

# Reporting and Managing Emissions from the Supply Chain

October 23, 2008



# HP snapshot – the company and our global supply chain

- The company
  - Annual revenue of approximately \$110B (excluding EDS acquisition)
  - Global leader in computing, imaging and printing, software, and IT services
- Our supply chain
  - Annual spend of approximately \$50 billion
  - Over 400 contracted manufacturing suppliers
  - More than 400,000 workers at audited sites that produce HP products
  - Over 1 million print cartridges, 110,000 printers, 75,000 PC systems and 3,500 servers shipped daily

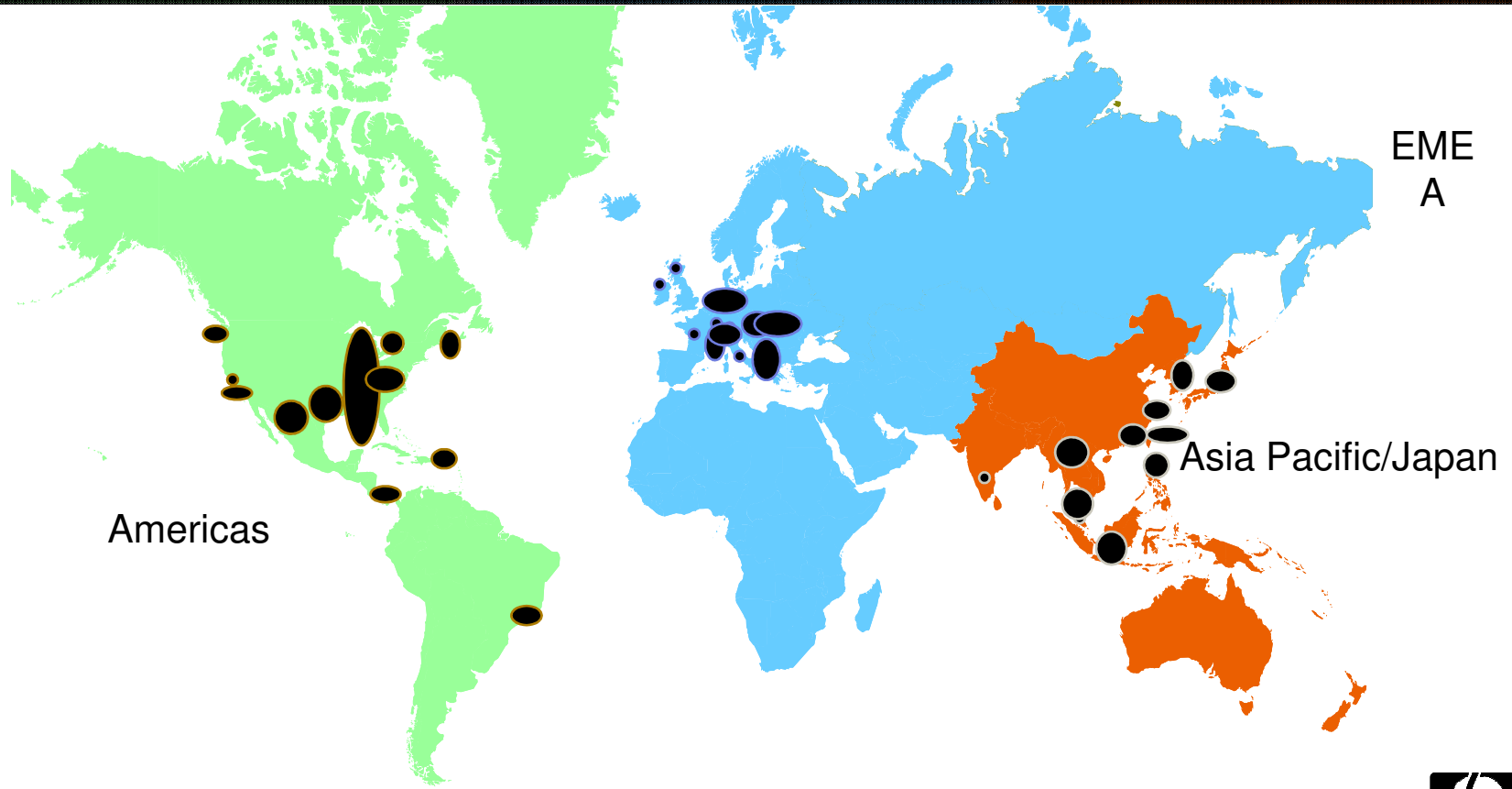
# Supplier Manufacturing Locations

Product materials, components and services

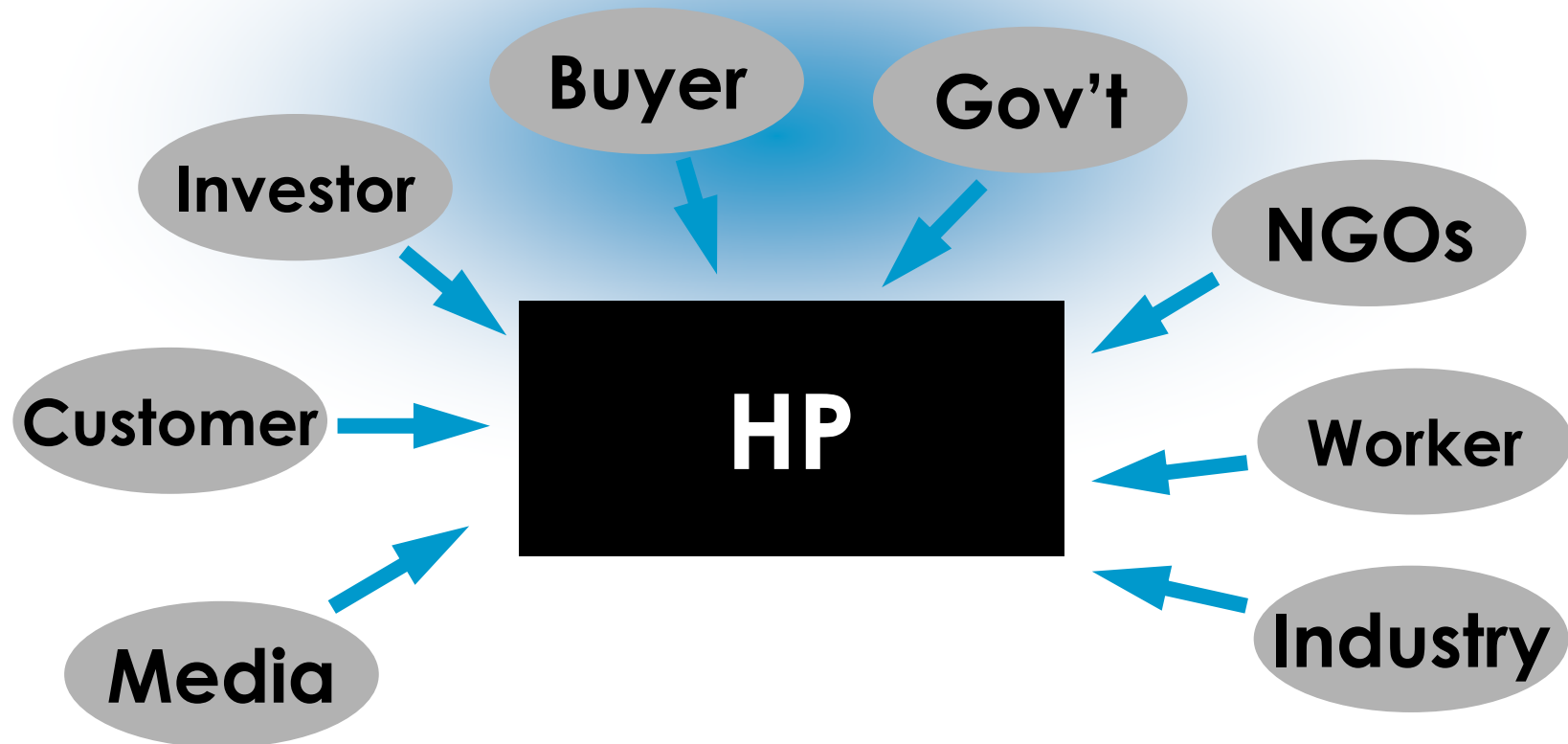
Americas – 20%

Europe & Middle East – 5%

Asia Pacific & Japan – 75%



# Drivers and Increased Pressures for Ethical Sourcing in the Supply Chain



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# Electronic Industry Code of Conduct

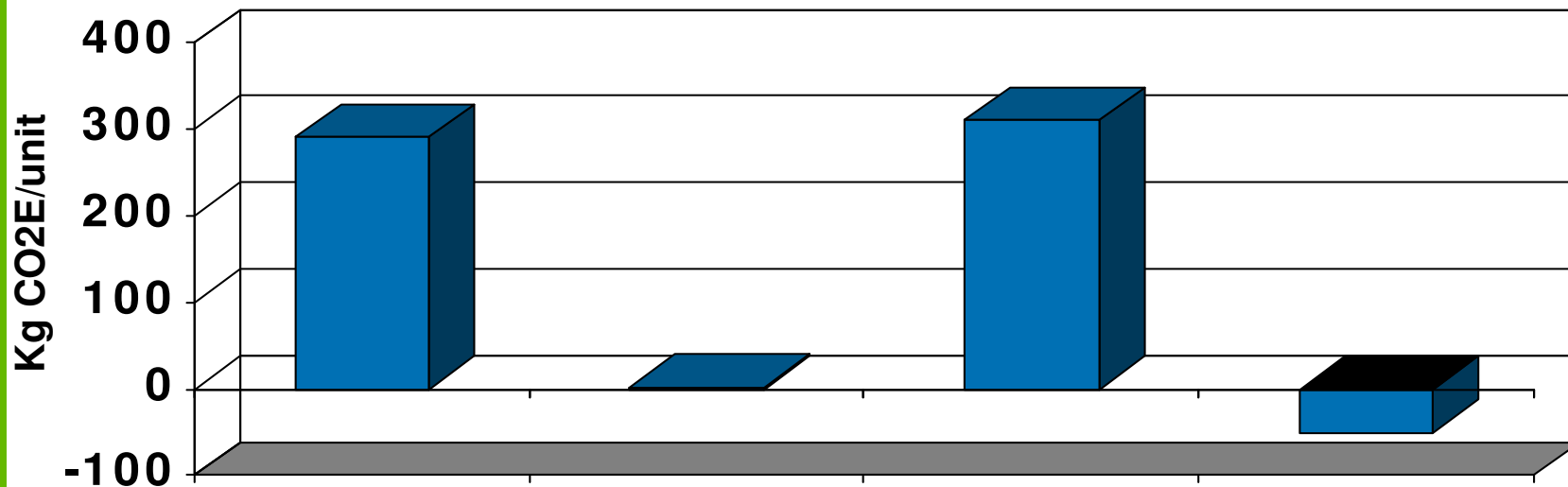


# HP's Business Case for Carbon Reporting

- Encouraging energy efficiency is good business – potential cost savings
- HP's customers are asking for this information – increasing interest in “embedded carbon” content of products
- Pressure on HP to be responsible purchasers – investors, NGOs, governments, etc.
- Likelihood of legislation/regulation
- Corporate citizenship – HP leadership in managing our supply chain



# Relative size of energy use across a product lifecycle (for a desktop PC)



# EICC Work Group on De-carbonizing the Supply Chain

HP is co-leading the work group



## Objectives

- One common measurement approach
- Focus on most impactful environmental opportunities
- Create and share best practices and tools
- Develop and implement a common way of reporting carbon emissions in the ICT supply chain

# Where to start?

## A standard reporting protocol

**EICC**  
**Supplier Carbon Reporting Protocol**  
**DRAFT - EICC Internal Distribution Only**

*Data Reporting Form*

**Instructions:** Input data into blue and green boxes; grey boxes on "Data Summary" tab will calculate results automatically. Click on the hyperlinked terms if you need guidance on how to respond.

**Key:** Required fields   
 Optional fields   
 Automatic fields

General Information									
1. <b>Company Name</b>	<input style="width: 95%;" type="text"/>								
2. <b>Reporting Time Period</b>									
Beginning date	<input style="width: 95%;" type="text"/>								
Ending date	<input style="width: 95%;" type="text"/>								
3. <b>Contact Information</b>									
Contact name	<input style="width: 95%;" type="text"/>								
Title	<input style="width: 95%;" type="text"/>								
Department	<input style="width: 95%;" type="text"/>								
Street address	<input style="width: 95%;" type="text"/>								
City	<input style="width: 95%;" type="text"/>								
State	<input style="width: 95%;" type="text"/>								
Country	<input style="width: 95%;" type="text"/>								
Zip code	<input style="width: 95%;" type="text"/>								
Telephone number	<input style="width: 95%;" type="text"/>								
Fax number	<input style="width: 95%;" type="text"/>								
Email address	<input style="width: 95%;" type="text"/>								
4. <b>Global Revenue</b>	<input style="width: 95%;" type="text"/> (Currency)								
5. <b>Global Operations (Estimated)</b>									
Number of workers (full-time equivalent)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Amount</th> <th style="width: 50%;">Confidence Level (in estimate)</th> </tr> </thead> <tbody> <tr> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> </tr> <tr> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> </tr> <tr> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> </tr> </tbody> </table>	Amount	Confidence Level (in estimate)	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
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Number of buildings	<input style="width: 95%;" type="text"/>								
Total area of buildings (in sq. feet)	<input style="width: 95%;" type="text"/>								

**Direct and Indirect Emissions**

Instructions   **REQUIRED - Data Reporting Form**   OPTIONAL - Emissions Calculator   REFERENCE - Conversion Factors   REFERENCE - Definitions

# A Methodology Developed by the EICC for Suppliers

## Suggested Option

- Factories self report energy use and emissions
- Companies report to a third party or online secure database
- Supplier customers aggregate supplier emissions
- Supplier customers have approximated supply chain emissions

## Supplier Benefits

- The data is available
- Efficiency=\$ savings
- Reporting transparency shows absolute emissions and savings
- Possibly avoids more detailed accounting

# HP: Supply Chain Reporting

## In 2008

- HP asked 80% of its top tier suppliers for 2007 emissions data: result= 3.5 million metric tons of CO<sub>2</sub>e
- About 2X emissions from HP operations.
- Some suppliers could report energy, but not emissions, so HP estimated emissions

## In 2009

- HP will request suppliers to self report 2008 energy and carbon emissions data, and a reduction goal for 2009
- HP is looking for increased efficiency and lower carbon intensity (efficient equipment, cleaner & renewable energy)

THANK YOU.

