

Hewlett Packard Enterprise: Climate Policy Engagement Overview

An investor briefing on Hewlett Packard Enterprise's (HPE) climate policy engagement to aid shareholder voting decisions at its 2024 Annual General Meeting (AGM)

Executive Summary

- **Context:** On April 22nd, Hewlett Packard Enterprise (HPE) investors will vote on a [shareholder resolution](#) requesting the preparation of a report, updated annually, disclosing “company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.” This briefing provides a summary of InfluenceMap’s assessment of HPE’s climate policy engagement and related disclosures.
- **Direct Climate Policy Engagement:** InfluenceMap analysis suggests that HPE’s direct climate policy engagement is aligned with science-based pathways for achieving the goal of the Paris Agreement to limit warming to 1.5°C, though evidence of direct engagement with climate policy is somewhat limited from 2022 to present. HPE’s recent engagement on specific climate policies includes two October 2023 coalition letters, one by the [We Mean Business Coalition](#) and another by the [World Economic Forum](#) calling on world leaders at COP28 to accelerate and increase ambitions towards achieving net-zero emissions globally and mitigating the impacts of climate change. In the We Mean Business Coalition letter, HPE expressed support for various mechanisms by which governments can meet these goals, including a [price on carbon](#), [global renewable energy targets](#), and [reallocation of fossil fuel subsidies](#) to prioritize development in renewable energy and energy efficiency.
- **Indirect Climate Policy Engagement via Industry Associations:** InfluenceMap analysis indicates that HPE likely holds memberships to 2 industry associations with climate policy engagement that is partially aligned with delivering the 1.5°C goal of the Paris Agreement (ranked B- to D+ by InfluenceMap’s system), the [Confederation of Indian Industry \(CII\)](#) and [Business Roundtable](#). Based upon the industry associations currently assessed in InfluenceMap’s database, HPE does not appear to hold membership to any industry associations with climate policy engagement misaligned with the Paris Agreement (ranked D or below). HPE is however a member of 1 industry association with climate policy engagement aligned with the Paris Agreement (ranked B or above), the [Clean Energy Buyers Association \(CEBA\)](#). Business Roundtable has opposed key climate policies in the U.S., including various provisions in the [Inflation Reduction Act](#), while CII has [advocated](#) for the use of liquefied natural gas (LNG) in the heavy trucking industry as a “bridge fuel” to aid in decarbonization.

- **Accuracy of Climate Policy Engagement Disclosure:** InfluenceMap analysis suggests that HPE has published a partially transparent account of its climate policy engagement. In its [2022 Living Progress Report](#), published June 2023, HPE disclosed top-line statements of support for climate policy, and provided a partial list of industry association memberships. However, it did not expand on its own positions and engagement activities on specific climate policies, or those of its industry associations. In its [2023 CDP Response](#), HPE similarly did not disclose its own positions or engagement with climate policy, and disclosed only two industry associations which are active on climate policy, without detailing the groups' positions or engagement.
- **Climate Policy Engagement Review:** HPE has not published a review of its climate policy engagement activities in line with standards put forward by institutional investors as part of the 2022 Global Standard on Responsible Climate Lobbying. The Global Standard highlights the need for companies to publish a detailed annual review to ensure that its climate policy engagement (direct and indirect via industry associations) is consistent with the 1.5°C goal of the Paris Agreement.

Context: Shareholder Resolution on Climate Policy Engagement

Engagement with companies over their climate policy engagement is now firmly on the investor agenda on climate change. It is an integral part of the [Climate Action 100+](#) (CA100+) investor-engagement process, which now has over 700 investor signatories with a total of \$68 trillion in assets under management.

As a research partner to CA100+, InfluenceMap maintains a global system for tracking, assessing, and scoring companies on their engagement with climate change policy against Paris-aligned benchmarks. This system currently covers around 500 companies along with 250 of their key industry associations.

InfluenceMap refers to the UN's [Guide for Responsible Corporate Engagement in Climate Policy](#) as a guide for what constitutes engagement. This can include advertising, social media, public relations, sponsoring research, direct contact with regulators and elected officials, funding of campaigns and political parties, and participation in policy advisory committees.

This briefing provides an overview of Hewlett Packard Enterprise's (HPE) direct and indirect climate policy engagement, along with its related disclosure and review processes, in advance of the shareholder resolution at its Annual General Meeting (AGM) on April 22nd, 2024, summarized in Table 1 below.

Table 1: Key information for shareholder resolution at Hewlett Packard Enterprise's 2024 AGM

| Resolution: Preparation of a report on direct and indirect lobbying, payments, industry group memberships, and board-level oversight. | | | |
|---|--|-----------|----------------|
| Lead Filer: | Individual Filer - John Chevedden | AGM Date: | April 22, 2024 |
| Proposal Summary: The full resolution text is available here . | <p><i>"The stockholders of HPE request the preparation of a report, updated annually, disclosing:</i></p> <ol style="list-style-type: none"> <i>1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.</i> <i>2. Payments by HPE used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.</i> <i>3. I-IPE's membership in and payments to any tax-exempt organization that writes and endorses model legislation.</i> <i>4. Description of management's decision-making process and the Board's oversight for making payments described in sections 2 and 3 above.</i> <p><i>The report shall be presented to the Nominating, Governance and Social Responsibility Committee and posted on HPE's website. "</i></p> | | |

Summary of Hewlett Packard Enterprise's Climate Policy Engagement

Analysis of corporate climate policy engagement is a strong indicator of corporate governance and management-level thinking on the transition to a net-zero economy. Therefore, if a company's climate policy engagement is inconsistent with the Paris Agreement's 1.5°C goal, this suggests that the company's business model is not prepared for a low-carbon transition.

InfluenceMap's methodology, available [on our website](#), uses seven publicly available data sources to gather evidence of company and industry association engagement on a range of climate-related policy streams. Each item of evidence is scored against benchmarks based on the advice of [IPCC science](#) or the stated intentions of governments looking to implement the Paris Agreement. This process can result in hundreds of scored evidence items, providing a robust basis to assess the extent to which a company's climate policy engagement, and that of its industry associations, is Paris-aligned.

InfluenceMap's online profile of Hewlett Packard Enterprise, including access to the underlying data which forms this assessment, can be found [here](#). The analysis of HPE's industry association relationships, including detailed profiles for each association, can be explored via the "Details of Relationship Score" tab. An overview of this assessment is provided in Table 2 below.

Table 2: Overview of InfluenceMap's assessment of Hewlett Packard Enterprise

| Hewlett Packard Enterprise (HPE) | | |
|----------------------------------|-----|---|
| Performance Band | B- | Performance Band (A+ to F) is a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations. A+ indicates full support for Paris-aligned climate policy, with grades from D to F indicating increasingly obstructive climate policy engagement. |
| Organization Score | 75% | Organization Score (0 to 100) expresses how supportive or obstructive the company is towards climate policy aligned with the Paris Agreement is, with scores under 50 indicating misalignment with the Paris Agreement |
| Relationship Score | 67% | Relationship Score (0 to 100) expresses how supportive or obstructive the company's industry associations are towards climate policy aligned with the Paris Agreement, with scores under 50 indicating misalignment, while scores between 50 and 74 indicate mixed alignment with the Paris Agreement. |
| Engagement Intensity | 18% | Engagement Intensity (0 to 100) is a measure of the level of policy engagement by the company, with scores above 12 indicating active engagement, and scores above 25 indicating highly active or strategic engagement. |

Summary of Hewlett Packard Enterprise 's Direct Climate Policy Engagement

InfluenceMap's analysis of Hewlett Packard Enterprise's (HPE) direct climate policy engagement is based on 99 independent datapoints, with 41 logged since 2022. Under InfluenceMap's system, recent evidence is heavily weighted in the calculation of metrics, as explained in the [methodology](#).

HPE's top-line messaging on climate policy acknowledges climate science and is supportive of global action aligned with the Paris Agreement:

- In October 2023, HPE signed a [joint letter](#) as part of the We Mean Business Coalition in anticipation of COP28, calling on governments to reduce use of fossil fuels in an effort to limit global temperature rise to no more than 1.5°C.
- In its [Climate Policy Reference Guide](#), last updated in 2022, HPE broadly supported a range of government policy to respond to climate change, with clear reference to the need for increased ambition to meet global targets.

HPE appears broadly supportive of an array of climate policies, though with limited evidence of recent direct engagement:

- In the October 2023 We Mean Business Coalition letter, HPE advocated for [global renewable energy targets](#) to triple production capacity by 2030.
- Also in October 2023, HPE supported government incentives to spur development in energy efficiency in a [coalition letter](#) signed by CEO Antonio Neri as part of the World Economic Forum (WEF).
- In its [Climate Policy Reference Guide](#), HPE broadly supports a price on carbon. HPE's support for carbon pricing was also reflected in the October 2023 WEF [coalition letter](#) signed by CEO Antino Neri.

HPE appears to support the energy transition, though with limited evidence of recent direct engagement:

- In its [2022 Living Progress Report](#), HPE states broad support for decarbonization of the energy grid, and the transition to a "low-carbon future."
- In the October 2023 [We Mean Business Coalition joint letter](#), HPE advocated for a specific target of 100% decarbonized power systems for advanced-economy countries by 2035, facilitated by the removal of fossil fuel subsidies and repurposing them towards clean energy measures.
- In the October 2023 [World Economic Forum joint letter](#), HPE CEO Antonio Neri advocated for a phase-out of fossil fuel subsidies, and supported clean energy funding provisions in the US Inflation Reduction Act and EU Net Zero Industry Act.

Summary of Indirect Climate Policy Engagement via Industry Associations

InfluenceMap's LobbyMap platform tracks and analyzes the climate policy engagement of over 250 industry associations, using the same benchmarks and scoring process applied to companies. This assesses each association's engagement against Paris-aligned benchmarks.

This section details InfluenceMap's analysis of some of Hewlett Packard Enterprise's (HPE) key industry associations. A full ranking table of HPE's industry associations, including links to each association's online profile, is available in Appendix A.

- InfluenceMap analysis indicates that HPE likely holds memberships to 2 industry associations with climate policy engagement that is partially aligned with delivering the 1.5°C goal of the Paris Agreement (ranked B- to D+ by InfluenceMap's system), the [Confederation of Indian Industry](#) and [Business Roundtable](#). Based upon the industry associations currently assessed in InfluenceMap's database, HPE does not appear to hold membership to any industry associations with climate policy engagement misaligned with the Paris Agreement (ranked D or below). HPE is however a member of 1 industry association with climate policy engagement aligned with the Paris Agreement (ranked B or above), the [Clean Energy Buyers Association \(CEBA\)](#).
- [Business Roundtable](#) has [advocated](#) on fossil fuel permitting reforms in the US throughout 2022-23, arguing that permitting reform is needed to facilitate increased fossil fuel production. The association also opposed ambitious decarbonization measures in the US Clean Air Act in 2023 [comments](#), highlighting concerns about the technical feasibility of carbon capture and storage (CCS) technology and clean hydrogen. Similarly, the [Confederation of Indian Industry \(CII\)](#) has engaged negatively on the energy transition. In a November 2023 [press release](#), CII suggested support for the continued development of fossil fuel energy sources, advocating "the need to explore and sustain supplies from traditional energy sources while concurrently transitioning to newer and greener options."
- In contrast, the [Clean Energy Buyers Association \(CEBA\)](#) demonstrates strong support for Paris-aligned climate policy. In its [2022 Impact Report](#), CEBA CEO Miranda Ballentine advocated for a 90% carbon-free electricity grid in the United States by 2030. In May 2023, CEBA published its "[Principles for Modernizing Federal Clean Energy and Transmission Permitting](#)," in which it advocated for a streamlined federal permitting process that would allow clean energy projects to integrate into the energy grid.

Table 3 gives an overview of 3 industry associations with examples of recent climate policy engagement. Detailed profiles for all of HPE's industry associations can be explored via the links in the table, Appendix A, or the "Details of Relationship Score" tab on HPE's online [profile](#).

Table 3: Evidence of recent climate policy engagement by Hewlett Packard Enterprise's key industry associations

| Industry Association | Performance Band | Type of Membership | Examples of recent climate policy engagement |
|---|------------------|--------------------|---|
| <i>Business Roundtable</i> | D+ | Member | <ul style="list-style-type: none"> February 2024: In comments to the U.S. Internal Revenue Service, Business Roundtable supported weakening parameters surrounding the Inflation Reduction Act's clean hydrogen tax credits, and advocated for production of hydrogen using fossil gas. August 2023: In comments to the U.S. Environmental Protection Agency, Business Roundtable advocated for weakening the ambition of proposed greenhouse gas emissions standards for powerplants. May 2023: In a co-authored article published by <i>RealClearEnergy</i>, Business Roundtable advocated for permitting reform to expedite and increase fossil fuel production, citing the need for "energy security" in the context of the war in Ukraine and OPEC production cuts. |
| <i>Confederation of Indian Industry (CII)</i> | C+ | Member | <ul style="list-style-type: none"> November 2023: In a blog post, CII appeared to support carbon capture and storage (CCS) technologies to achieve net-zero emissions, but it is unclear to what extent this includes a phase-out of fossil fuels. October 2023: In a blog post, CII advocated for the use of liquefied natural gas (LNG) in the heavy trucking industry as a "bridge fuel" to aid in decarbonization without specifying a timeline for transition away from fossil gas in line with IPCC guidance. June 2023: In a CEO statement, Director General of CII Chandrajit Banerjee appeared to support the incorporation of green hydrogen into the energy mix. |

| | | | |
|-------------------------------------|----|--------------------|--|
| Clean Energy Buyers Alliance (CEBA) | B+ | 'Energy Purchaser' | <ul style="list-style-type: none"> February 2024: In comments on the Federal Acquisition Regulation, CEBA supported strengthening regulations around greenhouse gas emissions disclosures for federal suppliers. January 2024: In comments submitted to the U.S. Department of Energy, CEBA supported revisions to the National Environmental Policy Act (NEPA) to promote the development of renewable energy projects. |
|-------------------------------------|----|--------------------|--|

Disclosure and Review of Climate Policy Engagement

The [Global Standard on Responsible Climate Lobbying](#) - instigated by investors and launched in March 2022 - is the leading best practice framework for climate policy engagement disclosure. The Global Standard sets out 14 indicators covering disclosure, governance and oversight processes to ensure alignment between a company's climate policy engagement and delivering the 1.5°C goal of the Paris Agreement.

In September 2023, InfluenceMap's methodology to assess corporate disclosures on climate policy engagement was formally updated in line with the Global Standard and stakeholder input. InfluenceMap has two distinct assessments of disclosures:

Accuracy of Climate Policy Engagement Disclosure: An assessment of the accuracy of a company's reporting on its direct and indirect (via industry associations) climate policy engagement activities.

- InfluenceMap analysis suggests that HPE has not published a transparent account of its climate policy engagement. In its [2022 Living Progress Report](#), released June 2023, HPE disclosed only top-line statements of support for climate action, and did not disclose on specific climate policies or details engagement activities. In its [2023 CDP Response](#), HPE did not disclose any direct engagement on climate policy, as it did not provide an answer to question 12.3a. As a result, HPE did not disclose on specific engagement activities undertaken during the reporting period, such as its engagement on [appropriations bills](#) that allocated \$163 million to the Department of Energy for "supercomputing to support research in energy efficiency, renewable energy, climate, weather, and other areas", as well as engagement on the [Inflation Reduction Act](#), [Build Back Better Act](#), and [Infrastructure Investment and Jobs Act](#).
- InfluenceMap analysis suggests that HPE has published an incomplete account of its industry associations' climate policy engagement on specific policies. In its [2022 Living Progress Report](#), HPE provided a partial list of industry association memberships, but did not include detail on its industry

associations' climate policy positions or engagements. In its [2023 CDP Response](#), HPE disclosed only two industry associations which are active on climate policy, without detail of the groups' positions or engagement. The company did not disclose its membership to the Confederation of Indian Industry.

Corporate Climate Policy Engagement Review: An assessment of the quality and robustness of a company's process to identify, report on, and address specific cases of misalignment between its climate policy engagement activities and delivering the 1.5°C goal of the Paris Agreement.

- HPE does not appear to have published a review of its climate policy engagement. The Global Standard on Responsible Climate Lobbying highlights the need for companies to publish a detailed annual review to ensure that its climate policy engagement (direct and indirect via industry associations) is consistent with the 1.5°C goal of the Paris Agreement. No information technology companies in the US have published a review as of March 2024.

Appendix A: Ranking of Hewlett Packard Enterprise's Industry Association Memberships

The table below provides a ranking of Hewlett Packard Enterprise's (HPE) industry associations currently covered by InfluenceMap's database by Performance Band, i.e. a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations. Detailed profiles for all industry associations can be explored via the links in the table.

Industry associations are categorized by InfluenceMap as having climate policy engagement that is aligned, partially misaligned or misaligned with delivering the 1.5°C goal of the Paris Agreement by Performance Band:

- Aligned = Performance Band A+ to B
- Partially Misaligned = Performance Band B- to D+
- Misaligned = Performance Band D to F
- Low Engagement = Performance Band N/A

| Industry Association | IM Performance Band | IM Assessment |
|--|---------------------|-------------------|
| Clean Energy Buyers Association (CEBA) | B+ | Aligned |
| Confederation of Indian Industry (CII) | C+ | Partially Aligned |
| Business Roundtable | D+ | Partially Aligned |