Hewlett Packard Enterprise

HPE Accelerating Net-Zero

HPE Commitment to net-zero

As part of the HPE Living Progress strategy, we have set forth a path to reach net-zero greenhouse gas (GHG) emissions across our value chain by 2040. Our roadmap outlines the actions needed to transform our business and to empower our suppliers and customers to do the same.

We have prioritized levers with the greatest potential to reduce our absolute emissions over less preferred options, like offsets, and we are focused on building the support, partnerships, and infrastructure needed to get us there.

HPE near-term targets

2020

Scope 3

Scope 1 & 2

reduce **42%**

reduce **70%**

Scope 3

Scope 1 & 2

2030

HPE long-term targets

2020

Scope 3

Scope 1 & 2

reduce **90%**

reduce **90%**

Scope 1 & 2

Scope 3

2040

Goal*

Near term

Reduce absolute Scope 1 and 2 GHG emissions by 70% by 2030

Near term

Reduce Scope 3 GHG emissions by 42% by 2030

Long term

Reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2040

Key levers to get there

Operations
- Invest in 100% renewable energy by 2030
- Transition own fleet to electric vehicles

Product Portfolio
- Leverage our as-a-service model to mitigate energy consumption
- Engage directly with our customers on their renewable energy targets and IT strategies
- Bring more sustainable IT solutions to market

Supply Chain
- Partner with suppliers to set and meet emissions targets
- Focus on lower impact suppliers
- Enhance data streams from our upstream suppliers

Logistics
- Implement more efficient planning tools
- Shift from air to ocean and surface

Operations / Product Portfolio / Supply Chain / Logistics
- Support policies to green the grid in key regions

HPE will achieve net-zero emissions by 2040

*Figures calculated using 2020 as a base year

We are proud of our continued leadership in setting science-based targets across the value chain, a feat that we accomplished first in the IT sector in 2015. Our near-term and long-term reduction targets are approved by the **Science Based Targets initiative** (SBTi).

2015
First IT company to set SBTi-approved targets for operations and supply chain

2017
Launched first-of-its-kind supplier climate management program

2018
Among first companies globally to realign operational emissions target to 1.5°C scenario

2020
Published first TCFD analysis

2022
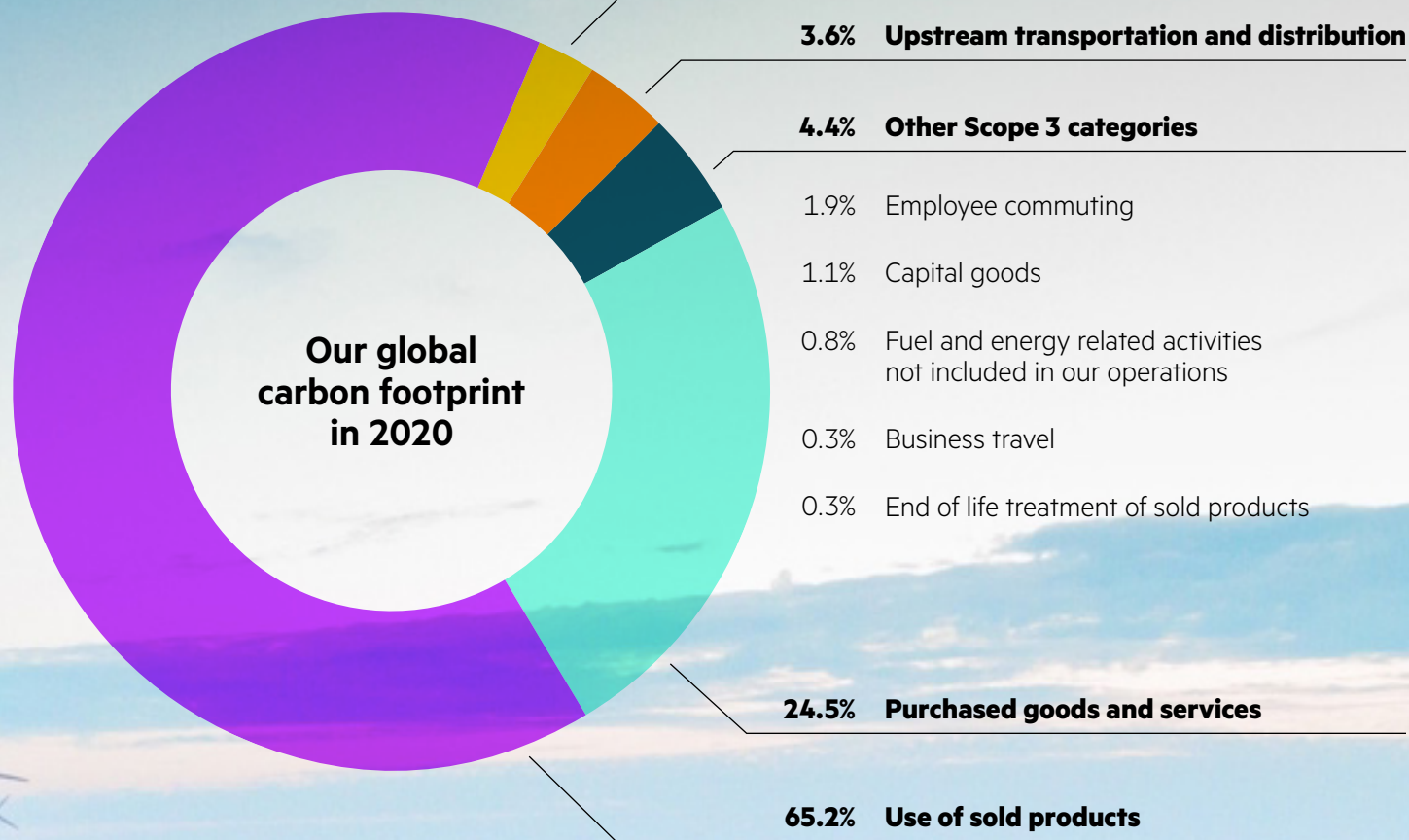Tied climate goals to executive compensation

HPE near-term targets

2030 Targets

By 2030 HPE is committed to reducing absolute Scope 1 and 2 GHG emissions by 70% and Scope 3 GHG emissions by 42% from 2020 levels.

2020 Baseline

Our global carbon footprint in 2020

2.3% **Our operations**

3.6% **Upstream transportation and distribution**

4.4% **Other Scope 3 categories**

1.9% Employee commuting

1.1% Capital goods

0.8% Fuel and energy related activities not included in our operations

0.3% Business travel

0.3% End of life treatment of sold products

24.5% **Purchased goods and services**

65.2% **Use of sold products**

Wins within reach

Although our operational emissions comprise a small share of our carbon footprint, our first ambition is to eliminate these emissions over which we have direct control. We have already more than halved our operational emissions since 2016, exceeding our previous 1.5ºC-aligned target for 2025 ahead of schedule.

Achieving our operational targets

Source 100% renewable energy by 2030

Transition 100% of fleet to EVs

Improve building energy efficiency and utilize low-emission fuels

The wider playing field

Scope 3 emissions present both a challenge and an opportunity for our net-zero journey. We increasingly rely on strong, innovative partnerships with our customers and our suppliers to move the needle at scale.

The wider playing field includes

Delivering sustainable solutions to our customers

Leading transformation in the supply chain

Optimizing logistics

Support policies to green the grid

Given that operational electricity accounts for the majority of our combined Scope 1 and 2 emissions, our transition to 100% renewal electricity will contribute to an approximate 65% reduction in our operational emissions. We have already made substantial progress toward this goal as a longtime member of **RE100** and the **Clean Energy Buyers Association** (CEBA).

Key levers to achieve net-zero targets in Scope 3

Delivering sustainable solutions to our customers

Energy consumption from the use of our products comprises the majority of our current global carbon footprint. There are several ways we're addressing the impact of our portfolio:

- **Leverage our as-a-service model to mitigate energy consumption:** The HPE GreenLake edge-to-cloud platform can reduce energy consumption during the customer use phase by improving utilization levels and avoiding the waste of overprovisioning—resulting in reduced energy consumption and lower costs for our customers.

- **Bring more sustainable solutions to market:** We are innovating across our portfolio to maximize our customers' IT capabilities while minimizing power and resource demands.

- **Engage directly with our customers on their renewable energy targets and IT strategies:** Advancing our customers' access to and use of renewable electricity will help our end-users lower the footprint of their IT infrastructures.

Leading transformation in the supply chain

Our suppliers' own emissions reduction plans will play a key role in our ability to meet or overachieve our targets. We aim to take the following actions to support lead the transformation of our supply chain:

- **Partner with suppliers to set and meet emissions targets:** Our aim is for 80% of our production suppliers, calculated by spend, to have set their own science-based targets by 2030, and we plan to support them to reach those goals through our supply chain management program, as we have since 2017.

- **Focus on lower-impact suppliers:** Partnering with lower-impact suppliers would contribute to our ability to meet our targets.

- **Enhance data streams from our upstream suppliers:** We need to build the infrastructure and systems necessary to identify and measure impact across our supply chain.

Optimizing logistics

Although transportation constitutes a relatively small share of our footprint, there are several actions we can take to help us achieve emissions reductions related to upstream transport:

- **Implement more efficient planning tools:** This will allow us to better track, predict and optimize routes and lead times. Similarly, partnering with our customers to consolidate freights results in the movement of the same amount of product in fewer trips.

- **Shift from air to ocean and surface:** Our logistics providers will play a vital role in the transition from air transport to ocean, rail or road modes.

Support policies to green the grid

Long-term targets: net-zero by 2040

While our near-term targets put us on the path to net-zero, we will continue to transform our business as we approach 2040. In addition to supporting the greening of the grid in key regions, our long-term focus will include:

- **Solutions portfolio**
  We plan to provide our customers with energy consumption data in order to be able to continuously optimize for energy efficiency. We will also need to continue working closely with customers to promote efficient practices and increased use of renewable energy.

- **Supply chain**
  We will continue to engage further upstream and build the data infrastructure to measure and track performance for our entire supply chain. We must also incorporate lower-impact raw materials within our product design phase and scale materials recovery at the product end-of-life phase.

- **Logistics**
  Our biggest investment in the area of upstream transportation will relate to mode transition from air to ocean and surface.

The transformation ahead

Despite the challenges ahead, we are invigorated by our next generation of net-zero targets across HPE's value chain. Several key themes will continue to drive our progress forward:

- Partnering with customers, suppliers, and providers to achieve progress against climate roadmaps.
- Supporting policies and coalitions to accelerate clean energy markets.
- Building infrastructure across the value chain to measure and track performance.
- Transforming our offerings and business models to reduce the impact of HPE solutions and decouple business growth from emissions.

As these pillars continue to guide our business strategy, our peers and industry partners will remain critical players in our journey. The technology sector has been widely recognized as a key actor for decreasing carbon emissions across industries through innovation and collaborative capabilities that can be leveraged to engineer new, shared solutions. We will continue to look beyond our value chain for opportunities to accelerate a zero-carbon future.

We have charted our path to net-zero and look forward to reporting our progress annually through our **Living Progress Report** and various ESG disclosures.

Learn More
hpe.com/livingprogress