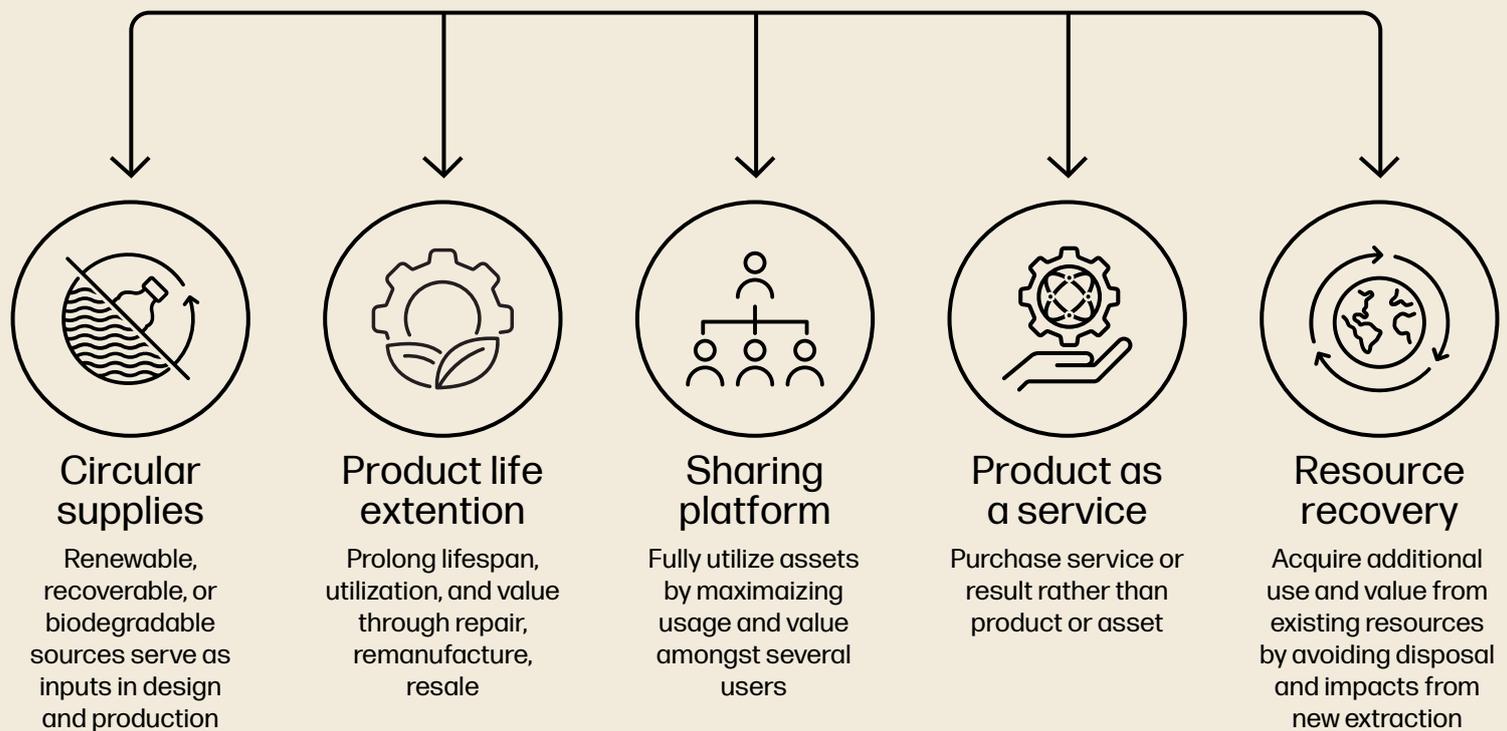
\*This value is 0 due to rounding

# How to evaluate circularity drivers

A set of diverse tools are available to evaluate the circularity and sustainability of IT services and products. The following section will describe how to use these tools effectively.

## Five business models of circularity

The Circular Innovation Council's 'Five Business Models of Circularity'<sup>18</sup> are based on principles of longevity, reuse, repairability, upgrade, share, and material reduction and recovery. They outline how we can redesign procurement in the technology industry, away from the linear economy towards a circular model of production and consumption. When making procurement decisions, specifying elements like production using renewable energy and recycled materials will encourage more suppliers to do this.



To integrate circularity into your procurement, you need to know which questions to ask. Good RFP design is critical for a shift towards circularity in your value chain. There are tools which can help you ask the right questions in your RFPs:

- Ecolabels, disclosures and rankings will guide you towards product and organizational transparency. See [page 11](#) for more details on leading ecolabels in the IT industry.
- Life cycle assessments can help you to understand the full environmental impact of a product or service from cradle to grave. See [pages 9 and 10](#) for more information on life cycle assessment.
- See [page 12](#) to discover the questions you can ask to meet your sustainability goals using the sustainable procurement criteria guides.

# Evaluating the design of services and products for circularity

This section provides information and tools needed to assess whether or not products meet your sustainability needs.

## The importance of total cost of ownership, life cycle assessments, and carbon neutrality

**Total cost of ownership (TCO):** Disclosing all financial costs across life cycle

Do suppliers disclose **all costs of owning IT**, not just initial purchase price? The total cost of ownership considers both direct and indirect costs, including installation, security, training, labor, maintenance, energy use, repairs, and end of (first) life management & recycling.

“TCO helps determine smart buying decisions by considering the ongoing costs of services or goods in combination with the initial purchase price.”

– Bob Willard, Founder and Chief Sustainability Champion, [Sustainability Advantage](#)

## Fairness & full life cycle

Procurement criteria need to be fair and equitable and consider sustainability aspects throughout the life cycles of different service or product options. For instance, the energy costs to operate the device together with the end of first life, security, and environmental and social issues need to be considered at the point of purchase.

How many devices are needed, truly? If you procure as a service, you can use just what you need, reducing waste and sustainability impacts, twofold: first, by reducing the amount of active hardware; and second, by supporting its second life when you are done using it in its first.

For example, when accessing computing-as-a-service, the end of first life is managed by your supplier. This means that devices are refurbished and put out in the used PC market faster, resulting in more units being given a useful second life.

**Did you know:** Adding 2 years of use to an average PC reduces the carbon footprint by 30%!<sup>4</sup>

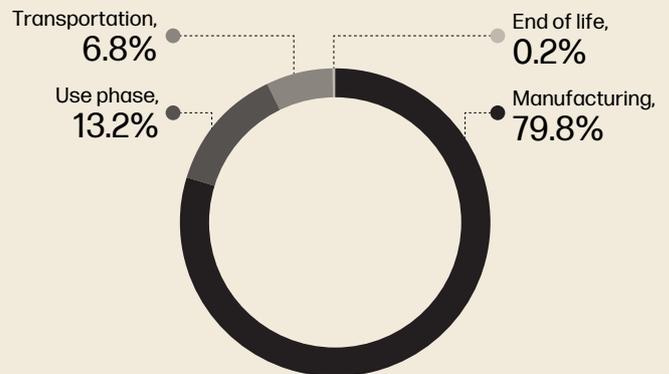
This isn't to say that your organization should be holding on to IT products until they no longer work, but rather it points to the significance of buying a product as a service (PaaS).

Buying as a service allows for PCs to reach their second life much faster. You don't have to worry about the logistics of storing unused devices or the associated data privacy concerns.

Storing used PCs represents wasted resources. Shifting to a service model for IT products allows your organization to avoid the upfront costs while you only pay for what is used.

Buying a product as a service (PaaS) is not the same as leasing– which is simply a financial arrangement and would not include the service provisions of, for example, remote monitoring and repair.<sup>4</sup>

## Emissions by life cycle phase, notebooks (%):



TCO Development 2020 report, *Impacts and Insights: Circular IT Management in Practice*



## Life cycle assessment (LCA)

A life cycle assessment (LCA) is a rigorous, science-based quantitative methodology that assesses environmental impacts associated with all stages of a [service or] product's life – from raw material extraction through materials processing, manufacturing, distribution, use, repair and maintenance, and disposal or recycling.<sup>5</sup>

Organizational and value chain sustainability are highly complex ecosystems, and robust metrics and KPIs to measure performance are relatively new. One of the best tools for measuring environmental impacts is a life cycle assessment (LCA). An LCA is used by manufacturers to assess relative impacts between processes and products. However, LCAs for IT products evaluate a high level of complexity and variation in manufacturing processes across the supply chain, which leads to a wide standard deviation. Due to this, they are not reliable for comparing IT products between potential suppliers.

# Evaluating the design of products for circularity (continued)



## TCO & LCA support Access over Ownership

Peer reviewed research conducted by HP in 2020 following the parameters defined by ISO 14040/44 Environmental management - Lifecycle assessment - principles & framework<sup>11</sup>, demonstrated significant advantages when purchasing services compared to purchasing products.<sup>5</sup> By embracing access to services (compared to product ownership) organizations can save money by avoiding the capital investment in hardware and materials, while contributing to a smaller carbon footprint and supporting the circular economy movement.<sup>5</sup>

**Product as a service (PaaS)** systems significantly advance towards a more circular and low carbon economy through:

- Avoided manufacturing & extended product life - usually with a second or even third owner
- Usage optimization - managed product services better match the number and type of devices to the users' needs and facilitates reduced waste
- Material & transportation reductions (e.g. through improved distribution efficiency and reduced packaging)

**PaaS systems generally cost less than traditional products because:**

- You are not paying for more than you need, as product accessibility is matched to your needs
- Predictive monitoring and maintenance prevent catastrophic breakdown & excessive or delayed repair time
- When repair costs are carried by the supplier, they are incentivized to design products that are made to last and are easy to repair and recycle

## Carbon neutrality

**3 out of 4** Fortune Global 500 companies are expected to meet a science-based emission reduction target (SBT), be carbon neutral, or use 100% renewable energy by 2030.<sup>6</sup>

Carbon is emitted throughout the life cycle of a service or product, and much of these emissions are unavoidable. Carbon neutrality refers to the effective reduction of net carbon emissions to zero. Carbon neutrality is achieved by using a combination of measures, including reducing the carbon emissions of a product or service, extending the product's lifespan, reducing energy use and offsetting carbon for any remaining emissions.

## Carbon reduction means:

- Improving operating and energy efficiency of services & products
- Maximizing the use of renewable energy across the value chain
- Avoiding fossil fuel consumption

Offsetting carbon means investing in trusted and verified programs which rely on the voluntary carbon market for successful sequestration of carbon, for example, through the restoration and protection of biodiversity and ecosystem health.

The [CarbonNeutral Protocol](#) is the global standard for carbon neutral programmes<sup>16</sup>. The protocol includes high-level requirements for achieving CarbonNeutral® certification. It was developed as a set of requirements to provide businesses with a single-source guide to make credible, transparent claims anywhere in the world. As third-party standards are developed, The CarbonNeutral Protocol aims to provide a framework which builds upon the best guidance in the market and offers a unifying process for making carbon neutral claims that are recognized internationally.

## Why focus on plastics:

Estimates are that two garbage trucks worth of plastic is dumped into the ocean every minute, and that by 2050—unless we do something differently—there will be more plastic than fish in the ocean by weight.<sup>14</sup>

While there are many contributing factors to this issue, a significant one is that there is little demand for post-consumer plastics. Procurement professionals have the power to change this. By simply requiring every plastic item you buy (nearly everything has plastic in it) to contain a minimum percentage of post-consumer plastics and indicate that you intend to increase this requirement, you will create change on a massive scale. In the early stages, as suppliers prepares for this change, you can start by asking for supplier commitments to reduce virgin plastic use and increase post-consumer plastics use.





## Ecolabels: A guide to buying with sustainability in mind

Ecolabels are voluntary tools (or programs) that represent a baseline or threshold related to environmental and/or social concerns. They can simplify procurement decisions by assessing the sustainability credentials of products, either focusing on one specific credential (single attribute ecolabels) or on multiple credentials at once (multi attribute ecolabels). They are not an explicit solution, but they should be considered as one component when assessing the sustainable impact of your IT investment against your own sustainability goals. Ecolabels assert compliance to their standard, with a set of practices or minimum requirements for sustainability or reduction of negative impact to the environment. There are a wide variety of ecolabels that focus on different sustainability criteria. The ones listed below are most relevant to purchasing IT services and products.

Ecolabels can also be used to compare the sustainability attributes of suppliers when tendering for PC and print products.

- First, ask: does the product qualify for a **leading multi-attribute ecolabel** such as EPEAT, TCO, or Blue Angel?
- Next, ask: does the product qualify for a **higher tier** of a leading multi-attribute ecolabel, such as EPEAT Gold, or TCO Edge?

### Leading ecolabels for IT

Logo									
Name	ENERGY STAR®	China CECP	EPEAT	TCO Certified	China SEPA	Taiwan Green Mark	Korea Eco Label	Blue Angel	Japan PC Green label
Description	Helps buyers make informed decisions by providing information about products' energy efficiency. Indicates that a product uses less energy than at least 75% of available products in the market, in its given product category.	China Energy Conservation Product Certification (CECP) is a voluntary certification program aiming to promote the production and purchase of energy-efficient products in China.	EPEAT (Electronic Product Environmental Assessment Tool) is a well-recognized ecolabel. Consists of 3 levels: gold, silver, and bronze. A comprehensive and holistic certification comprising multiple sustainability criteria at the product and organizational level. EPEAT must be registered in the country of use.	Provides certified products that meet comprehensive environmental and social responsibility criteria throughout the life cycle. Products and manufacturing facilities are independently verified for compliance with all criteria.	A Chinese environmental labeling program to promote recycling, pollution reduction, & resource conservation. Helps consumers purchase green products and encourages manufacturers to design & supply environmentally benign products.	A voluntary program to promote recycling, pollution reduction & resource conservation. As the Green Procurement Policy was enforced, there is a mandate for government bodies to only purchase products with Green Mark.	Aims at providing accurate environmental information to consumers, and encourages firms to develop & produce products with a lower sustainability impact.	A German environmental certification that sets stringent standards for products and services with a goal to provide customers, large institutional consumers and public sector purchasers with reliable guidance for environmentally-conscious purchasing.	A Japanese label which indicates PC makers' overall efforts and activities to ensure that the computer is environmentally conscious. Consists of three elements: product design and manufacturing; PC take-back, reuse, recycling and disposal; and environmental information disclosure.
Desktops	✓	✓	✓	✓	✓	✓	✓		✓
Notebooks	✓	✓	✓	✓	✓	✓	✓		✓
All-in-Ones	✓	✓	✓	✓	✓	✓	✓		✓
Thin clients	✓	✓	✓	✓	✓	✓			✓
Workstations	✓	✓	✓	✓	✓	✓			
Monitors	✓	✓	✓	✓	✓	✓	✓		✓
Laser printers	✓	✓	✓		✓	✓	✓	✓	
Ink printers	✓	✓	✓		✓	✓	✓	✓	
Scanners	✓	✓	✓		✓	✓	✓		

# Evaluating the design of products for circularity (continued)



## The questions you can ask to meet your sustainability goals

The [Sustainable Procurement Criteria](#) documents below were developed as a set of recommended procurement criteria to help procurers include sustainability in tender documents for PC, print, and print supplies products. The criteria were developed with key principles of public procurement in mind and based on criteria commonly used and considered in tenders. Each criterion includes suggested text that can be lifted directly from the document and included in your tenders.



[Click here to access Sustainable Procurement Criteria for PC](#)



[Click here to access Sustainable Procurement Criteria for Print](#)



[Click here to access Sustainable Procurement Criteria for Print Supplies](#)

## Measurability and reporting

Sustainability criteria should be used only if they are:

- Measurable and referencing an existing standard
- Comparable, i.e., enabling comparisons between competing services or products
- Verifiable by the purchaser or through a procurement rating agency such as EcoVadis or ranking agency based on publicly available and audited data such as CDP
- Reporting baselines and results of your sustainable procurement activities helps drive the process forward

Visit the [Sustainable Purchasing Leadership Council](#) webpage for more.

# Evaluating supplier transparency & performance



The fastest way to build a sustainable business is to buy from one that has already done so.

Choosing suppliers that will help meet your sustainability goals and protect your reputation is essential. This section covers the importance of transparency - how to evaluate it and how to identify greenwashing.

## The importance of supplier transparency

Supplier transparency is the clear, unambiguous, and explicit communication of significant and substantial business risk, including how the risk is measured, mitigated, and its real or potential impacts to people, planet, and profits.

A high degree of transparency, and high performance against disclosed goals, are good indicators of a responsible supplier. Transparency provides credibility to sustainability claims and is necessary to demonstrate the commitment, methods, measurements, and goals of sustainability work. Just as organizations release annual financial reports to investors, the growing expectation is that organizations will—with the same rigor—share their sustainability goals and performance.

There are often contractual confidentiality requirements throughout supply chains. However, leading organizations have overcome these issues through work with the RBA (Responsible Business Alliance—the world’s largest industry collaboration dedicated to Corporate Social Responsibility in supply chains<sup>7</sup>) and other such organizations. RBA recognizes a spectrum of maturity for disclosures through their Good/Better/Best approach and the need for continuous improvement. RBA has issued a [practical guide](#) to transparency in procurement that recognizes the wide variety of reporting metrics. RBA states that, “The most efficient way is to assess a consistent set of publicly available indicators by which companies report their performance and progress.”<sup>7</sup> By aligning on transparency, the most meaningful data and issues are brought into focus.

There are many ways to disclose important sustainability

performance elements. Evaluating a supplier’s overall sustainability commitment for only one area or action is not sufficient. Often, organizations receive praise for a single sustainable service or product, instead of considering the full impact of that organization’s value chain.

Given the definition of sustainable procurement, considerations also need to be given to the performance of all services, products, and the supplier company itself; otherwise, you may fall victim to greenwashing claims.

While third party rating companies can help to determine transparency and establish confidence, it is a good idea to look at a range of ratings, as each rating organization uses its own methods.

Talk to suppliers and other stakeholders to ensure your procurement program has realistic goals and expectations. Bid/tender requests should reflect your priorities, and the social and environmental components of tender offers should be weighted accordingly.

## Meaningful supplier transparency is critical to sustainable business and a sustainable future.

Supply chain responsibility goes hand in hand with transparency. For instance, disclosing to voluntary third-party validation systems is an indicator that a supplier has confidence in the management of their supply chain. Another example - printing companies that do not disclose their impacts on forests and water, through voluntary disclosures such as CDP, are either unaware of them or not willing to disclose.

A transparent process and discussion with suppliers and stakeholders will provide you with a clearer picture of market conditions and help you evaluate the impact of specific criteria. ISO 20400:2017—Sustainable procurement Guidance<sup>10</sup> recommends working with suppliers to determine procurement criteria.

## Sustainability is impossible without transparency.

### The risk of non-transparency: identifying greenwashing

Greenwashing refers to claims that mislead the customer by falsely suggesting sustainability benefits. Without transparency and verification, the risk of greenwashing is high - whether intended or unintended by the supplier.

Beware of greenwashing when evaluating sustainability claims. The table below is taken from [guidance](#) originally published on Network for Business Sustainability by the CSSN working group on greenwashing,<sup>8</sup> as well as examples from a [review](#) of concepts and forms of greenwashing.<sup>15</sup>

# Evaluating supplier transparency & performance (continued)

## Self-declarations

Some suppliers may provide self-declarations to communicate their sustainability commitments and transparency.

For example, [ECMA-370 THE ECO DECLARATION \(TED\)](#)<sup>12</sup> provides environmental information for a specific product or product family in an industry standard format developed by IT organizations in Sweden, Norway, and Denmark.

## Types of Greenwashing

Type	Explanation	Example	How to avoid it
Vagueness	Making a claim that is so broad that its real meaning is likely to be misunderstood by the reader.	"Environmentally friendly", "Natural" or "Green" products.	Support claims with evidence, such as third-party reviews. State whether claims refer to part or all of a product.
Jargon	Technical language that can't be easily understood by customers.	Product is "ecotoxicologically safe."	Explain claims using language that non-experts will understand.
No proof	Making a claim that is not supported by easily accessible supporting information and/or reliable third-party certifications such as a well-known ecolabel.	Claiming that a product is carbon neutral without any evidence.	Verify claims with strong, independent, easily accessible evidence.
Political spin	Boasting commitments to sustainability while lobbying to block or weaken environmental laws.	Influencing regulations or governments in order to obtain benefits that affect sustainability.	Avoid lobbying to weaken or block environmental laws. Don't affiliate with thinktanks, trade associations and other groups that spread sustainability disinformation.
Selective disclosure	Emphasizing certain points rather than full impact. This may take the form of hidden trade-offs.	Save waste here but use more energy elsewhere as a result.	Assess sustainability footprint using all life cycle stages (including material production and end-of-life disposal). Share all information about social and environmental performance claimed, including limits or negative impacts.
Empty statements	Exaggerating achievements and policies, and setting goals without a realistic plan to achieve them.	A company highlighting its goal to be carbon neutral despite having no realistic plan to achieve it.	Only promise improvements you plan to achieve, without overstating commitments or emphasizing minor actions. Focus more resources on achieving a goal than on marketing it. Take real action towards net zero claims by setting emissions targets to eliminate fossil fuel use, publishing interim targets, and don't rely on offsets.
Irrelevancies	Making statements that are true, but irrelevant, acting to distract the buyer.	"CFC free" (a common claim despite the fact CFCs are banned by international law).	Make sure messaging represents scientific consensus (e.g. on climate change). Clearly communicate whether action is voluntary vs. required. Ensure all claims are founded on evidence.
Dubious certifications	Using voluntary certifications that don't genuinely drive action, or using words or images giving the impression of third party endorsements which do not exist.	 "This product is certified green."	Only apply seals/labels verified by an independent body. Only use certifications that are transparent about their scope and inspections; ensure rigorous enforcement of standards and adequate complaint and objection procedures. Conduct regular due diligence to make sure claims are genuine.
Lies	Making statements that are untrue. Lying often occurs inadvertently due to ignorance on sustainability.	Falsely claiming to be EnergyStar certified.	Do not intentionally lie to customers. Avoid unintentional lying by requiring all claims to be backed up by easily accessible supporting information and/or reliable third-party certifications.

# Human rights

Preventing adverse impacts on workers, communities, and consumers is one of the most pressing challenges almost every company faces in today's globalized marketplace. Human rights are embedded in the [UN Sustainable Development Goals \(SDGs\)](#) and can be assessed by a variety of indicators.

There are several ways that you can assess companies' commitments and performance on human rights:

- To assess the company's human rights commitments, procurers can request the company's human rights policy, which should be available in multiple languages, and include the company's commitment to respect all internationally recognized human rights in accordance with the ILO Core Conventions, the UN Guiding Principles of Business and Human Rights, and/or the OECD Guidelines for Multinational Enterprises. Best in class policies also have public commitments to respecting the human rights of vulnerable groups, such as indigenous people, minorities, women, persons with disabilities, or migrant workers. The human rights policy should also describe how the company conducts human rights due diligence, such as systematic work with risk assessments, audits, and corrective action plans in the supply chain. Procurers can also request the company's supplier code of conduct, which should outline that company's human rights expectations for its suppliers and their suppliers. A strong supplier code of conduct should require that workers are treated with dignity and respect, and that business operations are conducted in an environmentally responsible and ethical way. There should be additional provisions regarding worker treatment, including freely chosen employment, humane treatment, and freedom of association.
- To help assess the company's performance on human rights, procurers may review the company's ratings and rankings by the Corporate Human Rights Benchmark (CHRB), Know The Chain (KTC), and EcoVadis, although not all companies have been assessed by these entities. The CHRB was created by investors and civil society organizations dedicated to establishing the first open and public benchmark of corporate human rights performance. CHRB covers six themes that are grounded in the UN Guiding Principles for Business and Human Rights, as well as other international and industry specific standards on human rights and responsible business conduct. The KTC benchmark ranks companies globally on their efforts to address forced labor in global supply chains, evaluating their policies, processes, and practices. The EcoVadis ratings platform can also be used to assess a company's performance on human rights; one of the four themes on which EcoVadis scores companies is Labor & Human Rights.



## Why procurers should consider human rights

Procurers should consider human rights for several reasons. Conducting business in a way that aligns with sustainable corporate values is important for both people and the planet. Additionally, an evolving regulatory landscape has led to many countries implementing legislation regarding mandatory human rights due diligence. This makes human rights more relevant than ever, as human rights due diligence is no longer a voluntary best practice - it is now required by law for many companies and organizations, including private and public procurers. It is prudent for procurers to consider a suppliers' human rights policy and programs in order to protect their reputation and to avoid financial risks, and as applicable, procurers must do so to meet compliance requirements. Companies with long-standing human rights commitments and well-established human rights due diligence programs will typically have more resilient supply chains as a result - a key concern for most procurers.

# Transparency disclosures

## Independent third party validation systems

Organization	Description and purpose	Sustainability areas
	CDP is a not-for-profit charity that runs the global disclosure system for investors, assessing how companies, cities, states and regions manage their environmental impacts. CDP holds the largest environmental database in the world, and in 2022 scored nearly 15,000 companies on their climate change, forests and water security disclosures, and on their engagement with their own suppliers on environmental impacts.	Water security, forests, climate change & supply chain.
	EcoVadis is a ratings platform that helps organizations assess social and environmental criteria of potential suppliers. Offerings include sustainability evaluation, risk monitoring and audit management. EcoVadis distills information on environment labor & human rights, ethics and sustainable procurement to give an overall company score. They assess more than 60,000 companies in 198 industries and 155 countries.	Environment, sustainable procurement, human rights & supply chain.
	SBTi is seen as the leader in setting the methodology to ensure we reach Paris Agreements and the UN SDG goals by 2030. Over 2,000 organizations worldwide are leading the transition to a net-zero economy by setting emissions reduction targets grounded in climate science through the SBTi.	GHG reduction target setting & validation
	Corporate Knights' ranking of the world's 100 most sustainable corporations is based on a rigorous assessment of nearly 7,000 public companies with revenue over US\$1 billion. Companies are assessed across 25 key performance indicators, including % sustainable revenue, % sustainable investment, % taxes paid, carbon productivity, and racial and gender diversity. Only those companies making sustainable solutions a core part of their business offerings and allocating meaningful investments to reduce their carbon footprints make the grade.	Resource management, employee management, financial management, clean revenue & supplier performance.
	KnowTheChain is a resource for companies and investors to understand and address forced labor risks within their global supply chains. KnowTheChain benchmarks current corporate practices and provides practical resources that inform investor decisions and enable companies to comply with growing legal obligations while operating more transparently and responsibly.	Human rights
	An independent, international organization working to advance human rights through research, reports, and advocacy with a focus on the following issues: Arms; Business & Human Rights; Children's Rights; Disability Rights, Environmental Health Rights, Terrorism & Counterterrorism; Health & Human Rights; International Justice; Lesbian, Gay, Bisexual & Transgender Rights; Refugees; and Women's Rights.	Human rights
  	<p>FTSE Russell's ESG Ratings: Allows investors to understand a company's exposure to, and management of, ESG issues in multiple dimensions. Built on over 300 individual indicator assessments that are applied to each company's unique circumstances.</p> <p>MSCI ESG Ratings: For measuring the resilience of a company to long-term ESG risks that are financially relevant. Uses artificial intelligence (AI) to inform investment decisions. Identifies industry "leaders and laggards" using a rules-based methodology based on ESG risks (exposure and management).</p> <p>Dow Jones Sustainability™ Index: Comprises global sustainability leaders as identified by SAM. It represents the top 10% of the largest 2,500 companies in the S&amp;P Global BMI based on long-term economic, environmental, and social criteria.</p> <p>Sustainalytics: Sustainalytics' ESG Risk Ratings are used as a key metric for borrower's and lender's sustainability performance.</p>	Environmental Social Governance (ESG)

# Forests, biodiversity, and sustainable procurement

The procurement of all wood-based products such as paper and paper-based packaging can easily be improved to protect forests and biodiversity through responsible forestry.



Healthy forests are crucial in maintaining biodiverse ecosystems. When forests are lost, habitats are lost, affecting the delicate symbiotic relationships between plants and animals in the rich forest ecosystem. At the same time, when biodiversity is threatened, the health of the forest is threatened, meaning trees struggle to be the carbon sinks we so desperately need. Failure of transparency in supply chains is resulting in continued deforestation and biodiversity loss on a huge scale.

At Cop26, world leaders agreed to remove deforestation from supply chains. And yet, a third of companies linked to deforestation have no policy to end it.<sup>17</sup>

With climate change impacts already evident and impacting forests through fire, drought, and disease, resilient forests are critical. Trees are the world's best carbon sequestering technology. They remove the carbon that is responsible for climate change from our atmosphere as they grow. Forests provide a "carbon sink" that absorbs a net 7.6 billion metric tons of CO<sub>2</sub> per year, 1.5 times more carbon than the United States emits annually.<sup>9</sup> For this to continue we must protect, restore, and improve the management of the world's threatened forests.

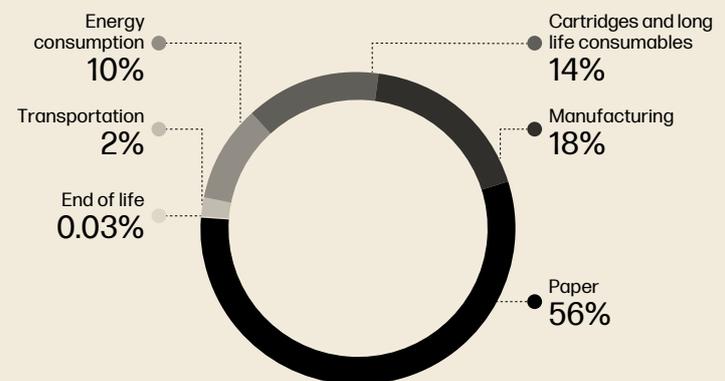
At its foundations, having a sustainable paper and wood policy that clearly spells out the principles for making and buying paper and wood-based products is needed in all organizations. The principles underpinning such a policy are: responsible forest management; efficient use of raw materials; clean manufacturing; and protection of the rights of indigenous peoples and local communities.

By requiring all paper products to be certified to **Forest Stewardship Council® (FSC®)**, you ensure they are coming from responsibly managed forests. FSC® is the gold standard in forest management. It is an ecolabel applied to wood-based products and FSC-certification indicates that they are sourced from well-managed forests. It assures that biodiversity, people's land rights, and the health and regenerative abilities of plant and animal species are protected. Such forests support the livelihoods of local communities and give them reasons to keep forests standing instead of developing the land for other uses.

The use of paper is the largest impact from printing so ask your IT and paper suppliers questions such as:

- Are they buying paper from certified sources such as FSC®?
- What are their policies for zero deforestation, and does it apply to their packaging and paper products?
- Are they transparent in their work on forests by disclosing to CDP or other agencies?

## Emissions by life cycle phase, HP office imaging devices (%):



Increasing the proportion of recycled and certified fiber used globally depends heavily on sustainable procurement. This can be accomplished by ensuring the sustained practice of buying recycled and certified fiber in our own organizations and ensuring that our suppliers are doing the same. One often overlooked area is outsourced print materials like flyers and other marketing materials. In this critical decade of climate action, moving from doing "less harm" to being proactive in helping to manage the world's forests is a great indicator of the leadership needed to tackle climate change. Leading IT organizations go further and contribute to the restoration, protection, and improved management of the world's forests for the longevity of the planet and their business.

# Evaluating supplier relationships



The impact of your organization extends throughout your supply chain, so engaging with your suppliers on sustainability issues is essential for you to reach your sustainability goals. Effective engagement will also be an opportunity for you to support your suppliers on their own sustainability journeys. However advanced your suppliers are on sustainability issues, it's a good idea to ask them how they can help you meet your organizational sustainability goals, for example, through providing carbon neutral services. You may even be surprised by their expertise!

See CDP's [Global Supply Chain Report 2022](#)<sup>13</sup> for more guidance on supplier engagement.

## Supplier engagement improves your procurement processes and outcomes. Here's how:



- Transparency applies throughout the supply chain, meaning your suppliers' transparency becomes your transparency.
  - Suppliers will be able to assist with specific technical information to ensure transparency and prevent greenwashing.
- Suppliers may be able to provide the products you need through service-based models, advancing circularity within your value chain.
- Suppliers can help you ensure data security.
  - With the rise in data security breaches, many older bid documents did not include security requirements. Technology suppliers are carefully monitoring the requirements for security: ask them for guidance.
- Reduction of materials extraction can have a huge impact on your carbon footprint. Your suppliers can help you to procure only what you need, maximizing efficiency and minimizing waste.
- Your suppliers can support you in both reporting and managing your sustainability data for continuous improvement.
  - For example, you could ask your supplier to support you with reports on energy and paper use, employee engagement data, security audits and advice, and predictive and preventative maintenance.
- Positive social impact made by your suppliers can be a part of your shared sustainability story.
  - Many suppliers can make impacts in the communities in which they live and work. Ask your suppliers what they do locally, for example, through volunteering.

### Additional considerations when evaluating the supply chain responsibility of suppliers:

#### 1. Developing and communicating measurable labor and human rights, and environmental expectations for suppliers

Companies identify and communicate requirements their suppliers must meet to address negative labor, human rights, and environmental impacts. These requirements are expressed in terms so that audits or other types of assessments can be conducted against them. The requirements are stated in a Supplier Code of Conduct, Supplier Policies or similar document(s). Companies expect their suppliers to adhere to this Code of Conduct or Supplier Policy.

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#### 2. Supplier risk screening

Companies have a process for screening their suppliers to determine which are more likely to have labor and human rights violations.

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#### 3. Supplier sustainability management and transparency

Companies require suppliers to be transparent about sustainability impacts and to set ambitious public goals (such as SBTi validated GHG targets) to ensure they are addressing their own impacts.

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#### 4. Integrate sustainability into sourcing decisions

Companies maintain a system to ensure procurement decisions are informed by supplier sustainability performance in order to drive supplier conformance to sustainability requirements.

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#### 5. Corrective action

Companies use the outcomes of the supplier assessment process to address any negative labor, human rights or environmental issues that are identified.

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#### 6. Continuous improvement

Companies engage with their suppliers, usually management representatives, to help them build the internal capacity needed to continually meet or exceed the expectations outlined in their Supplier Code of Conduct or Supplier Policies. This can include companies investing in technology improvements for their suppliers.

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#### 7. Capacity building

Companies support programs that empower the facility workers, their families, and their direct communities.

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#### 8. Reporting

Companies report on their supplier management practices and on the labor, human rights, and environmental performance of their suppliers to internal and external stakeholders.

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#### 9. Impacts from raw material extraction

Companies describe their efforts to address labor, human rights, and environmental impacts at the extraction phase of production

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#### 10. External collaboration

Companies support external organizations to address environmental and human rights impacts at scale, i.e. work as part of an industry association, support environmental or labor NGOs, or seek to influence the negative labor and human rights policies and practices of the governments where the company operates.

# Accelerate the circular economy with sustainable procurement

The time for action is now. Leveraging your procurement actions to drive a circular economy is probably the biggest impact any organization can make. Procurement and sustainability professionals can leverage the power of sustainable procurement within their organizations to achieve their organizational sustainability goals and advance the circular economy. Both what we buy and the way we buy has a significant impact. By evaluating a supplier's approach to three key drivers of the circular economy—product design, transparency & performance, and supplier relationships—procurement professionals can identify the best suppliers and their products and services that align with the collective vision of a sustainable future. This evaluation allows organizations to review impacts to their bottom line that may otherwise be concealed or obscured using traditional methods. Lower operating, replacement and waste disposal costs, improved security, and overall better user satisfaction are the results of mitigating environmental, social, and economic impacts.

Through sustainable procurement, we purchase the future we want.

To learn more, visit [hp.com/sustainableimpact](https://hp.com/sustainableimpact) or contact your HP account manager.



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There are several tools and resources that can help you find ways to contribute to the transition to a low-carbon, energy-efficient, and circular economy:

- HP Sustainable Paper and Wood Policy
- ISO 20400:2017 Sustainable Procurement - Guidance
- EPEAT (Electronic Product Environmental Assessment Tool)
- Ellen MacArthur Foundation
- Sustainable Purchasing Leadership Council
- CDP Global Supply Chain report 2021
- CarbonNeutral Protocol 2023