

Hewlett-Packard Limited Retirement Benefits Plan

TCFD reporting requirements

The table below sets out our review from a legal perspective of the compliance of the TCFD report for the Hewlett-Packard Limited Retirement Benefits Plan (the “**Plan**”) in relation to the requirements under the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021¹ (the “**Regulations**”).

Scope

Our review has been limited to ensuring that the TCFD report deals with the points required by the Regulations. We have not reviewed the TCFD report for compliance with the corresponding statutory guidance, *Governance and reporting of climate change risk: guidance for trustees of occupational schemes*, or guidance issued by the Pensions Regulator or other bodies, including statements and reports issued by the Pensions Regulator. We have also not reviewed, and the table below does not deal with, the underlying governance requirements in the Regulations or Statutory Guidance, which we assume to be compliant and accurately reflected in the TCFD report.

Unless a contrary intention appears, defined terms used throughout this document shall have the meaning given to them in the Regulations.

Summary

In summary, in line with the scope of our review above, we can confirm that the TCFD report deals with the points required to be included by the Regulations.

¹ The Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 and the Occupational Pension Schemes (Climate Change Governance and Reporting) (Miscellaneous Provisions and Amendments) Regulations.

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Review

Reporting requirements in the Regulations	Comment
Trustees must describe how they maintain oversight of climate-related risks and opportunities which are relevant to the scheme. ²	Included at p.5-6.
Trustees must describe the role of any person who otherwise than as a trustee undertakes scheme governance activities, in identifying, assessing and managing any climate-related risks and opportunities which are relevant to those governance activities and the process by which the trustees satisfy themselves that the person is taking adequate steps to identify, assess and manage the climate-related risks and opportunities. ³ Trustees must describe the role of any person who, otherwise than as a legal adviser of the trustees, advises or assists the trustees with respect to scheme governance activities and the process by which the trustees satisfy themselves that the person is taking adequate steps to identify and assess any climate-related risks and opportunities which are relevant to the matters in respect of which they are advising or assisting. ⁴	Included at p.5-6.
Trustees must describe the climate-related risks and opportunities which the trustees have identified in accordance with paragraph 3 of the Schedule of the Regulations. ⁵ Paragraph 3 is the requirement that on an ongoing basis the Trustees must identify climate-related risks and opportunities which the trustees consider will have an effect over the short term, medium term and long term on the scheme's investment strategy and (where the scheme has one) the funding strategy (i.e. the strategy by which the trustees expect to have sufficient assets to meet expected future payments).	Included at p,11.
Trustees must describe the time periods which the trustees have determined should comprise the short term, medium term and long term in accordance with paragraph 4 of the Schedule of the Regulations. ⁶	Included at p. 10-11.

² Schedule, paragraph 27(a) of the Regulations.

³ Schedule, paragraph 27(b) of the Regulations.

⁴ Schedule, paragraph 27(c) of the Regulations.

⁵ Schedule, paragraph 27(d) of the Regulations.

⁶ Schedule, paragraph 27(e) of the Regulations.

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Reporting requirements in the Regulations	Comment
Paragraph 4 requires that the times periods are those determined by the trustees as appropriate taking into account the scheme's liabilities and its obligations to pay benefits.	
Trustees must describe the impact of the climate-related risks and opportunities assessed in accordance with paragraph 5 of the Schedule of the Regulations on the scheme's investment strategy and, where the scheme has a funding strategy, the impact of those risks and opportunities on the funding strategy. ⁷	Included at p.11, 16 and 25. We assume there is no funding strategy.
<p>Trustees must describe the most recent scenarios which the trustees have analysed in accordance with paragraphs 6 and 7 of the Schedule of the Regulations.⁸</p> <p>This being the scenario analysis considering the: (i) potential impact on the scheme's assets and liabilities of the effects of the global average increase in temperatures and of any steps which might be taken (by government or otherwise) because of the increase in temperature in these scenarios; (ii) the resilience of the scheme's investment strategy in these scenarios; and (iii) where the scheme has a funding strategy, the resilience of the funding strategy in these scenarios.</p> <p>This needs to be considered in at least two scenarios where there is an increase in the global average temperature and in one of those scenarios the global average temperature increase met be within the range of 1.5 degrees Celsius above pre-industrial levels to and including 2 degrees Celsius above pre-industrial levels.</p>	Included at p.12-14.
Trustees must describe the potential impacts on the scheme's assets and liabilities which the trustees have identified in the most recent scenarios they have analysed in accordance with paragraphs 6 and 7 of the Schedule of the Regulations and, if the trustees have not been able to obtain data to identify potential impacts for all of the assets of the scheme, why this is the case. ⁹	Included at p.20.

⁷ Schedule, paragraph 27(f) of the Regulations.

⁸ Schedule, paragraph 27(g) of the Regulations.

⁹ Schedule, paragraph 27(h) of the Regulations.

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Reporting requirements in the Regulations	Comment
Trustees must describe the resilience of the scheme's investment strategy and where the scheme has a funding strategy, the resilience of the funding strategy, in the most recent scenarios the trustees have analysed in accordance with paragraphs 6 and 7 of the Schedule of the Regulations. ¹⁰	Included at p.21.
In cases where paragraph 10 of the Schedule of the Regulations applies and the trustees have determined not to undertake new scenario analysis, trustees must describe their reasons for this determination. ¹¹	N/A as only applies after the first year the requirements apply to the scheme.
Trustees must describe the processes which they have established in accordance with paragraph 12 of the Schedule of the Regulations for identifying and assessing climate-related risks which are relevant to the scheme (i.e. the requirement to establish and maintain processes to enable trustees to identify and assets these risks). ¹² Trustees must describe the processes which they have established in accordance with paragraph 13 of the Schedule of the Regulations for managing climate-related risks which are relevant to the scheme (i.e., the requirement to establish and maintain processes to enable trustees to manage effectively these risks). ¹³ Trustees must describe how the processes required by paragraphs 12 and 13 of the Schedule of the Regulations are integrated into the trustees' overall risk management of the scheme. ¹⁴	Partially included at p.7-11.
Trustees must describe the metrics which they have calculated in accordance with paragraphs 18 and 20 of the Schedule of the Regulations and, if the trustees have not been able to obtain data to calculate the metrics for all of the assets of the scheme, why this is the case. ¹⁵ Paragraph 18 requires trustees as far as they are able:	Included at p.22-26.

¹⁰ Schedule, paragraph 27(i) of the Regulations.

¹¹ Schedule, paragraph 27(j) of the Regulations.

¹² Schedule, paragraph 27(k) of the Regulations.

¹³ Schedule, paragraph 27(l) of the Regulations.

¹⁴ Schedule, paragraph 27(m) of the Regulations.

¹⁵ Schedule, paragraph 27(n) of the Regulations.

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Reporting requirements in the Regulations	Comment
<ul style="list-style-type: none"> • to obtain scope 1, scope 2 and scope 3 greenhouse (note, scope 3 is not required in the first year the requirements apply to the scheme) gas emissions attributable to the scheme’s assets; • use data obtained to calculate the selected absolute emissions metric and selected emissions intensity metric; and • use metric to identify and assess the climate-related risks and opportunities which are relevant to the scheme. <p>Paragraph 20 require trustees to as far as they are able:</p> <ul style="list-style-type: none"> • obtain in each scheme year the data required to calculate the selected additional climate change metric; • use the data to calculate the metric in relation to the scheme’s assets; and • use the metric to identify and assess the climate related risks and opportunities relevant to the scheme. 	
<p>Trustees must describe the target which the trustees have set in accordance with paragraph 22 or paragraph 24 (note: paragraph 24 is not relevant in the first year of application) of the Schedule of the Regulations and the performance of the scheme against that target as measured in accordance with paragraph 23(a) of the Schedule of the Regulations.¹⁶ Paragraph 22 requires for the trustees to measure, as far as they are able, the performance of the scheme against the target set in relation to one of the chosen metrics and taking into account that performance, determine whether the target should be retained or replaced.</p>	<p>Included at p.27.</p>

Linklaters LLP, 23 April 2023

¹⁶ Schedule, paragraph 27(o) of the Regulations