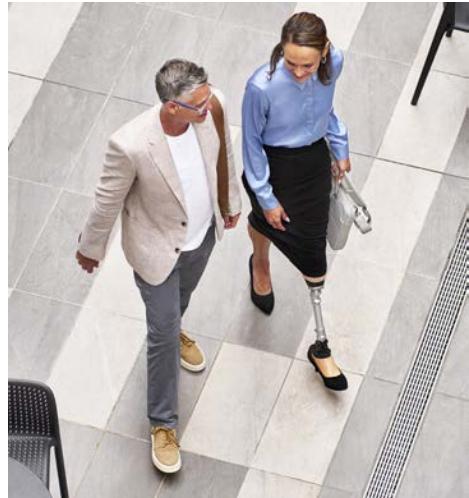




**Hewlett Packard
Enterprise**



Living Progress Report

Fiscal year 2023

A message from our CEO

Over the past decade, the digital revolution has reshaped how we operate, both as individuals and within society at large. As we look ahead to the opportunities that lie before us, I am filled with a profound sense of optimism. HPE is at the center of the transformational possibilities of IT, and we are committed to delivering innovations that will shape a brighter tomorrow — one where technology catalyzes positive change globally.

Technology is propelling the drive toward a thriving and sustainable society — where access to food, healthcare, security, and more are achieved within Earth's ecological boundaries. When we consider the vast, yet-to-be-explored capabilities of artificial intelligence (AI) in devising innovations that will advance humanity and solve some of these great challenges, we have substantial reason to be excited and positive about the future.

Yet, accelerating technologies that will drive innovation and achieve breakthroughs can only be beneficial if done responsibly. Guided by the principles of sustainable and responsible business instilled by our founders Bill Hewlett and Dave Packard more than 85 years ago, we at HPE are committed to the sound development, deployment, and use of new technologies so we can continue to turn questions into discovery, insights into action, and our unlimited imagination into reality.

Accelerating possibilities

AI is one of the most disruptive forces of our lifetime. Its capacity to accelerate opportunities of unprecedented scope and scale is changing how we live and work. Foundational technologies like networking and hybrid cloud are at the core of our DNA and provide the essential infrastructure upon which transformative AI capabilities are built. Our leadership and expertise across these technologies help enable our customers to harness the vast



potential of this technology in pursuit of tackling the world's biggest business and societal challenges by harnessing AI's power.

HPE technology has already made significant contributions to critical areas of AI-driven scientific research, ranging from combating disease and climate change to developing clean energy. Recently, HPE Cray EX supercomputers played a pivotal role in the collaborative effort between Harvard and the Swiss Federal Institute of Technology EPFL, to overcome a major barrier to harnessing hydrogen as a clean energy source. Additionally, Hewlett Packard

Labs is collaborating with General Atomics to develop infrastructures for AI and machine learning algorithms that will facilitate research into nuclear fusion as a clean power source. These efforts are integral to shaping the carbon-free energy grid of the future. But the race to apply AI comes with risks: to data privacy and control, of potentially increasing carbon emissions, and to populations vulnerable to exploitation. As a trusted partner in enabling AI solutions, we prioritize data privacy, sustainability, and ethical standards with the same level of importance as advancement and innovation.

Driving a net-zero future

While technologies such as AI hold great promise in combating the impacts of climate change, we must make every effort to mitigate their contribution to that very problem. We must focus on advancing technologies with sustainability built in.

At present, AI systems consume energy at an unsustainable scale — straining power grids and posing risks to the transition to cleaner energy sources. The advancement of energy-efficient supercomputing technology is critical to unlocking AI's full potential. We continue to design efficiency into our high-performance computing solutions, employing advanced technologies and innovative cooling systems to minimize power consumption while maximizing computational performance. I'm proud that today, more than 100 HPE systems are included on the Green 500 list of the world's most energy-efficient supercomputers. Yet, efficiency is only one piece of the puzzle. We're collaborating with data center providers to offer our customers high-performing infrastructure in data centers powered by renewable energy, further reducing the carbon footprint of these compute-intensive workloads.

Addressing the environmental impact of the rapid expansion of technology is a challenge we share with organizations worldwide. As more companies commit to net-zero targets, they must align their IT strategies with sustainability goals. HPE is transforming our product and service offerings and business model to help mitigate the environmental impacts of our customers' growing IT needs across the entire IT lifecycle. With sustainability at the forefront of our innovation agenda, we are bringing to market sustainable technology solutions spanning strategy, operations, and IT asset lifecycle management to enable IT to run more sustainably from the data center to the workload.

These efforts, among many others we have implemented in our operations and with our suppliers, advance our net-zero ambition and accelerate a low-carbon future.

Prioritizing people

Fundamentally, the purpose of technology is to unlock possibilities. This is the foundation of our purpose to advance the way people live and work. It is then essential that the development and use of technology are done in a way that promotes and protects human rights the world over.

For decades, HPE has emphasized the importance of upholding human rights throughout our value chain, ensuring that every individual involved in bringing our solutions to life is treated with dignity and respect. Ensuring our products are never used for unethical purposes is paramount, and we must remain vigilant against sourcing or selling products that could endanger people. For us, this is a moral imperative, one that we action through best practices like our AI Ethical Principles, extensive training programs, and rigorous oversight. This approach fosters awareness and ingrains human rights considerations across our business activities, from our operations to our supply chain, our products, and our partnerships. Beyond our value chain, we are deeply involved with industry groups to harness the power of collective action to share and elevate these practices.

People are what make technology possible. At the heart of every HPE innovation lies the passion, expertise, and unwavering commitment of 62,000 dedicated individuals. My leadership team and I never lose sight of their importance to our continued success. Our efforts to empower and retain the best talent in the industry are reflected in strong team member engagement scores and voluntary turnover rates well below the industry average. Both exemplify a productive and supportive culture, something I am exceptionally proud of as culture has been one of my top priorities since becoming CEO. Additionally, our commitment to diversity and inclusion is evident in our leadership ranks: as of 2023, 46% of our Board members were women and 15% were ethnically diverse, and today, our executive committee is 50% female.

Looking ahead

2023 will be remembered as a historic technology inflection point, and what we do next will undoubtedly play a pivotal role in our collective future. We must lean into AI to fuel the societal advancements it will make possible while remaining vigilant in mitigating its risks.

And, in a world where many face uncertainty and instability, the explosion of technological innovation provides a beacon of optimism for a better, more equitable, more sustainable world.

Thank you for being part of this journey. Together, let's continue to innovate, inspire, and make a lasting impact on the world.

Regards,



Antonio Neri

President and Chief Executive Officer

Contents

A message from our CEO

About Hewlett Packard Enterprise

- 5 About Hewlett Packard Enterprise
- 7 Our approach to sustainable business
- 11 Our Living Progress goals
- 12 Fostering sustainability through innovation

Accelerating net-zero

- 18 Environmental strategy
- 23 Environmental sustainability of IT solutions
- 28 Product lifecycle management
- 34 Environmental impacts of our supply chain
- 36 Our operational footprint

Investing in people

- 42 Social impact strategy
- 44 Community investment
- 47 Diversity, equity, and inclusion
- 54 Team member development, engagement, and well-being
- 58 Team member health and safety

Operating with integrity

- 60 Corporate governance and ethical behavior
- 68 Human rights
- 77 Data security
- 81 Data privacy

Appendices

- 84 Memberships and partnerships
- 86 Policies and standards
- 87 Issue definitions
- 89 Resources

About this report

Hewlett Packard Enterprise (HPE), and formerly as Hewlett Packard Company, has a decades-long history of public reporting on sustainability and corporate responsibility issues. HPE aims to be fully transparent in meeting investor requests for material ESG information. We maintain leadership through transparent disclosures, active collaboration with ESG rating agencies, and a comprehensive ESG strategy. We actively seek improvement opportunities related to our disclosures. [Living Progress](#) is our business strategy for delivering sustainable value for our stakeholders. These efforts are inextricably linked to our corporate strategy and purpose, which is to advance the way people live and work.

Reporting scope and boundaries

This report covers HPE's fiscal year 2023 (November 1, 2022–October 31, 2023). All references to years are to HPE's fiscal year, unless otherwise stated. All the information in the report is current as of the date of initial publication. The report has not been updated to reflect any changes that may have occurred after such date, including any changes to HPE's business or strategy. This report covers all HPE operations but does not include joint ventures. All references to dollars are to U.S. dollars. This report provides qualitative and quantitative information detailing our approach and fiscal year updates across our nonfinancial material issues which differ from the context of our U.S. Securities and Exchange Commission (SEC) filings. Data are rounded to reflect the appropriate level of certainty. Additional data can be found in our [2023 Data Summary](#).



Complete 2023 fiscal year data, ESG reporting indices, and statement of assurance can be found in the separate [Data Summary](#).

Standards and frameworks

This report aligns to the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and draws from the sector-specific indicators set forth by the Sustainability Accounting Standards Board (SASB, now part of the International Financial Reporting Standards Foundation) for Software and IT Services and Hardware. Our report also references the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (2021) and the United Nations Sustainable Development Goals (UN SDGs).



Third-party assurance

We contract external assurance provider SCS Global Services to perform an independent review of selected key performance indicators in the [2023 Data Summary](#).



About Hewlett Packard Enterprise

HPE is the edge-to-cloud company that helps organizations accelerate outcomes by unlocking value from all of their data, everywhere. Built on decades of reimagining the future and innovating to advance the way people live and work, HPE delivers unique, open, and intelligent technology solutions, with a consistent experience across all clouds and edges, to help customers develop new business models, engage in new ways, and increase operational performance.

In this section

5

[About Hewlett Packard Enterprise](#)

7

[Our approach to sustainable business](#)

11

[Our Living Progress goals](#)

12

[Fostering sustainability through innovation](#)



About Hewlett Packard Enterprise

We believe technology's greatest promise lies in its potential for positive change. Our company has always been an engine of innovation, and our approximately 62,000¹ team members search beyond customers' needs to accelerate meaningful outcomes and deliver against our purpose.

→ To learn more about HPE, see our [Annual Report](#) and [Proxy Statement](#).

\$29.14 billion

net revenue³

64%
of revenue which
was generated outside
the United States

~62,000²

global team members

~21,300

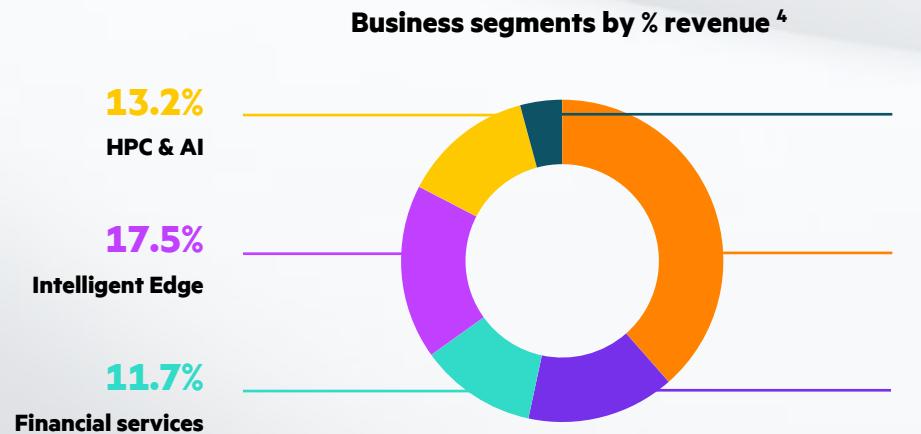
in the Americas

~14,500

in Europe, the Middle
East, and Africa

~24,600

in Asia Pacific
and Japan



¹ Including employees of HPE subsidiary, CDS, a separate legal entity providing true multi-vendor service capability for HPE customers. Workforce-related metrics and percentages disclosed in this report do not include approximately 2000 CDS employees, due to limited ability to track such metrics for CDS employees.

² CDS employees are not included in segments, therefore segments do not add up to total.

³ HPE consolidated net revenue excludes inter-segment net revenue.

⁴ Business segments by % of revenue includes inter-segment net revenue.

Our approach to sustainable business

Living Progress, our sustainable business strategy, is incorporated directly into HPE's overall business strategy to accelerate customers' business transformations and ensure the long-term resilience of our company. This results in improved competitive advantage and revenue growth as our customers actively seek sustainable and responsible IT solutions.

Our approach helps our customers to reduce the environmental impacts of their IT infrastructure without compromising performance and to make data-driven decisions that can boost the sustainability of their operations, all while prioritizing responsibility across all aspects of our solutions, from supply chain to ethical artificial intelligence (AI).

We continue to set and pursue ambitious sustainability goals built upon the foundation of our unwavering commitment to ethical and responsible business practices. Because this commitment extends to (and is integrated into) many aspects of our operations, HPE's competitiveness, resilience, and relationships with a broad array of stakeholders are enhanced in countless ways.

Our reporting to third parties helps us build trust and accountability with our stakeholders. We report to leading ratings organizations including CDP, Dow Jones Sustainability Index, MSCI,⁵ Morningstar Sustainalytics, EcoVadis, and others. HPE sustainability initiatives receive recognition from external partners.

HPE was named America's Most Just Company for 2024 by JUST Capital.

Our Living Progress strategy goes beyond mere compliance and mandatory disclosures. Integrating sustainability into our business strategy is a shared responsibility across all business units and functions.



⁵ The use by HPE of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of the MSCI logos, trademarks, service marks, or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of HPE by MSCI.

Our priority issues

We conduct nonfinancial materiality assessments regularly to ensure that we are addressing the environmental, social, and governance issues with the greatest impact on enterprise value and on society and the environment. Our process is overseen by our Board's Nominating, Governance, and Social Responsibility (NGSR) Committee. We completed our most recent third-party assessment in February 2022 which included interviews with key external stakeholders such as investors, suppliers, and customers. This assessment took into account the evolution of our business, changes in the global corporate sustainability reporting landscape, evolving investor and stakeholder information needs, and the continuing evolution of best practice techniques informed by organizations such as the Global Reporting Index (GRI) and the SASB Standards. As a result, our latest assessment adopts a "double materiality" definition. Although this has resulted in significant changes to the placement of issues within our matrix since previous assessments, the issues themselves remain overwhelmingly consistent. The issues in the following chart meet the threshold for this report. Nonfinancial materiality, as used in this report, differs from the definition used in the context of filings with the SEC. Issues considered material for SEC filings can be found within the HPE Form 10-K.

Nonfinancial materiality matrix⁶



⁶ Definitions of the issues in this chart can be found in the Appendices.

⁷ Science, technology, engineering, and mathematics.

Stakeholder engagement

HPE is committed to working with our stakeholders to advance shared objectives, and we regularly collaborate with them through [partnerships](#), industry forums, capability-building, direct engagements, surveys, and assessments.

Investors and shareholders

We engage and keep our investors and shareholders informed through quarterly earnings calls, disclosures through our 10-Ks, proxies, and other SEC filings, and meetings with securities analysts. In 2023, we partnered with Jefferies to host our fourth annual investor webcast that underscored the inextricable link between our business strategy and our Living Progress strategy. We also extended meeting invitations to holders of approximately 50% of our stock. In addition, HPE Investor Relations regularly briefs investors on material issues and initiatives through direct exchanges and discloses financial material information in the [HPE Form 10-K](#) and other filings.

Regulators and policymakers

As a trusted advisor to governments in their digital transformation journeys, we advise on hybrid cloud strategies that improve the efficiency, security, and scalability of public sector organizations, while helping to meet evolving public needs. We partner with governments across our geographies to apply HPE technologies to help solve local and global challenges such as climate change. Through our advocacy work, we influence policy and provide support across topics relevant to our mission and business including artificial intelligence (AI) ethics, [human rights](#), expanding STEM education, and [data privacy](#).

Customers

We work with our customers to provide them with sustainable and responsible IT offerings that help them [minimize the negative impacts of their IT operations and reduce costs](#). Our Sustainability and Compliance team directly responded to over 4,000 inquiries in 2023, while our customer briefings on sustainability-related topics, including direct engagement with end users, contributed to approximately \$1.85 billion in net revenue, an increase of approximately 500% over 2018.

Team member

We engage with our team members through our [Listening Sessions](#), annual [Voice of the Workforce survey](#), regular performance reviews, and [My Success Plan](#), a framework for discussions among team members and people leaders on performance, career aspirations, and more.

Suppliers

We engage with and support our manufacturers and suppliers on their sustainability journeys, offering them the data, digital tools, and direct engagements and trainings they need to improve their own programs. Our support enables them to set goals and track progress against [climate, water, waste, human rights, and ethical sourcing](#). Additionally, we help [small and diverse suppliers](#) develop and expand their market share through our engagement with them.

Communities

We reach out to local communities through various methods including direct contact, engagement activities, blogs, and social media posts. Additionally, through our [social impact strategy](#) and [community investment](#) efforts, we apply the strengths of our innovative technology, talented team members, and global resources to benefit society. We take a proactive approach to soliciting the thoughts and perspectives of key stakeholders throughout the year. This involves formal and informal mechanisms and the direct interactions our team members have in the communities where they live and work.



Sustainable development goals

Our Living Progress strategy and partnerships align with the United Nations Sustainable Development Goals (SDGs) to address objectives that are mutually beneficial to society and to our business. We take a focused approach to prioritize action toward the SDGs and targets with significant risks and opportunities to our business, considering both where our company can have the greatest contribution and how these actions can create new forms of customer value. This is fundamental to ensuring our long-term financial success, building the skilled talent to succeed in a data-first world, and ensuring that HPE remains competitive in a low-carbon economy.

SDG	Relevant goals ⁸	Issue referenced in this report
 5 GENDER EQUALITY	<ul style="list-style-type: none"> 5.1: End gender-based discrimination. 5.5: Ensure women's full and effective participation and equal opportunities for leadership. 	<ul style="list-style-type: none"> Diversity, equity, and inclusion Team member development, engagement, and well-being
 7 AFFORDABLE AND CLEAN ENERGY	<ul style="list-style-type: none"> 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix. 7.3: By 2030, double the global rate of improvement in energy efficiency. 	<ul style="list-style-type: none"> Energy use and GHG emissions in our operations Energy use and GHG emissions in our supply chain
 8 DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> 8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.7: Eradicate forced labor, modern slavery, child labor, and human trafficking. 8.8: Protect labor rights and promote safe and secure working environments for all workers. 	<ul style="list-style-type: none"> Ethical sourcing and human rights in the supply chain Team member health and safety Public policy engagement
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> 9.4: Upgrade infrastructure and retrofit industries to make them sustainable. 	<ul style="list-style-type: none"> Technology for social impact Public policy engagement Efficiency of IT Solutions
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. 	<ul style="list-style-type: none"> Product lifecycle management Efficiency of IT solutions
 13 CLIMATE ACTION	<ul style="list-style-type: none"> 13.3: Improve education, awareness raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning. 	<ul style="list-style-type: none"> Efficiency of IT solutions Public policy engagement

⁸ A list of relevant GRI indicators mapped to the SDGs can also be found in the Standards Index, page 47 of the [Data Summary](#).

Our Living Progress goals

Goal	Progress to date %	% completion toward goal
Source 50% renewable electricity in our operations by 2025 (toward 100% by 2030)	Sourced 52% renewable electricity in our operations	<div style="width: 100%;"><div style="width: 100%; background-color: #2e7131;"></div></div> 100%
Achieve net-zero GHG emissions across the value chain by 2040:		Achieved
• Reduce absolute Scope 1 and 2 GHG emissions by 70% by 2030 from a 2020 base year	Reduced our Scope 1 and 2 emissions by 18%	<div style="width: 26%;"><div style="width: 100%; background-color: #d93737;"></div></div> 26% On track
• Reduce absolute Scope 3 GHG emissions by 42% by 2030 from a 2020 base year ⁹	Increased Scope 3 emissions by 18% ¹⁰	<div style="width: 0%;"><div style="width: 100%; background-color: #cccccc;"></div></div> Not on track
• Reduce absolute Scope 1, 2, and 3 GHG emissions by 90% by 2040 from a 2020 base year	Increased our absolute Scope 1, 2, and 3 emissions by 19%	<div style="width: 0%;"><div style="width: 100%; background-color: #cccccc;"></div></div> Not on track
Divert 90% of non-hazardous waste from landfill each year	Achieved a diversion rate of 86%	<div style="width: 96%;"><div style="width: 100%; background-color: #d93737;"></div></div> 96% Nearly achieved
80% of manufacturing suppliers, by spend, will set their own science-based targets by 2030	31% had set Scope 1 and 2 targets and 36% have committed to set SBTs within two years ¹¹	<div style="width: 39%;"><div style="width: 100%; background-color: #d93737;"></div></div> 39% On track
45% of all volunteering will be skills-based	45.2% of all volunteering was skills-based	<div style="width: 100%;"><div style="width: 100%; background-color: #2e7131;"></div></div> 100% Achieved
100% completion rate of Standards of Business Conduct (SBC) training by active HPE team members	100% of HPE team members completed the SBC training	<div style="width: 100%;"><div style="width: 100%; background-color: #2e7131;"></div></div> 100% Achieved
100% of suppliers committed to the Employer Pays Principle ¹²	59% of suppliers are committed to the Employer Pays Principle	<div style="width: 59%;"><div style="width: 100%; background-color: #d93737;"></div></div> 59% On track
100% of suppliers train their workers on human rights by 2030 ¹²	47% of suppliers train their workers on human rights	<div style="width: 47%;"><div style="width: 100%; background-color: #d93737;"></div></div> 47% On track
100% of suppliers have effective grievance processes by 2030 ¹²	59% of suppliers have effective grievance processes	<div style="width: 59%;"><div style="width: 100%; background-color: #d93737;"></div></div> 59% On track
99% completion rate of annual Cybersecurity Awareness training by active HPE team members	99% of active HPE team members completed the annual Cybersecurity Awareness Training	<div style="width: 100%;"><div style="width: 100%; background-color: #2e7131;"></div></div> 100% Achieved

⁹ Scope 3 target includes use of sold products, upstream transportation and distribution, and Scope 1 and 2 supplier emissions.

¹⁰ With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2022.

¹¹ Supplier emission reduction targets are considered “science-based” if they are in line with the latest climate science to limit global warming to well-below 2 °C above pre-industrial levels and pursue efforts to limit warming to 1.5 °C. Supplier targets may or may not be approved by the Science Based Targets initiative (SBTi). Supplier targets and stated commitments are based upon suppliers’ reporting to CDP.

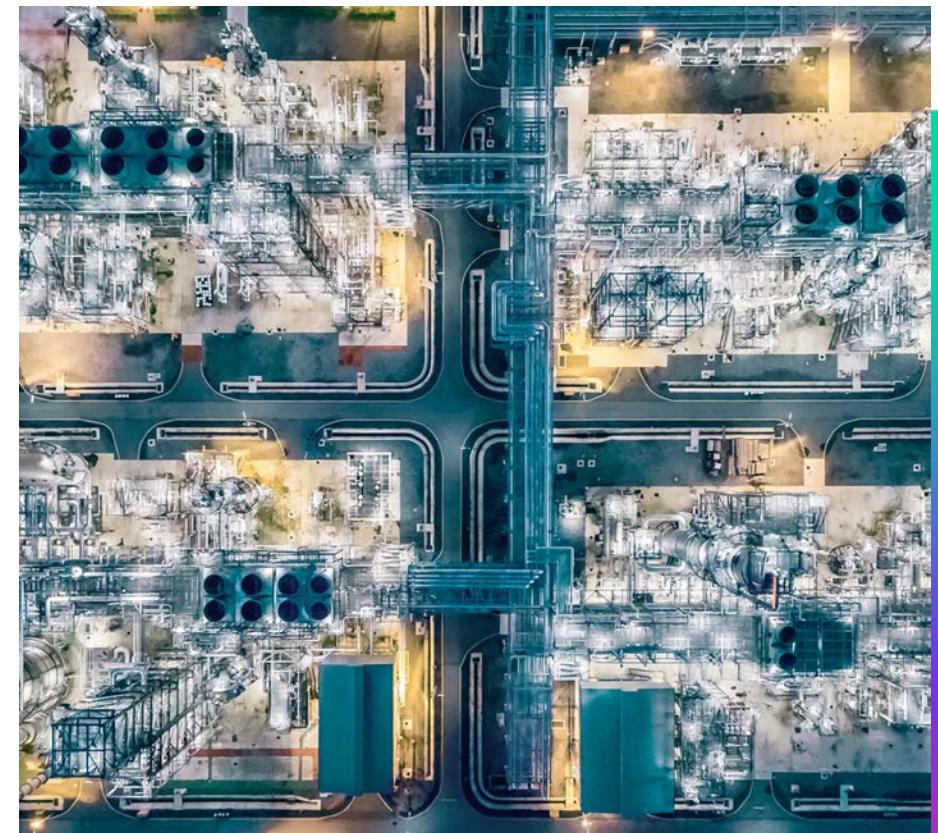
¹² Suppliers defined as those accounting for 98% of spend.

Fostering sustainability through innovation

In our data-driven world, technology holds the key to unlocking solutions to society's most pressing challenges. From pioneering advancements in energy-efficient computing to developing cutting-edge modeling techniques, we are doubling down on innovations that can pave the way toward a more sustainable, responsible, and interconnected future. Partnering closely with our stakeholders, we strive to amplify the positive impact of these innovations on a global scale.

"Like HPE, sustainable innovation and growing with our customers is at the heart of everything we do at Danfoss. We are committed to supporting our customers in their decarbonization journey by combining sustainable innovation and leading application know-how, and it has been very easy to partner with HPE to continuously drive impact within sustainability. The HPE GreenLake services are unique in the market, with great performance, visionary outlook within technology, commercial adaptability, openness, and outstanding focus on sustainability. HPE GreenLake has seamlessly enabled us to consume sustainable IT services by integrating these capabilities as natural parts of all deliveries, placing HPE as a combined leader within the industry."

Sune Tornbo Baastrup, Senior Vice President and CIO, Danfoss A/S



Transforming the future

Innovation is not just a core value at HPE; it's the driving force that helps us transform and respond to the challenges of tomorrow. Sustainability is seamlessly integrated into our innovation cycles, forming a comprehensive ecosystem that operates from various angles. By engaging diverse internal teams, enhancing cross-team collaboration, and organizing events to facilitate the flow of ideas, we ensure a holistic approach that harnesses our innovation engine to solve the sustainability challenges of our customers. Notable examples include:

- Annually, Tech Con brings together our technical community to tackle pressing issues, including a sustainable technology challenge.
- Through three Climate Technology Impact Accelerators, led by the HPE Foundation, we contribute expertise, technology, and resources to support the climate tech startup ecosystem.
- Hewlett Packard Labs collaborates with business units to deliver transformative solutions that propel growth, competitive advantage, and industry leadership.
- The Sustainable Technology Summit, a two-day virtual event, sparks company-wide conversations and collaborations on sustainable technology.
- HPE Advance, our internal startup program, turns groundbreaking ideas into reality, ensuring that innovation and sustainability remain central to our organizational DNA.
- The Innovation team within the office of the CTO leads breakthroughs in six key areas, one of which is sustainability.

R&D forms the foundation upon which our innovation thrives. It serves as the essential framework for exploring new ideas, technologies, and methodologies, driving the evolution of our offerings that can transform our industry and beyond. It's also crucial to our ability to stay competitive, adapt to market changes, and achieve sustainable long-term growth. Our R&D efforts are focused on designing and developing products, services, and solutions that anticipate customers' changing needs and keep us ahead of emerging technological trends. We expect to continue making significant R&D expenditures in the future to support the design and development of innovative, high-quality solutions that enhance our competitive position and drive global sustainability. In 2023, we invested approximately \$2.35 billion in R&D.

To protect our R&D investment, in 2023, HPE obtained 783 patents and filed 795 additional patent applications. Our recent patents include those with sustainability benefits such as power consumption management, reduced stranded power capacity, and power-aware allocation.

Each year, TIME recognizes 200 extraordinary inventions that change lives. [HPE supercomputer Frontier](#), one of the world's fastest, most energy efficient, and most powerful supercomputers, was included in TIME's Best Inventions of [2023 in the Experimental category](#).



Accelerating AI and supercomputing advantage

AI permeates every industry, disrupting established patterns and unlocking countless possibilities. It will play a vital role in addressing the world's most pressing challenges by analyzing extensive data sets faster than ever before to inform decision-making, optimize resources, and contribute to innovative solutions.

We make AI accessible to all by offering a diverse range of applications and a portfolio of optimized AI solutions. Increasing access to AI will allow a greater number of organizations to embrace the technology to drive innovation and achieve breakthroughs. Yet, this can only be beneficial if it's done responsibly. As part of our commitment to the ethical use of AI, we are building in software that will help ensure responsible, trustworthy, and accurate AI models.

HPE continues to work alongside governments to drive critical research through the use of AI and HPE high-performance computing (HPC) capabilities. In 2023, HPE provided leading-edge supercomputing solutions to the UK's National AI Research Resource facility in Bristol. The forthcoming supercomputing facility is poised to play a pivotal role in advancing AI-driven research, specifically accelerating drug discovery and climate research.

We advocate for supercomputing capabilities that will help governments and other organizations efficiently solve some of the world's most demanding computational problems while also enabling important scientific breakthroughs. Exascale computing allows users to push the boundaries of science and technology in materials science, clean fusion energy, climate modeling, and lifesaving cure development by integrating AI with data analysis, modeling and simulation.

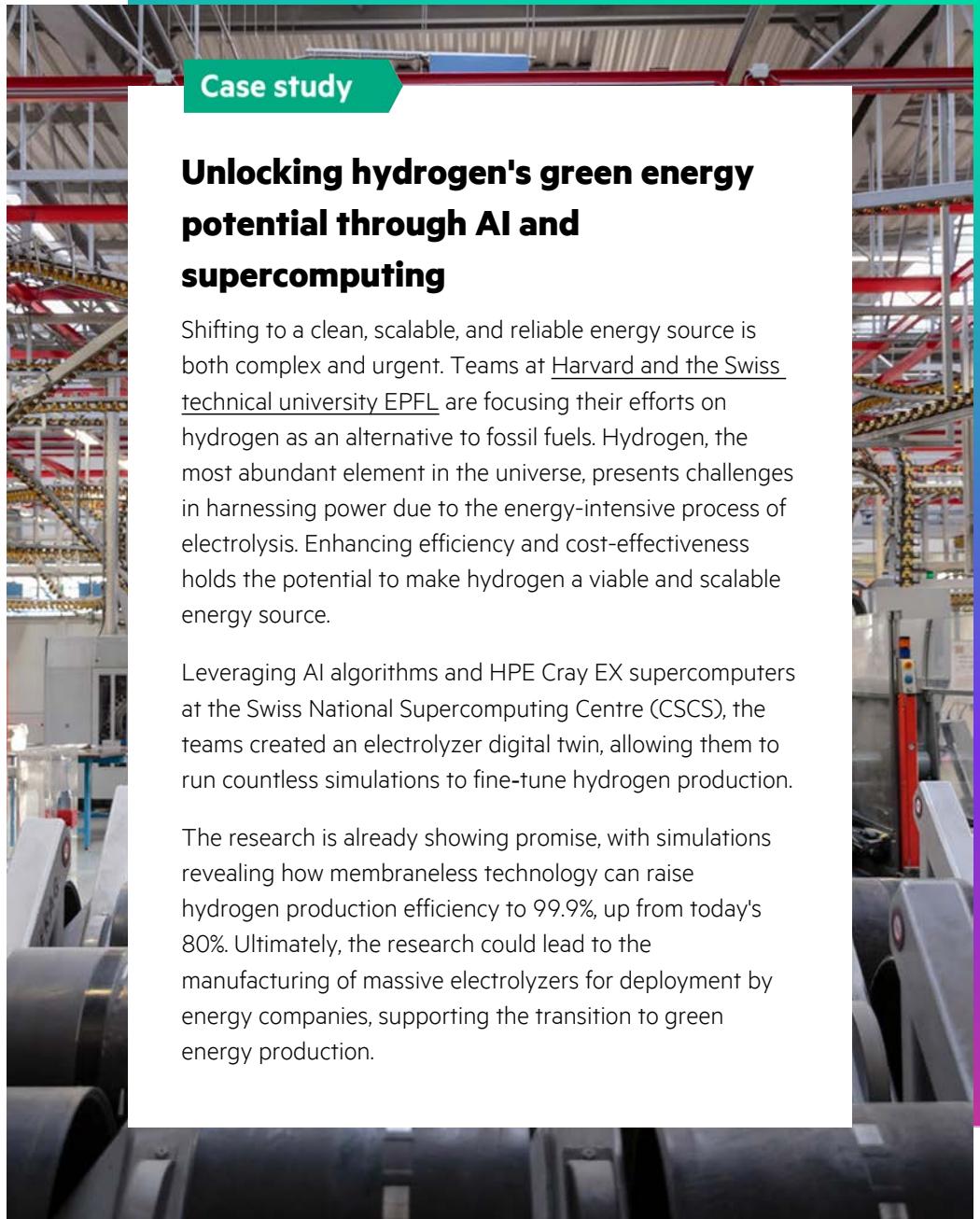
Case study

Unlocking hydrogen's green energy potential through AI and supercomputing

Shifting to a clean, scalable, and reliable energy source is both complex and urgent. Teams at Harvard and the Swiss technical university EPFL are focusing their efforts on hydrogen as an alternative to fossil fuels. Hydrogen, the most abundant element in the universe, presents challenges in harnessing power due to the energy-intensive process of electrolysis. Enhancing efficiency and cost-effectiveness holds the potential to make hydrogen a viable and scalable energy source.

Leveraging AI algorithms and HPE Cray EX supercomputers at the Swiss National Supercomputing Centre (CSCS), the teams created an electrolyzer digital twin, allowing them to run countless simulations to fine-tune hydrogen production.

The research is already showing promise, with simulations revealing how membraneless technology can raise hydrogen production efficiency to 99.9%, up from today's 80%. Ultimately, the research could lead to the manufacturing of massive electrolyzers for deployment by energy companies, supporting the transition to green energy production.



In 2023, HPE co-hosted the 8th [EU Public Sector Transformation Conference](#), bringing together EU senior leaders and delegates from five Member States, the CEO of Aleph Alpha and CSC-IT Finland, and the European Center for Medium-Range Weather Forecasts. The conference centered on the public sector's crucial role in addressing the demand for increased computing capacity across industries and the growing imperative to ensure the EU's ability to scale and develop sovereign AI systems for public sector applications. Recognizing the importance of enabling access to supercomputing capacity and ensuring EU businesses can compete on a global stage, the European Commission unveiled the [European High-Performance Computing Joint Undertaking](#). Set to begin in 2024, this initiative provides EU startups and small to medium enterprises with simplified and increased access to the EU's federated network of supercomputers.

Case study

Advancing AI in the European Union

In Germany, HPE and the German Federal Foreign Office are collaborating on a proof of concept to run [Aleph Alpha's Luminous](#), a sophisticated large language model (LLM), designed for users requiring sovereign and [cybersecure](#) AI solutions, on an HPE supercomputer on-premises.

HPE is also supporting [GATEKEEPER](#), an EU-funded research project in the healthcare domain. Utilizing HPE hardware and AI services, GATEKEEPER has initiated a large-scale pilot spanning 13 EU countries. The project's objective is to establish an open, trust-based platform for implementing AI-based solutions to improve the health of elderly individuals by predicting conditions, preventing diseases, and monitoring health.



The Gordon Bell Prize for Climate Modeling shines a spotlight on the pivotal climate research facilitated by supercomputers. Among the nominees of 2023, several leveraged HPE systems, including the winning Energy Exascale Earth System Model team. Powered by the HPE Frontier supercomputing system, the team won for its groundbreaking efforts in crafting a global atmosphere model that achieved an unprecedented milestone of one simulated-year-per-day.

Case study

Powering energy security and climate risk mitigation

For over a century, Commonwealth Edison Company (ComEd) has provided power for northern Illinois residents. Today, the company is facing severe weather challenges as a result of climate change, jeopardizing its uninterrupted operations. To evaluate the impact of climate change on its grid and formulate adaptation strategies, ComEd turned to the U.S. Department of Energy's Argonne National Laboratory.

Using HPE Cray Supercomputing, Argonne is employing advanced modeling to gain deeper insight into changing climate conditions. Researchers will use these insights to develop planning tools that will help identify and map out vulnerabilities in ComEd's power system. This planning is vital as the utility company navigates numerous industry changes, from shifting climate patterns to transitioning to clean energy generation. The collaboration will empower ComEd to evaluate evolving risks, make informed decisions, enhance its electricity infrastructure to handle future challenges and fortify the power supply for millions of residents.



Accelerating net-zero

It is a business imperative to reduce GHG emissions across our value chain and build climate resiliency throughout our business.

We aspire to accelerate a low-carbon future, from curbing energy and IT waste through innovative and comprehensive IT sustainability offerings and business models to bringing new renewable capacity to the grid, partnering with suppliers to reduce their emissions, and investing in lower-emissions shipping options.

In this section

18

23

28

34

38

Environmental strategy

Environmental sustainability of IT solutions

Product lifecycle management

Environmental impacts of our supply chain

Our operational footprint

Environmental strategy

Our environmental strategy spans our entire value chain, underpinned by our net-zero targets and supported by a robust roadmap. We are working on advancing toward our targets by fostering strong, innovative partnerships with our customers and suppliers to collectively accelerate a low-carbon future.

→ Our climate and environmental data can be found on pages 7–18 of our [2023 Data Summary](#).

Climate strategy and targets

In 2022, we accelerated our net-zero target 10 years, from 2050 to 2040, building on reductions already achieved ahead of schedule under our previous generation of GHG reduction targets. Today, we are one of only three global IT companies with a net-zero target of 2040, and interim targets, approved by the Net-Zero Standard of the Science Based Targets initiative (SBTi).¹³

To achieve our targets, we focus on areas with the highest emissions and greatest opportunity for reduction. As a technology company, the biggest impact we can make on the climate crisis is helping our customers to minimize the environmental footprints of their IT estates. By [partnering with customers](#) across sectors, we can apply our technologies to tackle significant environmental challenges faster and more efficiently.

We defined a hierarchy of investment to reduce emissions across our value chain, as outlined in our [Climate Policy](#), keeping carbon offsets as a last-mile approach for the emissions that cannot be otherwise abated. As of 2023, we had no carbon offsets in our portfolio, and we are committed to limiting future offsets to high-quality carbon removals.

[Our roadmap to net-zero](#) outlines our plan to reduce our carbon footprint through a set of science-based targets-in line with a SBTi approved, 1.5°C aligned, climate scenario.¹⁴ We act upon the roadmap's emission reduction levers to progress against our near- and long-term targets.

We were one of the first companies in the IT industry to set supply chain science-based targets, have our net-zero targets approved by the [SBTi](#), and disclose climate risks in alignment with the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#).



¹³ Based on SBTi target dashboard, as of December 2023.

¹⁴ HPE net-zero targets are validated by the SBTi's Corporate Net-Zero Standard. The Net-Zero Standard covers a company's entire value chain emissions and requires deep decarbonization of 90–95% to reach net-zero.

Methodological updates

This report reflects several methodological updates to improve the accuracy and granularity of our Scope 3 emissions calculations, which will in turn enable more targeted emissions reduction strategies across our value chain.

This includes:

- Incorporating switch and access point power data into Scope 3 cat. 11 emissions (use of sold products).
- Improving LCA models to include more accurate and granular component data for high-volume products, integrate additional attributes of high-volume commodity options and integrate material-based data for our access points.
- Improving measurement of our Scope 3 cat. 4 data (upstream transportation and distribution)¹⁵ by standardizing the calculation methodology across our Logistics Service Providers (LSPs).
- Integrating direct supplier data by requesting complete product lifecycle assessments for items sourced by HPE and Product Carbon Footprints at the part number level.

As a result of these changes, we rebaselined our carbon footprint from 2020 (our baseline year) to 2023 and progress against our science-based targets.

HPE participates in several working groups dedicated to enhancing tools and methodologies for product lifecycle assessments to enable HPE, our suppliers, and our customers to make better-informed design and procurement decisions. We will continue to improve our carbon accounting practices and rebaseline our emissions as necessary, driven by further GHG emissions calculations improvements, new data sources, or potential structural changes.

Additional details on our GHG emissions calculation methodology can be found in [HPE Carbon Accounting Manual](#).^{16 17}

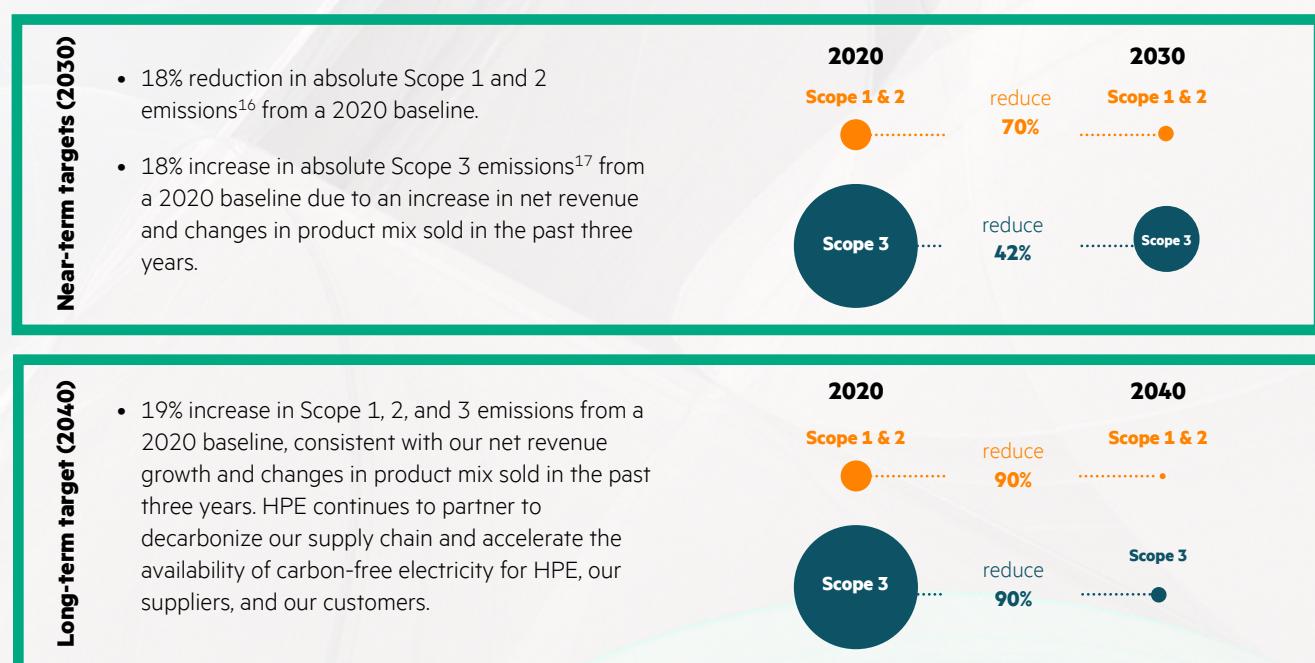
2023 progress toward our science-based targets

Although methodological updates referenced in the sidebar resulted in higher overall reported carbon footprints for the past four years, this rebaselined data will provide us with deeper insights into the drivers of our carbon footprint.

In three years, HPE's operational (Scope 1 and 2) emissions decreased 18% from our 2020 baseline. To achieve this, we surpassed our 2025 target of sourcing 50% renewable electricity ahead of schedule for two consecutive years. We focused on adding new renewable electricity capacity into the grid and reduced our reliance on unbundled RECs from 8% of our total renewable electricity in 2020 to 1% in 2023.

Business growth and changes in product mix sold resulted in increased Scope 3 emissions from our 2020 baseline. Notably, the delivery of Intelligent Edge products backlogged during the COVID-19 pandemic drove a significant increase in emissions, with sold units of access points and network switches rising by 100% and 60% respectively since 2020. During the same period, revenue from the Compute segment, which accounts for approximately 40% of our net revenue, decreased by 6%, while associated emissions increased by 8% due to the increased power consumption of newer product generations.

Despite this, our production suppliers' Scope 1 and 2 emissions decreased by 18% year over year, primarily due to increased use of renewable energy in their operations. As of 2023, 67% of our production suppliers have set science-based emissions reduction targets or have committed to doing so in the next two years (toward our goal of 80% by 2030).



¹⁵ Across 80% of our total logistics volume.

¹⁶ HPE's operational emissions are calculated with the Scope 2 market-based method.

¹⁷ Scope 3 target includes use of sold products, upstream transportation and distribution, and Scope 1 and 2 supplier emissions.

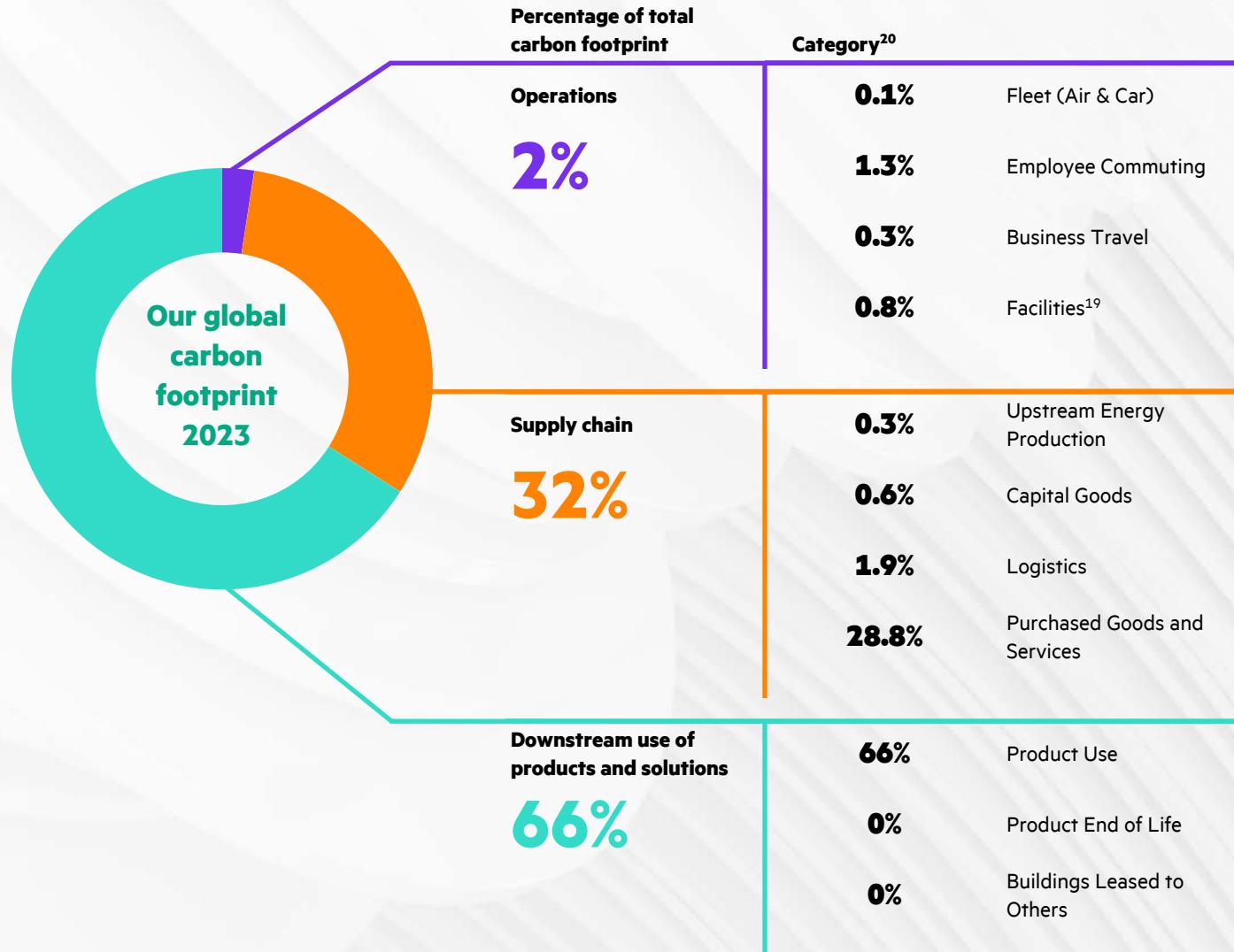
Environmental footprint

Nearly 66% of our GHG emissions are generated from customer use of our solutions and 93% of our water footprint is associated with the production of electricity to power these solutions.

Consequently, our business practices are driven largely by the need to minimize the environmental footprint of our products and solutions.

In 2023, HPE's carbon intensity¹⁸ across its entire value chain increased by 5% from 2022, driven by shifts in our product mix sold. We continue to focus our efforts on decarbonizing our supply chain, accelerating the availability of carbon-free energy, and transforming our offerings and business models to reduce the environmental impacts of our customers' growing IT needs.

Data supporting our carbon and water footprints, as well as our global energy-water nexus footprint, can be found in our [2023 Data Summary](#).



¹⁸ Scope 1-3 metric tons CO₂e/\$ million of net revenue

¹⁹ Facilities encompasses Scope 1 and Scope 2, excluding air and car fleet, as well as Scope 3 Category 5.

²⁰ Categories may not add to total due to rounding.

Accountability for climate goals

We hold our leaders accountable for advancing our sustainability objectives and equip them with the skills and knowledge to do so. Recognizing that achieving our net-zero commitment will require active involvement from every leader at HPE, we added a new compensation metric to our Management by Objectives (MBO) modifier as of 2022. This metric ties a portion of variable pay for the members of our Executive Committee to bespoke climate-related KPIs and action plans for their respective organizations. As part of this effort, in 2023, all senior executives created measurable action plans for their respective organizational units that contribute to reducing our [carbon intensity](#).

In 2020 and 2022, respectively, the entire [HPE Board of Directors](#) completed training on environmental sustainability, and 96% of our leaders at the vice president level and above completed our internal climate training program, which is also available to all team members.

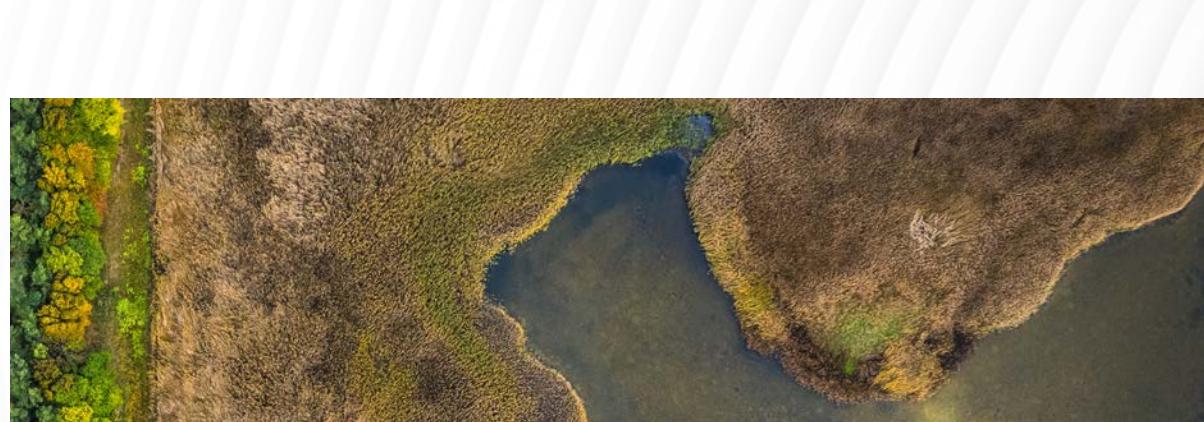
Advocacy and collaboration

Public policy initiatives and strategic partnerships are essential to climate action. In 2023, we concentrated our advocacy on advancing the decarbonization of the electricity grid. As a member of the [Alliance of CEO Climate Leaders](#), HPE endorsed an open letter for COP28 advocating for accelerated progress toward net-zero objectives. We also pledged support for [Canada's Net-Zero Challenge](#) and endorsed the [Fossil to Clean](#) letter, which calls for the elimination of unabated fossil fuels and a tripling in global renewable electricity capacity. In addition, we support market-based mechanisms with clear, transparent, and consistent price signals such as setting a price on carbon, as outlined in our [Climate Policy](#).

We participate in multiple industry organizations, including the [Clean Energy Buyers Association](#) (CEBA), [RE100](#), the [Information Technology Industry Council's Climate Committee](#), [The Climate Pledge](#), the [U.S. Department of Energy's Better Climate Challenge](#), the [Semiconductor Climate Consortium](#) (SCC), and the [European Green Digital Coalition](#).

Advancing toward our net-zero targets and roadmap

Levers to net-zero	2023 progress highlights
Downstream use of our solutions	<ul style="list-style-type: none"> Established a comprehensive sustainable IT offerings roadmap Expanded portfolio of IT sustainability services and offerings
Supply chain and logistics	<ul style="list-style-type: none"> Supported suppliers to set and progress against science-based emissions reduction targets Partnered with production suppliers to implement on-site renewable energy sources Transitioned to EVs for final mile delivery in selected regions Enhanced data streams from suppliers and logistics service providers
Operations	<ul style="list-style-type: none"> Procured >50% renewable electricity (ahead of schedule for two consecutive years) Set and progressed against a target of 100% electric vehicles by 2035 Implemented energy-saving measures across >100 offices
All	<ul style="list-style-type: none"> Advanced policies through CEBA, RE100, SCC, and ITI Improved data precision and granularity of our carbon footprint



Managing environmental risks

Our ability to anticipate, prepare for, and respond to environmental expectations or standards influences our ability to win customers, attract and retain talent, and comply with regulatory and market access barriers. We take an active approach to managing climate-related risks by setting science-based targets and enabling our customers to advance toward their own sustainability goals through our suite of IT sustainability offerings. In 2023, we extended the Enterprise Risk Management (ERM) program to manage performance against additional elements of our Living Progress strategy as a Tier 1 risk. This extension also encompassed additional risks including climate risk and mitigation. These risks are subject to direct oversight by HPE's Audit Committee of the Board.

Further, HPE discloses climate-related risks and opportunities, including financial impacts and likelihoods, in alignment with recommendations of the TCFD. In April 2023, we conducted our third climate scenario analysis that shows we are broadly resilient to climate transition under all analyzed scenarios. The models indicated that HPE could experience, among others, a low-to-moderate impact from physical climate change risks and a moderate-to-high impact from increasing electricity costs as well as market opportunities through the development of IT sustainability offerings.

We recognize the interconnections between climate change and natural capital risks related to ecosystems, biodiversity, and human communities, as outlined by the Intergovernmental Panel on Climate Change (IPCC). We monitor and manage natural capital-related risks through initiatives such as advancing the transition to renewable electricity, innovating products and solutions with a lower environmental footprint, and through the responsible sourcing of minerals. In 2023, we conducted an assessment of the biodiversity impacts and dependencies of our operations at the site level. The findings indicate that HPE has a limited direct impact on biodiversity, primarily related to the footprint of our sites and minimal operational water withdrawals. Nevertheless, we are committed to protecting biodiversity throughout our operations, as outlined in our biodiversity policy.



Environmental sustainability of IT solutions

We offer a comprehensive portfolio of efficient and responsible IT offerings that help reduce the environmental impact of our customers' IT estates and help them meet their sustainable IT goals. Our efforts extend to our collaboration with peers to drive innovation that will accelerate the broader transition toward a low-carbon economy.

We are transforming our product and service offerings and business model to help mitigate the environmental impacts of our customers' growing IT needs across the entire IT lifecycle, helping to move HPE and our customers toward net-zero. In 2023, we formed an internal executive-level steering committee to advance our agenda to create more sustainable IT solutions. Our vision is to place sustainable innovation at the core of our portfolio with the ultimate aim of decarbonizing IT for our company and our customers.

Our primary focus is addressing customer needs across three crucial areas of their sustainable IT journeys:

- 1. Empowering customers with data and visibility** into the environmental impact of their IT estates, facilitating consideration of environmental factors in the purchase, management, and disposal of their IT infrastructure.
- 2. Delivering low-carbon and responsible solutions** that optimize energy consumption and emissions across the IT ecosystem while promoting clean electricity use.
- 3. Enabling sustainable transformations and beyond** by providing expertise and advisory services that tackle sustainability challenges at every level, ranging from the data center to workloads to individual devices.

Empowering customers with data and visibility

A crucial aspect of helping customers reduce their carbon footprint involves quantifying the emissions from their IT assets. We are equipping customers with the tools and services they need to gain deeper insights into the environmental impact of their IT estates.

In November 2023, we introduced the [HPE Sustainability Insight Center](#) to customers worldwide, seamlessly integrated into our HPE GreenLake platform. This offers customers clear visibility, and real-time monitoring of their IT estates' energy consumption with estimates of the associated carbon footprint to enable effective management. The dashboard helps customers make informed decisions that could lower costs and help them achieve their sustainable IT goals. [HPE's acquisition of OpsRamp in May 2023](#), will further bolster the dashboard's capabilities. Beginning in 2024, the dashboard will leverage OpsRamp's cutting-edge IT operations management technology to provide a unified approach to managing multi-vendor infrastructure and application resources across hybrid and multi-cloud IT environments.

In 2023, we partnered with [Schneider Electric](#) to provide IT sustainability offerings in the Asia Pacific region. This collaboration combines our cutting-edge technology, like the HPE Sustainable Insights Center on HPE GreenLake, with Schneider Electric's expertise in developing enterprise-wide sustainability strategies. Together, we aim to help customers reduce their IT carbon footprints and emissions while simplifying access to sustainability offerings from both companies.

To help customers quantify the GHG emissions of their IT estates, we publish product carbon footprints (PCFs) totaling the lifecycle emissions for selected Compute products. We calculate the emissions associated with the extraction of raw materials, production, and transportation of our products using a combination of our proprietary algorithm and the Product Attribute to Impact Algorithm (PAIA)-a streamlined lifecycle analysis (LCA) tool for IT products developed by the Massachusetts Institute of Technology (MIT). PCFs identify the stages where environmental impact is the highest, indicating where mitigation efforts should focus. While PCFs are not intended for cross-supplier comparisons, they do provide quantitative data that customers can use to evaluate and report on their carbon footprint. In 2023, we expanded the accessibility, accuracy, and transparency of our PCFs by incorporating use-phase carbon footprints into HPE Power Advisor, our tool for estimating power consumption in HPE server, storage, and select networking products.

In response to increased requests from customers, we provide customized PCFs on demand, delivering more than 1,200 in 2023 alone. We also redesigned the PCFs of our Gen10, Gen10 plus, and Gen11 compute servers to demonstrate the different carbon footprints associated with three common configurations (base, mainstream, and performance). We also added use-phase estimates tailored to be more representative of the electricity grid mix in select regions.

Further, HPE Financial Services (HPEFS) supports customers with their sustainability efforts across all stages of the asset lifecycle, from planning to removal and upcycling. As part of this support, they offer custom Circular Economy Reports detailing estimated emissions, energy, and waste savings attributed to their services.

Delivering low-carbon and responsible solutions

Approximately 80% of an enterprise IT product's carbon footprint typically comes from the customer use phase.²¹ The remainder is primarily due to "embodied carbon"—emissions from manufacturing and transportation that occur upstream. While we tackle embodied carbon through product design, we're addressing customer use through our services and leading-edge, efficient technology.

As-a-service (aaS) offerings have the potential to significantly enhance efficiency and reduce the carbon footprints of our customers' IT estates. HPE GreenLake, our hybrid cloud platform, delivers a cloud experience across all workloads, regardless of where they reside. It provides customers the advantages of scalability, automation, consumption-based billing, and precise provisioning-improving utilization levels and reducing over-allocation. This can lead to energy, materials, and cost savings by using less equipment and running more efficiently.

According to a 2023 study,²² moving to a private cloud on the latest servers can improve data center energy efficiency by 70%, primarily driven by workload consolidation on more advanced hardware. For example, the evolution from our HPE ProLiant Gen8 to Gen11 servers resulted in an 11:1 reduction in the number of servers required to accomplish the same workload, while also achieving a sixfold increase in performance per kW. Additionally, HPE ProLiant Gen11 Servers have a 60% smaller data center footprint and 81% lower power and cooling costs compared with previous generations.²³

Key sustainability benefits of HPE GreenLake²⁴

Customers with established HPE GreenLake environments experience substantial business value and support environmentally sustainable IT operations by minimizing infrastructure needs. They also benefit from a flexible consumption and operating model with:

36%

fewer servers required for equivalent workloads

53%

lower infrastructure energy consumption

26%

lower energy costs

²¹ HPE's own estimations based on products' carbon footprints.

²² Efficient servers hold the key to energy efficient data centers, Uptime Institute, 2023.

²³ Validating the Sustainability Impact of HPE ProLiant Compute Gen11 Servers, Enterprise Strategy Group, 2024.

²⁴ Based on IDC Custom Solution study, April 2024. Percents are in comparison to customer IT prior to implementing HPE GreenLake.

Our expansive partnerships with colocation providers can offer customers access to more sustainable and energy-efficient data centers powered by renewable energy. In 2023, we expanded our partnership with Equinix-the world's largest data center and colocation provider for enterprise network and cloud computing-to provide customers access to the HPE GreenLake private cloud portfolio within Equinix's state-of-the-art data centers. This partnership provides customers the opportunity to make more sustainable choices by seamlessly merging the advantages of HPE GreenLake with Equinix data centers that run on 96% renewable energy²⁵ and boast a power usage effectiveness (PUE) as low as 1.2.

In addition, HPE has announced partnerships with QScale and Green Mountain to host AI and HPC infrastructure in data centers powered by renewable energy in order to reduce the carbon footprint of these compute-intensive workloads.

103 HPE systems made the November 2023 Green500 list of the world's most energy efficient supercomputers. Six of those were in the top 10.

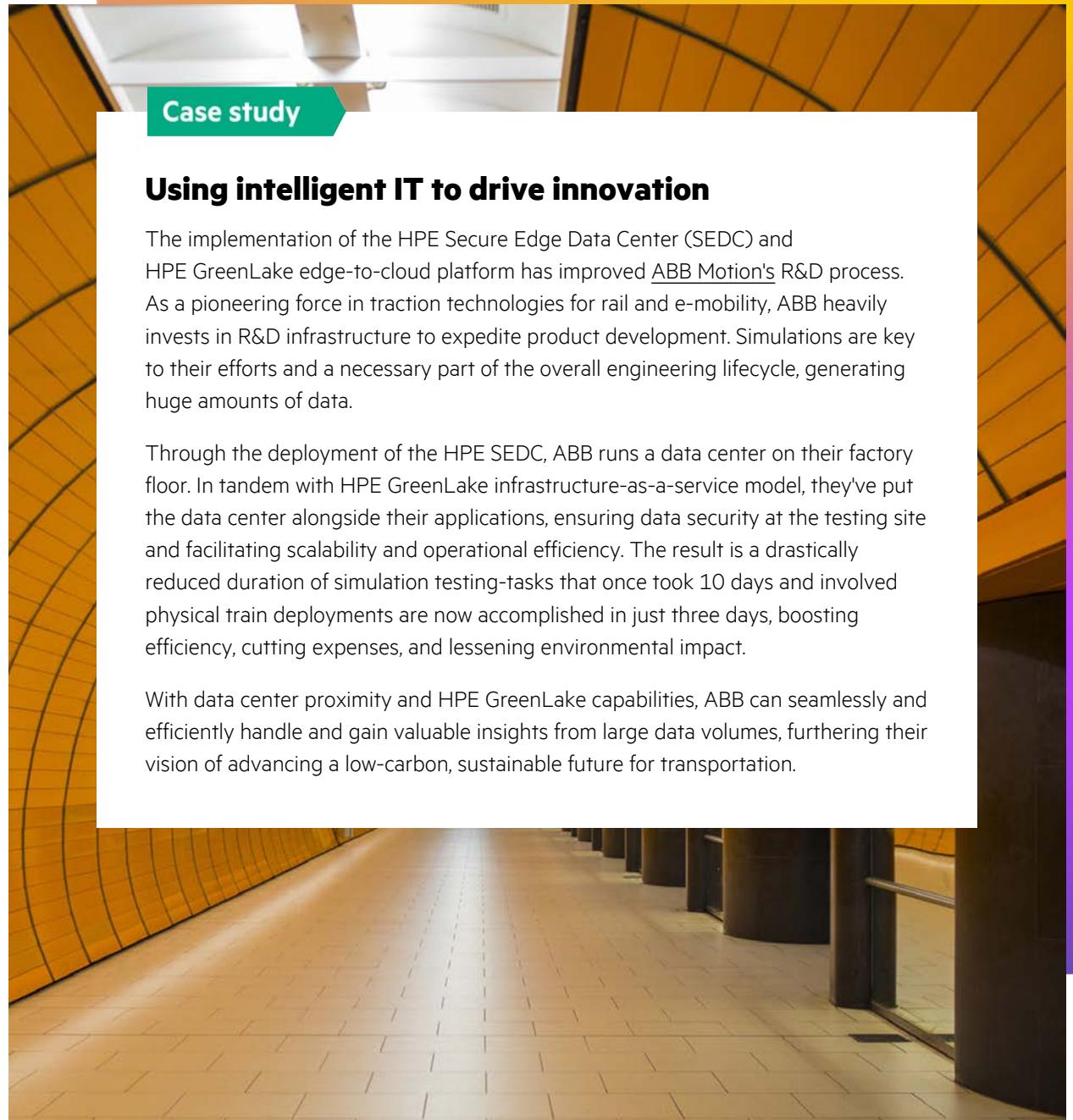
Case study

Using intelligent IT to drive innovation

The implementation of the HPE Secure Edge Data Center (SEDC) and HPE GreenLake edge-to-cloud platform has improved ABB Motion's R&D process. As a pioneering force in traction technologies for rail and e-mobility, ABB heavily invests in R&D infrastructure to expedite product development. Simulations are key to their efforts and a necessary part of the overall engineering lifecycle, generating huge amounts of data.

Through the deployment of the HPE SEDC, ABB runs a data center on their factory floor. In tandem with HPE GreenLake infrastructure-as-a-service model, they've put the data center alongside their applications, ensuring data security at the testing site and facilitating scalability and operational efficiency. The result is a drastically reduced duration of simulation testing-tasks that once took 10 days and involved physical train deployments are now accomplished in just three days, boosting efficiency, cutting expenses, and lessening environmental impact.

With data center proximity and HPE GreenLake capabilities, ABB can seamlessly and efficiently handle and gain valuable insights from large data volumes, furthering their vision of advancing a low-carbon, sustainable future for transportation.



²⁵ Renewable Energy, Scaling our Impact, Equinix



Case study

Powering possibilities with less impact

The [University of Bristol](#) is a prominent hub for AI research and scientific computing. As part of the UK government's investment in a national AI Research Resource, the university is poised to welcome Isambard-AI in 2024, a groundbreaking addition to its already impressive roster of cutting-edge computing technologies. Isambard-AI, which will be powered by the HPE Cray EX supercomputer, is set to redefine computing capacity in the UK, providing researchers with unparalleled resources for AI-driven advancements across areas such as robotics, Big Data, climate research, and drug discovery.

The design of Isambard-AI goes beyond its groundbreaking potential to also emphasize environmental responsibility. The system will incorporate advanced direct liquid-cooling capabilities to enhance its energy efficiency and reduce its carbon footprint. The system will be housed in a self-cooled, self-contained data center, utilizing the HPE Performance Optimized Data Center (POD). HPE and the University of Bristol are also collaborating on an energy-efficient heat reuse model. This initiative involves harnessing waste heat generated by Isambard-AI to provide clean energy for heating local buildings.

Enabling sustainable IT transformations and beyond

As the world applies IT to almost every human activity, customer needs for sustainability skills and tools in their IT teams are increasingly urgent. When customers lack such skills or capacity, HPE is ready to help.

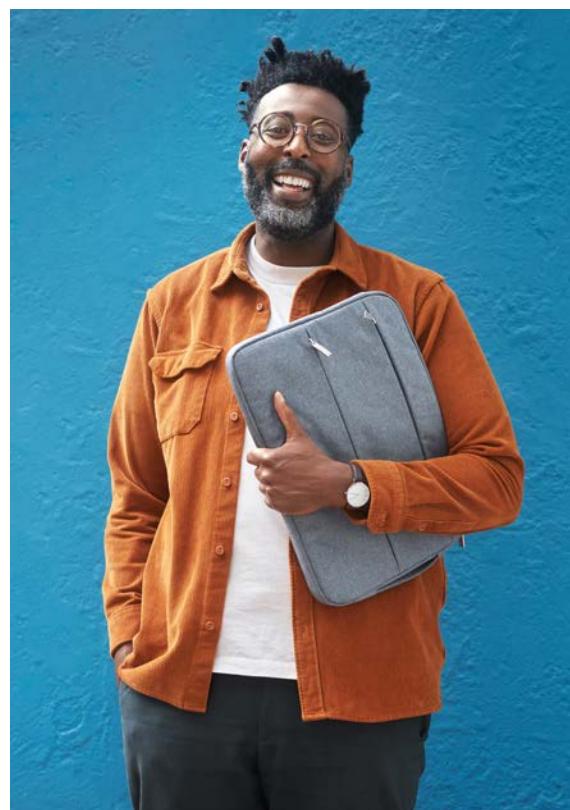
Our [HPE Application Modernization Services](#) provides customers access to HPE experts to assess workloads and provide insights into power consumption and carbon footprints. This information can be used to drive the process of application migration and modernization, providing a data-driven analysis that prepares customers for a successful hybrid cloud migration.

Data center modernization presents a significant opportunity for energy efficiency gains and should be built into sustainable transformation strategies. Through our Sustainable Data Center Services (SDCS), we help assess and modernize data centers by developing solutions for increasing efficiency, measuring and reporting progress, and providing certification and regulatory expertise.

As part of our 2023 Memorandum of Understanding with [Crown Commercial Service \(CCS\)](#) — the UK's largest public procurement organization — HPE offered free E2CAF workshops to the first 100 CCS customers to help them create a sustainable IT strategy.

Digital transformations often stall or fail due to a lack of internal alignment. We help customers align key stakeholders on the objectives and capabilities critical to more sustainable IT through our [HPE Edge-to-Cloud Adoption Framework \(E2CAF\)](#).

As part of this service, we help design a holistic transformation strategy that integrates sustainability into other considerations such as cost, security, and resilience. As of 2023, E2CAF offers more than 250 capabilities, including new IT sustainability capabilities added during the year. We also offer E2CAF in strategy-setting workshops to help assess customer maturity with respect to a more sustainable IT operating model.



Customers must keep up with ever-changing technology. Access to relevant education without workplace disruption is essential to success. We educate customers on IT sustainability through [HPE Digital Learners](#), a paid platform that provides curated training on topics like HPE technologies, IT industry trends, business skills, and certification preparation.

We also offer free-of-charge guidance to help customers develop IT strategies, including:

- [Six Steps for Developing a Sustainable IT Strategy](#): Provides a step-by-step primer for companies creating their sustainable IT strategies.
- [Sustainable IT purchasing guidelines](#): Outline the general principles for developing sustainable procurement criteria, based on environmental and ethical considerations.
- [White papers](#): Cover a range of topics, including software and data efficiency.

HPE's IT sustainability offerings differentiate us in the marketplace. We engage customers, primarily end users, through multiple touchpoints including speaking at customer and partner events. We also work directly with customers to improve their IT efficiency and make their technology operations more sustainable.

Our customer sustainability engagements contributed approximately **\$1.85 billion** in net revenue in 2023, an approximate increase of 500% over 2018.

Product lifecycle management

We take a comprehensive approach to product lifecycle management. By designing products with plans for longevity, responsible materials, and waste minimization, we help lower our customers' total cost of ownership and their IT estates environmental impacts.

→ Our product lifecycle management-related data can be found on pages 4–6 of our [2023 Data Summary](#).

We engage customers in the circular economy across multiple stages. This approach, combined with our array of programs and services, enables us to develop customized solutions to create smarter IT lifecycles.

HPEFS Financing and HPE Asset Upcycling customers are eligible to receive a custom [Circular Economy Report](#), detailing estimated emissions, energy, and waste savings. In 2023, access to these reports was extended to channel partners²⁶ and made available in 10 languages.²⁷

FY23 Circular Economy Report aggregated environmental savings^{28, 29, 30}

275,460 MT
CO₂e saved

This equals the average annual CO₂e emissions of
59,883 cars

1,031,790 MW
energy saved

This equals the average annual energy consumption of
24,763 households

12,502 mt
waste kept from landfills

To store this at home, you would need
424,029 moving boxes



²⁶ Channel partners are trusted HPE partners who sell, manage, integrate, support, and deliver HPE solutions.

²⁷ The languages include English, Chinese traditional and simplified, French, German, Italian, Spanish, Portuguese, Korean, and Japanese.

²⁸ For HPEFS Financing and HPE Asset Upcycling customers only.

²⁹ Aggregated data based on data calculated for customers' circular economy reports issued in the fiscal year 2023.

³⁰ Conversion data based on internal HPE calculations, June 2021.

Product design

Around 80% of a product's environmental impact is determined during the design stage.³¹ We prioritize modular design and easy disassembly to help our customers prolong the useful life of products through repairs, upgrades, remanufacturing, or refurbishment. We also strive to increase the recyclability of our products and we estimate that, on average, 90% of materials used in HPE products are recyclable.³²

To ensure we continue to consider the full lifecycle impacts of our offerings as they evolve, we are revamping our Design for Sustainability (DfS) program. DfS, which builds and expands on the 30 years of experience of our Design for Environment principles, will equip our engineers and designers with the tools and knowledge needed to create solutions that balance the many facets of sustainability across the entire solution lifecycle. From energy efficiency to carbon awareness to supplier responsibility, DfS will ensure that HPE solutions do what's right for the environment and the customer, whether in our hardware, software, or HPE GreenLake offerings.

Product eco-labels and market standards

Many of our products have obtained eco-labels, providing third-party verification of a product's environmental attributes, from global eco-labeling entities such as the Electronic Product Environmental Assessment Tool (EPEAT), the China State Environmental Protection Administration (SEPA), ENERGY STAR®, and criteria promoted by public procurement agencies, such as TCO Certified. In 2023, we updated our power source efficiency for storage and server products to meet ENERGY STAR's more stringent efficiency requirements, which went into effect in 2024. In addition, we provide The ECO Declarations (TED) that contain voluntary environmental information for specific IT products or product families in an industry-standard format, including topics such as components, energy efficiency, and end-of-life management. All new HPE products, as of 2017, have a TED.



³¹ European Commission, n.d., Sustainable Product Policy, viewed 5 November, 2023.

³² Based on HPE internal calculation, using the IEC 62635 methodology, with the exception of printed circuit boards where the NSF/ANSI 426-2019 EPEAT methodology is used.

Substances of concern

Ensuring the safety of our products throughout their lifecycle is paramount to HPE. This includes eliminating substances that pose a potential risk to human health or the environment. Our expert team has vast experience identifying and removing potential restricted substances and maintaining our compliance with emerging global and local regulations. We commit to phasing out restricted substances six months ahead of legal compliance dates worldwide to give our partners time to adapt to regulatory changes.

To identify and eliminate substances of concern, maintain market access across the globe, and meet evolving customer expectations, we:

- Draw on leading authoritative eco-labels such as TCO Certified, EPEAT, SEPA, and criteria promoted by public procurement agencies globally.
- Ask suppliers to provide full material declarations for what goes into our products to give us greater visibility up front and reduce the number of requests we send to suppliers.
- Have an in-house Authorized GreenScreen® Practitioner that can help identify replacements for materials or chemicals as needed.

Product specifications, including mandatory and voluntary substances and materials restrictions, can be found in our General Specification for the Environment (GSE).

Keeping pace with evolving regulations

We maintain compliance with all mandatory regulations, including the EU Restriction of Hazardous Substances (RoHS), Lot 9, and REACH. We also report all required substances to the European Chemicals Agency (ECHA) Substances of Concern in Products (SCIP) database.

To meet ECHA SCIP declaration requirements, other compliance needs, and customer queries, we developed an internal searchable database of chemicals in our products, showing which specific parts contain the searched-for chemical. We are in the process of expanding this tool to cover regulations beyond SCIP and to collect more granular additional information from suppliers. See more about HPE's compliance with RoHS and our full list of Lot 9 declarations.

We support industrywide action on substances of concern through industry associations and nongovernmental organizations. HPE remains a member of the EPEAT Technical Committee, which promotes responsible performance in the electronics supply chain.

To prepare for emerging regulatory developments on the use of per- and polyfluoroalkyl substances (PFAS), in 2023 we sent high-risk components to an external lab capable of detecting PFAS in small quantities. The results of this testing will drive internal activities for compliance with worldwide PFAS regulations by phasing out as appropriate.

Extending asset life

We offer customers multiple ways to extend the life of assets, including simplifying repairability, offering options to purchase refurbished equipment, upcycling equipment for reuse, and much more.

Many HPE products can be repaired directly by the customer, helping to extend the product's working life, improving product utilization, reducing downtime, and lowering the cost of ownership. To support customers and repair service providers, HPE offers repair information and the spare parts needed through the [HPE Parts Store](#). In 2023, around 1,000 repair vendors were authorized to deliver HPE branded support services to HPE customers in more than 150 countries.

Customers can purchase refurbished equipment through [HPE Renew](#) and [HPE Certified Pre-Owned](#). When customers no longer require equipment or are ready to upgrade, they can trade in or upcycle through [HPE Asset Upcycling](#) or [HPE Global Promotion Services](#).

Our two HPE Technology Renewal Centers (TRCs) are the largest IT manufacturer refurbishing facilities in the world. In combination with a global network of trusted partners, our TRCs process, refurbish and return to use millions of technology assets every year. In 2023, our TRCs saw an increase in assets as customers became more aware of the environmental, regulatory, and cost benefits of this end-of-use solution. Roughly 78% of the 4.2 million technology assets that were processed at our TRCs and with trusted partners in 2023 were refurbished for a second life.³³

Over the past 3 years:

- **3.9** million personal computers, **2.5** million servers and compute assets, and approximately **730,000** storage devices were returned to active use through HPE TRCs and our global network of trusted partners.
- **\$1.1** billion was added back to customer budgets by extending the life of their assets with HPE Asset Upcycling Services and HPE Accelerated Migration solutions.

Building smarter IT lifecycles

HPE GreenLake and HPE Financial Services

Allows customers to flexibly scale their IT to meet their needs, improving utilization levels, reducing overprovisioning, and driving the circular economy by ensuring that retired IT assets can be refurbished for another useful life. Traditional financing options with build-in return options are also available from HPEFS to help make incremental steps to a more robust circular economy approach.

HPE Accelerated Migration

Enables customers to transition their existing, owned IT assets into a flexible, usage payment model, including HPE GreenLake. Consolidating the infrastructure environments can lead to better efficiencies and take legacy platforms and add an environmentally beneficial circular return aspect to the whole system.

HPE Global Promotion Services

Assists customers in upgrading to HPE products through incentives such as offering trade-ins for retired products, regardless of brand, and providing a buy-and-try option.

HPE Renew

Offers like new remanufactured HPE technology with a full warranty, enabling cost savings compared to buying new. HPE Renew products are sourced from demo, trial, and loaner equipment as well as customer returns, canceled orders, overstocks, and trade-in programs. Benefits include avoided environmental impacts from upstream manufacturing and extraction of raw materials.

HPE Certified Pre-Owned

Gives customers the option to purchase certified pre-owned HPE technology, including parts and sub-assemblies. Unlike HPE Renew, certified pre-owned can be procured in larger quantities and custom-configured to customer requirements. Simple generation upgrades from what is currently being used can also help lessen the environmental impact.

HPE Asset Upcycling

Helps recover value from any owned HPE or third-party workplace, data center, or edge technologies, in a secure, globally consistent, and environmentally responsible way. Utilizing HPE TRCs, retired equipment is given a second life using industry-leading processes or they are recycled responsibly.

³³ The rate of products refurbished has decreased over previous years primarily due to changes in product mix received by the TRCs.

End-of-use

When refurbishment is not possible, we offer responsible end-of-use recycling for HPE devices. This process involves the on-site collection of equipment followed by transportation to an authorized sorting and recycling facility.

We have standards and processes in place to ensure the security of data associated with equipment sent for recycling. In 2023, nearly 1 billion GB of data was securely overwritten from data-bearing devices.

Approximately **86%** of servers and **94%** of PCs³⁴ received by our TRCs are refurbished.

In 2023, we increased the number of countries where we offer on-site decommissioning services and we now manage the entire logistics and recycling chain in 65 countries. To ensure global coverage, we authorized our network of approximately 65 trusted partner processing locations to deliver HPE-branded support services³⁵ to HPE customers in more than 50 countries.

We use in-country third-party hardware recycling vendors to avoid exporting electronic waste in alignment with our [Export of Electronic Waste to Developing Countries Policy](#), which prohibits the export of electronic waste from developed countries to developing countries. Third-party hardware recycling and reuse partners must adhere to our [Hardware Recycling Standards](#) and [Hardware Reuse Standards](#) and commit to regular audits performed by an independent third party. In 2023, 12 hardware recycling (0 new, 12 repeat) and 20 hardware reuse (12 new, 8 repeat) facilities were audited across 20 countries. Learn more about hardware recycling vendor audits in our [2023 Data Summary](#).

³⁴ PCs include notebooks and desktops.

³⁵ Support services include decommissioning, shipping, and data sanitization.

Case study

Asset upcycling in pursuit of reducing environmental impacts

Deutsche Post DHL Group, a global leader in the logistics industry, places sustainability at the forefront of its business practices. When the time came to retire and decommission their IT assets, they sought a responsible and comprehensive solution.

HPE and HPEFS established a systematic retirement program that covered Deutsche Post DHL Group's entire technology infrastructure, spanning edge computing, data centers, and workplace environments across various geographies. This end-to-end solution included packing and shipping of devices, thorough data sanitization, and the establishment of a robust chain of custody reporting system.

The assets were processed at HPE's state-of-the-art TRCs. Embracing a "reuse before recycle" philosophy, 93% of processed technology was given a second life. We captured the sustainability benefits realized through the responsible management of IT assets in a custom [Circular Economy Report](#). The report captured the reductions in GHG emissions and e-waste, energy savings, and more. As of 2023, Deutsche Post DHL Group has rolled out HPE Asset Upcycling in five countries and they plan to expand to all countries where HPEFS and Deutsche Post DHL Group operate.



Packaging design

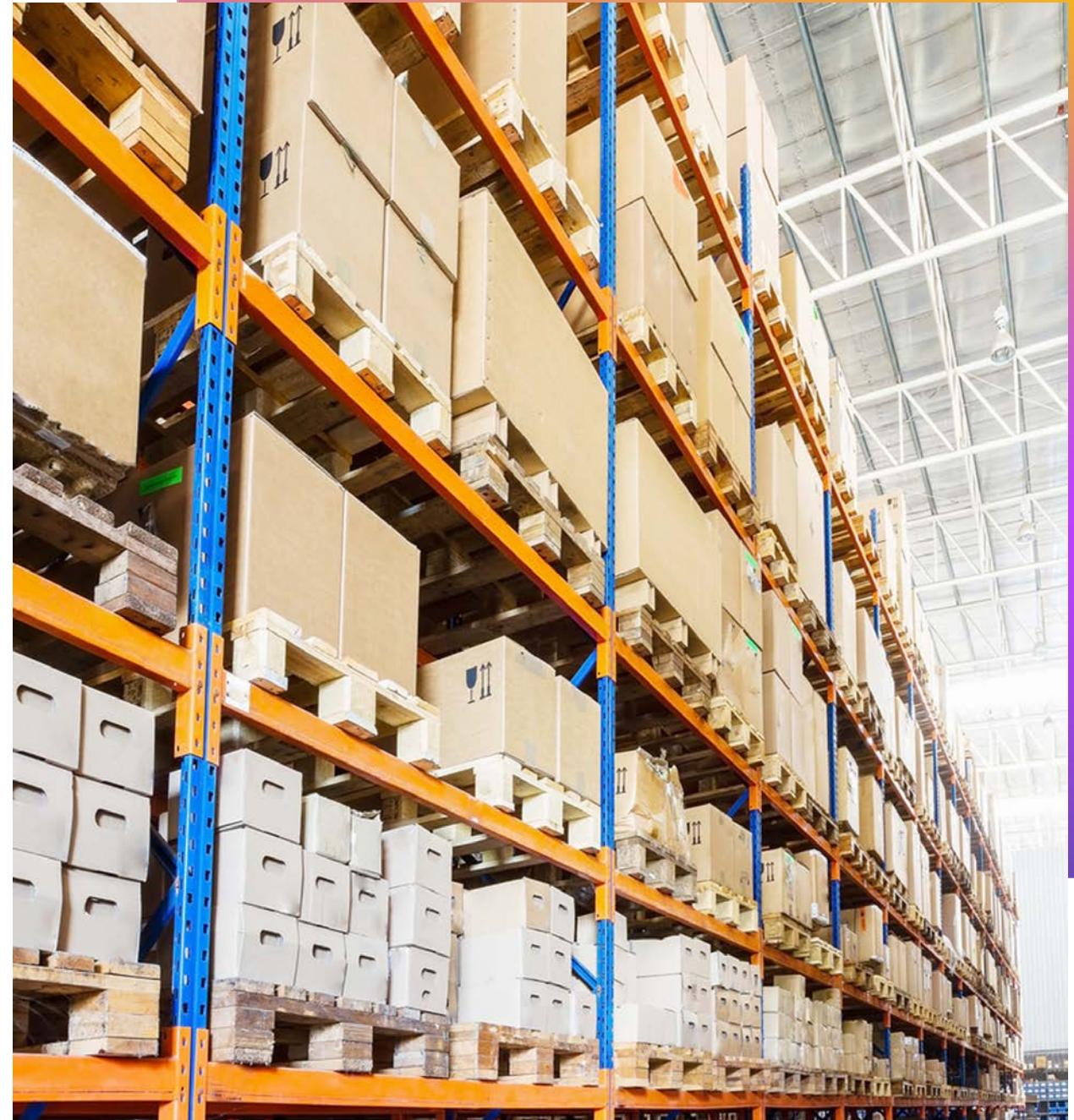
Our packaging strategy aims to minimize the environmental impact of our packaging without compromising product delivery. Our focus is three-fold: increasing recycled material content, removing difficult to recycle material, and reviewing our portfolio against sustainable packaging principles.

By end of FY2024, our goal is to:

- Eliminate expanded polystyrene (EPS) from existing Compute/Storage products.
- Exclude polyurethane (PU) from all existing packaging design across our HPE Aruba Networking portfolio.
- Increase the use of recycled content materials in low-density polyethylene (LDPE) foam up to 75% for Compute/Storage for Gen11 and NPI packaging and for HPE Aruba Networking portfolio.

Our key accomplishments in 2023 were:

- Eliminated EPS from our Compute/Storage new product packaging and from all HPE Aruba Networking product packaging.
- Increased the use of recycled content in corrugated boxes to a minimum of 45% for Compute/Storage and 75% for HPE Aruba Networking products.
- Replaced paper with electronic documentation unless otherwise legally required.
- Reused third-party component and option (GPU, DPU) packaging for customer delivery orders when acceptable.
- Eliminated PU from all new Compute/Storage packaging design.



Environmental impacts of our supply chain

Achieving our Scope 3 target³⁶ is a collaborative effort that demands close cooperation with our manufacturers, suppliers, and logistics service providers. We take a holistic approach, from measuring GHG emissions to supporting the setting of science-based targets to fostering broader industry collaboration.

→ Our supply chain environmental performance data can be found on page 17 of our [2023 Data Summary](#).

Given 32% of our total carbon footprint is attributable to our supply chain, we make it one of our key focus areas for reduction initiatives. As part of our near-term Scope 3 emissions reduction target, we are focusing on helping our production suppliers reduce their Scope 1 and 2 emissions.

In 2022,³⁷ production suppliers' emissions³⁸ decreased by 18% year-over-year primarily due to the increased use of renewable energy in their operations. We also partner with our logistics service providers (LSPs) to reduce emissions related to [product transport](#).

In 2023, we made significant improvements to the [modeling and measurement of our upstream emissions](#) to better reflect supplier progress.



³⁶ Our near-term Scope 3 target includes use of sold products, upstream transportation and distribution, and Scope 1 and 2 supplier emissions.

³⁷ With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2022.

³⁸ Production supplier Scope 1 and Scope 2 emissions.

Partnering with suppliers

We rely on data transparency and close partnerships with our production suppliers as part of our strategy to minimize our upstream emissions. We support our suppliers on their sustainability journey in three ways: emissions visibility, access to resources, and streamlined reporting. By helping them understand the impact of their operations, we can identify and address carbon hotspots within our supply chain.

We provide our production suppliers access to the [Optera platform](#). This software offers a customizable dashboard where suppliers can view their emissions data, compare performance against peer science-based targets, and track progress toward their publicly stated emissions reduction goals. The software also helps track compliance with HPE's data reporting and verification requirements. We aim to achieve 90%³⁹ availability of Optera to our suppliers, and as of 2023, we have attained an 80% implementation rate. We will continue to roll out Optera in 2024.

We provide our suppliers with access to learning and training opportunities from leading organizations to support them in measuring and managing their emissions. Through our membership with the [Responsible Business Alliance](#) (RBA), our suppliers can access RBA's e-learning academy, which includes training on emissions management and other sustainability topics. One of the biggest hurdles to reducing our supply chain emissions is the availability of renewable energy. The [Clean Energy Buyers Association](#) (CEBA) provides HPE and our suppliers with renewable energy resources and information through webinars, industry conferences, trainings, and supplier roadmaps.

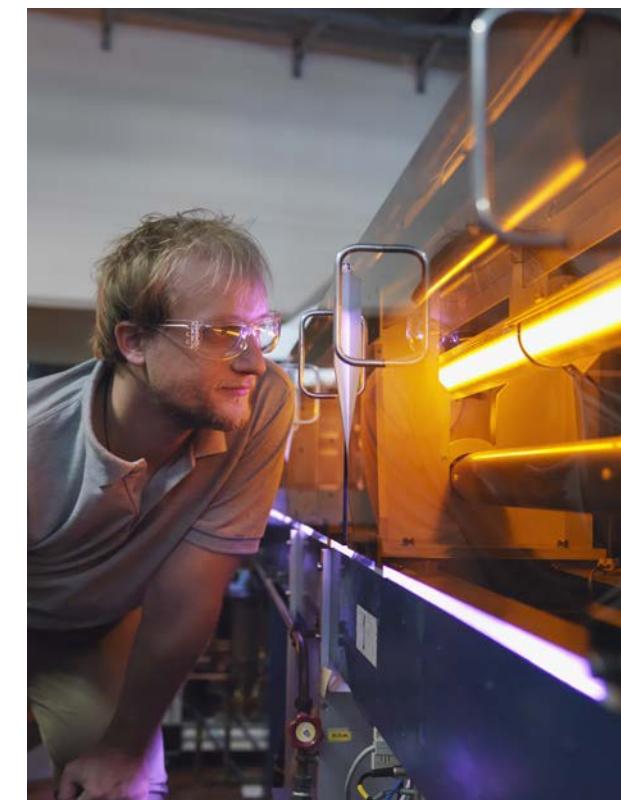
We also provide access to the CDP Supplier Showcase. While many companies request reporting into their custom data platforms, we're committed to easing the reporting burden of our suppliers by streamlining GHG data requests through CDP. In 2022, 80% of our production suppliers⁴⁰ pursued third-party verification in line with CDP standards, underscoring our commitment to credible data essential for emissions management. In 2023, we began asking suppliers to include Scope 3 data in their CDP responses, in addition to their Scope 1 and 2 emissions.

Science-based targets

We work with our top suppliers to model and set science-based targets, and collectively tackle industry-specific challenges in driving down carbon emissions. By 2030, we aim for 80% of our production suppliers by spend to set science-based targets within their operations. As of 2022, this number stands at 31%, a decrease of 8 percentage points compared to 2021.⁴¹ This decrease is primarily attributed to more accurate measurement of our net spend data. Previous years' data over-allocated spend to certain production partners, over-inflating their contribution toward the 80% goal.

In 2022, we, along with our peers, continue to confront the challenge of implementing science-based targets among semiconductor suppliers. These suppliers are hindered by constraints in technology and access to clean energy, which are essential for reducing their operational emissions in alignment with climate science. In response to this challenge, HPE hosts one-to-one meetings with these suppliers and participates in the Semiconductor Climate Consortium, a microelectronics industry association aimed at addressing the climate impact of semiconductors.

We received CDP's annual Supplier Engagement Award for the **11th consecutive year**.



³⁹ The aim was revised from 99% reported in the 2022 Living Progress Report due to insufficient primary data for the last 10% of our supply chain by spend.

⁴⁰ Emissions are estimated based on suppliers' reported emissions and their dollar volume of HPE business compared to their total revenue. Data collected represented 95% of suppliers and is extrapolated to 100% of tier one production suppliers. With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2022.

⁴¹ With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2022.

Reducing supplier energy use

Energy use in suppliers' operations is a key focus for our emissions reductions. In 2023, we saw an increase in clean energy sourced by our production suppliers. Based on data publicly disclosed to CDP in 2023, 69% of HPE's production suppliers, by spend, reduced their Scope 1 and 2 emissions in 2022 in line with a 1.5 °C pathway. Additionally, we continued working with our top-spend production partners to implement renewable energy projects at their manufacturing locations. We plan to roll out additional initiatives in the Americas and the Asia, Pacific, and Japan regions in 2024.

We are a signatory to the [CDP SBT Campaign](#), which aims to accelerate the adoption of science-based climate targets in the private sector.

Addressing water and waste in our supply chain

Water and waste management is an important component of our suppliers' environmental performance and is tracked within our Supplier Social and Environmental Responsibility (SER) Scorecard alongside supplier emissions. We encourage our suppliers to set water- and waste-related goals in their operations. As of 2022, 75% of our production suppliers have water-reduction goals, an increase of 19 percentage points from 2021.^{42, 43} This increase is largely due to heightened stakeholder expectations driving an increase in sustainability capabilities and alignment with the Global Reporting Initiative (GRI) protocol within HPE's supply chain. In addition, as of 2022, 84% of our production suppliers have set waste reduction goals.^{42, 43}

We ask suppliers to disclose their water management practices through the CDP Water Security questionnaire and we require that they publicly report on their water consumption and withdrawal in their annual sustainability reports.

We calculate the water-energy nexus for each of our suppliers based on their annual energy use, as reported through their CDP Climate questionnaire. Our water-energy nexus data can be found on page 11 of our [2023 Data Summary](#).

Ensuring supplier accountability

All HPE suppliers must adhere to our [Supplier Code of Conduct](#), which is updated regularly. The Code defines our social and environmental performance requirements and is based on the [Responsible Business Alliance \(RBA\) Code of Conduct](#) and other best practice standards.

We track compliance with our Supplier Code of Conduct, sustainability performance, and other requirements through our Supplier SER Scorecards, independent third-party audits, [public supplier list](#) (which discloses the environmental performance of 95% of our production suppliers by spend), and direct engagements.

All new suppliers undergo a comprehensive assessment prior to beginning their work with us. Ongoing monitoring occurs through the SER scorecard, which informs our procurement decisions and serves as a platform for discussions with suppliers on how to improve their performance. In 2023, we had direct engagements related to environmental goals with over 95% of our top suppliers by spend. To help sourcing teams engage suppliers, we provide them with dedicated training on environmental sustainability.

In addition to meeting our standards, many of our suppliers have received external environmental certifications. In 2022, suppliers representing 89% and 62% of our spend were certified to ISO 14001 and 50001, respectively, at one or more of their facilities manufacturing products for HPE.

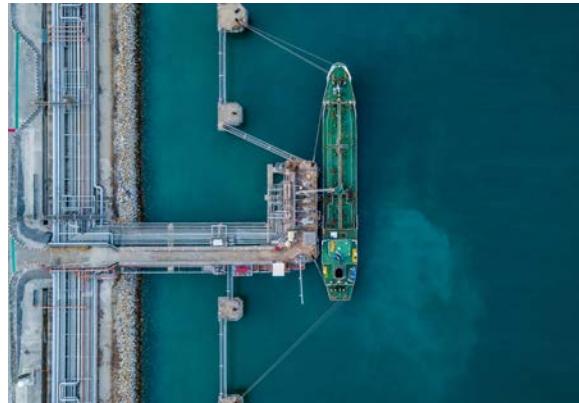
⁴² With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2022.

⁴³ Supplier data based on percent of spend.

Improving transportation logistics

Logistics constitute a relatively small but strategically important portion of our Scope 3 emissions. While reducing our carbon footprint is pivotal to our business, we must also deliver and receive shipments safely and on time. In 2023, despite the increased weight of products transported, our logistics emissions increased only by 3% year-over-year. This accomplishment was attributed to a 60% rise in ocean freight volume intensity compared to 2022 and a pilot project to increase the use of biofuels in ocean freight. In 2024, we plan to work with LSPs to expand the use of biofuel and sustainable aviation fuel (SAF) to target greater reductions in our ocean and air freight carbon footprints.

For surface shipments, we continue to focus on using electric vehicles (EVs) for final mile delivery. This approach is currently in place in Singapore and Slovakia, with more than 1,600 shipments completed via EVs in Slovakia alone in 2023. In 2024, we will expand our efforts with LSPs to facilitate the use of EVs for more surface freight transportation.



These efforts, integral to our Logistics Sustainability Roadmap, advance HPE toward our near-term Scope 3 emissions reduction target. Our roadmap directs our efforts to reduce emissions across three key areas:

- Modal shifts — Transitioning from air transport to lower-emissions modes such as ocean and ground
- Clean fuels — Exploring cleaner fuels such as sustainable aviation fuel, bio-marine fuel, and hydrogen/EVs for final mile delivery
- Optimization — Partnering with our LSPs to improve logistics efficiency through route, warehouse and storage optimization, and ensuring full truck loads

In 2023, we focused on enhancing the measurement, reporting, and verification of our logistics carbon footprint by tracking the carbon footprint on a per-shipment basis across 80% of our total logistics volume. This improved data granularity that helps us determine which lanes and modes of transportation we should prioritize for our carbon reduction efforts and progresses us toward our roadmap. In 2024, we plan to build an internal tool to ensure our per-shipment carbon footprint data will be auditable and meet the Global Logistics Emissions Council ISO 14083 standards.

We're also working to decarbonize the broader transport supply chain through collaboration across industries. HPE continues to drive progress around data transparency and carbon emissions reporting through memberships and associations with the U.S. Environmental Protection Agency (EPA) [SmartWay program](#), the [Sustainable Freight Buyers Alliance \(SFBA\)](#), and the Sustainable Air Freight Alliance (SAFA).



Our operational footprint

Even though our operational emissions comprise a small share of our overall carbon footprint, we remain focused on minimizing these impacts and adding renewable electricity capacity to the grid in areas where we operate.

→ Our energy, emissions, water, waste, and other environmental data can be found on pages 7-16 of our [2023 Data Summary](#).

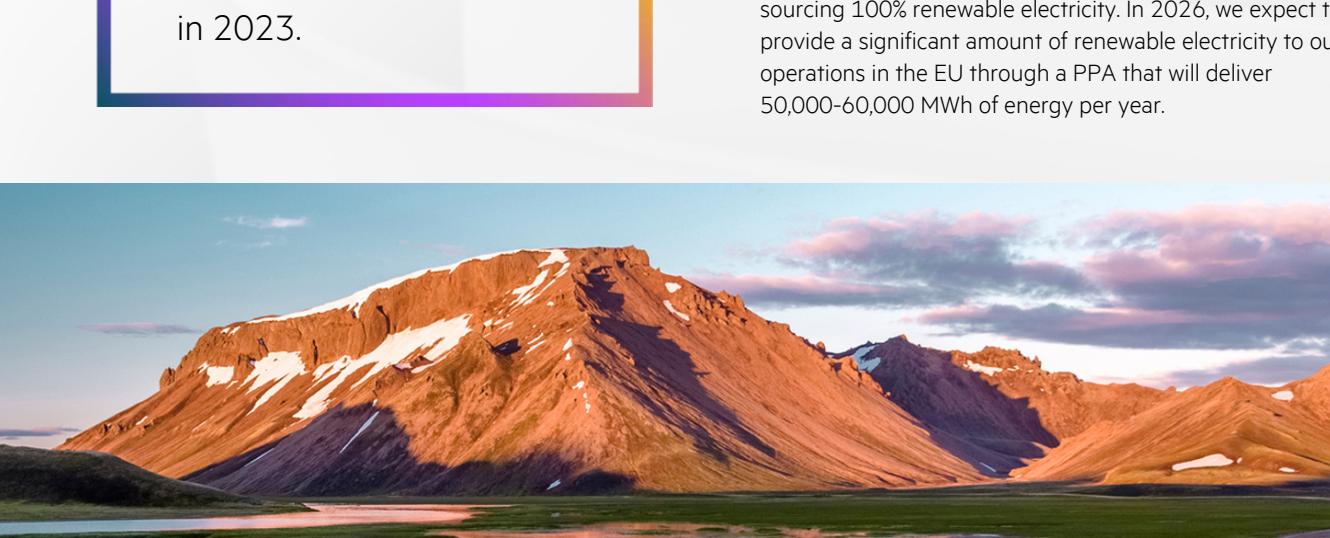
We are progressing toward a science-based target to reduce our absolute Scope 1 and 2 emissions 70% by 2030 from a 2020 base year. Our approach to operational emissions reduction is focused on expanding renewable electricity and the use of EVs in our fleet, in alignment with our [net-zero roadmap](#). In 2023, these efforts resulted in an 18% reduction in Scope 1 and 2 emissions compared to our 2020 baseline.

52% of our electricity was sourced from renewables in 2023.

Procuring renewable electricity

Electricity consumption is the primary source of our operational GHG emissions. To mitigate these emissions, we're focused on procuring electricity from renewable sources. In 2023, we surpassed our 2025 target of sourcing 50% renewable electricity in our operations, and we continued to progress against our long-term target of 100% by 2030.

Our approach to renewable electricity focuses on additionality, prioritizing on-site and off-site power purchase agreements (PPAs) and virtual power purchase agreements (VPPAs) that will bring new renewable electricity generation to countries where we operate. We also employ green tariffs, green contracts, and bundled and unbundled renewable energy certificates (RECs). We plan to transition away from unbundled RECs in our pursuit of sourcing 100% renewable electricity. In 2026, we expect to provide a significant amount of renewable electricity to our operations in the EU through a PPA that will deliver 50,000-60,000 MWh of energy per year.



In Aguadilla, Puerto Rico, our cogeneration plant provides HPE with enough reliable, low-emissions energy to power 99% of our operations in the territory. In 2025, we plan to transition the plant's fuel source to renewable liquefied natural gas (RLNG), further reducing its emissions. This strategic move not only amplifies our commitment to emission reduction but also fortifies energy security and bolsters climate resilience for this crucial site nestled within a region prone to environmental risks.

Improving building energy efficiency

HPE has a long-standing office energy efficiency program that pursues solutions related to operations and maintenance, heating and cooling, lighting, and occupant behavior. We also consider efficiency when selecting new office locations. For instance, select HPE offices are LEED certified, showcasing their high standards for environmental performance and resource efficiency. This includes our Houston headquarters, which holds a LEED Silver Certification and runs exclusively on renewable energy.

Our efforts in 2023 focused on optimizing our existing initiatives, including the more than 100 energy-saving measures that we implemented in 2022. In response to the EU Energy Efficiency Directive, a third party has conducted energy efficiency audits at the majority of our European locations as of 2023 year-end. We will use the findings from those audits to inform future efficiency efforts.

Adopting electric vehicles

Transitioning our fleet to EVs reduces our operational carbon footprint and optimizes our total cost of ownership. By 2035, we aim to convert 100% of our fleet⁴⁴ to EVs and have set annual interim targets toward this goal. In 2023, we added 200 new EVs, bringing our fleet total to 383, an approximately 160% increase compared to 2022, surpassing our annual interim target. This progress is a reflection of our efforts to bring awareness and exposure to EVs through training for fleet-eligible employees and in-person test drives.

While we made progress in 2023, we are still working against challenges within the EV industry, including supply, pricing, and charging infrastructure. As a result, we focused our 2023 efforts in the UK, which had advanced infrastructure and EV availability. In 2024, we plan to expand our efforts to France, Germany, and Italy.

Reducing water use in our operations

Although the water withdrawals of our operations are minimal (1% of our overall water footprint), we track and reduce the use of this critical, shared resource. The vast majority of our operational water footprint is comprised of indirect water withdrawal related to the electricity consumed by our operations, known as the water-energy nexus. We are aligning our renewable energy and water strategies using guidance from the [World Resources Institute](#).

In 2023, we withdrew 1,112,368 million cubic meters of water, a 13% decrease from the previous year partially due to the closure of select sites. 18% of these water withdrawals occurred in extremely high and high water-stressed regions. To limit these impacts, we prioritize water management projects at sites in these regions and use robust, data-driven assessments to identify projects that will bring the greatest benefit.

We implement water conservation measures, such as installing low flow taps, on a site-by-site basis. At several sites, we have implemented larger water management projects such as rainwater harvesting systems and wastewater treatment facilities. For example, the on-site wastewater treatment plant at our Ojima, Japan office recycles gray water and rainwater for use in landscaping irrigation and flushing. In 2023, the plant treated more than 11,000 m³ of water, representing 18% of the site's total water use.

→ Our water data can be found on page 15 of our [2023 Data Summary](#).

We report our [climate](#) and [water](#) impacts annually to CDP.



⁴⁴ Including our owned and leased vehicles.

Reducing waste in our operations

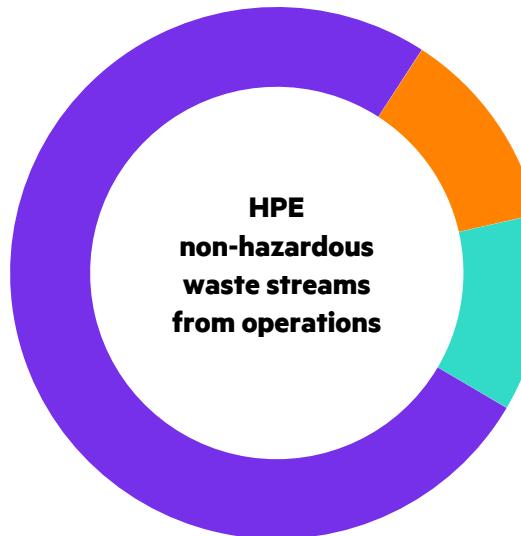
In 2023, we enhanced our waste calculation methodology to include waste generated at multi-tenant sites where data is not available, and HPE holds minimal responsibility and has limited control over waste management. To provide a comprehensive overview of waste in our operations, we employ an [estimation methodology](#). As a result of these methodological updates, we have recalculated our waste figures. Further details can be found in our [2023 Data Summary](#).

In 2023, we generated 5,136 metric tons of non-hazardous waste, marking a 12% year-over-year decrease, despite the growing number of team members returning to our offices. However, we fell short of our two operational waste goals. This is primarily due to more team members on-site and the closure of certain locations which had best-practice waste management.

In 2023, we diverted 86% of our non-hazardous operational waste from landfill,⁴⁵ below our annual goal of 90%. To support our diversion goal, we strive for a 77% annual recycling rate in our operations. In 2023, we recycled 3,888 metric tons of non-hazardous waste, achieving a recycling rate of 76%, narrowly missing our goal.

To enhance our waste management practices and improve our future performance against these targets, in 2023, we mandated waste management training for all new hires as part of our introduction to EHS training to ensure new team members contribute to our waste management efforts. Additionally, we increased our efforts on the sites that generate the majority of our waste.

Approximately 1% of our operational waste is hazardous, stemming from items such as batteries, with the primary source of hazardous waste coming from our final assembly sites. Our Global Hazardous Waste Program ensures proper identification, recording, storage, transportation, and treatment of hazardous waste, in compliance with regulations. All final assembly sites are ISO 14001 certified, each with specific initiatives, targets, and monitoring processes for hazardous waste management.

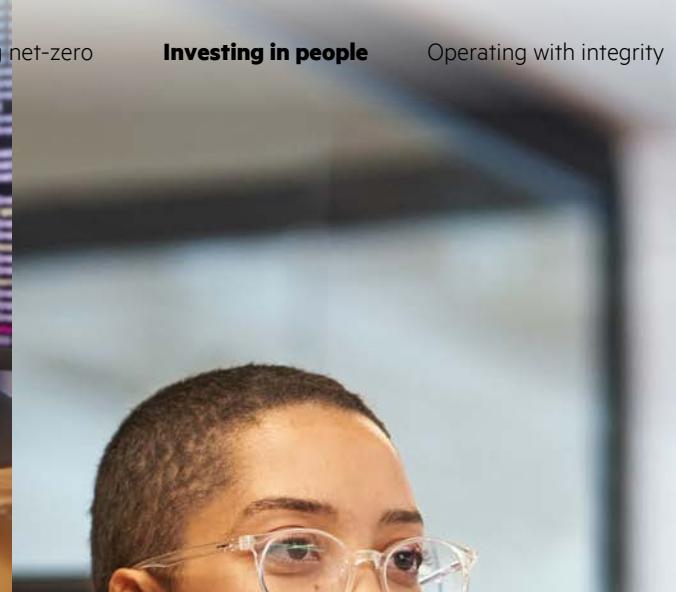


	Metric tons
Recycled	3,888
Incinerated with energy recovery ⁴⁶	632
Landfilled	616
Waste otherwise disposed	0
Total	5,136

Our Bangalore, India site installed a biogas plant that, beginning in 2024, will turn kitchen waste into energy to power the site's external lighting.

⁴⁵ HPE categorizes recycled waste and waste-to-energy as diverted waste.

⁴⁶ Of which 500 metric tons were incinerated with energy recovery.



Investing in people

Our approximately 62,000 skilled team members are the foundation of everything we do. To power innovation and creativity, we foster an inclusive culture, support the long-term development and well-being of our team members, and provide a safe and secure work environment.

We are passionate about the values that drive our success, which is why we believe in investing in our team members and in the communities where we live and work. We have intensified our focus on embedding these values into a vibrant culture that creates a superior team member experience and a highly engaged workforce, driving improvements across our communications, rewards programs, and work environment.

In this section

42

Social impact
strategy

44

Community
investment

47

Diversity,
equity, and
inclusion

54

Team member
development,
engagement,
and well-being

58

Team member
health and
safety



Social impact strategy

We apply the strengths of HPE's innovative technology, talented team members, and global resources to benefit society by extending the promise of the digital economy to overcome systemic barriers that affect underserved communities.

Our social impact strategy embodies our purpose to advance the way people live and work. The Living Progress Strategy Council oversees our strategy, which we implement as a collaborative endeavor across our company.

We continually refine our approach and metrics related to social initiatives and consult with internal and external stakeholders, such as community-based nonprofits, to maximize the impact of our efforts.

We seek to facilitate positive change by aligning community needs with the values of our team members. Our efforts in 2023 included creating new and more effective pro bono and skills-based volunteering opportunities for team members to share their professional knowledge with nonprofit organizations working in our core focus areas. We also expanded our support for diverse-owned technology startups that are pursuing solutions to acute climate and social challenges.

Through our strategy, we have identified three areas where HPE can make meaningful contributions:

We drive change in the following areas:

Healthcare

Community resiliency

DEI and human rights

To achieve the following outcomes:

Innovators are enabled to develop and accelerate solutions that improve lives and livelihoods

Individuals and communities are equipped to benefit from the digital economy and evolving society

Our company and industry contribute to a just and fair society

Leveraging HPE's:

Technology

Talent

Resources

Healthcare

Equitable access to quality healthcare is a core element of a just society. Our 2023 efforts included expanding the reach of [HPE eHealth Centers](#) in India, which are helping close gaps in preventative and acute medical care for patients in rural areas and underserved communities. This work is part of our ongoing commitment to the [World Economic Forum EDISON Alliance](#), a global initiative aiming to connect 1 billion people to essential services like healthcare, education, and finance through digital platforms by 2025. Beyond the impact of these eHealth Centers, our technology solutions are helping address significant data challenges in the healthcare realm, such as through applying HPE Supercomputing capabilities to aid in the development of new medications.

9.38M+

Patients in India reached by HPE through eHealth Centers, health ATM kiosks, vaccination clinics, and other healthcare technology programs since 2012.

Community resiliency

HPE helps individuals and communities across the globe prepare for and recover from disruptions such as those caused by climate change. We apply our high-performance computing technologies for weather and climate research globally, advocate for and invest in clean and affordable energy, and work alongside local communities to build resilience.

Accelerating climate innovations

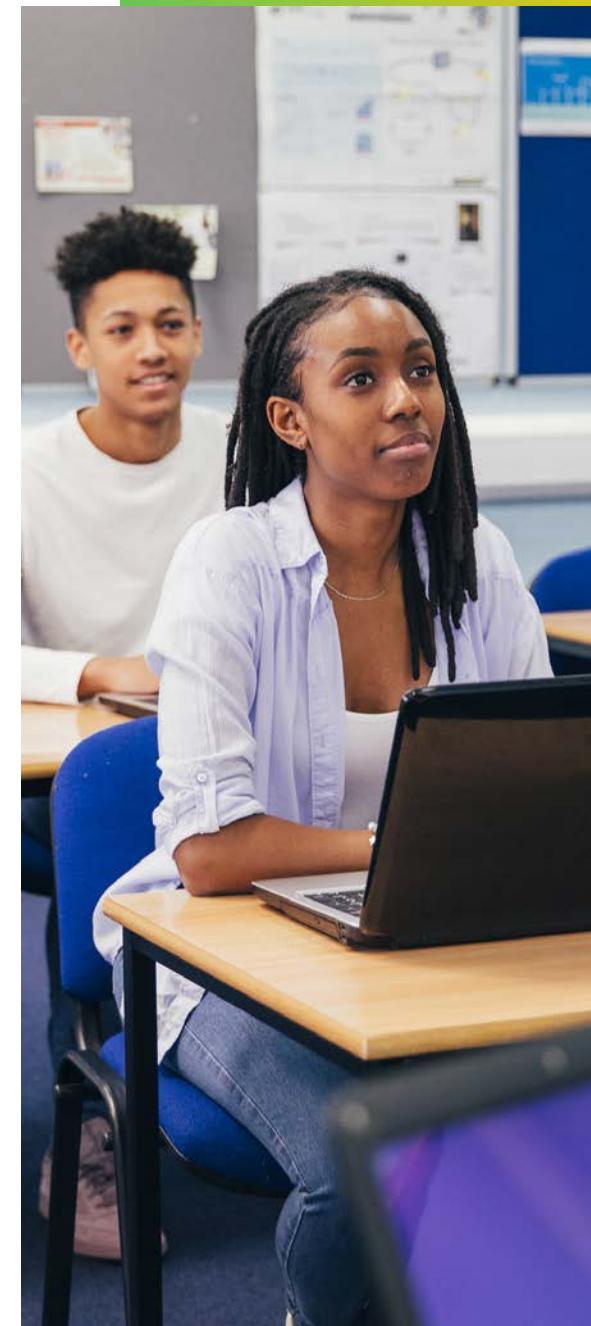
With the launch of three new [Climate Technology Impact Accelerators](#) in 2023, HPE is helping drive the next wave of innovation to combat climate change. Each accelerator is focused on providing [support for startups](#) with leaders from diverse backgrounds. By extending expertise, technology, and partnerships to communities that are often neglected by venture capital and philanthropy, we aim to ensure that potentially game-changing innovation has the chance to thrive.

DEI and human rights

Our social impact and diversity, equity, and inclusion (DEI) groups work closely to expand community investments that [increase access to STEM education for underrepresented youth](#). We also support partnerships with organizations working to safeguard [human rights](#) and promote greater digital inclusion of vulnerable workers.

Technology support for human rights organizations

Nonprofit and international organizations at the forefront of protecting human rights frequently need greater technology support to achieve their mission. In 2023, we launched a new Human Rights Impact Accelerator program that helps advise these organizations on their digital transformations. The program also provides participating organizations access to software licensing and [HPE's Digital Learner Platform](#) free of charge, along with pro bono consulting on topics such as ethical AI, cybersecurity, generative AI, and innovation.



Community investment

Contributing positively to our communities is a key part of our social impact strategy. Our approach to community investment enables our purpose, drives our culture, and leverages the skills of our team members-as a force for good.

→ Our community investment metrics can be found on page 30 of our [2023 Data Summary](#).

Enabling innovators to improve lives

In 2023, we further integrated our [social impact strategy](#) with our community investment programs to accelerate progress and apply our innovation engine to scale solutions to societal challenges. Our actions centered on expanding our contributions beyond financial support to mobilize the talents and energy of HPE team members through skills-based volunteering and pro bono service projects. In addition, we sought more opportunities to help nonprofits and startups apply technology to advance their missions. Our efforts also included working with Village Capital to launch its [Sustainability Subscribed](#) program, which supports entrepreneurs focused on creating solutions to fight climate change and advance sustainability.

HPE Accelerating Impact

HPE Accelerating Impact supports organizations that utilize technology to address some of the world's most pressing challenges. Through this program, the [HPE Foundation](#) provides funding to nonprofit organizations tackling issues such as climate change, equitable healthcare, and human rights. In 2023, HPE Accelerating Impact supported 30 technology nonprofits, of which 63% were led by women or nonbinary persons, and 50% were led by persons of color.

Through HPE Accelerating Impact, our team members are directly involved in allocating philanthropic capital. The HPE Foundation gives each team member a \$25 credit to allot to any of the 30 nonprofits we support. Additional credits can be won through incentives and drawings.

Select HPE Accelerating Impact recipients in 2023 include:

- [Allies Against Slavery](#), which creates data-driven tools to help identify trends in human trafficking, spot victims of exploitation, and coordinate quality care.
- [Joy Education Foundation](#), which provides one-to-one online literacy tutoring for students who are struggling to read at grade level.
- [OpenAQ](#), which aggregates and shares air quality data on an open-source platform to help global advocates solve issues that stem from unequal access to clean air.
- [Restor](#), a global online hub that catalyzes support for nature restoration projects designed to reverse climate change.

Since its inception in 2019, HPE Accelerating Impact has directed over \$6.2 million to technology nonprofits, benefiting more than 360 million people.



26,500+ team members
donated a combined
\$1.3 million to technology
nonprofits through HPE
Accelerating Impact in 2023.

Contributing to a just and fair society

HPE Gives

HPE Gives, our global giving and volunteering program, empowers team members to support the communities in which they live and work. Program participation takes many forms, ranging from mentoring to monetary donations to volunteering. To support and encourage team members, we provide 60 volunteer time-off hours per year. In 2023, the number of team members who participated and tracked their volunteer hours increased by more than 2,600, to a total of nearly 8,000 team members. Overall, our team members volunteered an average of more than 20 hours each.

Our network of more than 80 regional HPE Gives Champions helps us understand the individual needs of each community. To achieve optimal results, these champions work with HPE team members and community stakeholders to align our giving and volunteering campaigns with relevant areas of focus.

In 2023, more than **21%**⁴⁷ of eligible team members participated in HPE Gives — the highest since 2019. We also achieved a record high of **\$10.5 million** donated, an increase of nearly 40% since 2020, with the average donation amounting to **\$344.06**.



⁴⁷ Out of 70,274 team members eligible to participate in HPE Gives in FY23. Eligible team members include full, part time, and temporary employees throughout the year.

Skills-based and pro bono volunteering

In 2023, more than 45%⁴⁸ of team member volunteering was skills-based, once again achieving our goal. In addition, we piloted a more extensive pro bono program to pair our team members' valuable skills and knowledge with the needs of nonprofits that align with our social impact strategy.

WattTime, Rocket Learning, Recidiviz, and Talking Points are some of the organizations that our pro bono volunteers supported in 2023. Through these engagements, HPE team members provided support and expertise in areas such as scaling the organization's tech infrastructures, strengthening privacy and security procedures, increasing customer success, and facilitating team leadership and growth.

Information about HPE Gives and skills-based volunteering is included in our onboarding process for new hires and interns. Also, we created toolkits to help facilitate volunteer opportunities and engage team members.

Giving through matches and grants

Furthermore, HPE gives back to communities through matching campaigns and grants. As part of HPE Gives, we match team member donations to eligible organizations of their choice, up to \$5,000. Through our Community Impact Grants program, team members can nominate additional organizations to receive funding from the HPE Foundation. These nominations are reviewed quarterly to assess how the organization's work aligns with our social impact focus areas, and selected organizations are invited to apply for a grant.

We also establish special campaigns in response to world events. In 2023, our matching campaigns raised over \$4.5 million for causes such as disaster relief, humanitarian aid in war-torn countries, racial justice and equity campaigns, and programs that foster community well-being.

Support for disaster relief

HPE team members and the HPE Foundation collectively contributed nearly \$1.2 million to disaster relief matching campaigns in 2023, including donations for: the earthquake in Syria and Turkey; the Maui, Hawaii, wildfires; Hurricane Fiona in Puerto Rico; Hurricane Ian in Florida; and flooding in southern California. In addition, a significant portion of our aid efforts provided relief for people affected by conflicts in Ukraine and other parts of the world. To provide aid following disasters, the HPE Foundation has long supported the American Red Cross (ARC) in its mission. In 2023, we donated \$250,000 to the ARC Disaster Responder Program, which helps the organization proactively prepare resources to respond when a disaster occurs.



Case study

Volunteers help sharpen emergency response

Supported by HPE Gives, hundreds of our team members around the world share vital geospatial data to aid first responders through the MapSwipe online community. Using the MapSwipe smartphone app, volunteers pinpoint the locations of critical infrastructure and population centers in their communities, which helps emergency services agencies such as the Red Cross respond to crises more efficiently and effectively. More than 360 HPE team members across 32 countries tracked nearly 500 hours of participation in MapSwipe during 2023, helping map more than 8,300 square kilometers.



⁴⁸ In 2023, 3,506 team members participated in skills-based volunteering, logging a total of 73,500 skills-based volunteering hours, with an average of nearly 21 hours per team member that participated.

Diversity, equity, and inclusion

We foster diversity, equity, and inclusion (DEI) and empower HPE team members to contribute a breadth of perspectives, ideas, and experiences that fuel innovation and drive change.

→ Our Board and team member demographics and talent lifecycle metrics data can be found on pages 18-27 of our [2023 Data Summary](#).

At HPE, we know that by fostering a culture where our people can contribute their perspectives, ideas, and experiences, we can work together toward our common purpose: to advance the way people live and work. By harnessing our strengths — cutting-edge technology, talent, and resource—we can generate the greatest beneficial impact for society.

Our enterprise-wide DEI strategy is focused on diversifying the workplace, driving equitable outcomes throughout our talent lifecycle, striving for a culture of unconditional inclusion, and leveraging our team members' diverse ideas and perspectives to fuel innovation.

We embrace the principles of our DEI strategy to drive advancement, equity, and inclusion within and beyond our walls. With a shared sense of belonging, our people leaders and team members fuel innovation and drive transformational change across our company and the IT industry.

In 2023, we continued tailoring our global strategy to address the specific DEI needs and opportunities in different regions. Key steps included recruiting and selecting regional DEI leaders. These leaders engage with human resources, business stakeholders, and external partners to gain a deeper understanding of the unique DEI landscape in each region, identify areas of focus, and drive progress toward regional DEI goals.



⁴⁹ Underrepresented groups are defined as a subset of the population whose representation in a given group is lower than their percentage of the population.

Driving equitable outcomes in the workplace

Promoting equity within HPE

Understanding the composition of our workforce plays a critical role in fostering an equitable and inclusive workplace.

In early 2023, we launched "Count me in. I belong," an in-depth, voluntary, and confidential self-identification program. Starting with the United States, Puerto Rico, and the UK, we will be expanding this campaign to Mexico, India, Brazil, and other regions in 2024 and beyond.

Empowering our team members to bring their authentic selves to work and share their diverse perspectives fuels our innovation, allowing HPE to continue to be a highly sought after edge-to-cloud solutions provider.

Empowering women

We strive to increase the representation of women in our leadership positions. More broadly, we are dedicated to promoting female talent at all levels through our professional development programs.

In 2023, the proportion of female HPE executives⁵⁰ globally rose to nearly 28%,⁵¹ more than a 5 percentage point increase in the span of three years.

Equitable pay

We believe people should be paid equitably for what they do and how they do it, regardless of their gender, race, or other personal characteristics. We maintain policies to promote equal pay, and we regularly review our global pay practices with an aim to ensure that team members in similar roles and locations are paid commensurately with their experience and responsibilities. We partner with independent third-party experts to conduct annual pay assessments and identify unexplained gaps between our present state and our goal of equitable pay treatment for all team members. Where these reviews identify such gaps at a country-wide level, we adjust compensation to eliminate the gap.

As a result of our efforts, our most recent pay equity review demonstrated that we have achieved pay parity for base compensation and bonus targets between male and female team members in the U.S. (including among underrepresented ethnicities), UK, and India, when accounting for job title, time-in-role, experience, and location. We conduct a number of compensation analyses in other countries to provide competitive and equitable pay and, where permissible, we intend to incorporate similar third-party pay assessments into our existing processes.

Building equitable pathways to STEM careers

To build the innovative workforce needed to compete globally, we're using our resources and expertise to develop a diverse pipeline of talent in STEM professions.



⁵⁰ Executive refers to director level positions and above.

⁵¹ All employee demographic refers to fiscal year.

Building STEM skills

Increasing access to STEM education promotes equity, spurs innovation, and establishes a strong pipeline of candidates for roles in the IT industry. Through our STEM initiatives, we aim to inspire and empower the next generation of STEM professionals.

Our dedicated [HPE STEM Discovery Program](#) equips team members to serve as STEM education volunteers. This program exposes learners to cutting-edge technology and raises awareness about careers in our field. HPE team members volunteer in their local communities using six comprehensive lesson plans on topics such as AI, Cloud Computing, Cybersecurity, Data Analytics, High-Performance Computing, and Internet of Things. Recognizing the importance of a digitally inclusive society to foster economic and social development, we make these [materials](#) available in multiple languages for public use.

We work to further strengthen digital inclusion by providing input on public policy initiatives that aim to expand STEM education. For example, our grants and engagement with the nonprofit [Good Reason Houston](#) support its efforts to advocate for a more robust academic system in the Houston area through legislative and policy efforts.

We continue to facilitate STEM skill-building through events such as our long-running [CodeWars](#), a computer programming competition for high school students, and our Houston office's Women's Network Resource Group runs a Girls Tech Camp to inspire young women to pursue technology careers.

In 2023, we also involved more students at the University of Washington and Prairie View (Texas) A&M University in a program that expands their technology integration and business skills including connecting them with actual small- and medium-sized business owners from underserved communities.

Enabling careers in STEM

In 2023, we helped fund scholarships for diverse students through the [United Negro College Fund](#) and contributed to HITEC, a nonprofit organization that supports Hispanic technology students and early-career professionals. Since 2021, we have partnered with the [Executive Leadership Council \(ELC\)](#) to provide scholarships and education to Black students about careers in STEM. Among other support, participants are taught skills for interviewing, best practices for researching jobs, and information on HPE culture. This scholarship will be renewed annually until 2026. In addition, we continue to expand our partnerships with Historically Black Colleges and Universities (HBCUs) and Hispanic Serving Institutions (HSIs).

To help ease the burden that many feel when entering the workforce we partner with CareerVillage, a nonprofit working to democratize access to career information and advice for underrepresented youth. Our contributions in 2023 included supporting the development of [Coach](#), a generative AI tool that provides young job-seekers with help drafting resumes and cover letters, interpreting job descriptions, exploring different careers, and staging mock job interviews. We also partner with Forage, a virtual work experience provider, to provide [free training modules](#) that give students a head start on preparing for roles at HPE in presales, software engineering, and digital sales.

Additionally, we sponsor high school students from underrepresented communities through the [Cristo Rey San José Corporate Work Study Program](#). Participants undergo college prep education while working up to two days per week at HPE. Each student is paired with an HPE team member who mentors them during their work-study position.



Advancing DEI across the talent lifecycle

We weave DEI principles throughout each stage of the talent lifecycle — from identifying and recruiting candidates to fostering their development — enabling us to attract, retain, and grow underrepresented talent.

We are committed to promoting equitable hiring practices throughout our recruitment process by tapping diverse networks and candidate pools, re-evaluating job criteria, and using data to align representation within our hiring funnel to market availability across all demographics. Additionally, our people leaders and interviewers receive training and resources, including a structured interview process and standardized interview guides aligned to critical, role-based competencies for greater consistency, reliability, and objectivity.

At pivotal moments throughout the year, such as before performance reviews and during talent assessments, we equip people leaders with bias disruptors designed to avoid the transmission of potential bias when hiring, interviewing, conducting performance reviews, and promoting or compensating team members.

In 2023, we reinforced our commitment to equity by providing additional bias disruption training for HPE leaders. This training reinforced best practices like using clear and specific performance criteria directly related to job requirements during performance reviews. We also conducted gender-equity training at our India and Latin America locations and offered courses on fostering empathy and building trusted relationships for people leaders in all regions.

Our ethnically diverse team members earned 37% of total U.S. promotions in 2023, which is 1 percentage point higher than the company's overall ethnic diversity representation in the U.S.⁵² We report annually on our U.S. demographics in our [EEO-1 Reports](#).

Our Executive Committee (EC) Sponsorship program pairs high-potential directors across all demographics with an EC member who provides access, visibility, and sponsorship with the goal of increasing the diversity of our vice president talent pipeline. These efforts foster career advancement, build our pipeline of diverse⁵³ leaders, and promote team member retention by demonstrating our investment in their career growth. Our 2023 EC Sponsorship program cohort saw increased representation of women and greater participation from individuals in India and Latin America. In 2023, 78% of our EC Sponsorship program participants self-identified as women.

Our people leaders also participated in other external development opportunities, including:

- [Executive Leadership Council \(ELC\) C-Suite Academy and Mid-Level Managers' Symposium](#)
Black vice presidents participate in a week-long development program and Black mid-level managers attend a two-day symposium to network and grow their inclusive leadership skills.
- [HITEC Emerging Executive Program](#)
Director-and-above talent from Hispanic backgrounds prepares to move into a C-level role.
- [McKinsey Executive Leadership Program](#)
Top-talent VPs undergo training to face real-world challenges through workshops, cohort collaboration, and executive coaching.
- [OutLEADERSHIP OutNEXT](#)
LGBT+ managers and allies participate in this global leadership development program, which includes speakers, a social impact challenge, interactive sessions, and networking opportunities.

Notable 2023 programs aimed at increasing female talent include:

- ReadyNow!, an immersive experience that accelerates readiness and amplifies access to board opportunities outside HPE for top women senior executives
- [HPE Women in Tech](#), a team member community dedicated to forming connections and fostering career growth
- Tech-focused mentoring for women in our global sales organization and at one of our primary OEM sales partners

⁵² All employee demographic information refers to fiscal year.

⁵³ HPE defines diverse talent as female and/or ethnically underrepresented groups in the United States.

Enabling equitable outcomes through inclusion

Inclusion is ingrained in our Cultural Blueprint and the behaviors that we expect all team members to model. We recognize that upholding an inclusive culture goes hand in hand with fostering innovation and collaboration at HPE.

Making voices heard through listening sessions

Our leadership is directly engaged in making HPE an inclusive workplace. In 2023, CEO Antonio Neri and other executives participated in 15 Listening Sessions with diverse and underrepresented team members from across HPE. These sessions promoted open dialogue between team members and leadership, gave insight into the efficacy of DEI initiatives, and helped identify priorities for further support. Team members can also provide feedback on DEI progress through surveys, focus groups, and other channels.

Fostering inclusion

To help ensure that all team members share a foundation for understanding and implementing DEI, we offer Inclusion for All, a voluntary course that is grounded in behavioral sciences and reflects regional nuance. Inclusion is also a core focus of our Leading With Empathy course, launched in 2023, and other People Leader Development trainings. As of 2023, 69% of our organization completed Inclusion for All training, and 87% of people leaders completed Inclusive Leadership training.

We have a strong anti-harassment and non-discrimination culture, supported by annual anti-harassment training mandatory for all team members, robust policies, and reporting mechanisms for any issues that arise in the workplace. Our Open Door Policy encourages dialogue across all levels of the company, creating an environment for earnest communication—from providing constructive feedback to the airing of grievances.

VoW DEI Index

To gain insights beyond representation, we developed a DEI Index based on our Voice of the Workforce (VoW) survey to help gauge the extent to which our team members feel respected and valued for contributing diverse perspectives and ideas to fuel our innovation. This helps guide our strategy to foster an authentic culture of belonging and inclusivity across HPE.

Our 2023 VoW survey found that:

- **92%** of respondents feel HPE creates an environment where people of diverse backgrounds can succeed
- **91%** feel their direct leader promotes a climate in which diverse perspectives are valued
- **90%** indicated they are comfortable being themselves at work



Creating community through Resource Groups

Open to all HPE team members, our eight Resource Groups (RGs) and their 115-plus chapters seek to build greater inclusivity and a stronger HPE culture. All RGs operate on a standardized model to ensure they create meaningful, enterprise-wide impacts that align with our global DEI strategy.

In 2023, RGs organized more than 350 events, including global signature events,⁵⁴ keynotes, panel discussions, mentoring support, networking opportunities, and outreach programs. Approximately 33% of our team members participated in at least one RG-led event during the year.

Engaged leaders

We hold our leaders accountable for ensuring our values permeate our business. The Board's HR and Compensation (HRC) Committee periodically oversees our efforts toward building an inclusive and diverse culture. In addition, the HRC Committee monitors HPE's DEI efforts to ensure compliance with equal opportunity employment requirements.

Our DEI Council, led by HPE CEO Antonio Neri and our Chief Diversity, Equity, and Inclusion Officer (CDEIO), oversees our DEI strategy and initiatives. The Council is responsible for overseeing the development of, and progress toward, our company-wide DEI strategy.

Our CDEIO reports directly to our Chief Human Resources Officer (CHRO) to advance DEI and to operate as a horizontal function, partnering across all organizations (including Talent Acquisition, Performance Management, People Operations, and Talent Succession).

In 2023, our initiatives and practices earned HPE recognition on rankings such as:

- [2023 Bloomberg Gender-Equality Index](#)
- [Seramount's 2023 Leading Inclusion Index Organizations](#)
- [TSIA 2023 STAR Award Winner for Best Practices in DEI](#)
- [Seramount's 2023 Top Companies for Executive Women](#)
- [Disability Quality Index's 2023 Best Places to Work for People with Disabilities](#)
- [Seramount's 2023 100 Best Companies](#)
- [Human Rights Campaign 2023-2024 Corporate Equality Index](#)
- Council of Women in Business — HPE Bulgaria #1 on Diversity, Equality and Inclusion in the Workplace and Empowering the Next Generation of Female Talent



⁵⁴ Global signature events included Black History Month, Asian Heritage Month, Hispanic Heritage Month, PRIDE month, Military Appreciation Week, International Women's Day Celebration, and International Day of Persons with Disabilities.

Supporting diverse suppliers

To promote DEI across our value chain, we have increased our investment with diverse suppliers,⁵⁵ enhancing the economies of underserved communities and improving the resiliency of our supply chain. Through our Supplier Diversity program, we help diverse suppliers develop their business, mitigate risk, and achieve compliance.

→ See page 31 of our [2023 Data Summary](#) for supplier diversity data.

We engage diverse suppliers through procurement, subcontracting, and nonprofit support. Each year, we aim to direct at least 8% of U.S. spending to diverse suppliers—a goal we achieved in 2023, with \$258 million spent.⁵⁶

We made progress on supporting diverse suppliers across several areas in 2023. We integrated and formalized our Supplier Diversity program best practices with our HPE Global Procurement team.

We also expanded our partnerships with nonprofits that support diverse-owned businesses, including the Women's Business Enterprise National Council and Centro Community Partners. Diverse suppliers receive additional opportunities to engage with HPE through our Supplier Diversity Champions program and our Mentor Protégé program, which pairs newer suppliers with more experienced businesses for guidance. In addition, our 2023 HPE Discover conference featured several Mentor Protégé participants. We also facilitate matchmaking sessions with HPE procurement managers, share advice for winning business with our company, and mentor suppliers on building websites and developing business plans.

We collect data from our top suppliers to understand their work with diverse suppliers in their own supply chains. As part of our supplier diversity reporting compliance practice, we set baselines with tier one suppliers that receive a majority of our spend so that we can measure our progress on data transparency and diversity. This reporting builds collaborative partnerships, showcasing the collective power of our commercial impact to foster a more inclusive economy.

In 2023, WEConnect International named HPE a [Top Global Champion for Supplier Diversity & Inclusion](#) for the second straight year.

⁵⁵ HPE uses the U.S. Small Business Administration Supplier Diversity Industry standard to define diverse suppliers as businesses that are majority owned by women, minorities, veterans, disabled, LGBTQIA+, and other diverse designations.

⁵⁶ \$258M refers to global spend with diverse suppliers.



Team member development, engagement, and well-being

The success and well-being of our team members are essential to HPE. We never stop investing in our human capital by working to attract, develop, inspire, and retain the best talent as we strengthen our wellness and talent development programs.

→ Our talent lifecycle metrics data can be found on pages 26-27 of our [2023 Data Summary](#).

Fostering a strong culture

Authentic culture is a continuous, top-down focus at HPE. We tie executive compensation to supporting the key elements of our culture, including team member engagement, talent retention, and DEI.

We engage all team members in shaping our culture through programs, campaigns, and community events. More than 700 culture ambassadors in 55 countries drive engagement at the site level. In 2023, our ambassadors helped facilitate quarterly Cultural Connect communications focusing on how HPE cultural behaviors aligned with our business objectives.

We celebrate our culture and our people during our annual Team Appreciation Day. In 2023, this day included more than 90 different activities dedicated to team member recognition and drew the largest participation in event history, with more than 147,000 recognitions sent to team members.

Engaging our team members

Team member feedback is essential to honing our strategic plans and initiatives. We gather insights through a company-wide annual Voice of the Workforce (VoW) survey, occasional pulse surveys, and other outreach channels. In 2023, our VoW survey engagement score remained steady at nearly 83%-reflecting 12 percentage points of growth over the last five years. Our 2023 VoW participation rate hit a record high of 86% compared to 82% the previous year. Notably, 84% of VoW respondents in 2023 said they would recommend HPE as a great place to work and nearly 88% said they are proud to work for HPE.

The VoW survey also identified areas where we can further improve, particularly in team member recognition, career growth, and removal of barriers to effective work. We are using this valuable feedback to facilitate ongoing discussions and hone our programs in 2024.

Recruiting and retaining diverse, skilled talent

Our human capital strategy is fully integrated with our business strategy. To remain an industry leader in today's highly competitive business environment, we must attract and develop exceptional team members.

In 2023, we streamlined our global recruitment and hiring experience to make the process faster and more consistent, reinforced by additional training for our hiring managers. We also expanded our university recruiting model worldwide, further standardizing how we attract, assess, interview, and evaluate applicants. This program helped us hire nearly 1,600 graduates in 2023, a 37% increase compared to 2022.

Through internships and apprenticeships, we identify early-career and high-learning agile individuals who might otherwise be overlooked for lack of traditional industry experience. Our interns, typically college juniors and seniors, work directly with our technology teams to solve real-world challenges. Interns are also trained and mentored in data analytics, project management, DevOps engineering, and other areas while concurrently developing their professional network.

We also expanded our [Career Reboot](#) apprenticeship program for people seeking a new career as cybersecurity professionals. Over a six-month period, Career Reboot participants receive paid cybersecurity training and on-the-job experience within HPE business units.

Our retention strategy focuses on retaining at least 95% of our top-performing talent. We create an environment where team members can perform career-defining work while providing exploration and development opportunities. Our AI and machine learning-driven platform, Career Hub, matches a team member's skills with career paths within HPE, mentorship, open roles, and curated resources to promote skills-based learning. We also launched new career readiness workshops for team members on topics like building a personal brand, writing a resume, and honing interview skills.

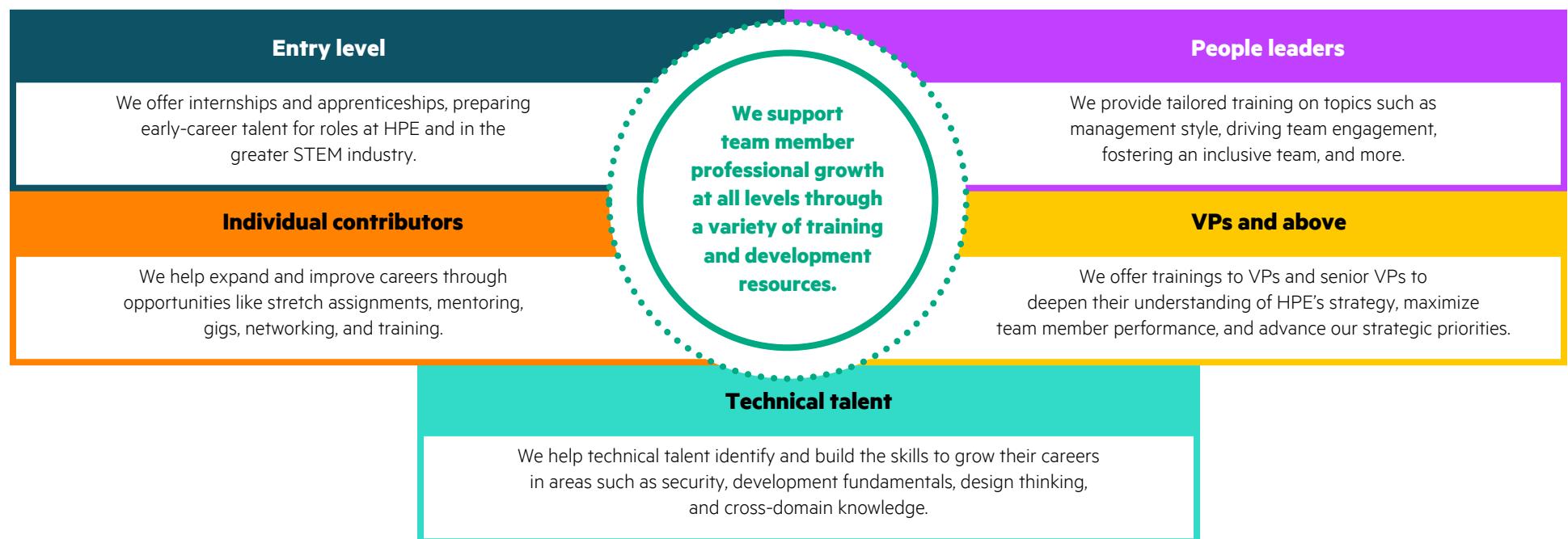
In 2023, internal hiring increased to 40%⁵⁷ marking an increase of 8 percentage points over the past two years, and our voluntary turnover rate decreased to 5% in 2023, from 9.3% in 2022, remaining well below the industry average of 12.6%.⁵⁸ We achieved these enhancements through our investments in award-winning well-being and benefits programs, career development opportunities, team member engagement, and DEI initiatives.

Tailored career development

The dynamic nature of our industry and company enables team members to build new skills that help them grow in their current roles or transition to new roles-meeting both their career goals and our business needs. HPE is deeply committed to identifying and developing the next generation of top-tier leadership with an emphasis on diverse and technical talent.

Throughout 2023, we enhanced our professional development courses, coaching opportunities, performance assessment tools, goal-setting support, and other resources. This included launching a People Leader Development series of training courses designed to instill knowledge and best practices for building diverse, high-performance teams. This program offers course materials tailored to all levels of talent within HPE, from individual contributors and aspiring managers to seasoned people leaders. In 2025, we are launching an Expert track geared to further develop our most senior and experienced leaders.

In 2023, 93% of active team members completed at least one non-mandatory training course. This marks a 7 percentage point increase from the prior year, which was largely driven by enrollment in our People Leader Development courses. Overall, our team members completed more than 820,000 online and instructor-led courses⁵⁹ across a broad range of categories including leadership, inclusion and diversity, and professional skills, with an average of more than 12 learning hours per team member.⁵⁹ In 2023, we invested nearly \$20.8 million in learning and development, a \$5 million increase compared to 2022.



⁵⁷ Of active regular employees (10/31/2023).

⁵⁸ Based on 2023 Mercer Compryx data for Global Tech Companies market view.

⁵⁹ Including mandatory training. Team members completed over 469,000 non-mandatory trainings, with an average of more than 10.7 learning hours per team member for non-mandatory training.

We also offer external learning resources and opportunities to team members. Through ExecOnline, business units can sponsor team members to take courses through top business schools like Stanford, Columbia, and Yale. Additionally, our Employee Development Grant program provides tuition assistance for team members pursuing higher education, including bachelor's, master's, and doctoral degrees as well as technical certifications. Roughly 469 team members received Employee Development Grants worth a collective \$1.4 million in 2023.

Open conversations and regular reviews create a solid foundation for career development. We conduct an in-depth annual talent and succession review with our CEO and EC members. In addition to completing our formal talent review process each year, people leaders meet quarterly with their team members to conduct My Success Plan (MSP) conversations. Through our Bold Goals program, team members set personal targets for growth and people leaders establish performance benchmarks for their team.

Our 2023 VoW survey found that 84% of respondents feel their direct leader encourages their career growth and mobility.

Investing in technical talent

Technical professionals with the knowledge and skills to support HPE's digital transformation are in high demand across all industries. We must move quickly to compete for top talent, particularly in areas such as AI, machine learning, and cloud computing. Our long-term success relies on not only attracting new talent but also retaining our top technical professionals and providing opportunities for this community to continue building their skills.

We are on a multi-year push to modernize our Technical Career Path (TCP) with more market-competitive and relevant support for the TCP community. In 2023, we focused on helping TCP team members better understand what skills they need to successfully grow their careers at HPE. This included building a career development model for our TCP job families that is standardized around four core skills: security mindset, development fundamentals, design thinking, and cross-domain knowledge. This skills model will be integrated into the talent ecosystem and used by the talent acquisition team in the recruiting and interview process, and by the learning team to create dedicated assessments and dedicated learning channels.

In addition, we have introduced new communication and engagement channels for TCP team members, including a TCP Mentor category within our Career Hub. We also seek to inspire and recognize TCP team members through events such as our annual Tech Con innovation conference, which brings together HPE technologists from multiple disciplines and geographies to share ideas and form new connections.

Compensation and benefits

We compensate team members commensurate with our high standards for their knowledge and performance. In addition to competitive salaries, which are assessed regularly against market data and set at or above legal minimum requirements, we provide numerous benefits and wellness offerings.

Where applicable, HPE provides healthcare coverage to our team members. In some countries, this coverage is offered through a social program.

In 2023, we added two new benefits for U.S. team members: access to ianacare, which provides support for people who are caregivers to loved ones; and Virta, a diabetes and prediabetes personalized treatment program.

We adapt our Work That Fits Your Life program to meet evolving needs. Team members globally receive an industry-leading paid parental leave benefit of at least 26 weeks. Our Parental Transition Support program allows new parents to work part-time for up to 36 months to ease into life as a working parent. Additionally, select HPE locations have designated lactation spaces. We also offer Retirement Transition support, which permits team members within one year of retirement to adjust to their new lifestyle by working part-time.

To further promote work-life balance in 2023, we extended our Wellness Fridays benefit to include four additional paid Fridays off per year.

We publish information on HPE [benefits](#) on our website, including our [retiree benefits toolkit](#) for U.S.-based team members and our [global benefits](#).

Supporting team member well-being

Prioritizing team member well-being is a strategic investment in both employee happiness and HPE's long-term success. Each year, we set internal goals for increasing engagement and utilization of our various wellness programs. Additionally, we maintain an internal goal to improve the VoW survey metric around well-being.

Through our Global Wellness program, we help team members enrich their lives across four areas:

- Physical health to improve and maintain a healthy body. Our twice-annual Global Wellness Challenge encourage team members to get physically active. We also provide fitness classes, medical exams, and cancer screenings.
- Financial health to address financial concerns and reach personal financial goals. We provide guidance on budgeting, debt management, savings, and more.
- Mental and emotional health to manage stress, anxiety, and relationships. All team members, as well as their friends and families, can access a no-cost subscription to the Headspace meditation app. We work to end the stigma around mental health by regularly hosting mental wellness campaigns and through our podcast Straight Talk for Real Life. Also, through our Path to Happier campaign, we provide online resources to help team members take small steps that improve their outlook.
- Community well-being to develop positive relationships at work and in life. Activities include our Mystery Coffee series, which connects team members from around the globe for virtual one-on-one coffee breaks.

Our Employee Assistance Program offers counseling, childcare referrals, financial coaching, critical incident support for regions affected by natural disasters, professional support for behavioral and emotional health, and more. Specific service offerings vary by country but are available to HPE team members and their immediate families around the world.

We continue to support team members' transition from working remotely to working in our offices. We offer a hybrid work model and support team members through a variety of initiatives, including wellness videos and an ergonomics website. HPE people leaders also have discretion to coordinate with individual team members on adapting their schedules around their personal lives and responsibilities. Team members' feedback validates our culture of work-life balance. In 2023, 95% of respondents to our VoW survey said they are given the flexibility to manage their work and personal needs.



Team member health and safety

The health and safety of our team members is our top priority. Whether in the office or working remotely, we have policies and resources in place to help our workforce stay safe.

Promoting an injury-free workplace

We work to promote an injury-free workplace through our holistic Environmental, Health, and Safety (EHS) program, which provides the tools and resources our team members need to maintain a safe work environment by following our [EHS Policy](#). To stay up to date on environmental issues affecting our industry, we engage with a variety of stakeholders and routinely report to regulatory agencies. Our EHS risk reporting tool allows us to track regulations and compliance mechanisms across our global sites, identify site-specific risks, and address them. A third-party consultant also provides ongoing global regulatory updates for the countries where we operate.

Achieving high standards for health and safety requires the participation of all team members. Through regular, mandatory trainings, we encourage and support team member engagement with our policies and industry best practices. In 2023, team members participated in mandatory training on ergonomics and in 91 different training courses tailored to job roles, with topics including forklift operation, data center safety awareness, spill response, hazardous materials handling, and first aid. We refreshed our mandatory Introduction to EHS course for all new hires to include additional environmental topics, including HPE's recycling program, takeback program for end-of-life material, and customer support for recycling services. Our Occupational Health Services team also launched several awareness campaigns including "Safety Weeks," educational seminars, and lectures by mental health professionals.

In 2023, our lost time incident rate (LTIR) remained steady at 0.01. Our recordable incident rate (RIR) increased

to 0.07 in 2023, but remained well below the industry average of 0.1.⁶⁰

In addition to mitigating workplace hazards, we support team member health and safety by taking steps to minimize the transmission of seasonal illnesses. For example, programs like our flu and COVID-19 vaccination clinics in select regions help protect our team members from sickness. Also, we provide focused training and personal protective equipment to safeguard team members against exposure to hazardous substances.

Ensuring compliance

HPE conducts on-site safety assessments and certifies select offices and manufacturing sites to industry-leading safety standards.

To stay aligned with ever-evolving health and safety regulations, we commission third-party global- and country-level consultants to audit our policies, global standards, and facilities in addition to our internal audits. We also employ third-party auditors to evaluate our site-level compliance with ISO standards 14001 and 45001. In 2023, sites in China, Hungary, Puerto Rico, Singapore, South Africa, and the U.S. were assessed through nine audits, achieving a 100% pass rate. We also performed internal ISO audits at three facilities in 2023. All audits were successfully completed without any major nonconformances. In 2023, we successfully renewed our ISO 14001 EMS Certificate for selected locations, following a series of environmental audits validating the efficacy of our program.

→ See page 29 of our [2023 Data Summary](#) for ISO certification data.



⁶⁰ U.S. Bureau of Labor Statistics, as of December 2023.



Operating with integrity

We succeed by operating responsibly, holding ourselves and our business partners to the highest ethical standards. We embrace our responsibility to help safeguard the environment and human rights, and we work with our suppliers and supply chain partners to uphold the same principles. We help our customers and their employees stay secure, building security into everything we do. And we safeguard data and build privacy protections into all of our products and systems. In the public arena, we advocate for policies that will help people thrive in a digital, connected world.

In this section

60

68

77

81

Corporate governance and ethical behavior

Human rights

Data security

Data privacy



Corporate governance and ethical behavior

To run our business efficiently, serve our stakeholders responsibly, and ensure our integrity in the marketplace, we maintain the highest standards of ethical behavior and corporate governance. We hold our partners and suppliers to the same standards.

Oversight of Living Progress strategy

The HPE Board of Directors (Board) oversees our governance structure and ethical practices. The Board also guides our Living Progress strategy, performance goals, public disclosures, and related policies. To continually assess effectiveness and maintain the diversity we deeply value, our Board committees, individual directors, and the full Board undergo regular evaluations. We take a proactive approach to Board-level succession planning and maintain an active pipeline of potential directors who offer diverse skills and perspectives which will enhance the Board's oversight of our long-term strategy.

For more details regarding HPE's corporate governance practices and Living Progress-related policies, see our [Proxy Statement](#) and the [HPE Policies and Standards](#).

Board independence and diversity

At the end of 2023, our Board included 13 directors with a broad range of knowledge, skills, and expertise. Antonio Neri, HPE President and CEO, serves alongside 12 members designated as independent directors under HPE and NYSE standards. In addition, each member of the Audit Committee and Human Resources and Compensation (HRC) Committee meets heightened independence standards.

Our Board demonstrates a strong commitment to diversity. As of 2023, 46% of our Board members were women and 15% were ethnically diverse. Diversity remains a key focus of our director selection process as we aim to secure the right mix of representation, skills, expertise, and perspectives.

Our Corporate Governance Guidelines specify that the Nominating, Governance, and Social Responsibility (NGSR) Committee must consider potential director nominees' ability to contribute to the diversity of backgrounds and experiences represented on the HPE Board.

→ See page 18 of our [2023 Data Summary](#) for more detailed Board diversity statistics.

Board oversight and engagement

Our CEO, Board, and NGSR Committee oversee our Living Progress strategy, including topics such as supply chain responsibility, human capital management, climate risk, political contributions, and workforce diversity. This oversight also extends to ensuring that we operate in a responsible manner.

The HPE Executive Committee, including our Chief Operating Officer and CEO, directly oversees the company's Living Progress strategy. Our full Board and the NGSR Committee regularly discuss our [nonfinancial material issues](#) and review progress against the company's objectives and goals, which include matters related to environmental sustainability and political engagement. We incorporate relevant matters into the agendas of various Board committees to help ensure a more holistic approach. For instance, our HRC Committee regularly discusses culture, DEI, and workforce wellness matters, while our Audit Committee reviews and oversees disclosures in company filings as well as key environmental and social risks as part of our Enterprise Risk Management strategy.

As of 2023, **54%** of HPE Board members self-identify as possessing experience in environmental and/or social matters, and **85%** self-identify as possessing experience in governance aspects.⁶¹

HPE Board members engage regularly with investors and other global stakeholders, including through our annual Board Outreach Program and our Annual Shareholder Meeting. Discussions include material ESG issues and initiatives such as climate change, DEI, talent recruitment and retention, and business resilience, which includes business continuity and crisis management. Additional focus areas in 2023 included HPE's capital allocation strategy and our executive compensation framework.

The chair of the Board, Patricia Russo, also participates in the Community of Chairpersons of the World Economic Forum and engages in exchanges on the topic of climate oversight.

For more details about HPE stakeholder engagement activities, see [Our approach to sustainable business](#).

⁶¹ Based on HPE Board of Directors Skills and qualifications matrix published in HPE's [2024 Proxy Statement](#).

HPE Board committee oversight of Living Progress

Audit Committee

- Oversees material environmental and social risks as part of oversight of Enterprise Risk Management program
- Reviews relevant disclosures in Securities and Exchange Commission filings

Human Resources and Compensation Committee

- Oversees corporate culture and team member relations topics (e.g., diversity and inclusion initiatives)
- Oversees compensation philosophy

Finance and Investment Committee

- Reviews applicable credit and financing arrangements driven by sustainability performance

Nominating, Governance, and Social Responsibility Committee

- Provides primary oversight for the Living Progress strategy
- Oversees development of an annual Living Progress Report
- Oversees HPE's Political Action Committee
- Evaluates progress made toward Living Progress goals
- Oversees government and public policy engagement



Executive compensation tied to performance against environmental and social impact priorities

To hold our leaders accountable, HPE's Management by Objectives (MBO) modifier framework links Executive Committee members' compensation to performance against Living Progress priorities, including workforce representation, talent retention, and our climate strategy. The MBO, part of our annual incentive program, can increase or decrease the overall award payout for our executives by up to 20%.



HPE Living Progress Strategy Council

The HPE Living Progress Strategy Council meets at least annually. It includes executives from our Corporate Affairs, Chief Technology Office, Finance and Controllership, Ethics and Compliance, Global Operations, Global Workplace, Human Resources, Global Communications, and Legal departments. Its members work to ensure that best-in-class sustainability performance continues to be a part of our culture and that HPE's actions reflect this priority.

Co-chaired by the senior vice presidents of our Corporate Affairs and Legal organizations, the Council:

- Evaluates our focus areas and priorities
- Monitors our ESG reporting standards and Living Progress goals, including those related to climate and supply chain responsibility
- Provides support across the organization for Living Progress objectives and commitments
- Oversees communication of our Living Progress strategy to internal and external stakeholders
- Reviews and endorses our nonfinancial materiality assessment
- Regularly briefs the Board on material topics-covering risks, opportunities, impacts, and strategies
- Oversees our preparations to meet emerging ESG disclosure regulations such as the EU Corporate Sustainability Reporting Directive (CSRD) and the U.S. Securities and Exchange Commission's (SEC) Climate Disclosure Rule.

Living Progress governance structure



Risk management

We maintain an Enterprise Risk Management (ERM) program overseen by our Chief Financial Officer (CFO) and supported by our HPE Executive Risk Council, which includes executives from each business unit. We provide quarterly updates on the program's risk assessment and management activities to the Audit Committee and an annual update to the Board.

Additional oversight is shared across Board committees as follows:

- NGSR Committee: Risks associated with sustainability, human rights, and corporate governance
- Audit Committee: Risks related to cybersecurity governance, business transformation, geopolitics, supply chain, and business resilience
- HRC Committee: Risks related to human capital management, including diversity, equity, and inclusion programs; team member engagement and development; compensation policies and practices; and executive succession planning

Our ERM process includes an assessment of the material impacts to our business, and we perform an annual internal audit of the ERM program.

In 2023, we extended the ERM program to manage performance against additional elements of our Living Progress strategy as Tier 1 risk, encompassing risk factors such as climate resilience, performance against our goals, market access, and board oversight. Our ERM program also monitors topics such as talent and HPE supply chain-related risks related to labor, information security, and resilience, among other issues.

For more details, see our [Proxy Statement](#), [Form 10-K](#), and [TCFD Report](#).

Business resilience

Consistent with its [Standards of Business Conduct](#), HPE is committed to maintaining a safe and secure work environment and demonstrating a passion for customers by taking appropriate steps to ensure the continuity of operations and provide seamless service to customers worldwide.

We continually hone our business resiliency strategies and practices to increase HPE's agility and support our digital transformation objectives. Global supply chain disruptions, geopolitical tensions or conflicts in select regions, and other challenges required even greater agility from our business in 2023.

To appropriately address continuity planning in today's operating environment, HPE maintains a global Business Continuity (BC) Management program. This program takes a holistic, enterprise-wide approach in order to ensure end-to-end continuity across the value chain. Under our global Business Continuity Policy, leaders across HPE business units and global functions develop and regularly test continuity plans for maintaining the uptime of critical processes, operations, and facilities. We continue planning additional responses to regional and local disaster scenarios and other potential incidents. Our approach also includes offering annual training and other resources for BC leads on issues such as [cybersecurity](#) and global trade.

Additionally, in order to respond to the dynamic environment in which we operate, HPE has proactively created a Crisis Management Program designed to respond to incidents that are deemed a "crisis" at a site, a country, or company-wide level.

Public policy

We work with governments, public sector customers, and other stakeholders around the world on issues that will help our customers, team members, and company thrive in a data-first world. Our public policy priorities help advance: our business interests and strategy; emerging and transformative technologies like AI; and our Living Progress strategy.

Our priorities in 2023 included:

- Advancing responsible AI product development and use in tandem with ethical principles and practices.
- Harnessing the capabilities of high-performance computing to tackle global challenges.
- Managing human rights-related risks in our [supply chain](#).
- Collaborating on climate policy.

U.S. political contributions

HPE makes corporate contributions to U.S. state and local candidates and committees.

→ See page 46 in our [2023 Data Summary](#) for political contributions data.

The company does not make political contributions outside the U.S. The HPE Political Action Committee (HPE PAC), a separate legal entity funded by voluntary donations from eligible employees, makes bipartisan contributions to U.S. federal, state, and local candidates and committees. The HPE PAC has structured criteria which evaluate contributions and consider whether the recipient not only shares our key business and public policy priorities, but also embraces our values and culture.

We [publicly disclose](#) the candidates, groups, and organizations that receive HPE PAC contributions. As we engage in the political process, we ensure that our actions are ethical, legal, transparent, and aligned with the [HPE Standards of Business Conduct](#).

In early 2023, we launched a new [Political Engagement and Advocacy](#) web page. The site provides an overview of our work with trade associations, our lobbying efforts, and the HPE PAC activities.

Tax transparency

The HPE [Global Tax Policy](#) is a critical component of our business values and ethical principles. We fulfill taxation responsibilities in every location where we operate while also advocating for tax reform that supports the IT industry's evolution in a modern marketplace. We manage the company's tax affairs to protect our broader corporate reputation and fulfill HPE's exacting standards of governance. This includes maintaining appropriate tax controls and documentation processes, which regularly undergo internal audits.

Ethical behavior

We hold our global workforce to meticulous ethical standards and foster a culture of integrity through policies and training designed to guide our team members in doing what is right. These expectations also extend to our business partners and suppliers worldwide.

Anti-corruption program and policy

We do not tolerate corrupt behavior and strive to fully comply with anti-corruption laws in countries where we do business. Through our anti-corruption management program, we clearly communicate expectations to our workforce and third-party vendors.

We maintain a dedicated anti-corruption auditing team and program to ensure the ongoing effectiveness, compliance, and integrity of our anti-corruption measures. Our annual audits help foster transparency, accountability, and a commitment to ethical business practices within our organization.

Our program includes:

- Policies that provide clear guidance, including the [HPE Anti-Corruption Policy](#), which is regularly reviewed.
- Tools and training for our workforce and third-party vendors/suppliers, including mandatory annual anti-corruption training for all non-contingent employees.
- Analysis of business and program data to mitigate emerging anti-corruption risks.
- Process controls to review higher-risk transactions and screen third-party partners.
- Due diligence in mergers and acquisitions, including integration of newly acquired companies.
- Support and advice from specialized anti-corruption attorneys and other compliance professionals.
- A robust, systematic process for investigating and addressing potential concerns.
- A dedicated anti-corruption audit program, which conducted 12 audits in 2023.

HPE also conducts regular anti-corruption screenings on third parties (including information obtained from screened entities and open-source investigation as appropriate), and risk assessments that help prioritize our efforts.



Ethics training and engagement

We reinforce our ethics policies and standards of behavior clearly and consistently through training and communication. This approach includes:

- Requiring all non-contingent team members to complete every year SBC training modules focused on anti-corruption, books and records, anti-harassment, and other ethics-related topics.⁶² New hires are required to complete training within 30 days of joining the company. In 2023, 99.9% of active team members completed the SBC training.
- Providing an Ethical AI Principles training course.
- Providing biannual ethics training for all Board members.
- Highlighting prevalent risks and sharing real-life examples of misconduct at HPE via quarterly emails to team members.
- Maintaining a Slack channel focused on ethics and compliance, where team members can ask questions, find resources, and engage in discussions.
- Strengthening our culture of ethical conduct by connecting senior members of the Ethics and Compliance Office with HPE business leaders via executive presentations.
- Communicating regularly with team members through email, videos, and training sessions.



⁶² This training is also available to contingent workers.

Ethics and compliance program

The HPE Standards of Business Conduct (SBC) govern our business practices and provide guidance for ethical decision-making. HPE's Ethics and Compliance Committee—an executive-level committee chaired by our Chief Ethics and Compliance Officer and comprising additional senior executives, including our Chief Legal and Operating Officer, Chief Financial Officer, General Counsel, and other senior executives from our business units—provides oversight and guidance for HPE's ethics and compliance program, with further oversight from the Audit Committee and the HPE Board.

We regularly assess ethics risks using a variety of data sources, including the nature of ethics and compliance matters reported to us, audit results, and information obtained through consultation with internal and external resources.

Reporting concerns

We foster a speak-up culture in which our team members, customers, stakeholders, and suppliers are encouraged to raise concerns regarding business conduct without fear of reprisal. Anyone can report a suspected ethics issue through email, phone, or letter. Reports are kept confidential and can be made anonymously where local law allows.

For each report, we take the following actions:

- Add a record to our global case management system, which we use to identify trends and priorities
- Review and respond promptly
- Conduct any required investigations appropriately, carrying out disciplinary or remedial action when needed

We track the nature of ethics and compliance items reported to us each year. In 2023, most of the reported issues involved labor law.

→ More details are available on page 32 of our [2023 Data Summary](#).

Ethics & Compliance governance structure



Human rights

Human rights principles are embedded in our business and across our value chain—from product development to customer use of our products. We hold our entire value chain to the same high ethical standards.

Our annual [Human Rights Report](#) provides more details on our human rights policies, commitments, and progress.

Overseeing and engaging on human rights

Our Board provides ultimate oversight of human rights-related risks as part of our broader Living Progress strategy, policies, and public disclosures. Board members on the Audit Committee and the Nominating, Governance, and Social Responsibility (NGSR) Committee oversee company-wide efforts to monitor and enforce compliance with our human rights standards. HPE senior executives also participate in various forums dedicated to advancing human rights principles throughout our industry and communities. More information regarding HPE's oversight and management of human rights risks can be found in our [Proxy Statement](#).

Human rights training

All newly hired HPE team members receive training on our global human rights policies and practices. We also provide targeted training for specific business groups and teams, such as sourcing, sales, distribution, and resellers, that are involved in activities with recognized human rights implications. For example, we launched our formalized engagement approach, meeting quarterly with key sourcing teams to provide training and updates on forced labor, responsible sourcing of minerals, and responsible sourcing practices. All team members are also invited to occasional awareness-building sessions and other engagements on human rights topics, including forced labor, year-round.

In addition, we focus on raising awareness of human rights risks and protective measures among our sales channel partners. In 2023, HPE representatives shared best practices and capability-building resources through a pilot program with select distributors and resellers. Beyond our business, we also participate in broader human-rights-focused [organizations and forums](#).

HPE trained more than **2,400** stakeholders⁶³ on human rights-related topics in 2023.

Our dedication to human rights and ethical practices has earned notable awards and recognition, including:

- In 2023, named one of the [World's Most Ethical Companies by Ethisphere](#) for the fifth consecutive year
- First-place ranking in ICT on the [2022–23 KnowTheChain ICT Benchmark](#) and [2022–23 Corporate Human Rights Benchmark](#)

⁶³ Stakeholders include HPE employees, suppliers, sales partners, and industry peers.

Our salient human rights risks

We take a risk-based approach to remain diligent in upholding human rights. As part of this approach, we continually review and evaluate our most salient human rights-related areas of risk. We also seek input from HPE stakeholders to broaden our perspective.

We regularly perform Human Rights Impact Assessments (HRIs) to better understand our risks, engage with internal and external stakeholders,⁶⁴ identify potential gaps in our due diligence, and update our management strategy and processes. The most recent companywide HRIA, completed by an external evaluator in early 2023, identified six salient human rights risks.

1. Responsible use of HPE technology

We raise awareness within our sales channel and take other steps to help ensure that our products are not deployed for unethical purposes or in ways that compromise basic human rights.

2. Responsible product development

We use processes to identify potential new products, such as those built on AI, that could jeopardize human rights. Also, we help guide HPE product engineers in taking a "human rights by design" approach to mitigate any risks.

3. Modern slavery and decent work

Among other efforts, we prohibit any forms of child or forced labor and actively monitor and enforce standards that ensure reasonable working conditions at HPE's operations and those of our suppliers. Also, we provide training for our supply chain partners and advocate for broader industrywide action to prevent abuses.

4. Responsible sourcing of materials

We take measures to ensure that the materials used to manufacture HPE products do not come from sources associated with human-rights offenses.

5. Diversity, equity, and inclusion

We factor the company's DEI values and supporting initiatives into our broader human-rights risk management efforts, with a priority on advancing equity throughout HPE and in broader society.

6. Clean, healthy, and sustainable environment

We expanded the scope of this risk area (previously centered on water use) to align more fully with HPE's environmental sustainability efforts and build upon the United Nations' recognition of this fundamental human right. We seek to play a role in building climate resilience, with a focus on understanding how climate change disproportionately affects minority groups and communities.

⁶⁴ Stakeholders include HPE team members, suppliers, and sales partners.

The latest company-wide HRIA findings also guide updates to our strategic roadmap for advancing human rights. Key elements include:

- Advancing our human rights due diligence (HRDD) sales screening processes to adapt to our as-a-service transformation
- Engaging our sales partners on human rights to build awareness and capabilities
- Advancing awareness and risk mitigation approaches to demonstrate our [Ethical AI Principles](#)
- Exploring [living wage](#) approaches with suppliers and expanding our efforts to promote and protect women, children, and migrants

We continuously monitor HPE's salient human rights risks and perform thorough due diligence to avoid complicity in human rights violations. In 2023, we conducted 116 HRAs focused on specific geographic regions, products, and business activities—such as sales, partnerships, acquisitions, and investments. Findings from these HRAs help us to strengthen our monitoring and implement safeguards to operate responsibly, minimizing the risk of harm to people.

100%

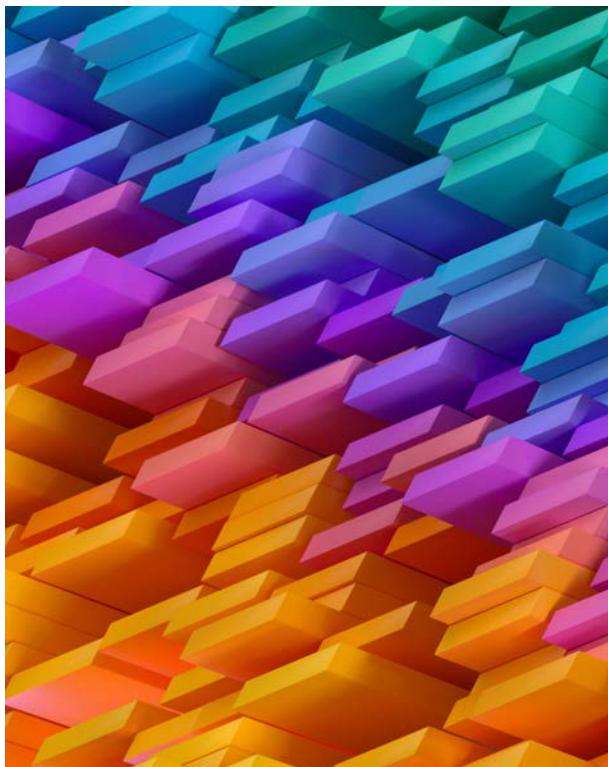
HRAs in which internal and external business partners agreed to our human rights recommendations.



Human rights by design

We aim to influence our product groups to consider the protection of human rights at all stages, from initial ideation and design through development, production, and customer use. This “human rights by design” approach is increasingly relevant to our work in AI and to any product that could be misused by bad actors to infringe on individuals’ privacy or other personal freedoms.

Our approach is grounded in human rights fundamentals. In 2023, we took steps to further operationalize the company’s [AI Ethical Principles](#) across product development, partnerships, sales engagements, and other internal business operations. In addition, we continued working with nongovernmental organizations and industry associations to shape broader standards regarding generative AI and human rights issues.



The [UN Guiding Principles on Business and Human Rights](#) (UNGPs) guide how we think about risk and our role in mitigating it, while the Organization for Economic Cooperation and Development’s (OECD) principles, amongst other sets of principles, were instrumental in informing the development of HPE’s AI Principles.

Other key actions included:

- Building out our AI Ethics training content on topics such as our AI Ethics Principles and responsible practices related to generative AI.
- Doubling the number of team members trained on AI Ethics, to 1,770.
- Strengthening our AI intake process, which includes conducting a human rights-centered assessment of new AI capability that HPE seeks to develop or sources from a third party.
- Developing more detailed guidance and case studies on the human rights implications of AI.
- Increasing the number of AI-focused human rights assessments conducted on HPE product designs by fivefold compared to 2022.
- Designing follow-up and tracking measures to build our understanding of the effectiveness of safeguards in AI design and development and to analyze trends.
- Advancing technology that increases the transparency, trustworthiness, and accuracy of AI via research, acquisitions, partnerships, and investment.
- Contributing to research papers and other publications focused on responsible AI development and deployment through the [UN Business and Human Rights in Technology Project](#).

More broadly, we conduct formal processes to identify and assess sales opportunities that may pose a high risk to human rights. Our processes extend to potential acquisitions, investments, technology partnerships, and changes in the company’s operating environments.

Human rights policies and standards

The [HPE Global Human Rights Policy](#) frames our commitment and overall approach to respecting human rights across our operations and value chain. The policy also reinforces HPE’s support of the [United Nations \(UN\) Guiding Principles on Business and Human Rights](#). We further incorporate human rights monitoring and compliance requirements in our [Standards of Business Conduct](#), [Supplier Code of Conduct](#), [Partner Code of Conduct](#), [Nondiscrimination Policy](#), [Harassment-Free Work Environment Policy](#), [AI Ethical Principles](#), and other guiding documents.

HPE representatives contribute to shape human rights guidelines and standards for the broader technology industry in association with the [World Economic Forum \(WEF\)](#), the [Responsible Business Alliance \(RBA\)](#), the OECD, and other bodies. In addition, we provide recommendations and support to the [UN Human Rights B-Tech Project](#), which works to ingrain respect for human rights across the tech sector.

In 2023, we became members of the [AI Verify Foundation](#) in Singapore, a nonprofit that aims to harness the collective power and contributions of the global open-source community to develop AI testing tools to enable responsible AI.

Human rights in our supply chain

Protecting and elevating the rights of workers is a core tenet of our approach to supply chain responsibility (SCR). HPE's Supplier Code of Conduct includes specific requirements to protect human rights. Our ongoing efforts include further embedding respect for human rights within the selection process for new suppliers. In 2023, we conducted 1:1 engagements and benchmarking with suppliers to measure progress against HPE's three supply chain social responsibility goals.

Through our SCR program, we work primarily with tier one supply partners, including strategic component suppliers and those involved in final product assembly. Throughout 2023, we enhanced the program by advancing the monitoring of HPE's indirect suppliers. We plan to continue broadening this outreach to deeper tiers of our supply chain, focusing on hardware and final product assembly suppliers. In addition, we launched quarterly calls with HPE sourcing teams to reinforce best practices on human rights and address questions or concerns.

In September 2023, we offered training on mandatory human rights due diligence for all of our direct suppliers and selected indirect suppliers. Facilitated by the RBA, the session focused on preparing suppliers to comply with new and emerging human rights regulations. More than 600 supplier representatives in the Asia-Pacific, Europe, and Americas regions attended.

→ See pages 33–43 of our 2023 Data Summary for supplier SER performance, audit, and responsible sourcing data.

Upholding rights of marginalized individuals

We do not tolerate human rights abuses in our operations or supply chain and are committed to protecting vulnerable groups that could be impacted by technology. We pay particular attention to the vulnerable groups defined by the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, including migrants, children, women, racial and ethnic minorities, student and dispatch workers, and human rights defenders.

Our Commitment to Respect the Rights of Marginalized Groups summarizes HPE's multifaceted collaboration with advocates for those identified as being most at risk of harmful impacts. It also lays out key steps that we are committed to taking to continuously improve how HPE and our partners support individuals' rights and help them thrive in a more inclusive culture.

⁶⁵ Suppliers defined as those accounting for 98% of spend.

Our Migrant Worker Standard articulates HPE's minimum requirements for appropriate and ethical recruitment, employment, management, and support of migrant workers by suppliers doing business with our company. For example, our standard upholds the Employer Pays Principle that workers should not pay fees to obtain a job. In 2023, we co-developed and piloted a free online training module on workers' rights that HPE suppliers can share with their employees.

To further drive progress in these areas, we set three rights-focused social responsibility goals that apply to our suppliers.⁶⁵ To progress against these goals, we established a roadmap that includes communicating our objectives to suppliers, providing training, building these topics into regular business discussions and metrics, and supporting suppliers' efforts to adopt best practices in each of the target areas.

In 2023, we partnered with hardware and assembly suppliers to measure performance against these targets, accounting for 95% of our spend. We continue these collaborations and plan to extend our engagement in 2024 to encompass suppliers representing 98% of our expenditure in this category.

Supply chain social responsibility goals

100%

100%

100%

of HPE suppliers⁶⁵
committed to Employers
Pays Principle

of HPE suppliers⁶⁵ train
their workers on human
rights

of HPE supplier⁶⁵ sites have
effective grievance
processes



Combating modern slavery practices

We work to prevent and eliminate incidents of modern slavery in our supply chain and worldwide. In 2023, our actions included engaging with outside experts on ways to amplify our impact in preventing forced labor, particularly among female migrant workers and ethnically diverse workers. For example, we have worked closely with WEF representatives to successfully incorporate a greater focus on modern slavery into sessions and events at the organization's annual conference in Davos, Switzerland.

Through The Anti-Slavery Collective, an organization co-founded by HRH Princess Eugenie of Great Britain, we helped launch revamped online cybersecurity awareness resources for survivors of modern slavery trafficking in 2023, extending our reach to many more survivors. HPE's Chief Operating & Legal Officer serves on the organization's advisory board. HPE supported the Anti-Slavery Collective and others' engagement in the HPE Human Rights Impact Accelerator, a program that equips nonprofits in this field like UNICEF's South Asia Regional Office and the International Rescue Committee with technology resources and knowledge to advance their work.

Other related actions in 2023 included:

- Curating our Anti-Slavery Month, which featured a series of virtual awareness-raising sessions and volunteer opportunities for HPE team members.
- Securing an HPE Community Impact Grant for Ella's, a UK-based nonprofit dedicated to helping women who have survived trafficking and sexual exploitation.
- Contributing to research through WEF on how AI technology is disrupting modern slavery practices.
- Partnering with the nonprofit Truckers Against Trafficking to train managers at our largest North American logistics service providers on identifying and reporting suspected modern slavery incidents.

Our goals in 2024 include offering additional training on modern slavery, both internally and for our supply chain partners, increasing our number of specialized assessments, focusing on prevention via our social goals roadmap, and working more closely with nongovernmental organizations in this space. Further efforts are outlined in our annual Modern Slavery Transparency Statement.



Support for living wages

HPE seeks advancements toward a living wage in the electronics sector. We helped launch and actively participate in the RBA Living Wage Taskforce. In 2023, we continued to explore new ways of engaging with suppliers on assessing actual take-home pay versus living wage figures, and avenues to help make workers' voices heard regarding pay issues. In the process, we are analyzing trends and how other labor issues are connected to wages.

Empowering workers to raise concerns

In addition to assessing the nature and effectiveness of suppliers' grievance channels, we provide a variety of anonymous channels through which anyone can raise an ethical concern, including workers in our supply chain. In 2023, HPE reached more than 186,000 workers through our monitoring programs and consulted approximately 1,100 workers through RBA Voices and the in-person specialty assessments required by HPE.

Supplier assessments and audits

We require our suppliers with identified risk factors to engage in annual monitoring and biannual independent audits to assess compliance with the Supplier Code of Conduct.⁶⁶ We also compile quarterly scorecards on our tier one suppliers' performance, including how they measure against our social and environmental responsibility (SER) criteria. These scorecards help guide HPE purchasing decisions and are discussed in annual reviews between the company's sourcing teams and our suppliers.

Looking at our separate indirect supply chain program, in 2023, we strengthened the monitoring component to make our risk assessment more robust and to require that high-risk suppliers undergo a biannual RBA audit. HPE helped develop this audit framework and is scheduled to be one of the first RBA members to pilot it in 2024. Our indirect supplier assessment program includes robust measures for assessing and assigning risk to specific suppliers based on location, nature of work, likelihood of excessive working hours, forced labor indicators, and other factors.

In addition, we work closely with internal sourcing teams day-to-day and provide formalized annual training on SER and responsible purchasing practices, along with quarterly refreshers and updates.

→ More details about our audit performance can be found on pages 33-42 of our [2023 Data Summary](#).

Our tier one suppliers must ensure that their supply partners-comprising our tier two and beyond suppliers-comply with our Supplier Code of Conduct and follow our SER requirements. During 2023, 264 representatives from our direct suppliers (representing approximately 62% of our total suppliers) attended supplier training.

HPE requires RBA-approved independent assessors to verify suppliers' compliance with all aspects of the [RBA Code of Conduct](#), including wage and freedom-of-movement requirements. Recognizing that migrants are often at greater risk of receiving low wages and of being subjected to forced labor, we regularly assess, or ask third parties to assess, the systems and performance of our suppliers and their recruitment agents in relation to this area of risk.



⁶⁶ For audits of RBA member facilities and their suppliers' facilities, independent third-party specialists trained in social and environmental auditing carry out the audits, using the RBA Validated Audit Process.

Responsible sourcing of minerals

We continued expanding the scope of our Responsible Minerals Program in 2023 to help ensure HPE is directly and effectively addressing the root causes of human rights issues that stem from conflict minerals.

We designed our Responsible Minerals Program to align with the internationally recognized OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (CAHRAs). Although we do not prohibit our suppliers from sourcing from CAHRAs to avoid causing economic or humanitarian impacts associated with an embargo, we strive to improve the transparency of minerals sourcing and achieve DRC conflict-free sourcing within our supply chain.^{67, 68}

As part of our broadened approach, we report on cobalt as a mineral of concern in our supply chain alongside the 3TG metals — tin, tantalum, tungsten, and gold—that have long been associated with CAHRAs such as the Democratic Republic of Congo (DRC) and adjoining countries. While the manufacturing of most HPE products involves little to no cobalt, we recognize and support the UN and other standards bodies in focusing greater attention on the risks associated with cobalt sourcing. In 2023, we achieved a 100% response rate from cobalt suppliers that fall within the scope of our reporting program.



Additional priorities for our Responsible Minerals Program in 2023 included:

- Identifying and mapping mineral smelters and refiners in our supply chain.
- Assessing the country of origin for all minerals.
- Ensuring we work with smelters and refiners that are certified as conformant through the Responsible Minerals Assessment Process (RMAP).
- Explaining our process to suppliers and securing their buy-in.
- Upholding best practices in data collection and reporting.
- Evaluating and remediating additional risks, such as forced labor indicators and trade sanctions, in our minerals supply chain.
- Preparing to comply with upcoming regulations on battery production that will add new minerals to our program.

99%

of smelters and refiners reported by our suppliers had performance that helped HPE's progress toward DRC conflict-free status in 2023. Learn more in our annual [Conflict Mineral Report](#) to the U.S. SEC.

⁶⁷ "DRC conflict-free" as defined in the U.S. Securities and Exchange Commission's conflict minerals rule are products that do not contain conflict minerals that directly or indirectly finance or benefit armed groups in the DRC or an adjoining country. Conflict minerals from recycled or scrap sources are considered DRC conflict-free.

⁶⁸ Our progress toward DRC conflict-free status is based on the number (as of the 2023 cut-off date of March 31, 2024) of all supplier-reported 3TG facilities that were either RMAP-conformant or active, and/or that we reasonably believe exclusively source conflict minerals from recycled or scrap sources or from outside of the Covered Countries.

Risk management and due diligence

HPE identifies and prioritizes conflict mineral risks and impacts in our supply chain in alignment with the OECD guidance. Our risk management plan includes a process for engaging at the smelter or refinery level to identify any potential risk affecting HPE products. In such cases, we require a corrective action plan and timeline for removal from the supplier. Depending on the risk or allegation, we may also urge the smelter or refiner to complete a third-party audit and obtain capacity-building or technical assistance to remediate issues through an accredited program such as the [Responsible Minerals Initiative \(RMI\)](#). In addition, we provide ongoing education on risk to our suppliers and facilitate transparent reporting through regular surveys.

Our overall approach to supply chain due diligence is set out in [HPE Supply Chain Responsibility: Our Approach](#).

Industry collaboration

HPE participates in the [Public-Private Alliance for Responsible Minerals Trade](#), which supports collaborative 3TG initiatives in the DRC region with peer companies and the U.S. government. We also work independently and with peers across the technology industry to better understand evolving social and economic challenges tied to minerals sourcing. Our work in 2023 included engaging with government leaders in Mexico and elsewhere to advocate for policies that will help build greater resilience in the minerals supply chain.

As an RMI member, we further support a range of public and private efforts to improve living conditions for people in CAHRAs, including:

- KEMET Corporation's Friends of Kisengo organization, a nonprofit dedicated to enhancing people's lives in the DRC through infrastructure, health, education, and environmental development.
- [RMI's Audit Fund for Participating Smelters and the Upstream Due Diligence Fund](#), which support smelters and refiners with the costs of audits and mine-level assessments.
- [RMI-Pact Vocational Training Partnership](#), which provides vocational skills training for at-risk youth in DRC cobalt mining communities.

In addition, we continue to participate in the [Minerals Grievance Platform](#) as part of our efforts to drive greater transparency around responsible minerals sourcing and align with OECD guidance. HPE helped launch this online system for reporting, tracking, and managing critical incidents linked to mineral supply chains.



Data security

We deliver comprehensive cybersecurity across our business protecting enterprise data, IT infrastructures, and workloads against rapidly evolving threats in increasingly distributed computing environments.

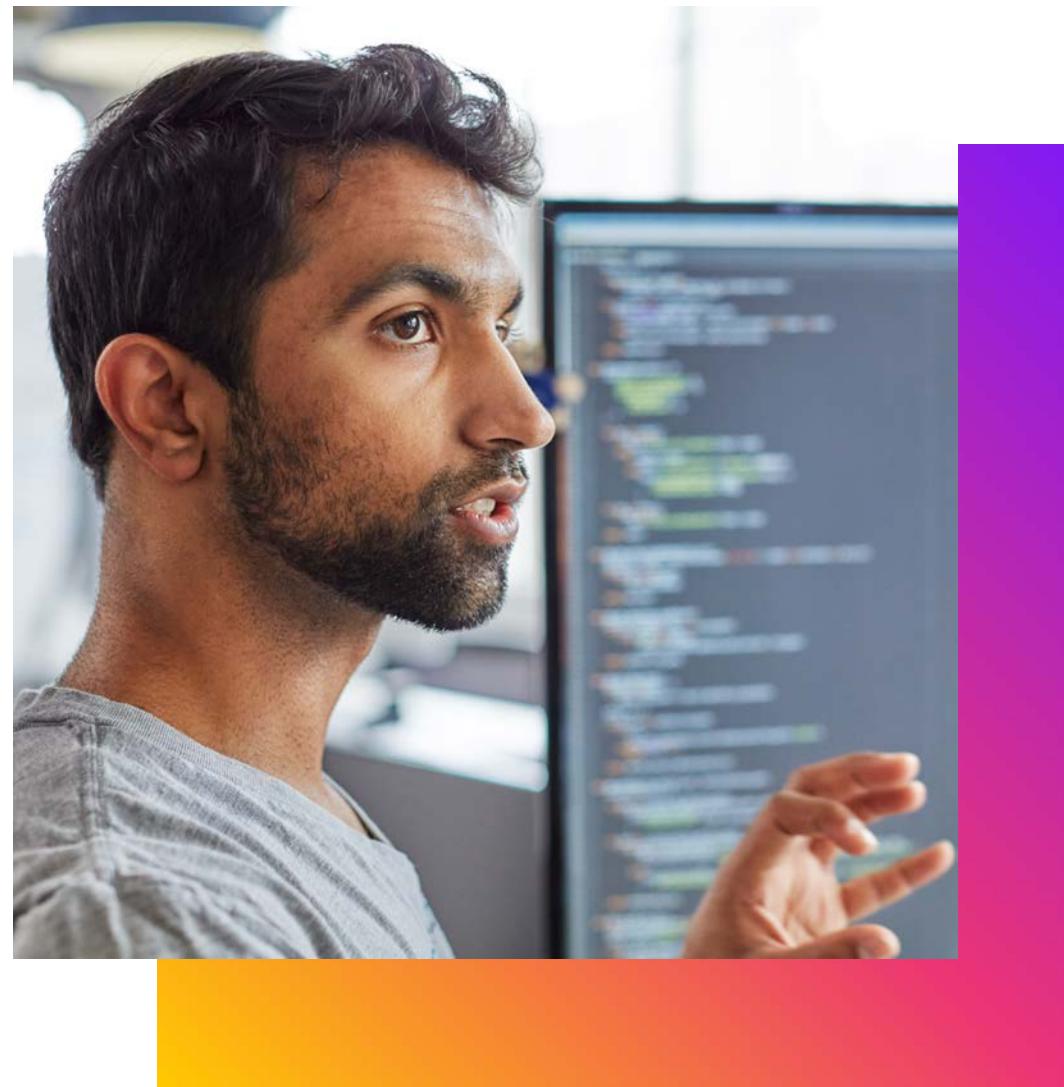
Cybersecurity and digital risk management strategy

Cybercriminals relentlessly probe enterprise IT systems for security vulnerabilities to exploit via ransomware, phishing, advanced persistent threats, and other increasingly sophisticated tactics. HPE counters cybersecurity threats through a risk-based, compliance-driven approach built on industry-leading architecture, practices, and expertise.

In 2023, we evolved our cybersecurity and digital risk management (CDRM) strategy to address four core priorities:

- Advancing our "Zero Trust" journey to improve cybersecurity hygiene through tighter attack surface management
- Operationalizing our risk management framework with improved tools and processes that enable more intelligent quantification and addressing of risks
- Aligning HPE edge-to-cloud products and services with industry-specific security standards, including ISO 27001 certifications and Systems and Organizational Controls 2 (SOC 2) attestations
- Expanding the cybersecurity talent pool through skill-building initiatives that target new and existing professionals

More details on our cybersecurity efforts are shared in HPE's annual [Cybersecurity Report](#).



Strengthening HPE data security

Our networks are built to withstand a growing volume and variety of threats, including cyberattacks, extreme weather conditions, and unexpected demands. We regularly assess our security program through internal- and external-led penetration tests, vulnerability scans, and third-party auditing of our systems. In addition, HPE's Cyber Defense Centers provide incident response coverage and report any significant security incidents directly to the Board.

In 2023, we opened a new Cyber Defense Center in Houston to further enhance our security protection and response. We also expanded our cybersecurity presence in India with additional staffing and resources to provide improved security visibility.

Safe remote work for team members

We create a secure work-from-home experience for our team members by continually enhancing defenses against malware, phishing scams, network attacks, and other intrusions. Our work-from-home security policy reinforces sound practices and strong awareness. In 2023, we expanded our edge-to-cloud security for remote work environments with the [acquisition of Axis Security](#). Along with incorporating its capabilities into a unified Secure Access Services Edge (SASE) solution delivered as-a-service for HPE customers, we are currently planning our implementation of the HPE Aruba Networking SSE platform internally.

Cybersecurity training and engagement

All HPE team members and contingent workers are required to participate in annual cybersecurity awareness training. In 2023, we updated our curriculum to include security issues raised by the growth of generative AI. More than 99% of team members completed the course in 2023, and approximately 9,000 developers and architects also received role-specific security training.

We also educate team members on security topics year-round through awareness campaigns, our dedicated Slack channel, messages from our Chief Security Officer, and other communications.

As part of HPE Security Awareness Month in October 2023, we hosted webcasts with third-party security experts and gave team members a chance to earn prizes by completing security-themed challenges online.

HPE's Cybersecurity Center of Excellence (COE) connects cyber experts across HPE to fuel collaboration behind our vision of an open and secure edge-to-cloud platform. The Cybersecurity COE also manages engagement with customers and nonprofit organizations, sharing ideas and information in the spirit of partnership. For example, in 2023, HPE became a corporate partner of the [CyberPeace Builders](#) program, through which our cybersecurity professionals share their skills and advance their knowledge by engaging in short-term volunteer projects with nonprofits and nongovernmental organizations.

Cybersecurity talent

We put a significant emphasis on attracting, developing, and retaining cybersecurity talent to build a highly skilled workforce that is capable of safeguarding HPE from evolving threats. Our cybersecurity teaching culture prioritizes the sharing of knowledge, skills, and expertise among team members through training, mentorship, and the cultivation of new cybersecurity talent. This year, we doubled the number of participants in HPE's [Cybersecurity Career Reboot program](#), which provides opportunities to candidates with a non-traditional background and who otherwise may have been overlooked for entry-level cybersecurity roles.

Incident reporting

Our [Security Response Policy](#) includes a process for HPE team members, customers, and other stakeholders to raise suspected information security concerns. Team members can report issues directly to the SOCs or via a feedback form on our intranet.

On January 24, 2024, HPE made a [filing](#) with the SEC regarding a cybersecurity incident in HPE's cloud-based email environment, under the SEC's new Form 8-K breach notification requirements. As of the date of this filing, the incident has not had a material impact on HPE's operations, and HPE has not determined that the incident is reasonably likely to materially impact the Company's financial condition or results of operations.

Industry collaboration on data security

In 2023, we continued collaborating with [National Institute of Standards and Technology \(NIST\)](#) on certificate-based identity, configuration attestation, and hardening of the software supply chain. HPE also works closely with the World Economic Forum (WEF) on security matters, including through WEF's Future Cyber Workforce Task Force and as part of its CISO Leaders Group. HPE is also a member of Business Roundtable's Cybersecurity Workforce Corporate Initiative.

We also help advance security best practices as a member of the [Trusted Computing Group](#) and the [Cloud Security Alliance](#).

In 2023, the HPE Cybersecurity team investigated an average of 125 security alerts per day in 2023, compared to 180 per day in 2022.

Our adoption of improved risk-based alerting practices has helped reduce the number of investigations required.

Ensuring customers' security and resilience

HPE's products and services are designed securely from the ground up and protect data everywhere it travels. We employ both internal and external independent, third-party penetration testing and analysis that goes beyond industry standard methods to test our solutions against real-world threats and attack scenarios. Moreover, we use internal and external risk-based auditing to validate and improve the security of our offerings.

HPE cybersecurity services experts deliver comprehensive security and risk management capabilities to help customers protect their business assets and reduce digital risk. These include embedded security technologies in the [HPE GreenLake](#) edge-to-cloud platform and [HPE Managed Services](#). As customers move more of their data-driven workloads to the HPE GreenLake platform, they expect the same level of security for those workloads that we bring to our own internal systems. Through our [HPE GreenLake Security Shared Responsibility Model](#), we define the roles that our company, our customers, and their colocation providers each play in safeguarding the hybrid cloud environment and the data within it.

Accelerating cyber resilience

We take a "Zero Trust" approach to security architecture that centers on using identity as one of the key principles for protecting data in an organization. With Zero Trust, we assume that there is a breach and never trust a user or device by default. Instead, we verify all access requests. Our zero trust principles extend across HPE GreenLake cloud services and many of our other infrastructure products. We also apply these principles when designing customer security

Security certifications and attestations

We continually work to ensure HPE products and services comply with the U.S. government's [Executive Order on Improving the Nation's Cybersecurity](#). Further, our security services align with the [National Institute of Standards and Technology](#) 800-53 controls and the [NIST Secure Software Development Framework](#). In 2023, we expanded our SOC 2 attestations to more locations globally and expanded the number of locations with ISO 27001 security certifications, which now encompass 90 sites across 40 countries.

Our priorities in 2023 also included preparing to meet new SEC breach notification guidelines along with evolving European Union regulations such as the Digital Operations Resilience Act, Cyber Resilience Act, and NIS2 Directive.



Data security in our supply chain

Cyber criminals continue to target the hardware, software, and services in broad use across industries-intensifying customer scrutiny of the origin and development of IT components. As part of our supply chain cybersecurity program, we regularly conduct cybersecurity audits and assessments of suppliers and manufacturing centers. HPE has a robust governance program for developing policies and standards and monitoring compliance through our Cybersecurity Supply Chain Risk Management (C-SCRM) program. Further, the C-SCRM program ensures that HPE uses suppliers that have been thoroughly vetted and maintain compliant security protocols.

In addition to the C-SCRM program, we developed the [HPE Trusted Supply Chain](#) program to address the increasing number and types of cybersecurity threats impacting our and our customers' operations. Examples of our Trusted Supply Chain security practices include:

- Employing certificate-based identity and cryptographic authentication.
- Verifying the origins and authenticity of components used in our products.
- Increasing transparency and integrity by implementing a secure chain-of-custody platform together with our factories, suppliers, and logistics partners.
- Building additional security features into our Trusted server offerings including secure boot, high in-transit security mode, server configuration lock, and intrusion detection.

Learn more about our [supply chain security innovation](#).



Data privacy

Safeguarding personal data is one of our greatest responsibilities as a global edge-to-cloud company. We uphold meticulous privacy governance practices and multilayered accountability measures to safeguard personal data.

→ Our privacy-related materials can be found on page 46 of our [2023 Data Summary](#).

Privacy by design

Individuals and organizations alike are concerned about potential privacy risks arising from the rapid growth of AI technologies, international data transfers, and other hallmarks of cloud computing. In response, they are demanding transparency and accountability in the handling of personal data. These trends are spurring governments to enact new, more stringent data privacy legislation.

At HPE, we advance a privacy-by-design approach to the collection, storage, processing, transfer, and use of personal data throughout our business practices, products, and services. This approach helps us quickly identify and mitigate business risks while gaining valuable insights from the information we capture.

In 2023, we focused on providing updated resources to guide teams toward privacy-aware product design through more consistent, repeatable processes. We updated our Data Privacy Impact Assessment (DPIA) framework to standardize how HPE engineers and developers handle personal data and address privacy implications in our products and services. We paired the DPIA rollout with training for team members involved in using this framework.

As we matured and enhanced our privacy posture, we further standardized our delivery practices and related contractual language, reflecting regulatory developments in the privacy realm. We continued expanding our expertise to deliver strategic, tailored privacy recommendations to specific teams, regions, and functions.

Policies and governance

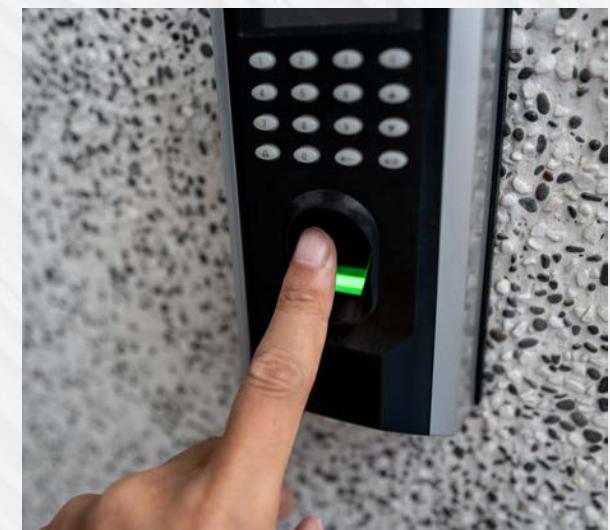
The HPE Privacy Office is responsible for our global privacy program. It works closely with HPE Global Security to review privacy risks and elevate concerns to the Board. Our [Global Privacy Policy](#) outlines the general data-protection principles we follow. The [HPE Privacy Statement](#), available in eight languages, and the Employee Privacy Policy, inform team members, customers, and partners about our privacy practices and explain what personal data we collect, use, disclose, and transfer.

Our policies detail the choices individuals can make and the rights they can exercise in relation to their personal data. We maintain documented processes for responding to data subjects' rights requests and periodically review and update these processes to align with applicable country laws and the evolving privacy landscape.

Data protection is a key governance aspect of operationalizing our [AI Ethical Principles](#). Our Privacy Office contributes to AI Working Group discussions as part of our effort to ensure HPE product and service developers and other business groups can seamlessly incorporate data privacy considerations into their activities.

Compliance with privacy laws and data requests

Our commitment to respect and protect individuals' privacy requires us to diligently address privacy-related legislative and regulatory changes in the countries where we operate. In 2023, we addressed evolving data privacy regulations in Brazil, Canada, China, the European Union, India, and the United States—including new privacy laws in 11 states. As part of our ongoing focus on accountability, we completed our annual certification to the [Asia Pacific Economic Cooperation \(APEC\) Cross-Border Privacy Rules System](#) to support our transfers of data securely between APEC countries.



Data protection audits

We routinely audit our privacy and information governance programs and business operations to ensure compliance. Our Internal Audit, and Ethics and Compliance Office teams evaluate our governance, risk management, and controls. These evaluations support our annual certification processes.

Data privacy training

We educate all team members on privacy and security through our mandatory annual Standards of Business Conduct training, which has a completion rate of 99.9%. We deliver function-specific, tailored privacy training modules. Our Human Resources and Payroll team members are required to complete additional privacy training every two years. In 2023, we provided role-specific training for HPE team members in procurement, marketing, and human resources.

Privacy across our supply chain

HPE conducts due diligence with suppliers to ensure they meet our stringent data privacy and security requirements. Our contractual terms include commitments to ensure data is protected and used appropriately.





Accelerating net-zero

Investing in people

Operating with integrity

Appendices

In this section

84

Memberships
and partnerships

86

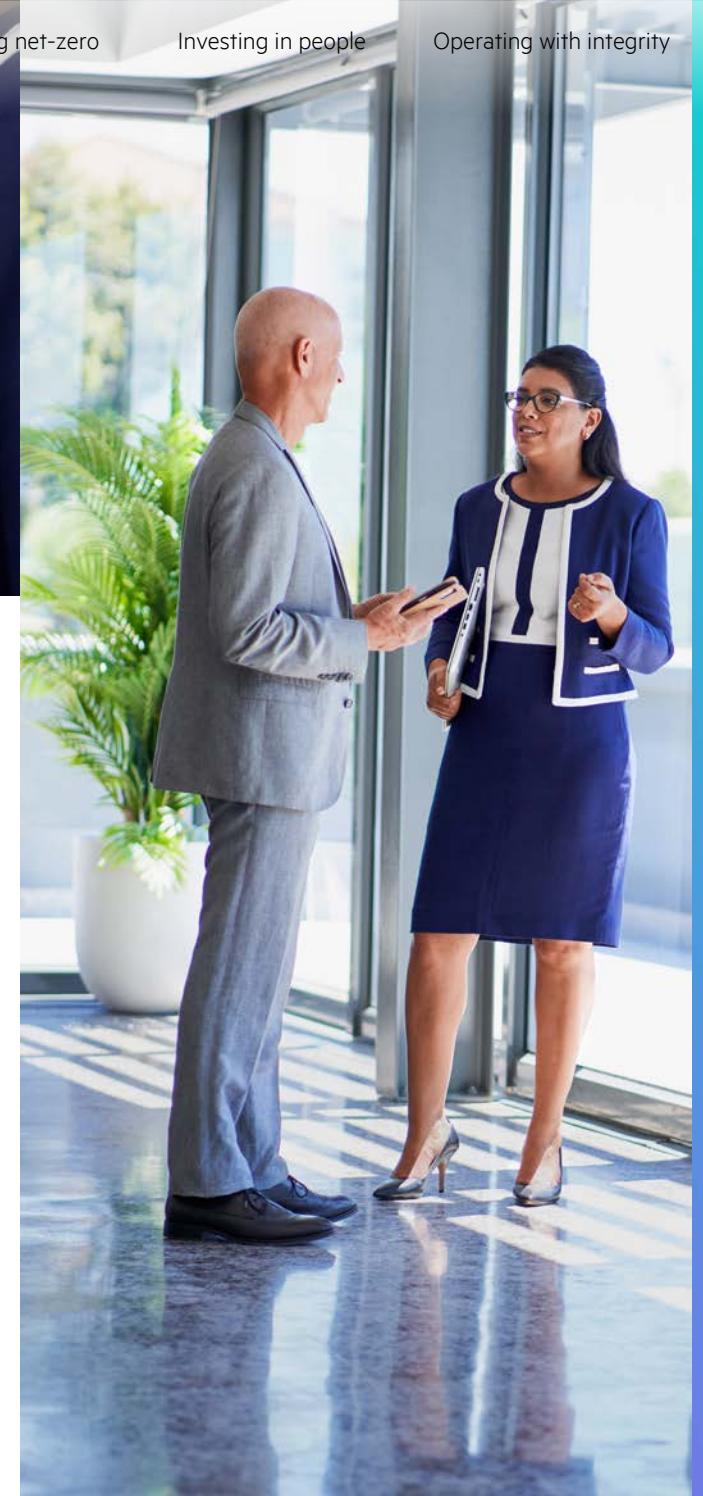
Policies and
standards

87

Issue definitions

89

Resources



Memberships and partnerships

HPE partners with industry and peer groups to advance global sustainability agendas and achieve objectives critical to our business success. The following table lists the key memberships, affiliations, and working groups with whom HPE actively engaged in 2023; however, this is not exhaustive of all HPE partnerships.

Additional stakeholders critical to our business are referenced throughout this report, including our [team members](#), [suppliers](#), [governments](#), and [communities](#).

Reporting theme	Organizations
Accelerating net-zero	<ul style="list-style-type: none">• American Chamber of Commerce• Atea Sustainability Focus' Advisory Board• Australian Packaging Covenant Organisation• Australia and New Zealand Recycling Platform• Australia Information Industry Association• Bloomberg New Energy Finance• Business for Social Responsibility• CDP• China Environmental United Certification Center• China National Institute of Standardization• China Quality Certification Center• Clean Energy Buyers Association• Confederation of Indian Industry• DEFRA Government Digital Sustainability Alliance• Digital Europe• EPEAT Technical Committee• Engineering Entrepreneurship Steering Council at Texas A&M University• European Green Digital Commission• Global Electronics Council• Global Logistics Emissions Council• Information Technology Industry Council• Manufacturer Association of Information Technology• (Product Attribute to Impact Algorithm) Consortium• Responsible Business Alliance (Environmental Sustainability Working Group)• RE100• SEMI Semiconductor Climate Consortium• Step Up Declaration• Sustainable Air Freight Alliance• Sustainable Brands• Taipei Computer Association• Taiwan Institute for Sustainable Energy• TCO Certified• TechNet• techUK• The Business Roundtable• The Climate Group• The Green Grid• United States Information Technology Office• Uptime Institute• US Department of Energy Better Buildings Program• US Environmental Protection Agency SmartWay• We Mean Business Coalition• World Resources Institute

Reporting theme **Organizations**

Investing in people

- AfroTech
 - American Red Cross Disaster Responder Program
 - Ascend
 - Business Roundtable's Cybersecurity Workforce Corporate Initiative
 - Catalyst
 - CareerVillage
 - Coqual
 - Corporate Community Relations Consortium
 - Curated Pathways to Innovation
 - Disability:IN
 - Disney Veterans Institute
 - Executive Leadership Council
 - Fast Forward
 - Global Dialogue Foundation
 - Good Reason Houston
 - Greater Houston Partnership
 - Hiring our Heroes
 - HITEC
 - International Association for Volunteer Effort
 - LabStart
 - McKinsey & Company (Connected Leaders Academy) AfroTech
 - Military Spouse Employment Partnership
 - National Action Council for Minorities in Engineering
 - National Center for Women in Information Technology
 - NationSwell
 - Out & Equal
 - Out Leadership
 - Pathful
 - Points of Light, Conference Board
 - Seramount Diversity Best Practices
 - Silicon Valley Community Foundation
 - Simmons
 - Stanford Women's Leadership
 - Tanenbaum Center for Interreligious Understanding
 - Tech for Good
 - University of Houston
 - University of Wisconsin-Eau Claire
 - Valuable 500
 - Village Capital
-

Operating with integrity

- Anti-Slavery Collective
 - Association of Certified E-Discovery Specialists
 - Association of Intelligent Information Management
 - Association of Records Managers and Administrators
 - Business for Social Responsibility
 - Business Network on Civic Freedoms and Human Rights Defenders
 - Centre for Information Policy Leadership
 - Corporate Eco-Forum
 - CyberPeace Institute
 - Ethisphere
 - Institute of Certified Records Managers
 - Leadership Group for Responsible Recruitment
 - North West Practitioner's Data Protection Group
 - OECD Expert Group on AI and Risk
 - Philippine Business for Social Progress
 - Public Private Alliance for Responsible Minerals Trade
 - Responsible Business Alliance (Responsible Labor Initiative, Responsible Minerals Initiative)
 - Resolve-Public-Private Alliance for Responsible Minerals Trade
 - Thames Valley Data Protection Group
 - UN B-Tech Community of Practice (B-Tech CoP)
 - World Economic Forum (Quantum Executive Network)
-

Our approach

- Article One: Roundtable on Human Rights and AI CDP
 - Carbon Disclosure Project (CDP)
 - EcoVadis
 - United Nations Global Compact
-

Policies and standards

Accessibility, human rights, and labor practices

[Accessibility Policy](#)

[HPE Supply Chain Foreign Migrant Worker Standard](#)

[HPE Global Human Rights Policy](#)

[Open Door Policy](#)

Corporate governance

[Corporate Governance Guidelines](#)

[HPE Tax Policy](#)

Equity and Inclusion

[Harassment-Free Work Environment Policy](#)

[Nondiscrimination Policy](#)

[Equal Opportunity Policy](#)

Environment

[Environmental, Health, and Safety Policy \(EHS\)](#)

[Export of Electronic Waste to Developing Countries Policy](#)

[HPE Vendor Requirements for Hardware Recycling](#)

[HPE General Specification for the Environment](#)

[HPE European WEEE Compliance](#)

[HPE Climate Policy](#)

[HPE Water Policy](#)

[HPE Biodiversity Policy](#)

Ethics, anti-corruption, and privacy

[Anti-Corruption Policy](#)

[Contingent Worker Code of Conduct](#)

[Global Business Amenities Policy](#)

[Partner Code of Conduct](#)

[HPE Partner Ready Partner Privacy and Data Protection Addendum](#)

[Political Contributions Policy](#)

[Standards of Business Conduct \(SBC\)](#)

[U.S. Public Sector Code of Conduct](#)

[HPE Global Privacy Policy](#)

Supply chain

[HPE Student and Dispatch Worker Standard for Supplier Facilities in the People's Republic of China](#)

[HPE Supplier Code of Conduct](#)

[HPE Supply Chain Social and Environmental Responsibility Policy](#)

[HPE Supplier SER Requirements](#)

This is not a complete list of HPE policies and standards. Additional sustainability-related policy documents can be found [here](#).

Issue definitions

The table below provides definitions for the issues in our non-financial materiality chart. The definitions are based on input from internal and external stakeholders, as well as best practice guidelines from the Global Reporting Initiative and the Sustainability Accounting Standards Board.

Material issue	Covered in section(s)	Definition
High impact to society and environment, high impact to HPE's enterprise value		
Technology for social impact	Fostering sustainability through innovation; Social impact strategy	Providing IT solutions that improve access to health, finance, food, government services, education, information, and markets. This includes efforts to promote digital inclusion and close the “digital divide” by increasing access to affordable, low-impact, locally appropriate technology for people of all ages, abilities, regions, and income groups.
Diversity, equity, and inclusion (workforce)	Diversity, equity, and inclusion	Ensuring that the HPE workforce reflects our global business and customers and establishing a culture that fosters equity and inclusion.
Supply chain resilience	Environmental impacts of our supply chain; Ethical sourcing	This includes management of the risk and potential exposure to supply chain shocks, whether from natural resource constraints, extreme and unpredictable weather events related to climate change, pandemics, or geographic-specific considerations.
Energy use and GHG emissions in our supply chain	Environmental impacts of our supply chain	Enabling our suppliers to adopt energy efficiency and GHG emissions reduction activities in their operations.
Efficiency of IT solutions	Environmental sustainability of IT solutions	Providing IT services, products, and solutions and engaging with customers to solve customer business challenges, alongside providing sustainability benefits. In particular, increasing the energy efficiency of HPE products and enabling customers to reduce their energy and water use.
Medium impact to society and environment, high impact to HPE's enterprise value		
Privacy	Data privacy	Upholding the right to privacy and protecting personal data from unwanted parties. This includes the management of requests for private or personal information from government or law enforcement agencies to determine their legitimacy and comply with local, regional, and national laws and standards.
Data security	Data security	Protecting information managed by HPE and customers from unwanted parties and unauthorized access, such as security threats and cyberattacks—including data collection, use, processing, storage, transfer, sharing, and end-of-life disposal. Managing reliable information networks—including those that support critical infrastructure and public goods—to reduce and rapidly respond to systemic risks and disruptions.
Employee health and safety	Team member health and safety	Creating a healthy, safe, and secure working environment for all HPE employees.
Employee development, engagement, and well-being	Team member development, engagement, and well-being	Promoting rapid professional growth and matching employee skills to future business needs in the ever-evolving technology industry. Fostering employee engagement and open communication. This includes effectively managing the negative impacts of workforce reductions and relocations.
Energy use and GHG emissions in our operations	Our operational footprint	Improving energy efficiency and using renewable energy sources to reduce GHG emissions in our operations, including buildings, and employee travel.

Issue definitions (continued)

Material issue	Covered in section(s)	Definition
High impact to society and environment, medium impact to HPE's enterprise value		
Ethical sourcing and human rights in the supply chain	Human rights, Ethical sourcing	Maintaining and elevating ethical standards in the supply chain, including services and manufacturing supply chains, which maintain labor standards in working hours and conditions, wages and benefits, wage changes, labor shortages, and humane treatment of workers employed. Includes achievement of fair and beneficial outcomes for supply chain participants, especially workers and communities. Also encompasses elimination of slavery and forced labor in HPE's supply chain and managing negative social and environmental impacts associated with sourcing and extraction of raw materials, such as rare earth elements, precious metals, and conflict minerals.
Ethical behavior, integrity, and business partnerships	Corporate governance and ethical behavior	Promoting high standards of ethics and eliminating corruption, extortion, and bribery (e.g., price fixing, abuse of monopoly positions, predatory pricing, etc.) in employee, business partner, joint venture, and customer relationships. This includes efforts to ensure the marketing and communication of products and services is honest, transparent, and fair, as well as HPE's fulfillment of taxation responsibilities to the economies in which the company operates.
IT products and services and human rights	Human rights	Preventing the use of HPE products and services by individuals, groups, or entities that are restricted, or who may use IT to infringe on human rights. Protecting the right to freedom of expression and avoid limiting access to expression.
Product lifecycle management	Product lifecycle management	Managing the impacts of HPE products and services through their entire lifecycle, including production of raw materials, engineering, design, manufacturing, use, and end-of-life options. Contributing to a more circular economy.
Medium impact to society and environment, medium impact to HPE's enterprise value		
Public policy engagement	Fostering sustainability through innovation, Human Rights, Corporate governance and ethical behavior	Influencing public policy development through direct engagement and multi-stakeholder associations or initiatives. Responsible and ethical public policy engagement, including lobbying and contributions to governments and institutions of political influence (e.g., Super PACs).
Corporate governance	Corporate governance and ethical behavior; Our approach to ESG	Improving diversity of HPE's board structure, as well as its independent oversight of the company, governance of sustainability, the role of CEO/chairperson, and execution compensation. Also includes providing clear and comparable business and sustainability information on products, operations, and the supply chain in an accessible manner.
STEM education and future of work	Diversity, equity and inclusion; Community investment	Preparing the workforce of the future with science and technology skills that enable people to thrive in an increasingly digital world.
Community investment	Community investment	This includes efforts by HPE employees to volunteer in their local communities or provide monetary contributions to qualified organizations. Monetary and product contributions to qualifying organizations, such as in response to natural disasters.
Substances of concern in products	Product lifecycle management	Designing and developing products and solutions that use alternatives to materials and substances of concern to human health and the environment.
Water in our operations	Our operational footprint	Responsible use / stewardship of water across HPE's operations.
Water in our supply chain	Environmental impacts of our supply chain	Responsible use / stewardship of water across HPE's supply chain.
Waste and hazardous materials in our operations and supply chain	Our operational footprint; Environmental impacts of our supply chain	Managing and disposing of hazardous and nonhazardous waste responsibly across operations and the supply chain. Excludes products, which are covered in the "Product lifecycle management" issue.

Resources

HPE reports and online content

- [HPE 2023 Living Progress Data Summary](#)
- [HPE 2023 Annual Report on Form 10-K](#)
- [HPE 2024 Proxy Statement](#)
- [HPE Investor Relations](#)
- [HPE Human Rights Report](#)
- [HPE Cybersecurity Report](#)
- [HPE Water Accounting Manual](#)
- [HPE Carbon Accounting Manual](#)
- [HPE Waste Accounting Manual](#)

The [Data Summary](#) contains complete data sets and statement of assurance, as well as our Standards Index which includes reporting against:

- Sustainability Accounting Standards Board (SASB)
- Global Reporting Initiative (GRI)
- Task Force on Climate-Related Financial Disclosures (TCFD)

External ratings

Search for Hewlett Packard for historical Hewlett Packard Company submissions and Hewlett Packard Enterprise for post-separation HPE submissions.

[CDP](#)

Feedback

We welcome feedback on any aspect of our Living Progress reporting and performance. Contact us [here](#).

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