



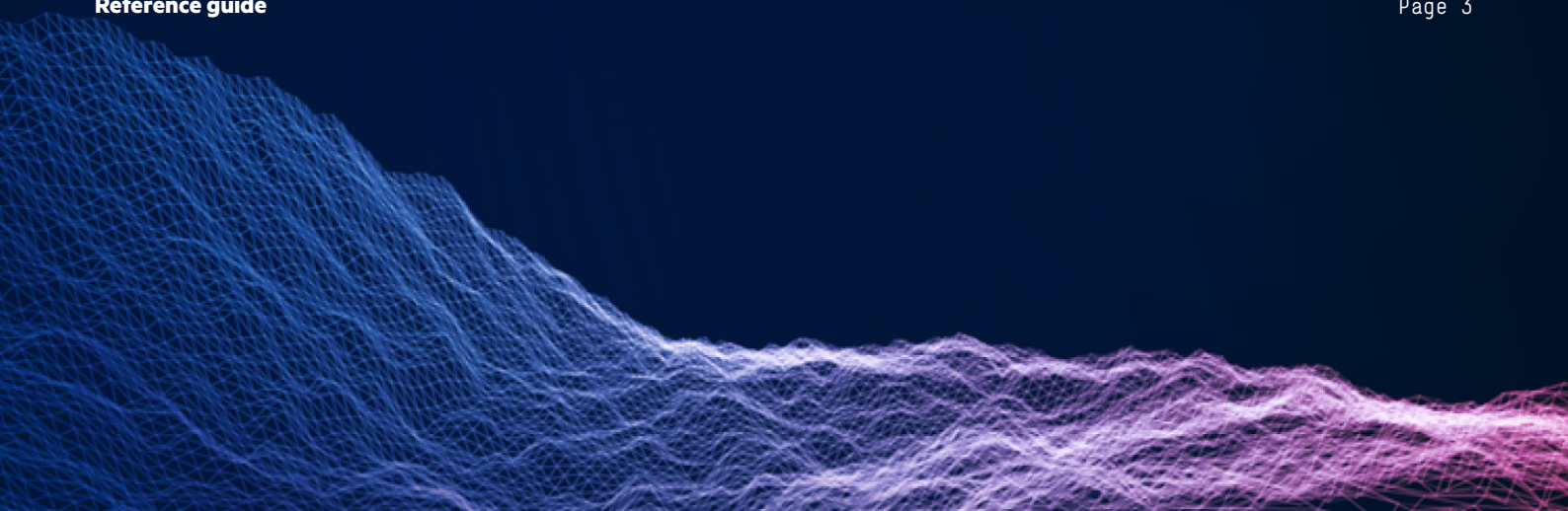
HPE CLIMATE POLICY

Position

TABLE OF CONTENTS

3	GUIDING PRINCIPLES
4	CLIMATE STRATEGY
5	GOVERNANCE
5	POLICY AND ADVOCACY
6	PRICE ON CARBON
6	RESOURCES





Climate change is one of the greatest threats to society, posing significant impacts on the global economy, foreign relations, food and water security, and natural ecosystems. Hewlett Packard Enterprise recognizes that business must play a role in limiting global temperature increase and advancing the [UN Sustainable Development Goals](#) to avoid the most severe impacts of climate change.

According to HPE, technology can catalyze our society's transition to a low-carbon economy and a 1.5°C aligned future. In 2018, the Intergovernmental Panel on Climate Change (IPCC) published a special report on the impacts of global warming of 1.5°C above preindustrial levels. The report emphasizes the need for disruptive innovation and socio-technical changes to decouple economic growth from emissions. In some cases, behavior-oriented pricing policies and financing options are necessary to accelerate the transition to low emission technologies.

As a technology company, HPE views addressing climate change not only as a moral imperative, but also as a business opportunity to innovate technologies to help our customers thrive in a carbon-constrained world. In 2018, HPE became one of the first IT companies to align its [external reporting](#) with recommendations set forth by the G20 Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD), which links climate-related risks and opportunities with the financial stability of our organization. The analysis revealed that the opportunities from developing technology solutions to facilitate a low-carbon transition outweigh the financial risks and present numerous business opportunities for HPE and our customers.

HPE will continue to integrate climate-scenario modeling and financial assessment into strategy development and act as quickly as possible on that strategy.

GUIDING PRINCIPLES

The following are HPE's principles as they relate to climate:

1. HPE will align goals, targets, and strategy across our value chain to climate science as it emerges. We will act swiftly and not be complacent in our efforts.
2. HPE will pursue climate initiatives in a manner that aligns with our business strategy and competencies. We will target strategic partnerships and collaboration to address climate issues that are outside the scope of our business competencies.
3. HPE will not be daunted by what appears to be insurmountable hurdles on setting us on a 1.5°C aligned path. Challenges are merely an invitation to innovate.
4. HPE will engage on climate initiatives with transparency and integrity. We will prioritize actions that will make a tangible difference in our climate future.
5. HPE will be a partner to others including our customers, our suppliers, and the societies and communities where our business operates. Accelerating our transition to a low-carbon company cannot be done alone.





CLIMATE STRATEGY

HPE strongly supports business led climate action, designed to meet the objectives of the international Paris Agreement. Our approach takes into account our entire value chain. HPE's climate strategy encompasses three main tenets—basing action on our data; establishing ambitious goals that align to climate science; and implementing a hierarchy of investments to meet our stated goals.

HPE is committed to becoming carbon neutral by 2050, or sooner, in order to hold global average temperature within 1.5-degrees Celsius of pre-industrial levels. This net-zero commitment covers scope 1, 2, and 3 emissions.

Data Driven Action

Our data-driven approach focuses on identifying the most material areas of impact, and then aligning our efforts to maximize the climate mitigation of our investments. Results from our annual carbon footprint, which is third-party assured and published in our Living Progress Report, help us to prioritize and set ambitious goals for our operations, supply chain, and products that align with climate science.

Setting Ambitious Goals

HPE was the first IT company to set science-based targets across our value chain, approved by the Science-Based Targets initiative (SBTi) as being in line with the carbon reduction trajectory of the Paris Agreement. In 2019, we strengthened our commitment by becoming a founding signatory of the Business Ambition for 1.5°C pledge, based upon recommendations from the Intergovernmental Panel on Climate Change (IPCC) to limit global warming to no more than 1.5°C. As part of our journey toward carbon neutrality, we have set a suite of ambitious intermediate carbon reduction targets, to be achieved by 2025. Annual performance against our targets is published in the [Living Progress Report](#) and is independently assured by a third-party.

HPE's Hierarchy of Climate Related Investments

In order to achieve our suite of targets, HPE has defined a hierarchy of investment to reduce emissions across our value chain:

- **Efficiency:** Research by the [ACEEE](#) shows that energy efficiency can slash energy use and GHG emissions by 2050. HPE recognizes the importance in energy efficiency to reduce the emission of our own operations (scope 1&2), and more significantly, that of our customers (scope 3).





- **Renewable sources:** HPE's next priority is to transition to clean energy alternatives such as renewable energy, while also increasing the supply of renewables more broadly. HPE takes a hybrid approach to its renewable energy strategy and evaluates financial mechanisms, including bundled and unbundled renewable energy certificates (RECs), owned renewable assets, onsite and offsite purchase power agreements (PPAs), and green contracts. HPE is a founding member and board member of the Renewable Energy Buyers Alliance, whose mission is to unlock the marketplace for all nonresidential energy buyers to lead to a rapid transition to a zero-carbon energy future.
- **EVs:** We regularly replace company vehicles to update our fleet with better fuel-efficiency and engines, including implementing hybrid and electric vehicles as choice options in mature EV infrastructure markets.
- **Logistics:** Reducing emissions remains a criterion for HPE product transport providers. We achieve significant carbon savings through air-to-ocean conversions and by consolidating the amount of empty truck miles for major surface routes.
- **Offsets:** Last in HPE's hierarchy is purchasing carbon offsets. HPE currently has no carbon offsets in its energy portfolio.

GOVERNANCE

The HPE Board of Directors Nominating, Governance, and Social Responsibility Committee (NGSRC) is responsible for assessing and guiding the HPE policies and programs relating to corporate citizenship, which includes climate-related risks. This includes oversight of key HPE policies including the General Specification for the Environment and Supplier Code of Conduct.

The responsibilities of the NGSRC include oversight of strategy, establishment of climate goals, and climate resiliency as it relates to operations and suppliers. Several HPE Board members have established skills and qualifications in environmental and sustainability topics, helping to ensure long-term value creation is achieved through a responsible business model.

The strategy set by the NGSRC also facilitates compliance with related laws, regulations, and treaties.

POLICY AND ADVOCACY

HPE encourages government policy efforts to address climate change and accelerate a global transition to a low-carbon economy. Government efforts to address climate change must be global, but differentiated, particularly for developing countries. We support policies that incorporate the following principles:

- Targets must align with climate science and should follow the technical and economic projections of what is necessary and feasible to achieve a 1.5°C future.
- Market-based mechanisms with clear, transparent, and consistent price signals like setting a price on carbon offer the best hope for creating innovation and competition over the long term.
- Governments and businesses should implement greater transparency in tracking and reporting greenhouse gas emissions to allow measurement of progress, make necessary course corrections, and promote broader accountability in the shared response to climate change.
- The electricity infrastructure must be transformed to increase the penetration of renewables in the market. Solutions such as, but not limited to battery storage and demand response programs need to be encouraged in order to make electricity from renewable sources stable and affordable.
- Technology and data will be the key to enabling governments and businesses around the world to navigate a path to a sustainable future. Information technology solutions should be part of industry and national infrastructure to achieve rapid economic development with a lower dependency on fossil fuels.
- Renewable energy sources should be encouraged as a critical part of the solution, with policies that promote choice in procurement and access to cost competitive options, flexible financing and contractual terms, simplified policies, and access to projects that reduce emissions beyond business as usual.
- Climate change mitigation must not be viewed in isolation from other highly important challenges, such as ensuring access to energy, expanding the availability of clean water, alleviating poverty, and achieving growth in the global economy.





- The challenge must be viewed with an integrated approach, from beginning of the production cycle through to users and end-of-use

PRICE ON CARBON

HPE supports a rapid, economically sound transition to a low-carbon economy and advocates for global action, including the adoption of a price on carbon. Headquartered in San Jose, California (in 2019), HPE joined an industry-wide working group to promote bipartisan carbon pricing legislation on the US national level.

National carbon pricing policies should include the following principles:

1. **Economy-wide:** Establishes an economy-wide system to price carbon emissions.
2. **Competitiveness:** Supports the global competitiveness of businesses.
3. **Reduces need for other regulations:** Provides a price signal strong enough, reducing the need for multiple regulations, but also upholds the authority of existing governing bodies to regulate all pollutants, for example, US Environmental Protection Agency (EPA).
4. **Predictable:** Allows businesses to clearly prepare for initial price and anticipate for regular increases to plan.
5. **Effective:** Establishes initial price on carbon and accounts for regular increases to help ensure the U.S. can meet climate commitments made under the Paris Accord and is consistent with climate targets to keep global temperature increase to below a 1.5°C.
6. **Flexible:** Provides flexibility to modify policy, as needed, and to align with other regulations to help ensure emission-reduction targets are met.
7. **Energy reliability:** Enables individuals and businesses to have access to reliable, affordable, and clean energy.
8. **Fairness:** Contributes to a fair and equitable transition to clean energy for affected workers, families, and communities.
9. **Global impact:** Incentivizes comparable action from other nations.
10. **Durable:** Includes bipartisan sponsorship and support, and helps ensure durability throughout transition to a low-carbon economy.
11. **Transition:** Offers smooth transition from existing sub-national systems. For example, cap and trade in California and the Regional Greenhouse Gas Initiative in the northeast.

RESOURCES

For more information on HPE's progress toward our climate targets, visit our [environment page](#).

LEARN MORE AT

hpe.com/us/en/about/governance/policies.html

Make the right purchase decision.
Contact our presales specialists.



Chat



Email



Call



Get updates