



# **HPE Standard-00007-03**

## **Vendor Requirements for Hardware Reuse**

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<b>Abstract</b>	This standard identifies the requirements for Vendors and Subvendors who provide reuse, refurbishment, or remarketing services of electronic hardware products, parts, and components on behalf of HPE.
<b>Applicability</b>	The requirements in this standard apply to all Vendors and all Subvendors who provide reuse, refurbishment, or remarketing services for HPE, including handling, storage, and transportation, with respect to HPE brand and non-HPE brand electronic hardware products, parts, and components.
<b>Status</b>	Approved

## 1. Introduction

The requirements in this standard apply to all Vendors and all Subvendors who provide reuse, refurbishment, or remarketing services for HPE, including handling, storage, and transportation, with respect to HPE brand and non-HPE brand electronic hardware products, parts, and components.

## 2. General Compliance Requirements

- 2.1 Vendors must comply with “**HPE’s Supplier Code of Conduct**” (also known as **HPE’s Electronic Industry Code of Conduct or HPE EICC Code of Conduct**) and sign and return to HPE the “**Supplier Social and Environmental Responsibility Agreement**”. These documents are available at: [Living Progress: Supplier SER requirements link](#).
- 2.2 Vendors must demonstrate a history of regulatory compliance. Government agency or independent input (such as environmental facility reports from Environmental Data Resources or Dun & Bradstreet) may be used to document history of compliance.
- 2.3 Vendors must notify their designated HPE Vendor Manager within 24 hours of any occurrence that could materially affect or interrupt the vendor’s ability to perform services for HPE. In addition, any occurrences that involve security, health, safety, environmental, or labor issues that could negatively impact HPE’s interests must be reported to the HPE Vendor Manager without delay.
- 2.4 Vendors must comply with all laws, regulations, and other government requirements that pertain to their business, including but not limited to environment, health and safety, and import and export laws. In addition, they must obtain and maintain all applicable permits, licenses, approvals, agreements, and other required government or regulatory documents.
- 2.5 Vendors must 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.
- 2.6 Vendors must agree to implement and comply with the HPE Hardware Reuse requirements set forth in this document and cascade these requirements to all Subvendors processing Covered UEEE.
- 2.7 In the event the HPE Hardware Reuse requirements conflict with any laws, Vendors must adhere to the applicable legal requirements. To the extent local conditions require variations with the provisions from this Standard. Vendor must acquire HPE approval in writing to the solution or disposition in advance.
- 2.8 Vendors must comply with the “**HPE Media Handling Standard**” for information security, document number HX-00019-00, on the [HPE Supplier Portal](#); registration required. (Internal document [HPE-00019-00](#)).
- 2.9 Vendors must comply with the [HPE Standard 007-2 Vendor Requirements for Hardware Recycling](#) and use HPE approved Vendors and process, as appropriate.
- 2.10 Vendors must have an environmental management system with performance requirements, such as ISO-14001, as described in [The e-Stewards Standard for Responsible Recycling and Reuse of Electronic Equipment](#) or [Responsible Recycling \(“R2”\)](#).



### 3. Reuse, Resale or Donation of Whole Units, Parts, or Components

- 3.1 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. Covered UEEE destined for resale must conform to a level of functionality where key functions of the product or components are working properly. Effective testing methods must be utilized to ensure that Covered UEEE intended for resale is functionally sound. If a Vendor or Subvendor provides testing and inspection services, documentation must be maintained to provide assurance to HPE that all items being sold or donated are in working condition.
- 3.2 Records of Covered UEEE remarketing or disposition, including resale values, unit serial numbers, and final disposition must be captured and retained per record retention. Applicable Microsoft® COA/Reimaging standards must be adhered to. If a vendor or Subvendor provides testing and inspection services, documentation must be maintained to provide assurance to HPE that all units being sold or donated are in working condition.
- 3.3 Unless otherwise specified by HPE, Covered UEEE is to be reused to the extent technically and economically practical.

### 4. Remarketing

Vendors selling on behalf of HPE or HPE entities selling Covered UEEE 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. Covered UEEE must be sold as functional (not “where is, as is”) and yield a fair market value as a functional item and must be sold for its original intended use. Fair market value refers to the price agreed for the purchase of Covered UEEE that represents the objective price that the free market would support in a wholesale transaction between a willing seller and a willing purchaser. Sale and contract agreements must include return provisions enabling customers or purchasers to return defective or non-functional equipment with quality issues to be returned back to the selling entity.

### 5. Information Security

All data-containing devices such as hard drives, and recording media such as CDs, DVDs, tapes, or other similar items must either be fully erased or sent to an HPE approved recycling facility. Security requirements for Covered UEEE designated for reuse or to be recycled are described in the following subsections and in the “**HPE Media Handling Standard**”, document number HPE-00019-00, on the HPE Supplier Portal.

- 5.1 **Units for Reuse:** If hard drives or other data bearing devices may be contained within a remarketable unit, the unit must be physically opened and the presence and number of disk drives shall be verified and documented. Each data bearing device must be overwritten using industry-standard disk-wiping software or physically destroyed. The vendor will perform a full software verification on each wiped disk to confirm that the wiping of all addressable sectors was successful. A well-defined information security management system must be maintained that supports data protection that includes the following: data security handling procedures; defined and measurable processes, risk assessment program, training program, secure transportation procedures, physical handling, storage, and final recycling/disposition protections, along with data breach investigation plans. All customer identifying labeling, markings, asset tags, or documents found in or on any Used EEE must be removed destroyed. Any data bearing storage devices that cannot be successfully “sanitized” must be stored in a secure location and prepared for secure transport to an HPE authorized recycling facility for destruction.

The vendor will maintain auditable records to document the disk wiping process, identifying the serial number of the host unit, 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 HPE business data are exempted from this requirement.

- 5.2 **Units to be Recycled or Disposed:** Any data bearing devices that are specified for destruction or data bearing devices contained in a unit for reuse that cannot be successfully overwritten in all addressable sectors for any reason, will be secured until arrival at an HPE approved recycling facility.

All data-containing recording media such as CDs, DVDs, tapes, or other similar items must either be fully overwritten, eradicated of information, utilizing industry standard software or will be secured until arrival at an HPE approved recycling facility.

Records must be maintained for the above data bearing devices including, where applicable, device serial numbers and date of destruction or processing. Any customer labels, tags, or other identifying marks on the products and components must be destroyed or sent to an HPE approved recycling facility.



## 6. Site Security and Controls

- 6.1 **Physical Security:** Business processes and physical locations must be designed and maintained in a manner to ensure the protection of Covered UEEE from the time of receipt, including any transit or third-party transfer, until final sale, recycling, or disposition. Protection systems must be based on the degree of risk and may include facility security protections (such as access control, alarm system, closed-circuit television (CCTV), building construction, fencing and gates, and lighting), security process controls (such as badging and identification, HR processes, concealed theft prevention, incident reporting and escalation, training, yard controls), business process controls (such as disposition, inventory control, loading, and unloading), in-transit controls (such as driver requirements, security seals, truck security).
- 6.2 **Workforce:** Vendors must perform adequate pre-employment screening (unless prohibited by law) before assigning any employee or contractor work or access to Covered UEEE managed by the vendor on behalf of HPE. Work rules must be documented and enforced to facilitate the security of Covered UEEE to prevent unauthorized use or resale. Employees must be trained on the requirements for all transactions on behalf of HPE and the training must be documented.
- 6.3 **Processing:** Vendors providing reuse services for Covered UEEE must ensure that those operations occur in a timely fashion and under appropriate security conditions to prevent unnecessary stockpiling, and that Covered UEEE are processed as specified and are not diverted. HPE reserves the right to audit or witness vendor operations at any time.
- 6.4 **Storage:** Vendor storage and processing areas must be secured to prevent theft, or unauthorized access or removal or value degradation. All Covered UEEE must be stored and processed in covered or contained areas to prevent releases of potentially hazardous substances to the environment. Specifically, Covered UEEE must be protected from weather (such as wind, rain, or snow) during storage, and must not be stored (as a method to hold items for potential future processing) for more than 90 days unless a longer period of time is authorized under applicable law and approved by the HPE vendor Manager.
- 6.5 **Accounting:** Vendors must provide an accounting to HPE for all Covered UEEE processed on HPE's behalf. Accountings must include, but are not limited to, the quantity received, type of product, commodity generated, where sent, and transaction receipts. Vendors must provide and operate a tracking process that accounts for and documents the Covered UEEE activity from receipt through the downstream first tier.
- 6.6 **Inventory Control:** Inventory control systems and procedures are required. 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.
- 6.7 **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 (such as staff, storage space, equipment, process capabilities) to meet current volume requirements and have the ability to scale up operations when necessary.
- 6.8 **Packaging and Shipping:** Vendors transporting whole units, components, or parts to downstream Vendors, customers or resellers for donation, sale or further refurbishment, testing, inspection, or resale must package items in a manner consistent with transporting products of value for resale. 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.
- 6.9 **Financial Stability:** Vendors must be in conformance with HPE regional and country requirements for financial solvency and must not be undergoing bankruptcy proceedings. Requirements for financial stability are provided by the HPE Vendor Manager.
- 6.10 **Risk Governance:** Formal vendor management governance must be performed to oversee vendor performance by any HPE entity performing or subcontractor Reuse operations. Such governance programs must include (but are not limited to) the following:
- Annual assessments of performance
  - Performance scorecards
  - Central reporting/repositories
  - Ongoing review of HPE standards and regulatory changes
  - Ensure compliance with local, state, and federal regulations



6.11 **Management Structure:** Any HPE business managing a recycling or reuse program must maintain a management structure and governance model to insure adherence to the requirements set forth from HPE Corporate Standards. In addition dedicated resources must be assigned reuse management system responsibilities. Resource(s) must have linkages to HPE to and infrastructure to insure the appropriate business changes will be implemented as emerging legislation and regulatory changes occur. Such maintenance procedures must include (but are not limited to) the following:

- RPL programs
- HPE accredited audit program
- Insurance standards being met
- Documented Business Continuity Planning (BCP) and site closure plans
- Annual financial and credit checks
- Key performance metric and quarterly vendor reviews
- General Specifications for the Environment (GSE) compliance
- Corporate audit program
- Assurance that Covered UEEE and any other products, parts, components, or materials are handled, stored, transported, or processed by HPE approved Vendors and process
- Serial number tracking of assets dispositioned
- Adherence to global regulatory standards
- Adherence to HPE policies and standards
- Maintain linkages with HPE corporate environmental compliance groups to ensure compliance with relevant legislation such as RoHS and REACH, to ensure compliance with HPE standards within approved HPE take-back programs and to ensure compliance with requirements communicated by other HPE business units such as HPE Legal, Global Trade and Global Procurement.
- **Metrics:** Managing entities must track all activities including: receipt of units, units processed, units sent to recycling/scrap, product types of equipment processed, downstream location of sold products, import and export data, weights of material processed, equipment testing results, sales values, and final destination of products leaving facilities. Managing entities must report activities and metrics to HPE Environmental Compliance Groups meeting Local, State, Federal, and HPE requirements.

## 7. Transboundary Shipment

- 7.1 Covered UEEE exported across country borders must have prior approval from the HPE vendor Manager.
- 7.2 Vendors must be able to report all export information in detail including but not limited to: quantities, make, model, serial number, type of product, destination, and importer of record.
- 7.3 Any required permits or government consents for transboundary shipments must be secured before shipment.
- 7.4 Vendors must maintain a documented Restricted Party List (RPL) process and demonstrate that a RPL check was performed for each transaction.
- 7.5 Supplier must not export, ship, or otherwise transport any Covered UEEE from developed countries (defined to include any country that is a Member of the Organization for Economic Co-Operation and Development [OECD] or the European Union [EU]) to developing countries (defined as any country that is not a Member of the OECD or EU) except insofar as such exports are in compliance with applicable laws, the Basel Convention, and HPE's [Export of Electronic Waste to Developing Countries Policy](#).



## 8. Insurance

- 8.1 Vendors must maintain adequate general liability, comprehensive liability, insurance to comply with applicable regulatory requirements or a minimum of \$1,000,000 (U.S.) per occurrence/\$2,000,000 (U.S.) in aggregate. Exceptions may be granted by HPE where coverage is not available in a particular country or where processes and volumes do not justify the levels of coverage specified above. And Vendors must comply with HPE’s risk management requirements unless a documented exemption is provided by HPE.
- 8.2 Vendors must maintain financial insurance, or bonding instruments through an independent party or corporate parent 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.
- 8.3 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 HPE’s risk management requirements. Insurance certificates providing proof of HPE thresholds must be checked and recorded annually.

**Table 1.** HPE Requirements

Workers Compensation	As Required by Law
Employers Liability Insurance	\$1,000,000 per accident \$1,000,000 per employee
General Liability	\$1,000,000 Per Occurrence \$2,000,000 General Aggregate
Automobile Liability	\$1,000,000 minimum
Professional Liability Insurance (TE&O)	\$1,000,000 minimum
Fidelity Bond/Crime Insurance	\$1,000,000 minimum
Property/Warehouse Liability	\$1,000,000 minimum

## 9. Subvendors Use and Audits

- 9.1 Vendors must disclose the identity of all Subvendors used to perform reuse services for Covered UEEE throughout their entire downstream supply chain through Final Disposition.
- 9.2 Vendors must verify and maintain documentation that any Subvendors they employ to provide reuse services for Covered UEEE will and do comply with this Standard, including the HPE Supplier Code of Conduct. Vendors must agree that any such subcontract will impose on the Subvendor all requirements to which the vendor is subject in its contract with HPE. Vendors will ensure that subcontractors and Subvendors comply with these requirements.
- 9.3 Except for those Subvendors that HPE advises Vendor in writing do not require audits, Vendor must conduct annual audits of each of its Tier One Subvendors to document conformance with this Standard at all sites and operations, regardless of their location, that are used to provide services with respect to Covered UEEE. Vendor’s audits of its Tier One Subvendors may be conducted by Vendor or third party auditors selected by Vendor.
- 9.4 Vendor must ensure that annual audits are performed on each Subvendor that is not its Tier One Subvendor that is providing services with respect to Covered UEEE. The audits must document conformance with this Standard at all sites and operations, regardless of their location, that are used to provide such services and may be conducted by Vendor, by Subvendors with respect to their own downstream Subvendors, or by third party auditors. Some portion of the audits must be conducted on-site.
- 9.5 In all agreements with Subvendors, Vendor must reserve the right but not the obligation for HPE or HPE’s designated third party to conduct annual on-site audits of Subvendors; and require its own Subvendors to ensure by contract that all Subvendors providing services with respect to Covered UEEE are subject to the requirements in this section.
- 9.6 The on-site audit must assess all elements including, but not limited to, inspection of the Subvendor’s facilities, review of the Subvendor’s EHS management systems, materials tracking, export compliance and tracking, emergency management plan, closure plan, insurance documents, relevant permits, licenses, approvals, agreements and other required government or regulatory documents, and interviews with Subvendor employees. The vendor shall make available to HPE, upon request, documentation and results of all on-site audits of Subvendors.



## 10. Audits of Vendors and Documentation

- 10.1 HPE reserves the right to conduct annual audits and assessments of all vendor sites and operations, regardless of their location, that are used for handling, storage, or processing of Covered UEEE. Such audits may be conducted by HPE or an auditor selected by HPE. HPE reserves the right to conduct these annual audits on-site.
- 10.2 Corrective actions must be managed by the vendor in close cooperation with the HPE Vendor Manager to ensure the implementation of expedient remedial corrective action per audit program specifications. Records related to actions to correct deficiencies and documented management activities must be retained.
- 10.3 Upon request, Vendors must make available to HPE, records and information related to their internal self-assessment process and supply copies of records and relevant information to HPE. Records and information include, but are not limited to, material tracking documents, material balance, unit counts, materials analysis, shipping records, disposal records, emissions monitoring, employee medical testing, inspection reports, regulatory notices, training records, spill or release reports. Results from audits and assessments will measure conformance to this Standard and the terms of the contract. Vendors are required to show documentation on an ongoing basis and will be audited in areas including but not limited to:
- Financial stability
  - Insurance Coverage
  - Business Continuity
  - Physical and building Security Protections
  - Permits, Licenses, etc.
  - Asset Management tracking mechanisms
  - Data Destruction practices, software utilized, and tracking
  - Environmental Health and Safety Management system
  - Document Control practices
  - Training Records
  - Waste Generation
  - Facility Operations
  - Ethics and Business practices
  - Management and account structure
  - Adherence to applicable Microsoft COA/Reimaging standards

## 11. Definitions

- 11.1 **Covered Materials:** Electronic hardware products, parts, components or materials, whether HPE brand or non-HPE brand, that are handled, stored, transported or processed by a Vendor or Subvendor pursuant to a recycling services contract or other arrangement with HPE.
- 11.2 **Designated Materials:** Are a subset of Covered Materials that, because of their properties, require special care. They are: (i) printed circuit boards, plastics, cathode ray tubes (CRTs) and CRT glass, batteries, mercury- and polychlorinated biphenyls (PCB)-containing lamps and switches, whether broken (included shredded) or intact, and any other items containing lead, mercury, cadmium, hexavalent chromium, beryllium, or PCBs; and (ii) products that include such materials. "Designated materials" do not include material following the point of Final Disposition.
- 11.3 **Disposal:** Landfill, incineration without energy recovery, and any other disposition of electronics hardware products, parts, components or materials that is not for resale, reuse, recycling, or energy recovery.
- 11.4 **Disposition:** Management of unwanted electronic hardware products, parts, components, or materials for resale, reuse, recycling, or disposal.
- 11.5 **EHS:** Environmental, Health and Safety.

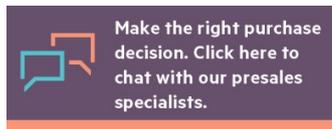


## Environmental documentation

- 11.6 **Electronic hardware:** All electrically powered computing, printing, video display, audio, peripheral input/output (e.g., keyboard, mouse, remote control) or other equipment operated by electrical current (e.g., batteries, power supply, power cord, etc.), whether HPE or other brand. This includes, but is not limited to, products for sale or lease, sample and prototype products, factory scrap managed by HPE, obsolete inventory, customer or reseller returns, trade-in, components, subassemblies, and whole units.
- 11.7 **Energy Recovery:** Processing of materials to generate and collect energy, such as through incineration of material to create steam and drive electrical turbines.
- 11.8 **Final Disposition:** The point at which the output fractions from recycling or residuals (a) have been subjected to final disposal (including through land disposal) or energy recovery; or (b) are converted into a material that needs no further processing in order to be directly used in other manufacturing processes.
- 11.9 **Recycling:** Recycling means processing of electronic hardware products to recover usable or marketable raw materials (ingredients in manufacturing) or other products such that the original products lose their identity. Recycling does not include processing to return products to use in their original form (for example, repair, remanufacturing or refurbishment for the purpose of reusing computers).
- 11.10 **Resale:** Sale of a used electronic hardware product for its original intended purpose with or without prior repair or refurbishment.
- 11.11 **Reuse:** Use of an electronic hardware product, part, or component for its original intended purpose with or without prior repair or refurbishment.
- 11.12 **Subvendor:** Any third party who provides services to or on behalf of HPE's Vendors with respect to recycling, reuse, or disposal of electronic hardware products, parts, components or materials.
- 11.13 **Vendor:** Any third party who either manages first tier Vendors (sometimes known as "Tier 0" Vendors) or provides first tier services to or on behalf of HPE with respect to recycling, reuse, or disposal of electronic hardware products, parts, components, or materials.
- 11.14 **Vendor Manager:** The designated HPE employee or representative responsible for managing HPE's relationship with a Vendor, Vendor's understanding and compliance to HPE standards and policies, and Vendor responsiveness to corrective action.

## 12. Revision History

Revision, Date, Change Number	Brief Description of change
A, 01-Aug-2015	Initial release for HPE
B, 07-Feb-2017	Hyper Link Update and Reference with duplicate info removed
C, 25-Aug-2018	Hyper link update



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