

Hewlett-Packard Enterprise Company (HPE)



Background on HPE

HPE is an American multinational information technology company. It was formed in 2015 when the Hewlett-Packard Company split and it is currently headquartered in Palo Alto, California. It is a business focused organisation with four divisions, namely: Enterprise Group (working in servers, storage, networking, consulting, and support), Services, Software, and Financial Services. It employed 240,000 people and reported revenues of US\$48 billion in 2016. It is a public company that is listed on the New York Stock Exchange.

How did HPE come to start thinking about context?

The parent company of HPE, Hewlett-Packard Company (HP), had its own internal value chain social and environmental responsibility program that aimed to provide a framework to monitor, collaborate, and encourage social and environmental responsibility across its value chain¹. In 2006, HP began working to address its GHG emissions by forming a joint initiative between itself and WWF¹. The initiative focused on educating employees at its operating facilities in best practices for reducing GHG emissions¹. Then in 2009, HP reinforced its initiative with WWF by signing the [Copenhagen Communique on Climate Change](#), which called for the development of a UN climate framework¹. Later that year, HP joined other business leaders to advocate for the development of U.S. legislation that would target the reduction of GHG emissions and establish a country-wide cap and trade program¹. Then in 2011, HP announced that it had met its 2013 GHG emissions goal of a 20% reduction from its direct operations using a 2005 baseline¹.

¹ Hewlett-Packard Company (2014). HP's Environmental History. Accessed at: http://www.hp.com/hpinfo/globalcitizenship/environment/commitment/hp_environmental_history.pdf

In 2013, in recognition that data centres contribute a major part of an internet company's footprint, HP joined a group of internet companies to form a collaborative initiative facilitated by BSR called [Future of Internet Power](#)². The initiative aimed to bring together companies within the technology sector to collaborate on the development of solutions to common challenges around renewable energy procurement³. Also in 2013, HP introduced its first value chain GHG emissions-reduction goal that required first-tier manufacturing and production suppliers to reduce GHG emissions by 20% by 2020^{1,4}. It was also the first time that HP began including its value chain emissions within its global GHG emissions footprint⁴. HP became the first global IT company to publish and verify its GHG emission footprint for its entire value chain in 2013^{1,5}. This exercise has become an annual exercise for the company that is used to identify opportunities for HP to reduce its impacts on climate change⁵. Then in 2014, HP joined up with 51 other companies to develop the [Corporate Renewable Energy Buyers' Principles](#), which aims to provide guidance to protect companies looking to purchase renewable energy directly from producers from future energy price increases⁶. Also in 2014, and following on from its GHG emissions footprint disclosure in 2013, HP became one of the first companies globally to publish its complete water footprint¹.

When HPE was formed in 2015, it already had a strong foundation of organisational knowledge from HP on which to forge its own path towards sustainability. A year later in 2016, HPE joined [RE100](#) and committed to reach 100% renewable energy with an interim target of 50% of energy consumption being supplied from renewable sources by 2025^{7,8}. HPE also committed to a GHG emissions reduction goal that was aligned with a science-based approach – a commitment that was recognised by the Science-based Targets initiative in 2016⁹. At the time of setting this GHG emissions goal, HPE renewed its commitment to the WWF's [Climate Savers Program](#)¹⁰.

² BSR (2013). The Future of Internet Power. Accessed at: <https://www.bsr.org/en/our-insights/blog-view/the-future-of-internet-power>

³ BSR (2014). Future of Internet Power. Accessed at: https://www.bsr.org/files/work/BSR_Future_of_Internet_Power.pdf

⁴ Hewlett-Packard Company (2015). Living Progress Report 2015. Accessed at: <http://h20195.www2.hp.com/V2/GetPDF.aspx/c05155017>

⁵ 3BL Media (2016). HPE Sets Science-Based Target to Reduce Operational Greenhouse Gas Emissions. Accessed at: <http://3blmedia.com/News/HPE-Sets-Science-Based-Target-Reduce-Operational-Greenhouse-Gas-Emissions>

⁶ WRI (2014). Corporate Renewable Energy Buyers' Principles. <http://www.wri.org/publication/corporate-renewable-energy-buyers-principles>

⁷ Hewlett-Packard Enterprises (2016). HPE commits to 100% renewable energy with RE100. Accessed at: https://community.hp.com/t5/Inspiring-Progress/HPE-commits-to-100-renewable-energy-with-RE100/ba-p/6900499#_WTm1lpDys2x

⁸ Hewlett-Packard Enterprises (n.d.). Carbon Footprint. Accessed at: <https://www.hp.com/us/en/living-progress/carbon-footprint.html>

⁹ Science-Based Targets (n.d.). Companies Taking Action. Accessed at: <http://sciencebasedtargets.org/companies-taking-action/>

¹⁰ Climate Savers Program (2017). HP commits to reduce greenhouse gas emissions from its global operations another 25 percent. Accessed at: <http://climatesavers.org/hp-commits-to-reduce-greenhouse-gas-emissions-from-its-global-operations/>

What does context look like at HPE?

1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

GHG EMISSIONS



WATER



GHG emissions: HPE acknowledges that its business operations have an impact on climate conditions and that it has a responsibility to manage these impacts⁴. Tom Dempsey, HPE's vice president of real estate operations, commented that "the message from climate scientists is clear that GHG emissions are contributing to the warming of our planet at an alarming rate. Business can and must play an essential role in reducing GHGs⁷." Despite this acknowledgement, the company has yet to explicitly commit to operate within the limits of this threshold. The company also acknowledges that it cannot fully mitigate its impacts without collaborating with its value chain to support them in reducing their impacts on climate conditions⁴.

Water: HPE acknowledges that there is increasing global pressure on freshwater resources and that as a result it strives to reduce its impacts on this resource, particularly in water scarce regions⁴. While the company acknowledges this ecological issue, it only discusses the importance of the issue in general terms and has yet to discuss the issue in relation to its threshold(s). The company commits to encourage its value chain to work to reduce the impacts that it has on this threshold and has made a range of tools available to its value chain that focus on water stewardship and management⁴.

Other thresholds: HPE acknowledges the importance of other socio-ecological issues including energy, waste, chemicals, human rights, diversity, and inclusion but does not yet discuss them with reference to thresholds.

2 Transparently understand and PRIORITISE a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

GHG EMISSIONS



WATER



HPE strives to prioritise its most relevant socio-ecological issues by focusing on where it can deliver the most positive outcome for both people and the environment⁴. The company assesses its ecological impact through its [Design for Environment](#) program which aims to apply an engineer perspective to optimising its environmental performance⁴. While this approach appears to prioritise focus areas in relation to socio-ecological trends and opportunities, HPE does not clearly and transparently outline the process that it uses.

GHG emissions: HPE recognises that its biggest source of GHG emissions arises from customers using HPE’s products, followed by emissions generated from the activities of its value chain, and the company illustrates this within its sustainability report (Figure 1)^{4, 8}. HPE uses this information to prioritise where it will focus its efforts to reduce its impacts on this ecological threshold⁴. HPE also uses this information to expand its influence within its value chain by creating targeted programs that aim to incentivise suppliers to set and achieve GHG emissions goals⁴.

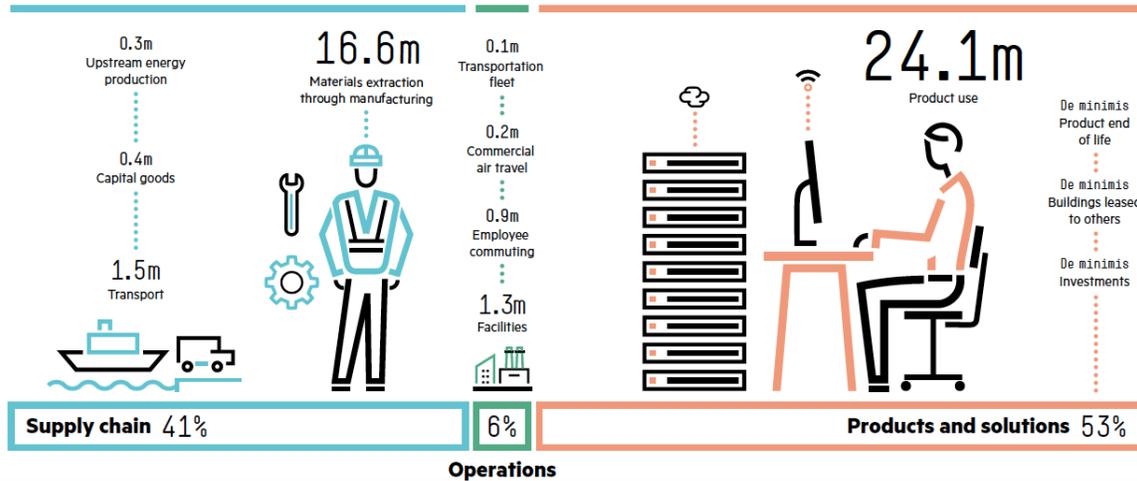


Figure 1: HPE’s GHG emissions across its business operations⁴.

Water: HPE recognises that the bulk of its impacts on water are indirect; they occur through water use during the production of electricity and through the use of its products⁴. The company’s direct impacts on this resource are primarily as a result of data center cooling⁴. HPE also recognises that the degree to which a country is impacted by water scarcity varies; thus it prioritises additional actions within countries that have a higher risk of water scarcity⁴. The company has also completed a water footprinting exercise (Figure 2) which illustrates the areas within its operations where it impacts this resource. The company comments that it aims to expand its sphere of influence within its value chain by encouraging them to minimise the use of water within their processes and to discharge waste water in a responsible manner⁴.

Our global water footprint²⁸

Millions of cubic meters of water. Total consumption in 2015 was 296,140,000 m³. Calculations based on the HPE 2015 Water Accounting Manual.

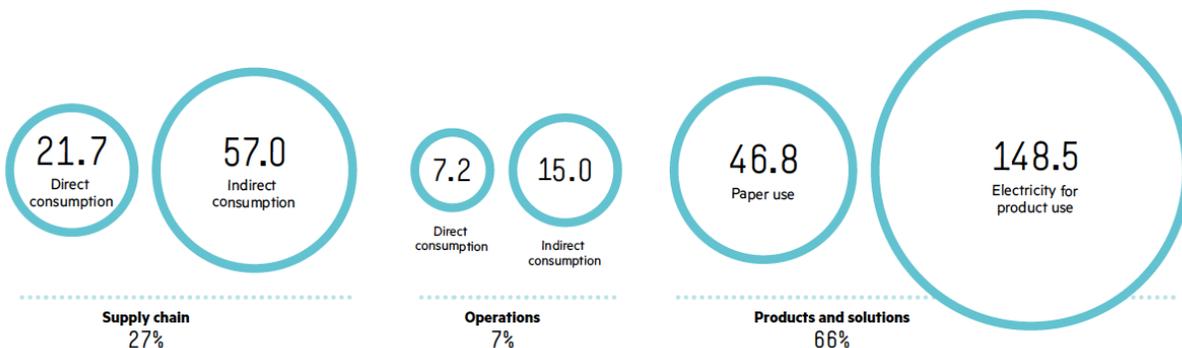
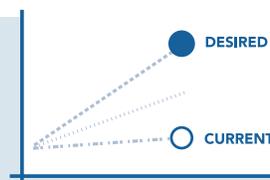


Figure 2: HPE’s global water footprint⁴.

3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.



GHG EMISSIONS



WATER



GHG emissions: HPE has committed to reduce its scope 1 and 2 emissions by 25% by 2025 using a 2015 baseline⁹. Despite having set a contextual GHG emissions goal, the company has yet to outline how it developed the goal and what assumptions it used during this process. In May 2017, HPE became one of the first companies in the world to establish a comprehensive value chain management program that requires companies within its value chain to set contextual GHG emissions goals¹¹.

Water: HPE has not yet set a contextual water goal but has committed to reduce its freshwater consumption (per employee) at its offices by 20%⁴. It has yet to outline how it is using the information from its water footprint to better understand the gap between its current performance and the performance that is needed to operate within the limits of this resource's threshold(s). The company has also yet to outline if it will be setting goals around how it will influence its value chain's adherence to this resource's threshold(s).

Other thresholds: HPE has not yet set contextual goals in relation to any other thresholds.

4 Transparently TRACK performance against realistic trajectory targets.

GHG EMISSIONS



WATER



GHG emissions: HPE has a history of reporting its performance against its GHG emissions and presents its performance for the past 5 years within its sustainability report⁴. It has yet to use this to develop a realistic set of annual trajectory targets that could be used to monitor its progress towards achieving its goal.

Water: HPE has a history of reporting its performance against its water use and presents its performance for the past 5 years within its sustainability report⁴. It has yet to use this to develop a realistic set of annual trajectory targets that could be used to monitor its progress towards achieving its goal.

Other thresholds: HPE reports its performance against other socio-ecological issues including energy, waste, chemicals, human rights, diversity, and inclusion but does not yet report its progress in relation to their associated thresholds.

¹¹ Science-based Targets Initiative (2017). HPE Targets 100 Million Tons of Supply Chain CO2 reductions. Accessed at: <http://sciencebasedtargets.org/2017/05/26/hpe-targets-100-million-tons-of-supply-chain-co2e-reductions/>

What is the road ahead for context at HPE?

In recognition that a large proportion of its impacts on water is found within its value chain, HPE is aiming to improve its ability to track the progress its value chain is making in reducing their impacts on this resource and to better identify areas for improvement⁴. It is aiming to do this by improving data reporting on water for its value chain and encouraging its value chain to set water usage goals⁴. With respect to GHG emissions, HPE has developed a three-phase approach to reduce the impacts of its GHG emissions across its operations¹⁰. The first of these phases involves optimising its energy efficiency in its operations and buildings¹⁰. The other two phases focus on shifting towards less GHG-intensive energy sources and the use of on-site renewable power¹⁰.