



LIVING PROGRESS REPORT

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A MESSAGE FROM OUR CEO

When I wrote the introduction to last year's Living Progress Report, the COVID-19 pandemic was in its early stages, but it was already apparent that it would have a huge global impact. What we saw over the course of the year reaffirmed our prediction: that digital transformation is the critical backbone of a modern enterprise.

We quickly realized that to support the urgent IT needs of our enterprise customers during the pandemic, we first needed to protect our people and fully enable our business operations to perform in a new, remote working environment.



A MESSAGE FROM OUR CEO

PROTECTING OUR PEOPLE LED US TO A NEW WORK PARADIGM

Our team members are our greatest strength and we have long been committed to their health and safety. Protecting our close to 60,000 team members during the pandemic and supporting their transition to working from home were natural expressions of our long-standing values. We provided a comprehensive support package, including COVID-19 testing and treatment, additional paid sick leave, and enhanced childcare and wellness benefits. I am humbled by our team members' dedication, flexibility, and creativity in maintaining seamless service levels and standards for our customers in the most difficult and unfamiliar of working situations.

While the pandemic changed where and how we work, the significant events associated with social injustice in 2020 also created a permanent change within our company. We re-evaluated assumptions that we understood inclusion and operated without racial bias. We dedicated the rest of 2020 to listening, making change, and holding ourselves accountable, beginning with a series of Listening Sessions to inform our actions by hearing stories, experiences, and feedback from our Black and African American team members, as well as from other ethnically diverse employee groups.

The resulting actions included a new Inclusion and Diversity Council consisting of executives and team members from across our businesses, which I chair. We also made a commitment to train all of our leaders on inclusion and to increase diversity in management in 2021 and again in 2022.

Despite facing significant adversity in 2020, our team members remained more engaged than ever before, with an engagement score of 83% in our annual survey.

OUR CUSTOMERS ARE LEVERAGING THE NEW AGE OF INSIGHT

In 2020, the sudden impact of COVID-19 highlighted the central role of IT in restoring a resilient society. As customers around the world grappled with digitizing their businesses, enabling a remote workforce, and operating with constrained budgets, HPE was poised to support their evolving needs. We were already well-advanced in our strategy to deliver our entire portfolio as a service by 2022 through a range of subscription, pay-per-use, and consumption-driven offerings. We proved the value of our consumption-based approach by enabling our customers to focus on innovation and modernizing their infrastructure without the capital and operational expenses of traditional IT ownership nor the power and cooling limitations typically faced by organizations rapidly scaling their digital operations.

The pandemic dramatically accelerated the existing pace of digital transformation. Our customers called for a rapid expansion of secure connectivity and unprecedented access to data analytics to maintain their operations. We played a key role in enabling business and social sectors to adapt to dramatically different operating realities and challenges.

Fast, agile, resilient, and cost-effective IT has eased the disruption of the pandemic for businesses, schools, and everyday life. Hospitals and other healthcare providers have continued functioning with remote employees and patients. Schools and colleges transitioned to online education. Thousands of businesses were able to maintain their operations with employees at home. And our supercomputing leadership contributed to the rapid discovery of vaccines and treatments. As technology adoption continues to accelerate, I believe we are entering an Age of Insight, characterized by data

A MESSAGE FROM OUR CEO

analysis that will generate insights and discoveries that were never possible before.

The pandemic has accelerated existing trends in which HPE was already deeply immersed. These include connecting dispersed operations and data sources with edge-to-cloud converged systems and leveraging newly accessible data sources with penetrating actionable analysis. We are focused on delivering this digital transition with as-a-service models, state-of-the-art security, and low-carbon footprint built in.

WE ARE CREATING A MORE DIGITALLY INCLUSIVE WORLD

A new era defined by deeper, faster insights is fueling discoveries that benefit society and raise the standard of living for people everywhere. Critical issues in medicine, education, climate change, and food production are being solved more quickly than ever before. It's up to leaders in business and government to channel the benefits for the good of everyone, not just the wealthiest few.

Making technologies such as high performance computing available in our as-a-service model is a small step toward democratization of the latest IT technology. Where previously only large corporations had access to cutting-edge IT, now many smaller enterprises can benefit. Similarly, I believe that access to connectivity is the foundation for digital inclusion, facilitating participation in critical services like remote learning or telemedicine. Although companies like HPE responded to the pandemic by offering Wi-Fi hotspots in buses, parking lots, and even a passenger ferry, these are all temporary solutions. Longer term, we must provide connectivity that is seamless, ubiquitous, and secure, where people need it most.

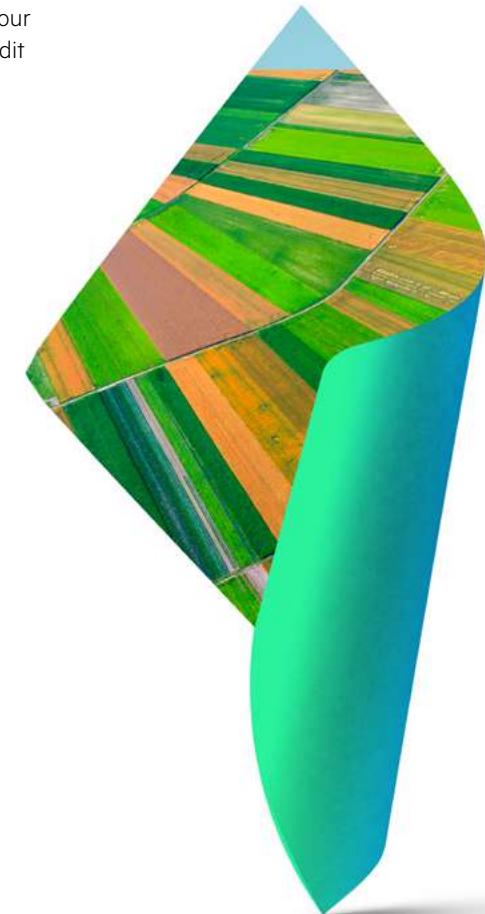
I REMAIN HUGELY OPTIMISTIC FOR OUR COMPANY AND SOCIETY AS A WHOLE

The challenges of 2020 have reinvigorated our commitment to being a force for good, using our technology to advance the way people live and work. As I look back on HPE's five-year history, I am proud that we have stayed focused on our customers' needs and our commitment to the UN's Sustainable Development Goals. The credit for that belongs to our HPE team members around the globe.

Regards,



Antonio Neri
President and Chief Executive Officer



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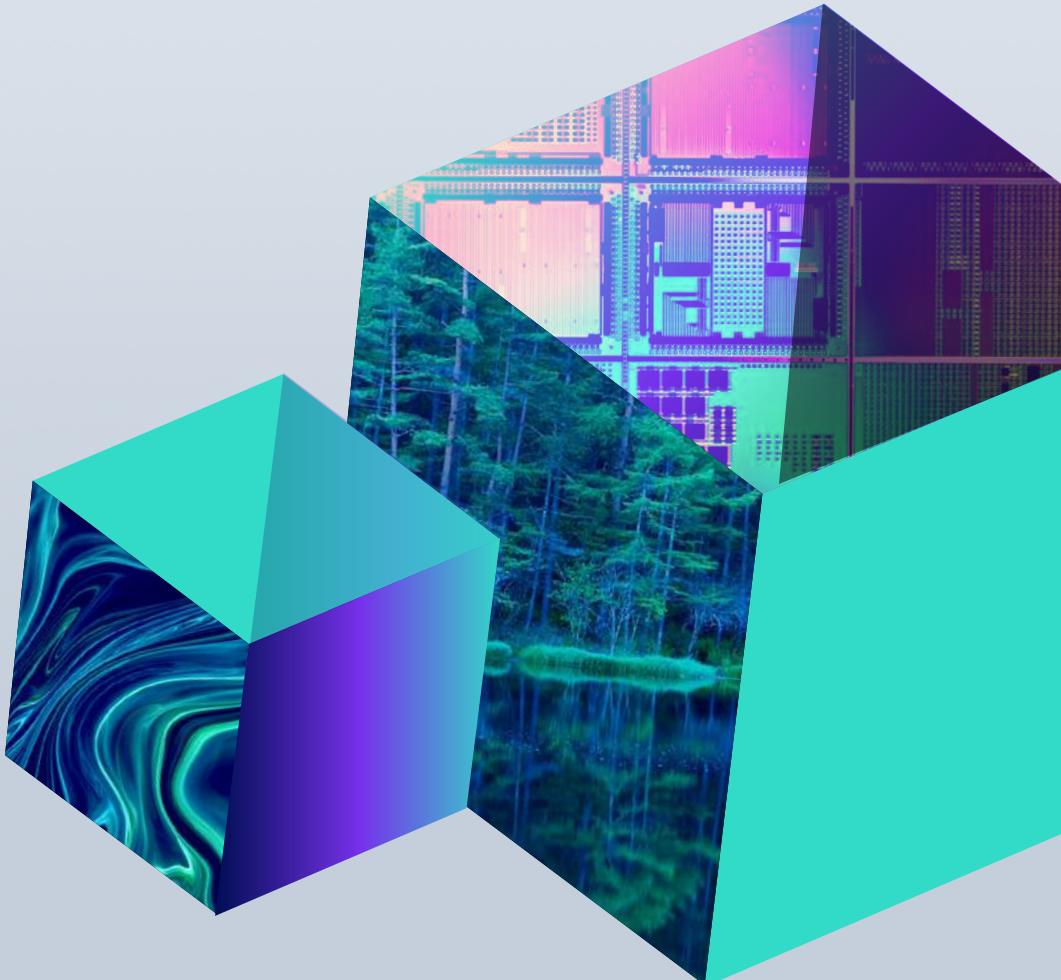
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Complete 2020 data, standards index, and statement of assurance can be found in the [2020 Data Summary](#)

LIVING PROGRESS OVERVIEW

Living Progress is HPE's business strategy for creating sustainable IT solutions that meet the technology demands of the future, while advancing the way people live and work. This strategy underpins our commitment to the environmental, social, and governance (ESG) factors most important to our business and our stakeholders.

We take an ESG lens to the decisions we make every day as a company. It guides our value of being an unconditionally inclusive organization and our commitment to equity, for our team members and our communities. It is also helping us become more climate-resilient, enabling HPE and our customers to thrive in a low-carbon future. Our edge-to-cloud platform as-a-service

strategy helps our customers transform and digitize their businesses while reducing our environmental footprint and expanding access to game-changing technologies.

A legacy of ESG leadership increases our competitiveness and differentiates us in the marketplace by helping our customers achieve their business objectives and sustainability goals, with no compromises. Our products and

services enable customers to unlock previously untapped data resources at an unprecedented rate to tackle social and environmental challenges across industries such as healthcare, manufacturing, finance, agriculture, and more. Together, we are shaping a sustainable and equitable future.



CREATING SHAREHOLDER VALUE

Sustainability performance has become a core business discipline within HPE. Our Living Progress program is an increasingly powerful component of our relationships with customers and investors. Our sustainability credentials provide a competitive advantage, support talent acquisition and retention, and ensure ongoing access to global markets.

ATTRACTING ESG INVESTMENT

HPE aims to maximize investment from funds that emphasize ESG performance—and to be transparent in our disclosures to them. Despite the COVID-19 pandemic, we maintained our ESG investor engagements in 2020, responding to select investor questionnaires, and holding a multi-investor webcast in July.

The webcast, hosted by Morgan Stanley, was attended by more than 60 individuals from dozens of investment organizations. HPE presented an overview of our sustainability initiatives and performance, highlighting how these translate to business value. We explained the alignment between sustainability and HPE's pivot to an as-a-service business, which we believe had not yet been fully appreciated by ESG investors.

2020 is the third year that we have followed the guidelines of the Taskforce on Climate-related Financial Disclosures (TCFD) to model the potential future financial impact of climate change on our business. Our analysis, shared in our [TCFD Index](#), suggests that the business opportunities from developing technology solutions for a low-carbon economy will significantly outweigh negative impacts on our business. We calculate our clean revenue figures annually, and in 2020, we published a [technical white paper](#) outlining our methodology for these calculations. This publication provided transparency about our own calculations and encouraged our industry to adopt a consistent approach to defining and measuring low-carbon IT.

The number and complexity of requests for ESG disclosure continues to multiply. We have therefore prioritized the top 12 organizations, systematically assessing their feedback with the aim of improving our disclosures year over year. HPE is included in the following rankings:

- Dow Jones Sustainability World Index (DJSI): nine consecutive years; sector leader in 2019 and 2020 (100th percentile)
- Sustainalytics: 80/100 score (96th percentile)
- CDP Climate A List: eight consecutive years (98th percentile)
- MSCI ESG: AA ranking (81st percentile)¹
- EcoVadis: Platinum level recognition (99th percentile)
- FTSE4Good Index Series: fifth consecutive year

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA



HPE is working to ensure the company is well positioned to emerge stronger, more agile, and digitally enabled for a post-COVID-19 world. On May 19, 2020, the HPE Board of Directors approved a cost optimization and prioritization plan in order to focus our investments, realign our workforce to areas of growth, and simplify and evolve our product portfolio strategy, go-to-market configurations, supply chain structures, digital customer support model, marketing experiences, and real estate strategies. Further information is available in our [2020 Annual Report on Form 10-K](#).

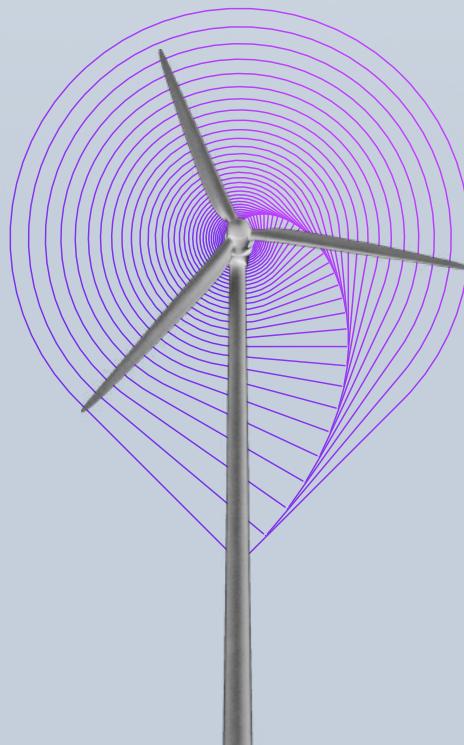
Building Customer Relationships

Interest in sustainability from private and public sectors continues to increase, with more than 1,600 inquiries received by HPE this year. Although COVID-19 curtailed in-person engagements, we and our customers adapted to videoconference meetings without any negative impact. Shorter video briefings were more efficient and, in some cases, attracted executives from our senior leadership.

In total, in 2020, our sustainability engagement reached customers representing \$2.7 billion in revenue. We estimate that these engagements helped drive approximately \$847 million in net revenue, an increase of almost 45% over the previous year. In one significant example, our sustainability engagement with multinational chemical company LyondellBasell sealed one of HPE's first data center-as-a-service contracts and our largest HPE GreenLake deal at the time.

“From the beginning of our engagement with LyondellBasell, we knew sustainability was a top priority for their CEO. Our ability to offer an environmentally sustainable solution set us apart. With consulting for HPE Pointnext Services, they are adopting a hybrid cloud model under HPE GreenLake that will enable them to drive environmental efficiency and digital transformation.”

*BRAD CUNNINGHAM,
HPE ENTERPRISE ACCOUNT MANAGER*



The trend of increasing interest in sustainability was most evident in Europe and North America. In Europe, our strongest markets for sustainability were the Nordic countries, the UK, Germany, France, and Switzerland. Customers engaging on sustainability were prominent in technology services and software, financial services, telecoms and media, retail, utilities, and healthcare.

Our sales teams capitalize on market signals by tailoring our sustainability engagements to individual customer needs. We focus on demonstrating how our IT efficiency and circularity capabilities benefit their operations, deliver cost savings, and overcome business challenges.

For example, HPE's as-a-service portfolio helps eliminate IT inefficiency by avoiding excess capacity and the associated environmental impacts—potentially yielding 30% CapEx savings² for customers.

“We have a longstanding relationship, collaborating to demonstrate how business and sustainability objectives can support each other to progress toward a circular economy. Most recently, HPE and BT partnered to implement HPE Certified Pre-owned IT equipment to extend the life of our legacy systems and to measure the impact and savings achieved.”

*GABRIELLE GINER,
HEAD OF ENVIRONMENTAL SUSTAINABILITY AT BT*

OUR COVID-19 RESPONSE

We are responding to the COVID-19 pandemic with initiatives to stabilize communities, support customers tackling unprecedented challenges, and provide technology to help organizations adapt and recover.

ENSURING BUSINESS CONTINUITY

The COVID-19 pandemic has been unprecedented in its scale and impact, necessitating a comprehensive and ongoing response to adapt to an uncertain future.

HPE's Business Continuity Program integrates continuity planning into our normal business processes. In early February 2020, at the onset of the pandemic, HPE activated our Crisis Management Teams (CMTs) across all countries and, shortly thereafter, activated the Corporate CMT as well as deployed a specialized COVID-19 CMT to support 24x7 decision-making. This team included representatives from HPE's Global Security, Human Resources, Legal, Global Operations, Corporate Communications, Global Real Estate, and Environment, Health & Safety (EH&S) organizations. From March through December 2020, the CMTs issued 66 Situation Reports to senior leadership and stakeholders and, to date, all 53 of these CMTs remain active.

In addition, our Board and its committees have overseen HPE's crisis management policies and response, holding 10 off-cycle meetings from March through December.

HPE's highly resilient and diversified financial model limits our exposure to the industries and smaller enterprises hardest hit by the pandemic. Although the COVID-19 outbreak disrupted our supply chain processes and created a delivery backlog, our robust continuity plans and long-term agreements with key suppliers allowed us to clear our backlog by the end of Q4 2020, and bring our total revenue back to pre-pandemic levels.

In addition, HPE executed several measures to ensure continuity for our customers, including:

- Doubling our inventory of high-usage parts and bringing those parts closer to our customers' locations
- Working with our parts suppliers to keep them operational during local shelter-in-place directives and with our channel partners to ensure all safe work standards are maintained



- Offering remote staff augmentation and management services to help manage critical workloads from a safe and secure location
- Providing remote access to our specialists via HPE MyRoom Visual Remote Guidance

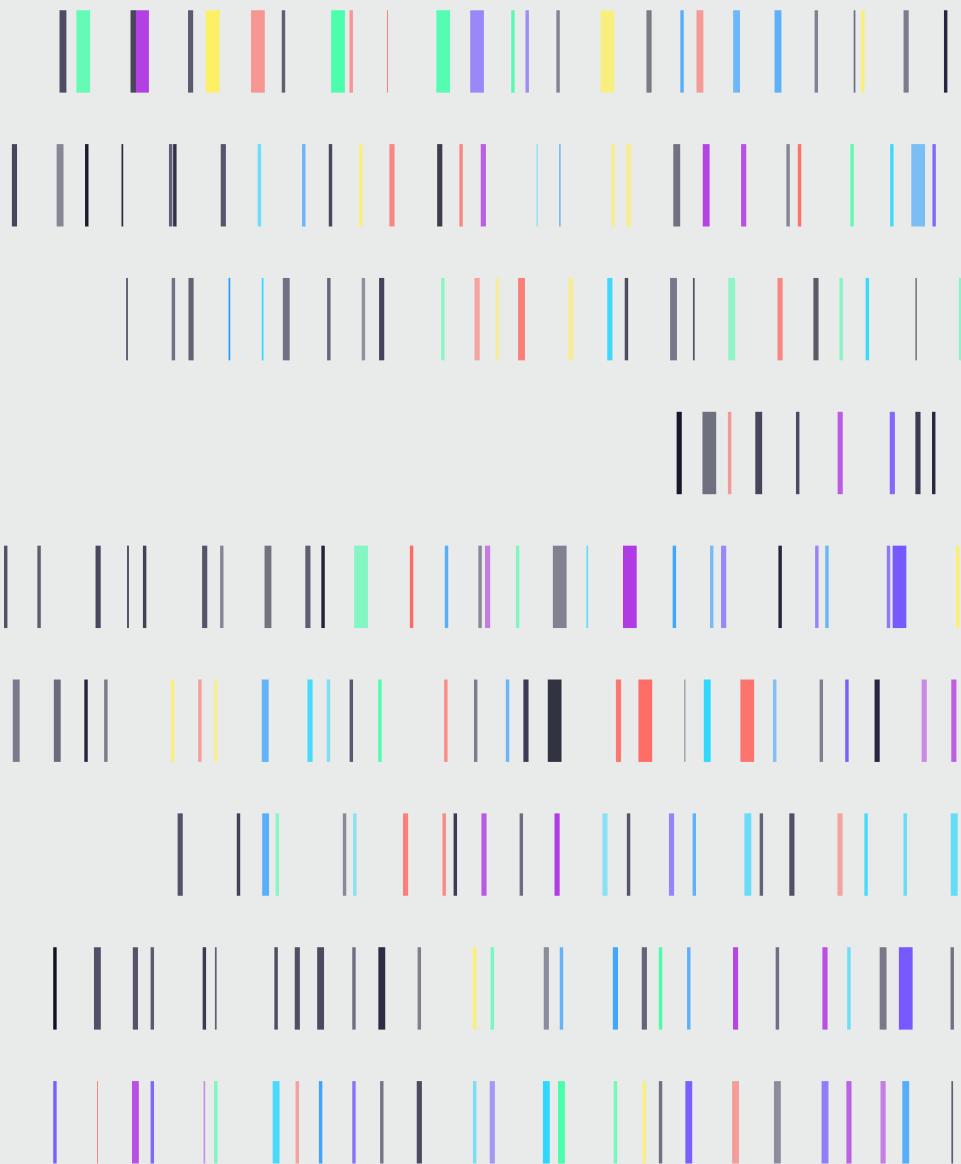
Long before COVID-19, HPE took steps to diversify our supply chain, and we are working closely with more than 200 suppliers to optimize how we build and distribute our products. We remain committed to upholding human rights in our supply chain and have taken many steps, in partnership with our suppliers, to help protect vulnerable worker populations and strengthen our suppliers' resilience.

As the impacts of COVID-19 reverberate across the globe, we see a tremendous need and responsibility to support a sustainable recovery by delivering solutions that advance IT resiliency, provide supply chain transparency, empower remote workforces, extend connectivity, reinvigorate customer engagement, and help organizations retool their business models. To this end, HPE CEO Antonio Neri is chairing the World Economic Forum's CEO Champions group on Accelerating Digital Transformation in a post-COVID-19 world, working with cross-industry leaders and experts to provide new frameworks and toolkits to enable large and small organizations alike to transform their businesses with people and planet in mind.

SUPPORTING OUR COMMUNITIES

HPE is proud to be a force for good in even the most trying of times—using our time, talent, and technology to help mitigate the impacts of the COVID-19 pandemic. Through an HPE Gives matching campaign and other philanthropic, community-based initiatives, our team members have together contributed \$27 million in cash and products to organizations aiding those most at risk during these difficult times. This included the donation of secure connectivity kits from Aruba to provision schools, pop-up clinics, testing sites, and temporary hospital facilities across the globe.

HPE is supporting critical COVID-19 research by partnering with the White House in a COVID-19 High Performance Computing (HPC) consortium, joining other industry and academic organizations to provide supercomputing software and applications expertise free of charge to support researchers. We are also facilitating the work of some of the world's leading research centers, including the U.S. Department of Energy's Argonne National Laboratory and Oak Ridge National Laboratory, by enabling them to run simulations on our HPC solutions to better understand the strains of the virus and develop drug treatments. In addition, HPE signed the Open COVID Pledge, granting free access to our patented technologies for the purpose of diagnosing, preventing, containing, and treating COVID-19.



SUPPORTING OUR CUSTOMERS

We have a long history of supporting our partners and customers through difficult times, and HPE stands ready to help with expertise, financial flexibility, and edge-to-cloud solutions that are helping our customers maintain business continuity and enable secure and productive operations from distributed and remote locations.

Providing financial flexibility

The demand for innovation and agility from IT is at a fever pitch, clearly accelerated by COVID-19; yet, many businesses faced an immediate need to preserve cash flow, defer or reduce expenses, and relieve capacity strains and delivery delays. They also needed to quickly explore different options to help them thrive over the long term in the new business landscape.

In April 2020, HPE Financial Services (HPEFS) announced more than \$2 billion in financing, specifically earmarked to help customers with their challenges stemming from the COVID-19 crisis. We developed several programs to respond to these liquidity and capacity crises, including a Payment Relief Program to help customers acquire new technology and reduce cash outlays until 2021, an Accelerated Migration program to convert existing IT assets into an incremental cash source, and Certified Pre-Owned technology offerings with ready-to-ship inventory.

Beyond these new programs, HPEFS accelerated the speed of its data-cleansing process at our global renewal centers. This enabled badly needed tech to be redeployed as quickly as possible. In addition, HPEFS created a new protocol for processing assets returned to our renewal centers by employees who were now working from home. An example of HPEFS's response to this unprecedented challenge is captured in a case study for Nationwide, one of the UK's largest financial institutions.

Other programs supported by HPEFS include HPE GreenLake Cloud Services, which helps organizations conserve capital and manage cash flow by delivering on-premises solutions as a service, thereby enabling them to pay for only the IT they use.

Solving connectivity challenges

The rapid shift to remote working posed significant obstacles for enterprises, challenging them not only to provide more connectivity and equipment capacity but also to ensure the security of their networks, data, and devices in a highly distributed environment. In response, HPE deployed a portfolio of solutions for remote access to corporate resources through Virtual Desktop Infrastructure that can be implemented quickly and scaled rapidly, as well as remote productivity expertise provided by HPE Pointnext Services to help organizations adapt their technology and workforce to new ways of working.



In addition, first responders, healthcare providers, and other industries on the frontlines urgently needed more capacity to meet surging demand, often in new, remote, or temporary locations. Our Aruba Remote Access Points saw a double-digit increase in demand, allowing organizations to extend their network and corporate resources to remote workers with secure, seamless connectivity. For instance, Aruba enabled [Vancouver Clinic](#) to fast-track two networking-centric initiatives in the wake of the pandemic: establishing a telemedicine program, from scratch, in less than a week, and expanding a virtual call center for frontline employees to enable many of them to work from home during the outbreak. In Italy, our Aruba team stepped up to help [Grandi Navi Veloce](#) rapidly convert a ferry into a temporary floating hospital to support as many as 400 patients.

Aruba solutions also supported schools as they pivoted to hosting distance learning and administration. [Bentonville City Schools](#) in Arkansas had just one business day to transition more than 18,000 students and 1,200 teachers to a digital learning platform. Aruba offered them a turn-key solution for outdoor Wi-Fi, including free use of [Aruba Central](#), to quickly configure and blanket a parking lot with fast, reliable wireless access.

PRIORITIZING OUR TEAM MEMBERS

The health and well-being of our team members remains our number one priority. Since March 2020, the majority of team members have worked from home, aside from a small number of team members performing mission-critical roles on-site with customers, including those helping set up pop-up hospitals and healthcare facilities.

Based on recommendations and best practices from public health organizations, governments, and industry, we have deployed a Reconstitution and Recovery Plan. We are taking a voluntary approach to returning to offices and to the field, taking into account any local regulations, family obligations, and health concerns. On HPE premises, physical distancing and related safety requirements must be met, office configurations and services have been adjusted accordingly, and COVID-19 Response Protocols have been implemented. The resumption of operations, including reopening or repopulating sites, travel or off-site events, and other business activities are aligned with and based on a phased risk analysis approach.

We are taking all appropriate measures to protect the health and safety of our team members and their families and have made education resources, wellness support, and personal protective supplies available.



In addition, the HPE Executive Committee held 13 All Team-Member Meetings in 2020 to keep our workforce updated on how the company is responding to the pandemic and to answer team-member questions.

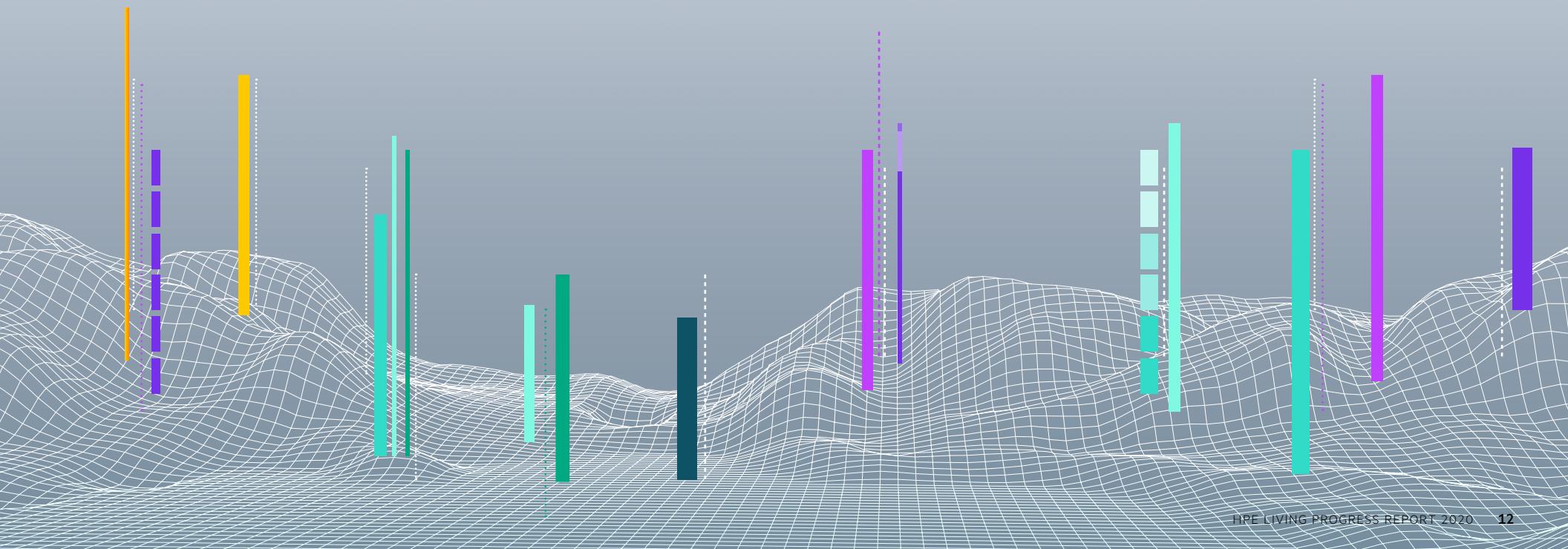
In response to concerns over the economic impact of COVID-19, we announced a long-term cost optimization and prioritization plan to focus our investments and realign our workforce to areas of growth while also adopting short-term cost-saving measures, including temporary base salary adjustments or unpaid leave for certain employees, along with hiring and salary freezes. Salary reductions,

which were terminated at the end of the fiscal year, varied based on the employee level, with the highest salary pay cuts hitting the HPE executive team. In the United States, we discontinued 401(k) contributions for the remainder of the calendar year. We upheld our commitment not to impose any layoffs or furloughs as a direct result of the pandemic, and we implemented our discretionary compensation framework to fund employee bonuses in recognition of our team members' dedication over the past year. Read more about [Employee development, engagement, and well-being](#).

SUSTAINABLE INNOVATION WITH CUSTOMERS

HPE doesn't just cut the environmental impact of our customers' IT—we radically enhance their capabilities to harness untapped big-data resources. This new age of insight is accelerating the development of solutions for complex social and environmental challenges.

Whether in medical research, low-carbon technology, food production, or many other fields, HPE's partnership is a key component of our customers' transition to a sustainable world.



GENERATING CLEAN ENERGY FROM THE OCEAN

Sustainability challenge

The untapped energy of the oceans could potentially add a significant source of emissions-free renewable energy to meet the global demand in a low-carbon world. Designing and optimizing durable, cost-effective machines to generate energy from ocean waves is a complex challenge demanding sophisticated computer modeling.

Customer need

Carnegie Clean Energy, an Australian wave energy technology developer, is well on its way to making wave power a reality.

The company is studying wave action to optimize the design of its floating structures that will harness energy from waves. This requires complex analysis of the interaction between the ocean and the buoy. Big-data computer modeling is essential to test the structures and fine-tune the design of the machine, before building and deploying in the ocean.

HPE solution

Carnegie teamed up with the Pawsey Supercomputing Centre in Kensington, Western Australia, for access to the HPE Cray XC40 high performance computing system. The Pawsey Supercomputing Centre supports researchers with supercomputing, data, and visualization services across a range of scientific fields.

The unpredictable nature of waves and the overall extremes of an ocean environment make designing an optimum energy-capture device a complex analytical challenge. Supercomputing and computational fluid dynamics are accelerating the design work, providing better understanding of how extreme waves affect ocean energy-capture devices and bringing Carnegie closer to a commercially viable wave-energy machine.

“The amount of energy landing on our shores is about five times what we consume. The science is clear: The world has to move toward renewable energy.”

JONATHAN FIEVEZ,
CEO, CARNEGIE CLEAN ENERGY



ENSURING GLOBAL FOOD SECURITY

Sustainability challenge

One of the most pressing challenges facing the world today is creating a sustainable global food supply. According to the World Health Organization (WHO), nearly 800 million people are chronically undernourished and 2 billion are micronutrient deficient.³ The food production system is under stress, with smaller farms globally in decline due to economic factors. These problems will significantly worsen as the World Economic Forum predicts a population of 9.8 billion by 2050, requiring an astonishing 70% more food than is consumed today. Understanding the drivers behind trends in global food systems is essential to address causes of biodiversity loss and support sustainable food systems.

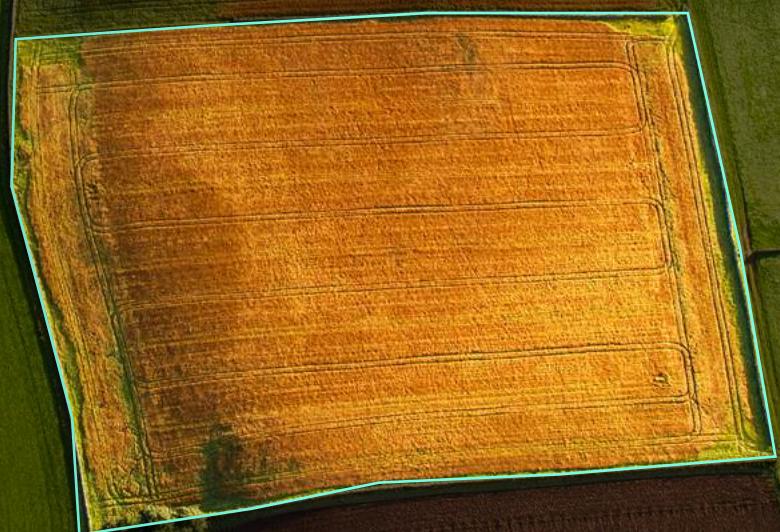
Customer need

Consultive Group for International Agricultural Research (CGIAR) is a global research partnership of 134 nonprofit institutes working in more than 100 countries on research toward reducing poverty, enhancing food and nutrition security, and improving natural resources.

To further these efforts, CGIAR needs to generate a real-time picture of what is happening in areas of significant food production around the world in order to detect and predict food security challenges and guide collective action to solve them. Enabling food system modeling that will accelerate these solutions requires data from multiple sources such as crop performance, weather records, and economic activity. It also requires the compute power to quickly analyze localized information across an array of food security contexts, many of which have been impacted by the COVID-19 pandemic.

HPE solution

HPE collaborated with CGIAR to uncover insights about food security challenges, which intensified due to COVID-19. HPE's Memory-Driven Computing Sandbox, a new computing architecture that puts memory, not processing, at the center of the computing platform, is delivering faster, more accurate analysis of the CGIAR data-sets than ever before, accelerating CGIAR's ability to deliver solutions to global food challenges around the globe.



HELPING BUSINESS NAVIGATE THE DIGITAL TRANSFORMATION

Sustainability challenge

In an increasingly digital world, organizations are struggling to scale their IT capabilities efficiently. This challenge has become increasingly complex amid the COVID-19 pandemic.

As workforces move to the edge, and resource limitations are at an all-time high, companies are faced with growing IT needs in a resource-constrained environment.

Customer need

Migros Ticaret is one of the largest supermarket chains in Turkey, with more than 2,200 stores and 28 warehouses. The retailer serves an estimated 160 million customers, employs more than 45,000 people, and works with 2,400 suppliers.

In 2019, Migros's business grew 23.9%—a rate of growth that, combined with significant changes to their workforce due to COVID-19, overwhelmed their outdated IT infrastructure. The company needed an IT solution that was flexible and efficient, allowing it to keep pace with digitization while using minimal resources.

HPE solution

Migros Ticaret replaced their traditional storage-server environment with HPE SimpliVity, a hyperconverged infrastructure that offers enterprise-class performance, data protection, and resiliency.

HPE SimpliVity reduced Migros Ticaret's operational risks from IT failure and reduced the IT resources needed to manage the system. Their infrastructure has been able to seamlessly scale and respond to evolving needs during the pandemic, including enabling employees to work from home, meet growing consumer needs, and support retail operations 24/7.

In addition to operational benefits, HPE SimpliVity provided a sustainable IT solution, resulting in a 70% reduction in IT energy use and increased virtualization efficiency ratios for their servers, applications, desktops, and continual platforms.

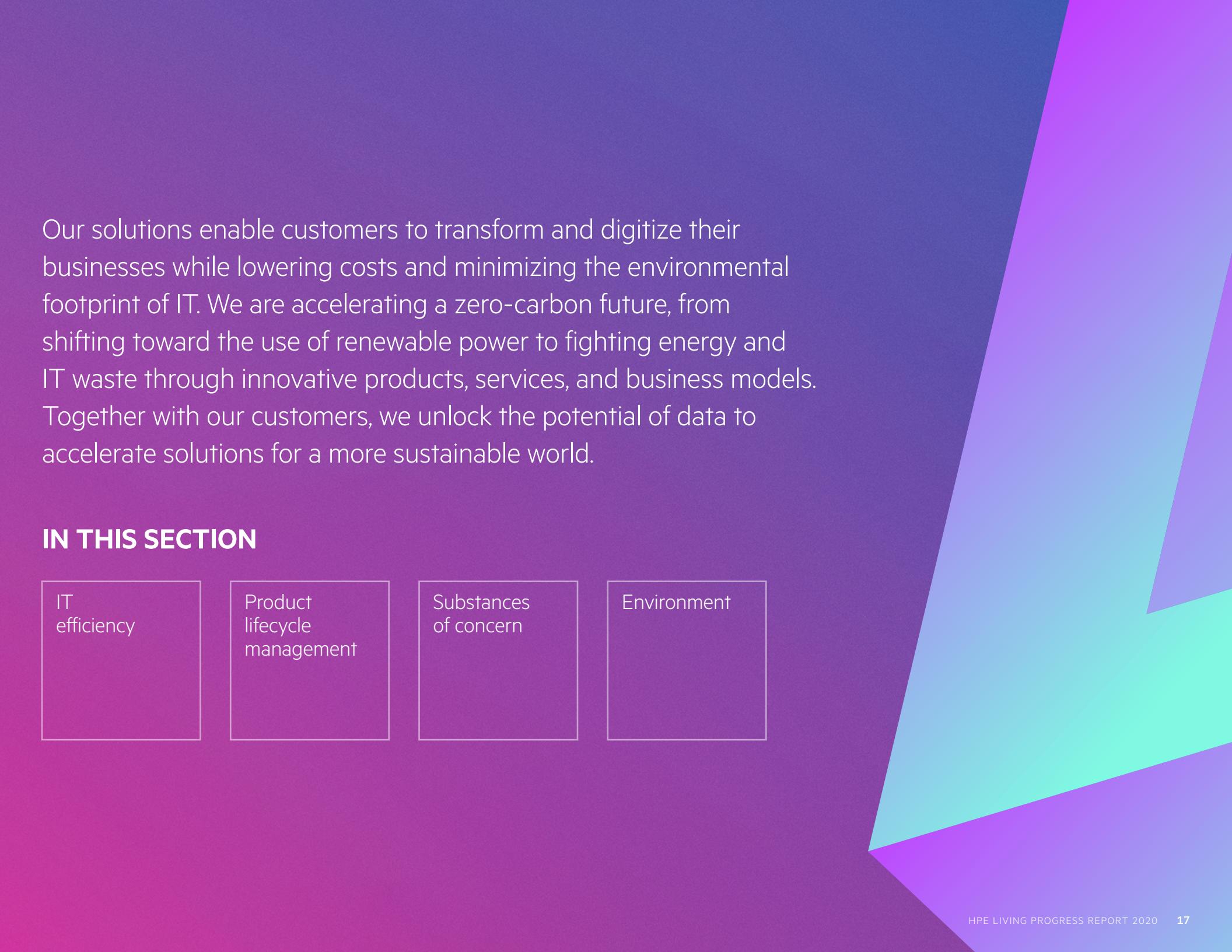




DRIVING A CIRCULAR AND LOW-CARBON ECONOMY

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Our solutions enable customers to transform and digitize their businesses while lowering costs and minimizing the environmental footprint of IT. We are accelerating a zero-carbon future, from shifting toward the use of renewable power to fighting energy and IT waste through innovative products, services, and business models. Together with our customers, we unlock the potential of data to accelerate solutions for a more sustainable world.

IN THIS SECTION

IT efficiency

Product lifecycle management

Substances of concern

Environment

IT EFFICIENCY

Our uncompromising pursuit of IT efficiency produces tech solutions that offer more possibilities with a smaller environmental impact. With our innovative products and services, we transform our customers' IT infrastructure to minimize their environmental footprint, optimize performance, and reduce costs.

THE CLIMATE IMPACT OF THE DIGITAL UNIVERSE

The number of people and devices connected to the internet continues to climb. By 2025, an estimated 61%⁴ of the world's population and 41.6⁵ billion Internet of Things (IoT) devices will be online. The expansion is improving livelihoods and driving productivity, but we cannot ignore a fundamental issue: The rapid growth of the digital universe and its energy consumption is contributing to climate change. The electricity consumption of information and communications technology (ICT), which includes enterprise IT, is growing between 6% and 9% per year, and the pandemic has accelerated the digitalization of many organizations' operations.

We relentlessly pursue IT efficiency, motivated by the well-established business case, the scale

of the opportunity, and our concern for the planet. We work to reduce the carbon footprint of enterprise IT across its lifecycle, from design to end-of-use. The use phase, where 80% of the carbon footprint of compute devices is generated, is our greatest opportunity.

A 360-degree view of IT efficiency

Our customers rely on us to accelerate their digital transformations in a way that adds business value while minimizing cost and environmental impact. Our holistic IT efficiency framework includes four areas: energy efficiency, equipment efficiency, resource efficiency, and software efficiency. Approximately 50% of HPE's portfolio has sustainability and IT efficiency attributes, representing \$8.2 billion in revenue.⁶ In 2020, we helped customers make IT efficiency gains through our as-a-service delivery model, energy effective technologies, and software solutions.



AS A SERVICE, FROM EDGE TO CLOUD

By 2022, HPE will offer its entire portfolio as a service, with a range of subscription, pay-per-use, and consumption-driven offerings. Our as a service delivery model addresses a challenge many companies face: effectively managing several divergent IT platforms—some in the cloud, on-premises, and at the edge. 70%⁷ of applications remain outside of the public cloud and by 2023 more than half of all enterprise data will be created and processed at the edge.⁸

HPE GreenLake, our as-a-service offering, optimizes customer IT estates while executing an effective hybrid multi-cloud delivery model. In 2020, an HPE study demonstrated that HPE GreenLake can reduce energy consumption by more than 30% compared to traditional models. It also helps customers become more efficient by:

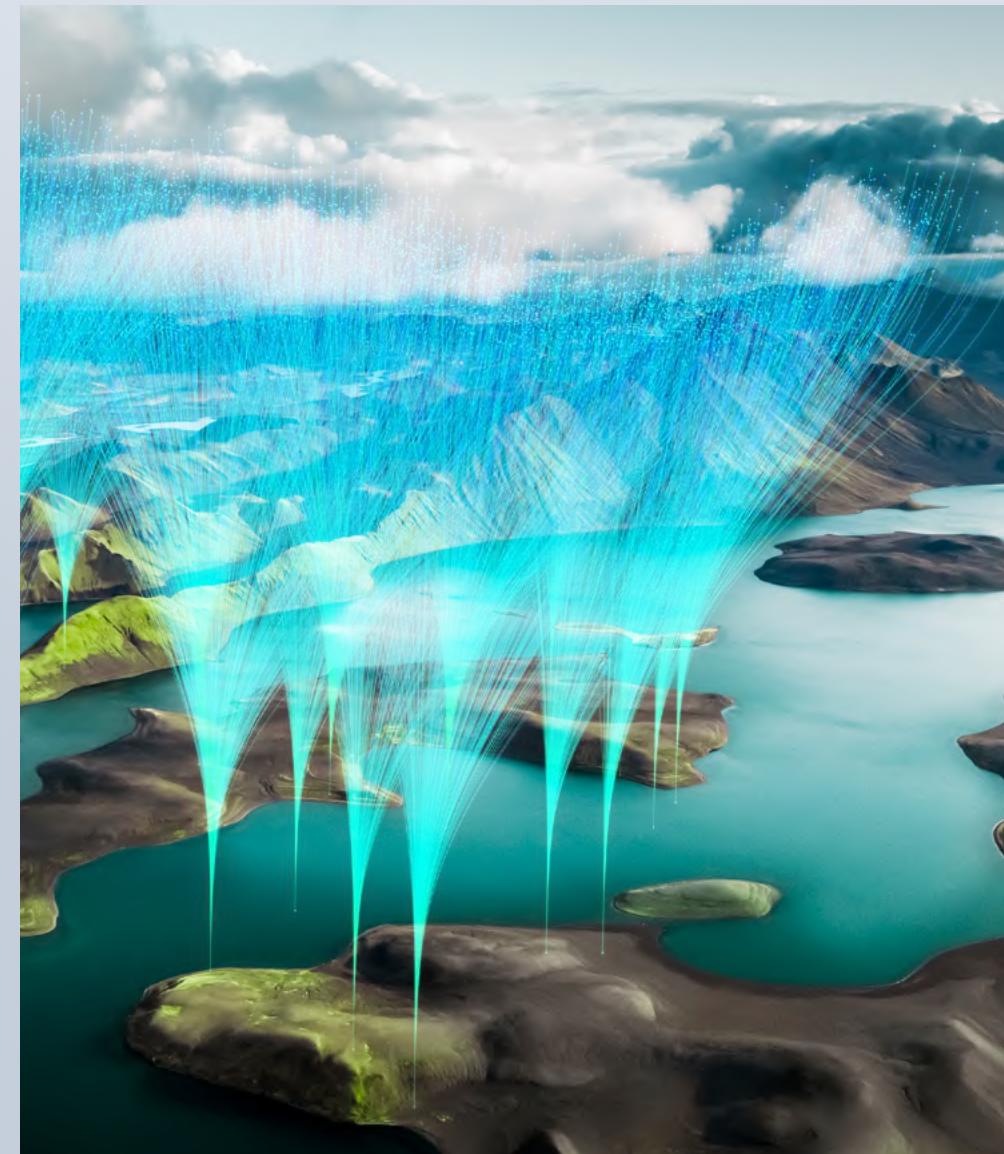
- Providing intelligent workload and power management systems
- Reducing overprovisioning with instantly deployable buffer capacity and demand planning dashboard
- Improving utilization levels by monitoring device demand and available storage in real-time
- Optimizing the server refresh cycle, which generates operational savings and maximizes residual value

- Enabling customers to quickly scale up or down their IT resources to match fluctuating workloads

In 2020, we launched HPE GreenLake Central, an as-a-service software platform with a single control pane where customers can manage their entire IT estate. The platform drives efficiency through automation, data insights, and built in compliance and governance tools.

The potential of HPE GreenLake is further magnified when combined with effective solutions such as consumption-based composable infrastructure. In one use case, a customer accessing HPE Synergy composable infrastructure reduced IT capital expenditures by 80% and lowered their carbon footprint by 50%.

In order to deliver a cloud experience at the edge, we launched Aruba ESP in 2020, which can be consumed either as a service in the cloud or on-premises, as a managed service, or via network as a service through HPE GreenLake. The AIOps capabilities of Aruba ESP ensure reliable, optimized network operations by revealing and troubleshooting issues before they impact the business. In addition to automation and optimization benefits of our Network as-a-service solutions, edge deployments have inherent efficiency benefits. A fully distributed architecture requires less data center equipment, cooling needs, and networks for data transport. On average, this can consume between 14% and 25% less energy than centralized and partly distributed architectures, respectively.⁹



IMPROVING PORTFOLIO ENERGY PERFORMANCE

Data center efficiency

As the digital universe expands, so does the footprint of the data centers that power it. It is projected that data centers will consume 3% of global electricity by 2025¹⁰. We can minimize the carbon footprint of data centers by enabling greater energy effectiveness.

Our goal is to increase our product energy performance to 30x our 2015 baseline by 2025. To achieve this goal, we are improving our existing portfolio and bringing better products to market each year. In 2020, we increased our product energy performance to 3.2x our 2015 baseline and introduced:

- HPE Apollo Platform Manager, which includes an environmental module so users can monitor and regulate power use, as well as make other adjustments to improve efficiency
- HPE HCI 2.0, which disaggregates compute from storage resources, giving IT managers the ability to adjust one without the other. In one use case, a customer reduced operating costs by 50%, improved workload performance times by 100%, and achieved 50% faster application provisioning.

High-performance computing

We are increasing the computing capacity and reliability of high-performance supercomputers while reducing their energy consumption. This is critical as the prevalence of high-performance computers in data centers grows. The HPE Apollo 2000 Gen10 Plus system with 2nd generation AMD EPYC™ processors, is the world's most energy-efficient multi-node platform having achieved 10 energy-efficiency records and two firsts on the SPECpower_ssj2008 benchmark.



78

**HPE and Cray have
78 supercomputers on the
November 2020 Green 500 list**

REDUCING THE ENVIRONMENTAL FOOTPRINT OF SUPERCOMPUTING

ABB AND HPE REDUCE SUPERCOMPUTER ENERGY CONSUMPTION

In 2020, HPE's Cray supercomputers began using ABB's higher-voltage direct current power supply solution to increase computing capacity and reliability. The improved supercomputers are built with fewer raw materials, have up to 95% fewer power losses, and optimize energy efficiency through real-time monitoring of computing loads as well as thermal and power aspects. When combined with ABB Ability™ Data Center Automation, the correlation between workload and CPU dynamics with cooling of data centers is automated, producing up to a 30% reduction in energy use.

EFFICIENT SUPERCOMPUTING MINIMIZES ENERGY AND WATER USE AT NASA SITE

The Modular Supercomputing Facility (MSF), jointly developed by HPE and NASA, uses supercomputers to support space missions. NASA's Aitken supercomputer, powered by HPE, is helping prepare for a 2024 mission to the moon. During the MSF's first year of operations, Aitken consumed only 16% of the energy needed for cooling, saving over \$100,000 in costs and 1.4 million kilowatt-hours of energy. It also reduced water usage for cooling by 91%, saving over 1 million gallons of water per day.

CASE STUDY



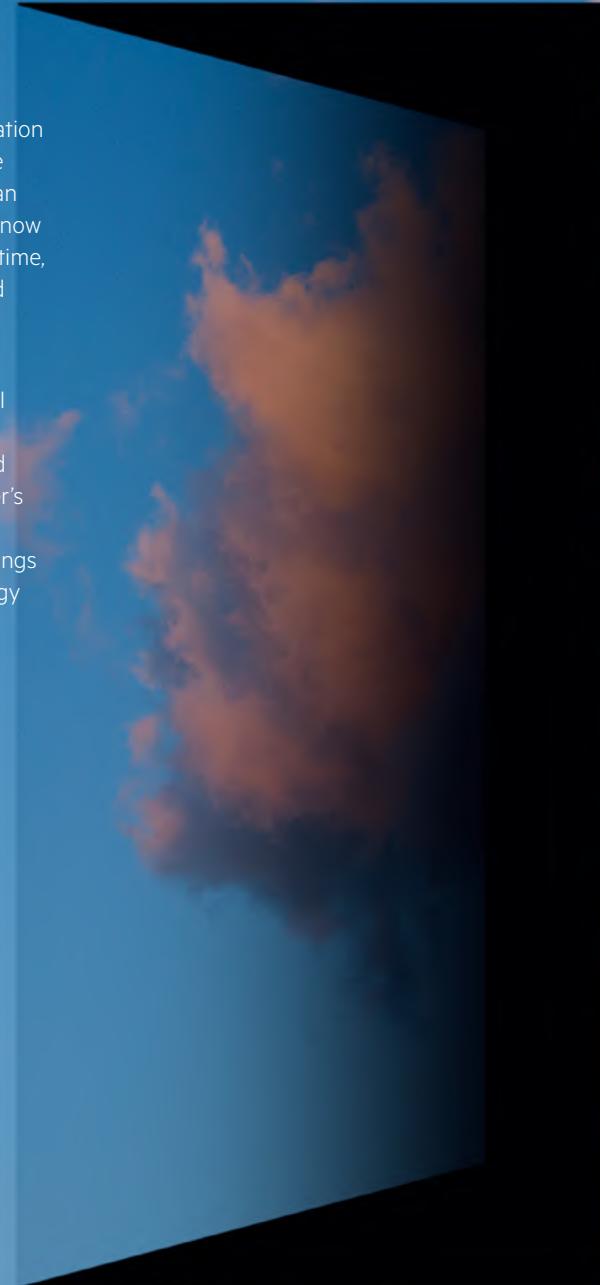
PIONEERING SOFTWARE SOLUTIONS

Software efficiency became the fourth pillar of our IT Efficiency framework in 2020 and includes two concepts. First, writing efficient code and second, using intelligent software to automate environments, achieve efficiencies, and improve management practices.

Intelligent software is enabled by artificial intelligence (AI)—a technology that can increase carbon emissions or eliminate them, depending on the circumstances. We recognize that AI requires significant compute power to train and use large machine-learning models. To address this challenge, our technologists are exploring techniques to generate more efficient machine learning lifecycles, from training to inference. These techniques include bringing on partners that are specialized in software optimization or that can develop hardware to limit the compute power needed.

We are also improving efficiency by integrating AI into our software offerings. This approach will help customers complete more work in less time and reduce the need for overprovisioned and redundant equipment. In 2020, we realized efficiency gains through new or improved software:

- **HPE InfoSight** optimizes capacity utilization and reduces storage spend. In 2020, we announced that, with HPE Infosight as an embedded AI engine, HPE Primera can now self-optimize system operations in real-time, saving up to \$1 million in storage spend and reducing CPU utilization by 50%.
- **HPE OneView**, our infrastructure management software, has a unified API that integrates with a broad ecosystem of third-party management services and tools. In 2020, we converged a customer's IT and OT systems using HPE OneView and achieved more than \$270,000 savings per 1000m² per year and reduced energy consumption by more than 20%.



DRIVING EFFICIENCY AND RESILIENCE AT U.S. DOE WITH PREDICTIVE ANALYTICS

HPE and the U.S. Department of Energy (DOE) used predictive analytics and machine learning to optimize power and cooling systems for the National Renewable Energy Lab (NREL) supercomputer, Eagle. Eagle is 3.5 times more powerful than NREL's current system dedicated to energy research and can capture 97% of its waste heat for re-use in offices and lab space.

The goal of this project was to find further efficiencies by using data collected from the supercomputers to optimize the energy and water used to maintain data center operations as well as by implementing

automation. Because a large portion of the carbon footprint is associated with the operational staff needed, automation can help to significantly reduce environmental impacts.

This effort is part of the HPE and Path Forward partnership working to accelerate the nation's tech roadmap for exascale computing sustainably.

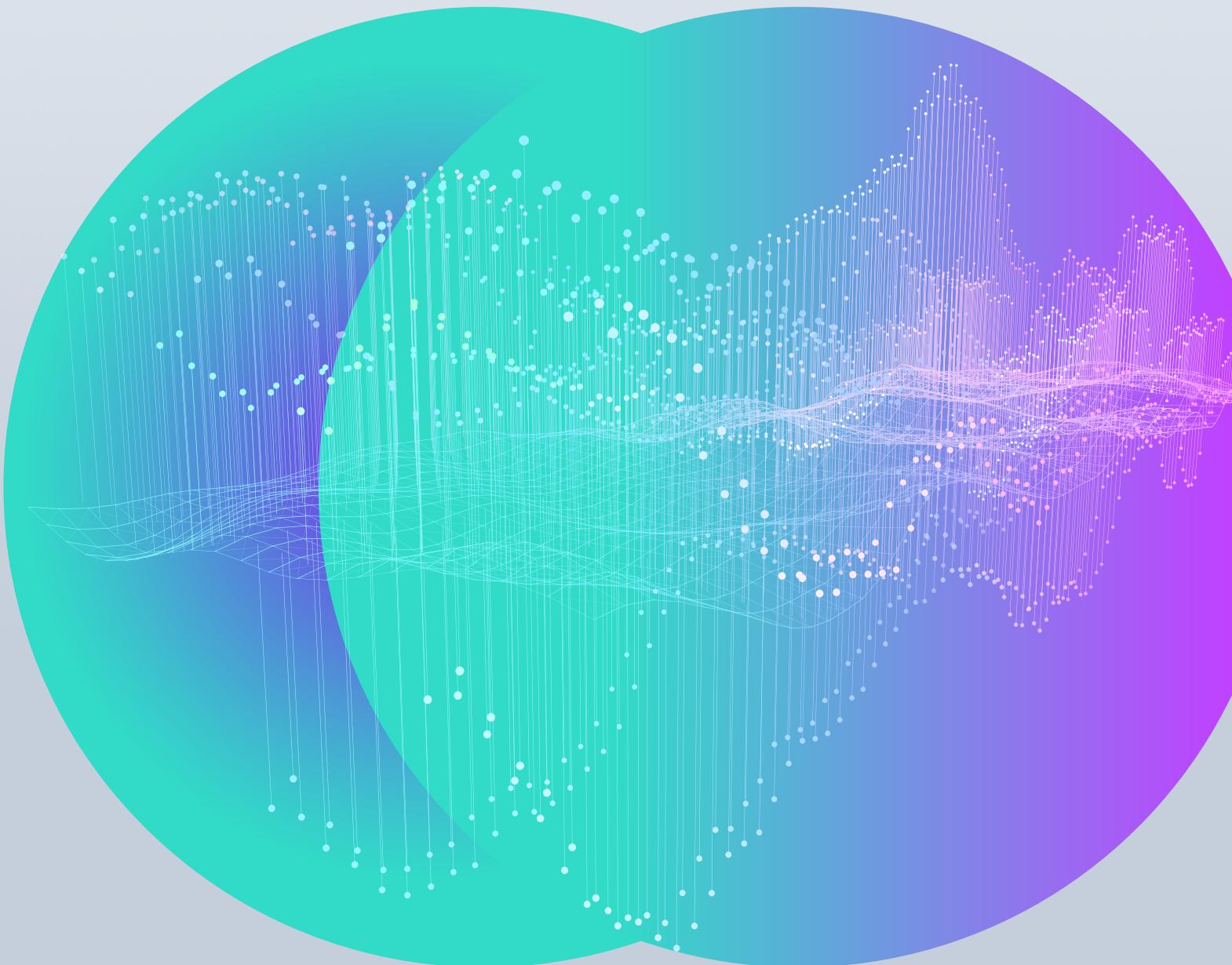


CASE STUDY

INVESTING IN BREAKTHROUGH TECHNOLOGY

In 2020, HPE spent \$1.9 billion in research and development, investing in next-generation technologies including advanced silicon design, photonics, exascale, and Memory-Driven Computing. This research offers the potential to dramatically accelerate processing while using less energy than current compute technologies.

Engineers and researchers at Hewlett Packard Labs are delivering new capabilities through advanced silicon design. Together, they are designing chips that work better than general-purpose processors in current applications such as machine learning and device-to-device communication. In one experiment, Labs combined multiple chips in a single package to achieve high performance at lower cost and power. The output was a network switch that delivered industry-leading capability, cost, performance, and reliability. It delivers more than 12 terabits per second of aggregate bandwidth using 45% less power.



PRODUCT LIFECYCLE MANAGEMENT

Our approach to product lifecycle management enables us to deliver superior design of solutions and business models to our customers, lowering their power and resource consumption, reducing waste, and recovering end-of-use value.

OUR LIFECYCLE APPROACH

At HPE, our approach to the circular economy has many on-ramps, allowing customers to partake in its financial and environmental benefits at various stages in the lifecycle. The customer use-phase constitutes the majority of HPE's environmental footprint, so we place a high priority on developing innovative solutions—starting from how we design and deliver our products to how materials are recovered.

Our transformation to deliver our entire portfolio as a service offers an innately circular business model, helping our customers to eliminate wasted infrastructure and promoting producer responsibility by ensuring we maintain custody over equipment throughout its lifecycle.

DESIGN FOR CIRCULARITY

Sustainable product design is a longstanding cornerstone of our strategy to minimize the environmental and social impact of our products. Our internal approach, grounded in our Design for Environment principles, has evolved for nearly 30 years to lower product power consumption and reduce waste, resulting in improved total cost of ownership for our customers and contributing to a more circular economy.

The following principles guide our engineers and product stewards:

Design for energy efficiency

We strive to improve the energy efficiency and energy effectiveness of our products and solutions to enable our customers to support their growing compute, storage, and connectivity needs with the lowest input of power possible.



Customer requests for [product carbon footprints](#) (PCFs) are increasing. The PCFs provide an estimate for the overall carbon footprint of a product throughout its lifecycle. At HPE, we calculate PCFs for the highest volume of sold products using a streamlined lifecycle analysis (LCA) tool, Product Attribute to Impact Algorithm (PAIA). These reports identify the components or processes that HPE should prioritize to minimize our downstream footprint and can help our customers to evaluate and report the carbon emissions of their own IT estates. The PCF for our HPE ProLiant DL360 Gen10 server is shown here for demonstrative purposes, affirming our focus on improving the energy performance of our portfolio.

HPE uses our [Power Advisor](#) tool to calculate the total energy consumption of HPE products during their use phase and offers this tool to customers to accurately estimate the power needs and cost-of-ownership of their HPE server and storage products.

In 2020, we provided 182 PCFs to our customers, an 8x increase in the number of PCFs delivered in 2019.

Read information regarding our approach to [efficient IT](#).

Design for materials innovation

We choose materials with the lowest environmental impact wherever possible and engineer efficient solutions that conserve natural resources by dematerializing IT infrastructure. For instance, [HPE composable infrastructure](#) leads to more effective

resource utilization by eliminating the need to deploy and manage separate workload-specific environments, and [HPE GreenLake](#) as-a-service delivery models reduce the need for overprovisioned, idle assets while facilitating asset reuse.

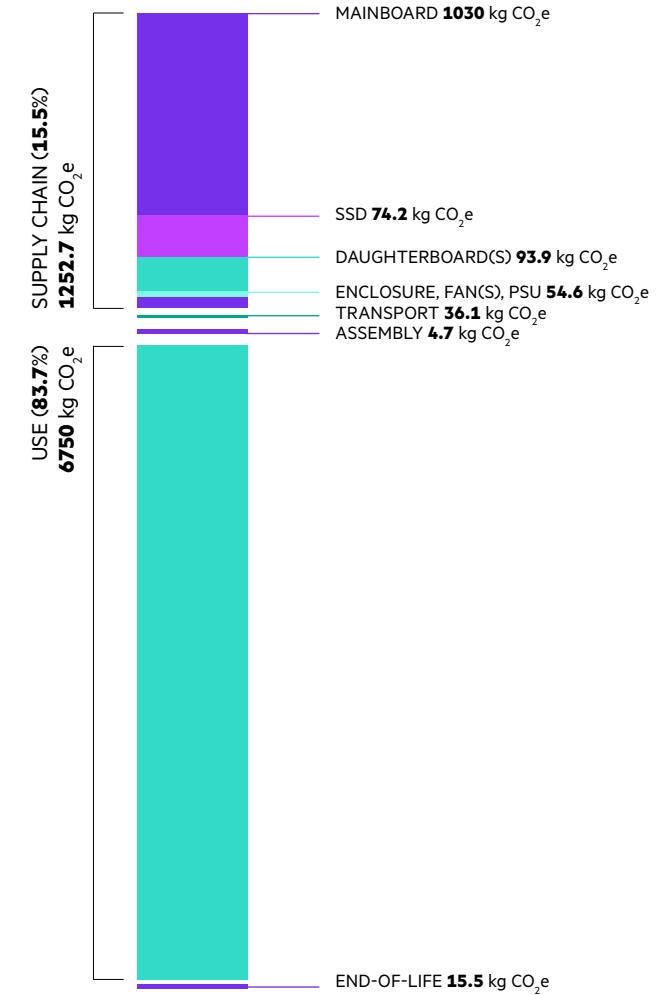
We also recognize plastic pollution is a widespread problem and, although HPE only uses small amounts, we do our part to address the issue. In 2019, HPE piloted post-consumer recycled (PCR) resin as a replacement for new, non-recycled plastic for HPE servers. In 2020, we confirmed plans to manufacture the end cap of the HPE Synergy server line with PCR plastic beginning in 2021. The PCR plastic is estimated to be 3.5% less expensive and has a lower logistical footprint given the material supplier is located in the same region as our manufacturing site in Singapore.

Design for longevity and recyclability

We make it easier for our customers to extend the useful life of HPE products by designing for longer lifecycles and providing guidance on self-repair and upgrades, including spare parts availability. Our products are designed for disassembly, which enables them to be broken down to the component level for ease of refurbishing or recycling.

We calculate and improve our products' end-of-life recyclability using the Recyclability Assessment Tool (RAT). Based on these assessments, we estimate that HPE product material is more than 90% recyclable on average. Learn more about our [material composition and the recyclability of HPE products](#).

PRODUCT CARBON FOOTPRINT HPE PROLIANT DL360 GEN10 SERVER



REDUCING THE IT FOOTPRINT OF DIGITAL BANKING

MKB Bank is a growing digital bank that needed to evolve from its legacy infrastructure and siloed operations to a more flexible and cost-effective digital platform. MKB Bank chose HPE Synergy composable infrastructure, a software-defined solution that dynamically manages resources, and a flexible, consumption-based IT model to enable easy scalability.

As a result, MKB Bank was able to reduce physical devices by 70%. The density of HPE Synergy enabled the bank to reduce the number of physical servers from 120 to 30 while the consumption-based model reduced operational and support fees by 20% compared to their previous infrastructure, for which they expect a full return on investment within three to five years.

As MKB Bank advances its digital banking initiative, they expect these efficiencies to play a key role in achieving greater competitiveness and helping the bank expand into new markets.

CASE STUDY

PACKAGING INNOVATION

At HPE, we're committed to using efficient, sustainable, and protective packaging to deliver our products. Our innovative approach considers the balance of sustainable materials, creative design, and more efficient logistics with hardware safety and financial savings. In addition, we have an ongoing effort to offer bulk packaging to customers that has been well-received, most specifically in the 1U and 2U server product lines.

In 2020 we increased our use of recycled content by redesigning the wood pallet component, which is typically built from virgin materials, with a hybrid design that is made of 60% reclaimed wood and 30%

sustainable materials. The new wood pallet design weighs 44% less, reducing the carbon footprint of the packaging and logistics. The innovative packaging improvements have been acknowledged with three new awards—the AsiaStar 2020 Award, World Star Award, and SPS Packaging Award.

Also in 2020, we established a Packaging Governance Committee, a cross-functional team tasked with advancing our commitment to packaging innovation across the business. The team was instrumental in an effort to consolidate the number of box options in our portfolio by almost 50%, with a 2021 goal of a 70% overall reduction. Benefits of the project include simplified procurement

practices, reduction in inventory and waste, and overall cost savings.

MARKET ACCESS

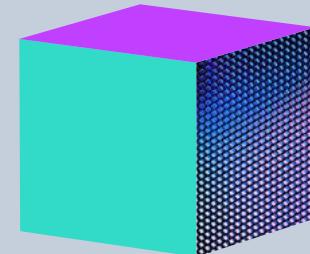
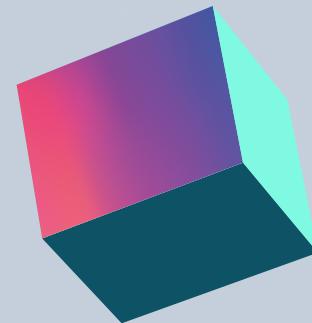
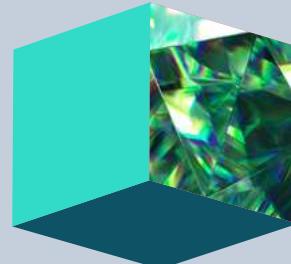
To ensure market access across the globe, many HPE products are certified by eco-labels such as [Electronic Product Environmental Assessment Tool \(EPEAT\)](#), [ENERGY STAR® 80 Plus](#), [China SEPA](#), and the [China Energy Conservation Program \(CECP\)](#).

As a best practice, HPE produces [IT Eco Declarations](#) for each new product, offering customers and other stakeholders visibility into product components and guidelines for responsible end-of-use management. In addition, we have published

a set of [Sustainable IT Purchasing Guidelines](#) to help customers integrate sustainability considerations into their procurement criteria.

Building upon our leadership in co-developing the EPEAT standard for servers, we played an influential role in the development of a new EPEAT standard for networking equipment, set to be released in 2021.

In an effort to continually expand our eco-label portfolio, we announced in early 2021 that HPE became the first enterprise IT company to offer [TCO Certified](#) data center products. This world-leading certification covers both social and environmental criteria and is independently verified, helping our customers make responsible purchasing choices.



EXTENDING PRODUCT LIFE

One of the key tenets of the circular economy is to keep assets in use longer to reduce raw material extraction and minimize e-waste. As businesses upgrade to higher-performing, more energy-efficient devices, or transition to an as-a-service delivery model with their existing tech or with pre-owned technology, they may face the challenge of managing legacy equipment.

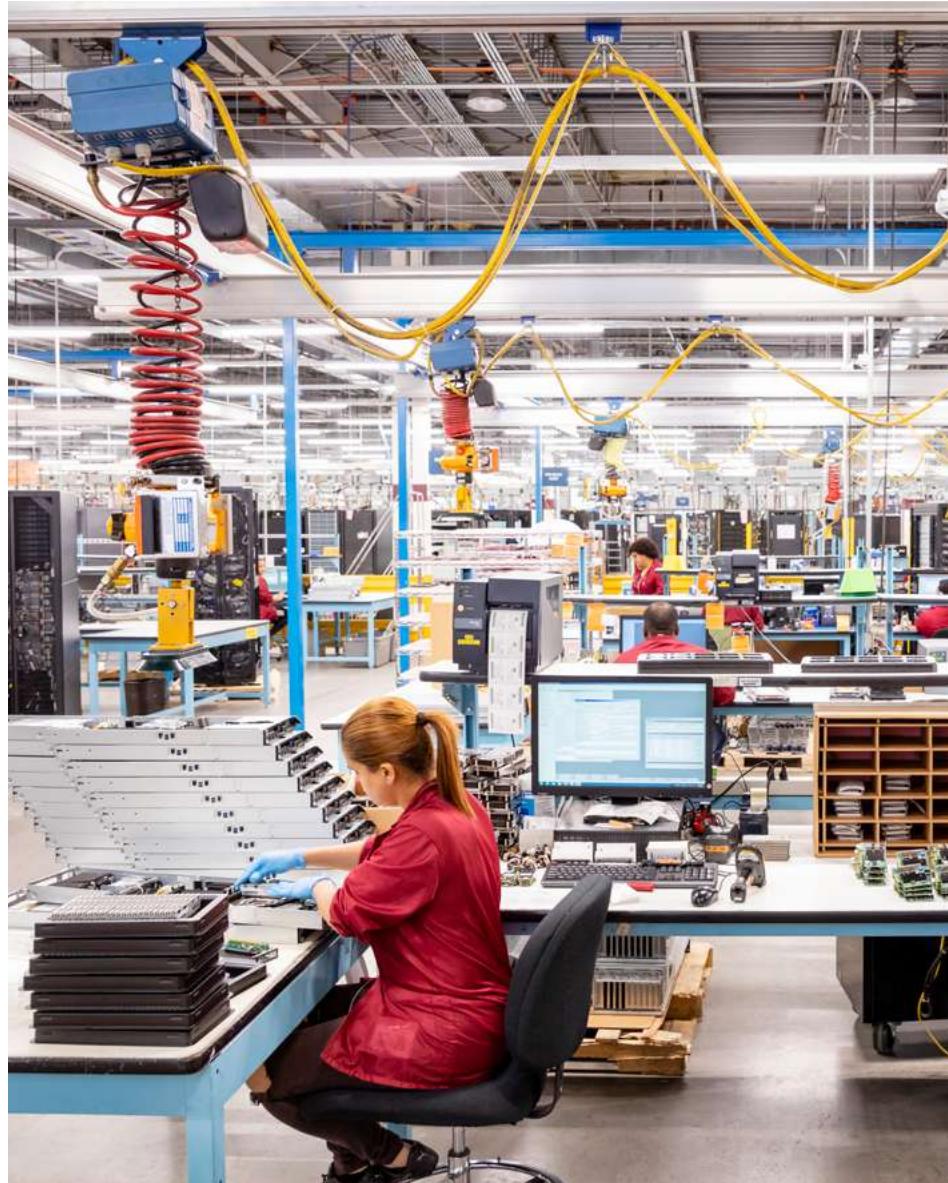
At HPE, we recover displaced or aging assets and ensure they are responsibly and securely retired in order to eliminate risk, protect customers' reputations and extend products' useful life. Our Technology Renewal Centers (TRCs) are the largest IT manufacturer refurbishing facilities in the world. In 2020 alone, we processed 3.1 million assets weighing more than 35 million pounds. We remarketed nearly 90% of those assets and recycled the remainder in a secure, environmentally responsible way. In addition, HPE's extensive network of partners and facilities enable us to take back technology from 58 countries around the globe.

Nearly 90% of the 3.1 million assets processed by HPE Technology Renewal Centers were remarketed for a second life.



HPE offers multiple programs across our global markets to encourage participation in the circular economy, including:

- **HPE Renew**—offers a comprehensive portfolio of products that undergo complete remanufacturing and testing processes, fully restoring them to meet HPE stringent quality standards and ensuring they meet all original factory specifications with at least 15% financial savings.
- **HPE Asset Upcycling**—provides customers with IT equipment removal, data overwriting, and asset-level tracking in an environmentally responsible way. Additionally, HPE provides customers with the true market value of their assets for reinvestment in new IT initiatives. In the last five years, we infused more than \$400 million back into customers' budgets with [HPE Asset Upcycling Services](#).
- **HPE Certified Pre-Owned**—extends the life of legacy systems through reliable, certified pre-owned IT equipment. The entire HPE inventory is available and includes products released from 18 months up to 25 years ago. Our customers can accelerate innovation by freeing up budgets historically dedicated to maintaining legacy and/or non-revenue-generating systems.



- **Hardware recycling**—when end-of-use refurbishing of hardware and components isn't an option, we assist HPE customers with recycling in 58 countries globally. All of our hardware recycling vendors must adhere to our [HPE Hardware Recycling Standards](#). In addition, HPE ensures conformance to standards through an independent auditing firm that conducts cyclical audits. HPE strives to recycle in-country to avoid exporting electronic waste across borders. Exporting electronic waste from developed countries (OECD and European Union) to developing countries (non-OECD countries, outside the EU) is not allowed by [HPE's Policy on Export of Electronic Waste to Developing Countries](#).

Manage what you measure

We help our customers track progress toward their business and sustainability goals through our [Circular Economy Report](#) offering, which provides our customers with information about the carbon, energy, material, and landfill savings achieved by returning retired or end-of-use assets to HPE for processing through our TRCs. This report also helps companies to disclose their impacts in line with reporting frameworks such as CDP. Since its launch in 2019, we received requests from customers to calculate savings achieved through our circular economy programs, totaling 24,194 metric tons of CO₂e avoided, 1,177,083 MWh of energy saved, and 24,734 metric tons of waste diverted.

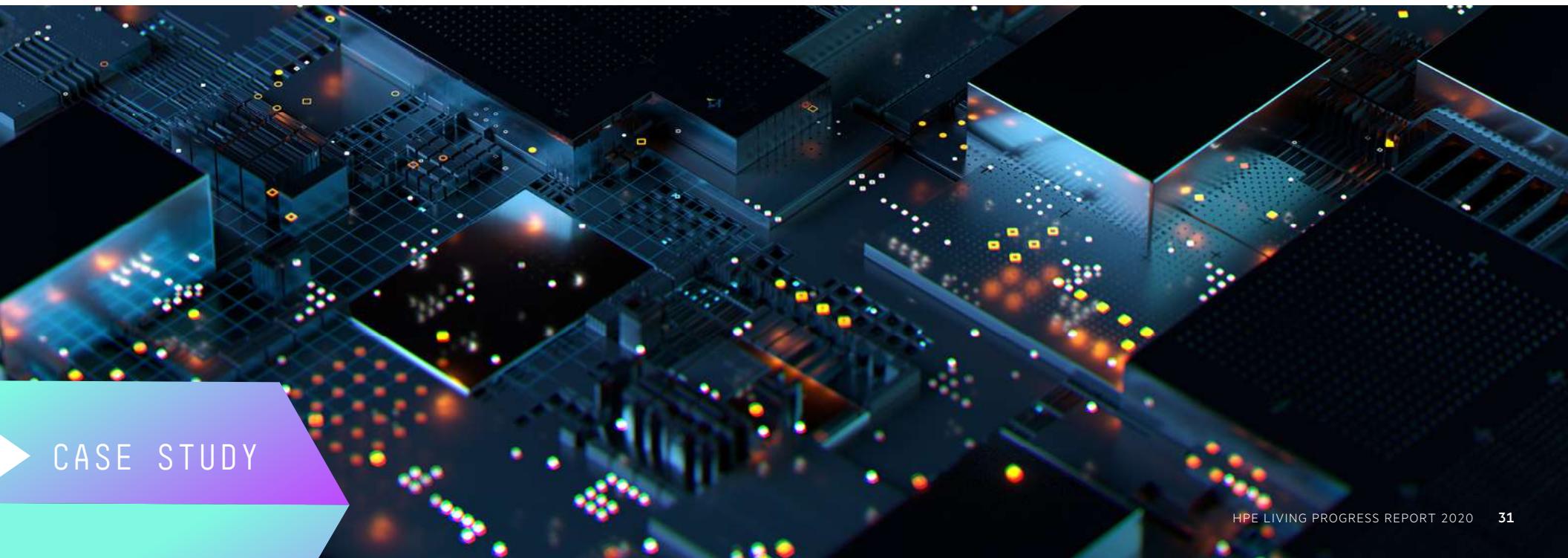
DIVERTING E-WASTE TO FUND INNOVATION

Capco, a global management and technology consultancy needed a creative investment strategy for funding their IT renovation project which called for a zero-tolerance approach to any assets retaining recoverable data and a desire to cut landfill waste by more than 50%.

HPE delivered a global asset upcycling approach that ensured compliance around waste, electrical and electronic equipment, and data security—all while driving a commercial return. We secured logistics from Hong Kong to Texas and exceeded Capco's expectations with zero assets going to landfill. Capco received a Circular Economy Report, which accounted for the environmental impacts of the assets processed, calculating savings of 1.3 megawatts of energy and 8.3 metric tons of waste avoided. To top it off, Capco benefited from a cash infusion from the value of their retired assets, which they reinvested to support future IT projects.

“We recognize that holding ourselves accountable and growing sustainably and responsibly is increasingly vital to our people, our clients, the talent we attract, and the communities we serve and operate within.”

*CHRIS TUNNECLIFF,
GLOBAL IT DIRECTOR,
CAPCO*



CASE STUDY

SUBSTANCES OF CONCERN

Our materials strategy replaces substances of concern with viable alternatives and pushes for higher industry standards on materials use.

EVALUATING AND RESTRICTING SUBSTANCES

We design our products to be better for business, the people that use them, and the environment. HPE works to assess and phase out materials when scientific data has established a potential health or environmental risk and lower-risk, commercially and technically viable alternatives are available. Our evaluation of alternative materials is a continuous process, with more than 100 substance assessments to date. We take a precautionary approach and, as a result, our restrictions in many cases are more stringent than regulatory requirements.

Our product specification, which includes substance and materials restrictions, among others, can be found in our [General Specification for the Environment](#) (GSE).

HPE uses the globally recognized [GreenScreen® for Safer Chemicals](#) tool to assess and benchmark chemicals of high concern and identify safer alternatives. These assessments are conducted by a certified in-house Authorized GreenScreen® Practitioner.

We also use this tool to predict potential future restrictions, an important step to future-proof our products as we design for lifespans of three to five years.

Our work to continuously keep ahead of any harmful substances and potential alternatives for our industry relies on collaboration with industry peers, local and regional governments, and trade associations to understand current and upcoming trends and continue to strive for safe material options for the technology industry. We are members and active participants of the Information Technology Industry Council (ITI), a global policy and advocacy organization, as well as DigitalEurope, a leading trade association that shapes policy positions on all relevant legislative matters and contributes to the development and implementation of relevant EU policies.

Limiting halogen content

HPE has made strides to reduce the use of halogenated compound flame retardants in our products and actively advocates for the inclusion of chemicals such as brominated flame retardants (BFRs) in future EU Restrictions of Hazardous Substances (RoHS) legislation for enterprise IT.

Specifically, HPE has made advances in delivering low-halogen servers since the launch of the Gen10 portfolio. We made significant improvements in reducing our halogen use between Gen9 and the latest Gen10 server lineup.

Regulatory requirements

HPE's policy is to provide products and services that are safe to use and environmentally sound throughout their lifecycle, ensuring we meet regulatory and compliance requirements for our products, components, and owned equipment everywhere we operate. We also move beyond current regulation to promote informed legislation that contributes to the protection of people and the environment.



Since 2019, we have implemented an internal, voluntary goal to meet all substance restrictions of the EU RoHS legislation outside the EU (as well as the European Free Trade Area of the European Economic Area) six months ahead of every legal compliance date worldwide for virtually all new, HPE-branded products, except where it is widely recognized that there is no technically feasible alternative.

For instance, in 2020, HPE ensured compliance with updates to the EU's Lot 9 regulation ahead of the regulation's effective date to ensure seamless access to our European markets. The directive puts forth strict requirements for enterprise server and storage products, including power usage and material composition. The requirements also contribute to more circular practices by requiring products to be designed with modular parts that can be easily disassembled, and offering data sanitation services that allow storage products and components to be reused in lieu of shredding. HPE Lot 9 declarations are available [here](#).

As part of the EU's action plan for the circular economy, the European Chemicals Agency (ECHA) is developing a Substances of Concern in Products (SCIP) database, to which all manufacturers and importers of products are required to submit reports for any product SKUs that contain one or more Substances of Very High Concern (SVHC). Companies must disclose this information by early 2021. The intent of the database is to allow for data transparency in the supply chain and to make the information readily available to

end users and waste handlers for safe use and disposal. HPE installed specialized SCIP software to enable data collection, report writing, and system-to-system submissions to the SCIP database. We have been collecting relevant information from our suppliers and will commence filing SCIP Dossier reports with ECHA as supplier data becomes available.

Our environmental documents and international declarations covering material use, product safety, and environmental attributes such as energy-efficiency information can be found [here](#).

SUBSTANCES IN THE MANUFACTURING PROCESS

Technology manufacturing involves chemicals and materials—absent from the final product—that can cause human and environmental health hazards when handled. To ensure safety, we uphold material innovation with our suppliers, providing them with a full list of restricted substances and clear guidance on suitable alternatives.

Through the [HPE Supplier Code of Conduct](#) and continued supplier engagement, we disseminate our requirements to our suppliers and track supplier compliance. During comprehensive Social and Environmental Responsibility (SER) [audits at our suppliers](#), third-party auditors review materials restrictions programs and ensure that there is a formal compliance process in place during the procurement and manufacturing phase.

ENVIRONMENT

We believe that the global transition to a low-carbon economy presents a business opportunity. Our environmental strategy helps guide our business decisions to ensure we maintain resilient operations while minimizing our impact on the planet.

BUILDING A CLIMATE-RESILIENT BUSINESS

Climate change poses an existential threat—not just to our environment, but to our health, communities, global economy, and local business operations. The COVID-19 pandemic has highlighted the need to act on scientific imperatives to reduce our vulnerabilities, which include increased likelihood of environmental threats such as extreme weather and biodiversity loss.

While addressing the enormity of our climate emergency is a challenge that requires international cooperation and action, it also provides an opportunity for organizations like HPE to position ourselves as a business and technology leader enabling a low-carbon future. We recognize the urgency to minimize our industry's environmental footprint, to build our own capacity to adapt to climate-related risks such as compromised supply chains and infrastructure, and to apply our technologies and expertise to innovate transformative low-carbon solutions.

Our solutions-focused approach to enterprise IT, including plans to offer our entire portfolio as a service by 2022, enables our customers to reduce the environmental impacts of their IT infrastructure without jeopardizing performance, and to make data-driven decisions that improve the sustainability of entire sectors. For instance, we partner with our customers to develop multiple low-carbon technologies for data centers, smart factories, energy grids, and other production sectors.

Becoming a more climate-resilient company is a top priority for our organization. Over the past year, we have conducted a more thorough and robust climate scenario analysis based on the recommendations of the [Task Force on Climate-related Financial Disclosures](#) (TCFD).¹¹ In 2020, HPE held a series of climate risk scenario workshops across our core business units. These cross-functional workshops brought together HPE subject matter experts to evaluate 20 critical uncertainties that covered issues of the environment, society, the

economy, and technology. In partnership with [Business for Social Responsibility](#) (BSR), HPE considered four climate scenarios in our latest TCFD analysis, evaluating risks and opportunities for a 10-year time horizon under each scenario.

Full disclosure from our 2020 analysis can be found in our [TCFD index](#).

ADVOCATING FOR CLIMATE ACTION

In the five years since the adoption of the Paris Climate Agreement, HPE continues to align itself with a wide range of alliances and partner organizations that support climate science and follow technical and economic projections to achieve a 1.5°C future. In 2020, HPE joined the call for the U.S. to mobilize on climate action and a clean recovery. For example, HPE joined more than 310 companies to urge members of the U.S. Congress to enact policies that support immediate investment in the country's transition to a net-zero economy, including setting a price on carbon.

Additionally, HPE signed the [Uniting Business and Governments to Recover Better pledge](#) to urge governments to prioritize a faster and fairer transition to a green economy in the post-COVID-19 world.

HPE publicly stands for market-based mechanisms with clear, transparent, and consistent price signals such as setting a price on carbon, which is detailed in our [climate policy](#). We further support the adoption of a clean, renewable energy supply across all industries through our participation as a founding member and board member of the [Renewable Energy Buyer's Alliance](#) (REBA), whose mission is to unlock the marketplace for all nonresidential energy buyers to lead to a rapid transition to a zero-carbon energy future. HPE is also a member of the [RE100](#).

Learn more about our [public policy priorities](#).

ENERGY AND GREENHOUSE GAS EMISSIONS

Emissions reduction targets

The COVID-19 pandemic has decreased the annual growth in carbon emissions globally. However, to minimize a rebound in emissions in 2021, HPE remains committed to minimizing our environmental footprint across our entire value chain, ensuring we focus on those areas where our impact is greatest.

HPE was the first IT company to set science-based targets (SBTs) to reduce greenhouse gas (GHG) emissions across the value chain and one of the first global companies to set an operational science-based emissions-reduction target aligned with a 1.5°C trajectory. Our climate goals are approved by the [Science Based Target initiative](#) and align with the recommendations of the internationally recognized Paris Climate Agreement to limit global average temperature rise to well below

a 2°C from pre-industrial levels in order to substantially reduce the risks and effects of climate change.

Our work to reduce GHG emissions and climate-related risks continues to be recognized by reputable organizations. For the eighth consecutive year, HPE was recognized for leadership in corporate sustainability by global environmental nonprofit [CDP](#), securing a place on its prestigious climate change A List and its supplier engagement leaderboard.

Get the data behind our environmental footprint in the [Data Summary](#).

2025 CLIMATE GOALS

HPE is committed to becoming carbon neutral across our value chain by 2050 or sooner, with intermediate targets set for 2025.

By 2025 Reduce absolute manufacturing-related GHG emissions in our supply chain by 15% compared to 2016 levels

In 2019¹² We reduced emissions by 15% compared to 2016 levels

ACHIEVED

By 2025 Enable 80% of our production suppliers (by spend) to set science-based targets

In 2019¹³ 28% of our manufacturing suppliers (by spend) set science-based targets

ON TRACK

By 2025 Minimize operational GHG emissions by 55% compared to 2016 levels

In 2020 We reduced emissions by 62% compared to 2016 levels

ACHIEVED

By 2025 Source 50% of total electricity consumption in our operations from renewables

In 2020 We sourced 44% of our operational electricity from renewables

ON TRACK

By 2025 Reduce absolute emissions from transportation logistics by 35% compared to 2016 levels

In 2020 We reduced absolute emissions from our transportation logistics by 27% compared to 2016 levels

ON TRACK

By 2025 Increase the energy performance of our product portfolio 30x compared to 2015 levels

In 2020¹⁴ We increased the energy performance of our product portfolio 3.2x compared to 2015 levels

ON TRACK

Carbon footprint

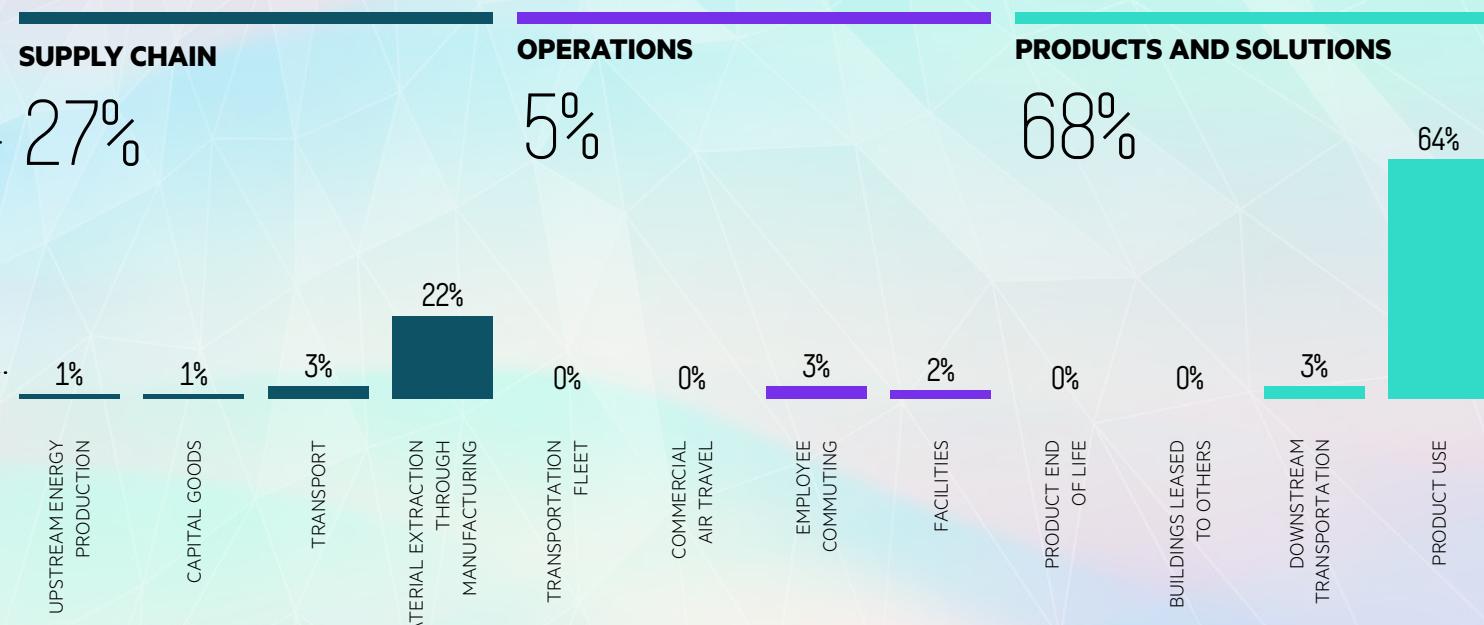
In 2020, 95% of our GHG emissions resulted from the manufacture and use of our products, making it a business imperative to design more efficient IT solutions and to partner with our suppliers to reduce impacts in our supply chain.

Our operations accounted for only 5% of our total emissions, however, we remain committed to reducing our energy use by procuring renewable electricity where possible, improving our building energy efficiency, optimizing the logistics of our products, and minimizing impacts from workforce commuting and business travel.

OUR GLOBAL CARBON FOOTPRINT 2020

PERCENTAGE OF
TOTAL CARBON FOOTPRINT

MILLION METRIC
TONS CO₂E



Totals may not add up due to rounding.

Energy use and greenhouse gas emissions in our supply chain

Our customers expect us to set long-term targets based on science, and we expect our suppliers to strive to do the same. We share our experiences and best practices with our suppliers and set industry leading standards to aggressively reduce the climate impacts of our supply chain.

Our primary focus is on our production manufacturers, including final assembly and strategic commodity suppliers, with whom we have a direct contractual relationship.

In 2017, HPE became the first company to create a comprehensive, science-based supply chain management program to reduce the impact of our manufacturing suppliers.¹⁵ We require production suppliers to report their GHG emissions inventory and progress toward science-based targets on an annual basis and require non-production and transport suppliers to report their emissions annually. In addition, in order to track progress and identify areas for improvement, we require our suppliers to disclose corporate-wide GHG emissions annually through the CDP supply chain program, set goals, and improve the accuracy of their GHG emissions accounting.

HPE partners with our suppliers, providing training and tools to achieve our goal of having 80% of our production suppliers, by spend, set their own science-based targets (SBTs) by 2025. As of 2019,¹⁶ 28% have set Scope 1 and 2 targets that track with climate science, and 52% have committed to set SBTs in the next two years.¹⁷ By encouraging our suppliers to set challenging targets and build their own internal sustainability capabilities, we will have a positive ripple effect upstream through the broader IT supply chain. HPE is also committed to reducing absolute manufacturing-related GHG emissions by 15% from 2016 levels by 2025. We are pleased to announce that, as of 2019,¹⁸ our manufacturing suppliers decreased emissions by 15% for a total decrease of 688,148 metric tons of CO₂e, compared to 2016 levels. Given that we have met our target six years ahead of schedule, we will spend the upcoming year resetting our manufacturing-related emissions goal and will continue to work with our suppliers to minimize their operational emissions.

In 2020, HPE partnered with industry peers to design a customized supply chain data management software, developed and hosted by [POINT380](#). This data management software feeds in company-specific supplier emissions

data to track progress toward supply chain carbon emissions reduction goals. Through the platform's customizable dashboards, HPE suppliers will have access to their own data and will be able to track progress toward their publicly stated goals and view their performance against their peers. Suppliers will also have access to a modeled SBT based on their own emissions, which they can use as the basis for setting new and ambitious targets.

In 2020, HPE hosted engagements with 24% of our suppliers by spend. This included two in-depth climate change program requirements webinars to guide suppliers on how to overcome the complexities of setting targets and help them align their efforts with global standards. These webinars focused on setting comprehensive climate strategy, achieving emissions reductions, and measuring ongoing progress.

HPE is currently one of the only companies in the IT sector to host direct and prolonged one-on-one engagements with our suppliers that include data review and analysis. Through our capability-building programs, we are enabling suppliers to become early actors in setting emissions-reduction targets and preparing their businesses for future

climate policies, regulations, and increasing stakeholder demands.

We also leverage our expertise and influence to increase our suppliers' access to renewable energy markets. HPE is a member of the Supply Chain Advisory Board of REBA. This enables us to disseminate information—such as webinars, trainings, and supplier roadmaps—to our suppliers, helping to aid access to renewable energy in their respective regions. For example, in 2020, we co-developed REBA's [Supply Chain Partner Engagement Roadmap](#), which provides guidance for companies seeking to engage their suppliers to reduce Scope 3 emissions.

Our comprehensive [Supplier Code of Conduct](#) sets out guidelines to help suppliers reduce the environmental impact of their activities and is aligned with the [Responsible Business Alliance's](#) (RBA) Code of Conduct.

In 2020, HPE worked directly with the RBA to draft new guidance to be integrated in their Code of Conduct to help suppliers more easily fulfill GHG emissions reduction targets requirements.

Energy use and greenhouse gas emissions in our operations

While HPE continues to invest in renewable energy, prioritize building efficiency projects, and optimize our transportation modalities, there is no doubt that the COVID-19 pandemic has had a significant impact on our direct operations. In 2020, global shelter-in-place orders shifted the energy demands from our office buildings to our team members' personal households. As a result, our operations used 668,143¹⁹ MWh of energy in 2020, down 12% compared to 2019.

We are currently analyzing how best to capture the emissions associated with the energy use required for our team members to work from home. These emissions were historically captured under our Scope 1 and 2 emissions, but as more employees work from home, they will transition to Scope 3 emissions in future reporting.

Renewable energy

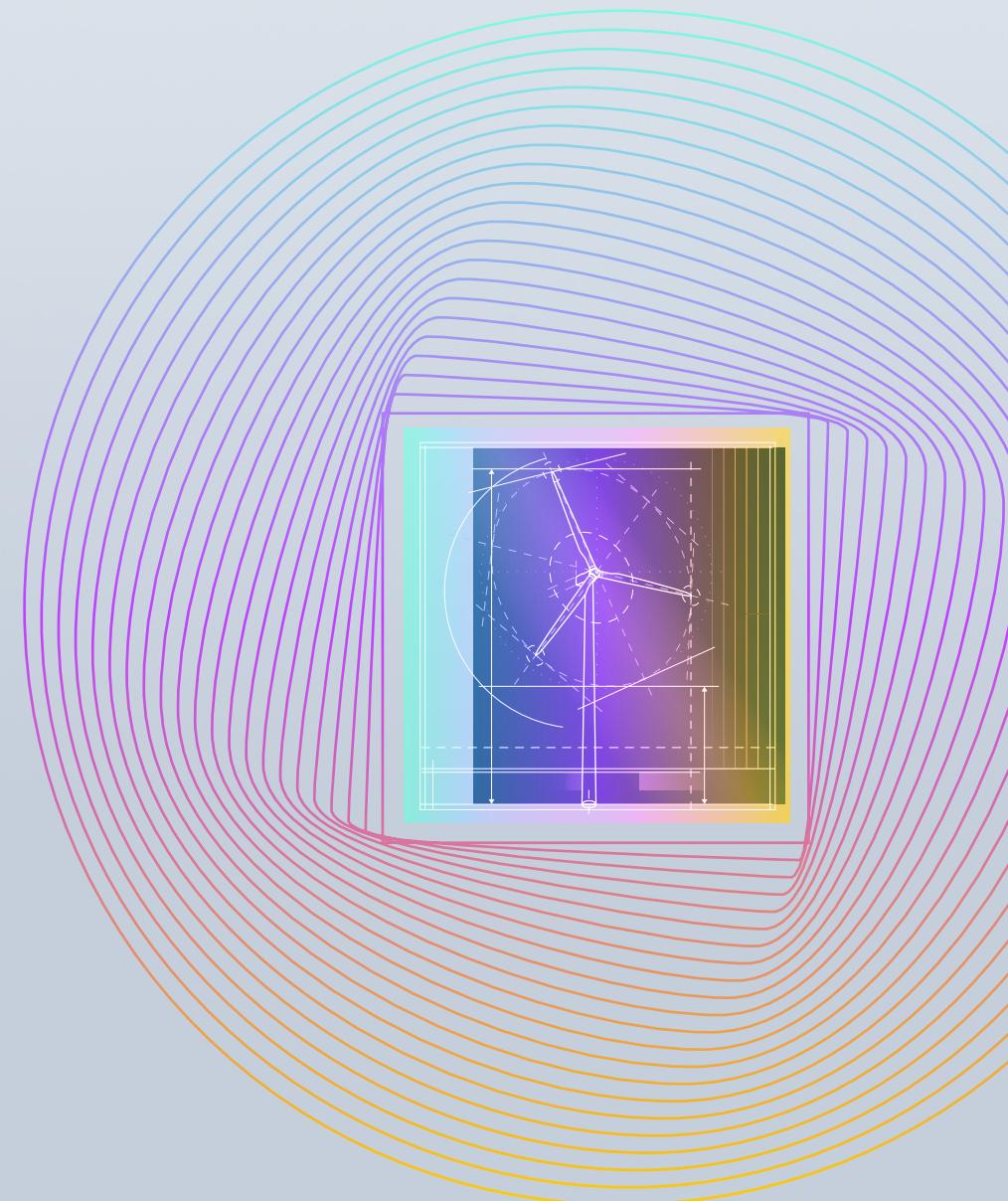
In 2020, HPE sourced approximately 276,886 MWh of renewable energy, representing 44% of our global electricity consumption, a 6% increase relative to 2019. Our goal is to source 50% renewable electricity in our operations by 2025.

HPE's hybrid approach to renewable energy combines various procurement mechanisms, helping to strike a balance between costs, availability, and adding new renewable energy

to global grids. As of 2020, HPE is sourcing 67% of our total renewable electricity from the Americas, 13% from Europe, Middle East, and Africa, and 20% from Asia Pacific and Japan. In 2020, our Global Real Estate team re-evaluated green tariff programs offered by 16 major U.S. utilities and enrolled HPE sites in eight new programs. We expect that this alone will result in approximately 22,217 MWh of renewable electricity consumption annually.

While HPE did not sign any major new renewable energy contracts in 2020 because of uncertainties due COVID-19, we signed a 10-year agreement with Constellation Energy in 2019, which is expected to come online in 2022. The agreement will utilize energy and Renewable Energy Credits (RECs) from the Rayos del Sol solar project in Cameron County, Texas, and will help power our new headquarters in Houston. We will resume pursuing new renewable energy contracts in the upcoming year to seek similar opportunities for all our regional offices.

In 2020, we enrolled HPE sites in eight new utility green tariff programs, resulting in approximately 22,217 MWh of renewable electricity consumption annually.



Building efficiency

COVID-19 has challenged us to reimagine the future of work. As a result, HPE is redefining our office experience and moving toward a new way of working: Edge-to-Office. A majority of work will now be done at the edge—outside the office. As a result, our Global Real Estate team is currently re-evaluating HPE regional sites and densifying building space to account

for the number of team members that will need to be in the office. While our facilities continue to account for the largest portion of emissions from our operational footprint, by consolidating our building footprint we anticipate a shift in our emissions data in 2021. HPE will continue to conduct energy audits at our facilities on an annual basis and will implement energy retrofit projects, integrating the latest efficiency technologies.

HPE has maintained global certification to the International Standards Organization (ISO) 14001 Environmental Management Systems (EMS) standard since 2004. As part of our continuous improvement, in 2020 we added a new site in Rome, for a total of 11 sites including all HPE-owned manufacturing sites and significant server product design and development sites. In 2021, we will add Paris to the list of certified sites.

Transportation modalities

A commitment to reducing emissions remains a key criterion for HPE product transport providers. In 2019 HPE set a new target to reduce absolute emissions from our transportation logistics by 35% by 2025, relative to 2016. Although HPE is on track to meet this goal with a 27% reduction from 2016 levels, our absolute emissions from transportation logistics increased 2% from 2019 because we increased use of airfreight in 2020 due to COVID-19.

With countless passenger flights cancelled for regional and international airfreight, HPE prioritized opportunities to consolidate shipments wherever possible. In instances where customers participate in our product take-back programs through HPE Financial Services, we consolidate all returned products onto groupage carriers to minimize the carbon emissions associated with transport.

To further our momentum in reducing carbon emissions from transportation logistics, in 2020 HPE conducted comprehensive sustainability reviews with major logistics service providers and developed a Logistics Sustainability Roadmap, outlining a five- to 10-year transportation emissions strategy. This roadmap takes into consideration supply chain optimization, alternative fuels, and sustainable technologies. Short-term opportunities include piloting lower-carbon airfreight lanes and the use of zero- and low-emissions vehicles for final mile delivery to customers.

HPE remains an active member in the [Global Logistics Emissions Council \(GLEC\)](#), [U.S. EPA SmartWay](#), and the [Sustainable Air Freight Alliance \(SAFA\)](#).

In 2020, we saw a 55% decrease in emissions related to employee business travel due to COVID-19. We anticipate a portion of business travel to resume in late 2021 and will continue to work with our team members and transport providers to support sustainable travel practices such as incentivizing rideshare programs and requiring the use of approved car rental size classifications. We regularly replace company vehicles to update our fleet with better fuel and engine-efficiency.

Our auto fleet transformation program aims to:

- Progressively remove diesel-powered engines from HPE's fleet and replace with unleaded petrol
- Implement hybrid and electric vehicles as choice options in mature EV-infrastructure markets
- Optimize the total cost of ownership

We introduced hybrid vehicles into our U.S. fleet for the first time in 2020 and increased the use of EV and PHEV vehicles in several European countries.

WATER

HPE recognizes water as one of the world's most critical resources. Increasingly, the connection between climate change and water are becoming clearer.

The majority of HPE's water footprint is related to the electricity associated with the use of our products (91%), and the energy needs of our operations (4%), including the

consumption related to power generation and infrastructure cooling.

According to the [World Resources Institute](#) (WRI), water use during electricity generation represents one of the largest sources of water withdrawals globally. HPE focuses on quantifying impacts from the energy-water nexus. Through energy efficiency and energy procurement choices, HPE can address its

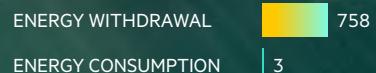
impact on water in the supply chain, operations, and product use phase. Additionally, our lifecycle approach to [product design](#) focuses on reducing water consumption associated with data center cooling systems.

In 2020, we published our [water policy](#), which covers how HPE quantifies and assesses water withdrawal and consumption across our value chain.

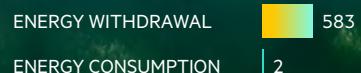
OUR GLOBAL ENERGY-WATER NEXUS FOOTPRINT 2020²⁰

MILLION CUBIC METERS

SUPPLY CHAIN



OPERATIONS



PRODUCT USE



Managing water across our supply chain

Managing the use of water in our supply chain is essential to the future of our business and planet.

HPE requests corporate-level water footprint data and targets from our suppliers. Our [SER supplier scorecard](#), which informs HPE purchasing decisions, includes a corporate-wide water reporting requirement for our suppliers. We support suppliers by providing clear expectations, prescriptive guidelines, and helpful tools to raise awareness of our requirements for water stewardship as part of our [Supply Chain Responsibility \(SCR\)](#) program. As of 2019,²¹ 37% of our production suppliers have set water-related targets.

As we look ahead, we plan to increase capability building with suppliers, especially those who are located in water-stressed regions, focusing on water management and resiliency.

Managing water vulnerability in our operations

In 2020, our operations withdrew 1.4 million cubic meters of water, a decrease of 20% from the previous year. While HPE is not a large water consumer compared to other industries and companies, we are expanding efforts to improve water management in locations that face water-related risks. Using the [WRI's Water Aqueduct](#) tool, we calculated that from 2017 to 2020, HPE water withdrawals from extremely high and high water-stressed regions decreased from 20% to 16%, and our

total water withdrawals decreased by 20%. HPE discloses our performance and water management approach annually through the CDP water program and, for the first time, achieved an A score in 2020. In the upcoming year, we will be prioritizing water initiatives that are informed by energy-water use, using the WRI's new methodology.

Although HPE facilities have withdrawn less water year-over-year since 2016, our consolidation of facilities in regions that experience high water stress has resulted in increased water withdrawal from these regions. HPE prioritizes water management projects for sites in water-stressed regions. For example, our ongoing water management practices at our sites in Bangalore, India, have enabled

us to reduce water withdrawal by more than 200% since 2016. In the upcoming year, we will prioritize developing a more robust, data-driven water assessment to identify projects that provide the most significant benefits for high-risk communities.

Simply reducing our facilities' water withdrawals is not enough to manage the water challenges of the future. Water scarcity poses increased risk of disruptions to our operations, to our suppliers and customers, and to our workforce and their communities. For that reason, HPE is working to align our renewable energy and energy-water nexus strategies.

Get the data behind our water footprint in the [Data Summary](#).

WATER SAVINGS FROM RENEWABLE ENERGY

	USA	MEXICO	EUROPE	INDIA	TOTAL
m³ WITHDRAWAL	75,437,631	235,945	66,207,788	130,953,573	272,834,937
m³ CONSUMPTION	598,097	2,664	115,295	190,060	906,116

WASTE

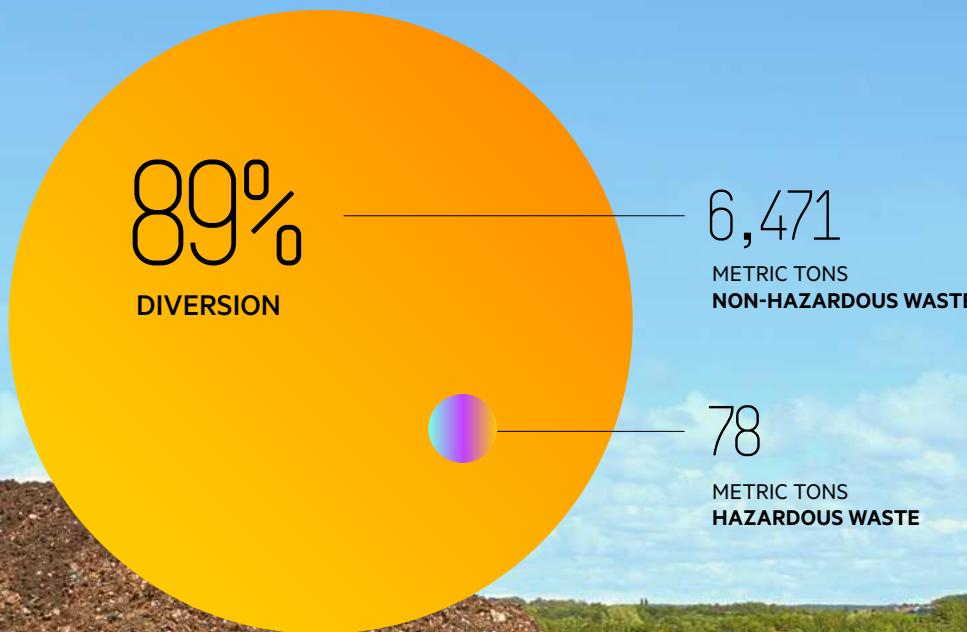
In 2020, HPE set a new annual target to divert 90% of non-hazardous waste from landfill.²² Total waste generation from our direct operations decreased by 21% in 2020 and total non-hazardous waste diversion increased by 3%, helping us achieve an 89% diversion rate.

Waste from our operations consists primarily of nonhazardous recyclables and electronic waste, as well as limited hazardous waste, such as lead-acid batteries, which accounts for only about 1% of the total waste we generate.

While the waste generated by our offices is insignificant compared to other parts of our business, we are investing in resources and programs that will help foster a workplace

culture that empowers team members to be mindful of their own waste footprint. Due to COVID-19, we are reprioritizing our employee engagement waste initiatives from in-office programs to educational campaigns that will help team members reduce their waste while working from home. Additionally, we anticipate that our transition to Edge-to-Office will significantly impact the characterization of our waste streams in the upcoming year.

OPERATIONS WASTE DATA 2020



NATURAL RESOURCES

We are minimizing the depletion of natural resources caused by our business activities and applying our technologies to transition toward a more sustainable economy. We actively manage material natural capital-related risks and opportunities across our value chain through activities such as:

- Accelerating the transition to renewable energy by partnering with energy companies, governments, suppliers, and alliances
- Innovating products and solutions with improved energy performance and a lower environmental footprint
- Partnering with our customers to develop technological solutions to global environmental issues such as clean energy and sustainable agriculture
- Ensuring the responsible sourcing of minerals and extending the life of IT assets to increase the circularity of our industry

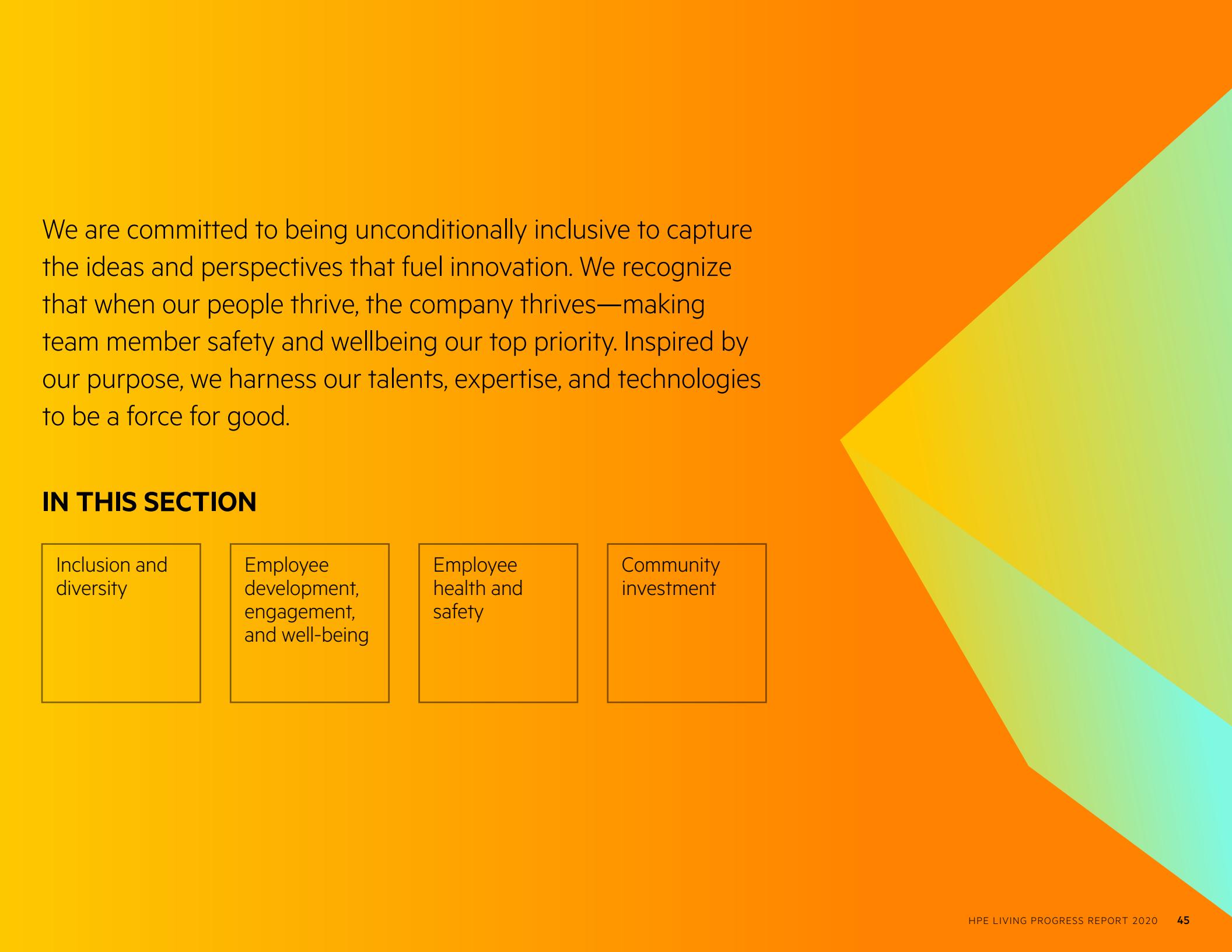
Information regarding material risks related to the environment can be found in our [2020 Annual Report on Form 10-K](#).



INVESTING IN PEOPLE

02





We are committed to being unconditionally inclusive to capture the ideas and perspectives that fuel innovation. We recognize that when our people thrive, the company thrives—making team member safety and wellbeing our top priority. Inspired by our purpose, we harness our talents, expertise, and technologies to be a force for good.

IN THIS SECTION

Inclusion and diversity

Employee development, engagement, and well-being

Employee health and safety

Community investment

INCLUSION AND DIVERSITY

We drive business impact and market differentiation by investing in diverse talent and advancing inclusion across our value chain.

OUR ROADMAP TO INCLUSION AND DIVERSITY

At HPE, we believe that our business success is directly tied to the diverse experiences, skills, and backgrounds of our team members and other stakeholders. Our people are our greatest strength, and we are committed to being an unconditionally inclusive organization to capture the wealth of ideas and perspectives that are necessary to fuel innovation.

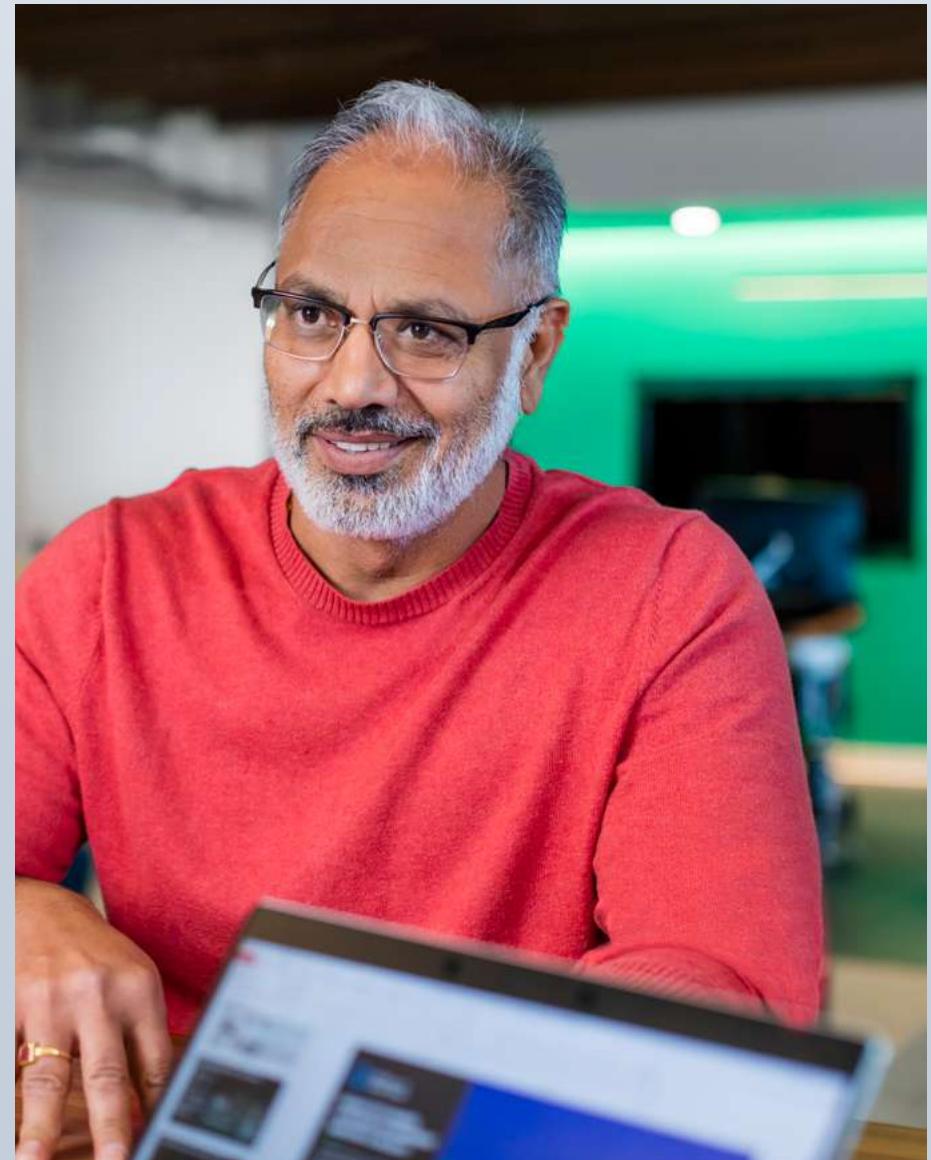
Inclusion and diversity are a cornerstone of our human capital management strategy. We achieve this by creating a workplace that values our people, enabling us to make HPE a destination for the best talent while driving excellence for our customers. Our efforts are geared toward creating an inclusive workplace for all team members, including women, racial and ethnic diversity, LGBTQ+, veterans, and team members with disabilities.

In 2020, after conducting listening sessions across our organization, we launched an Inclusion and Diversity Council chaired by HPE CEO Antonio Neri. The Council includes executives and team members from across

our businesses, representing all facets of diversity, who oversee the development of a company-wide strategy and hold leadership roles in our Resource Groups. The Council is focused on advancing four priority areas and identifying bold goals in each

- **Inclusion**—While inclusion has been a priority at HPE for multiple years, we are developing a multi-year road map to fulfill our commitment to unconditional inclusion, a core cultural belief. In 2020, nearly all our people leaders (98%) completed a half-day immersive inclusive leadership training, and this will be expanded to every team member in 2021.

- **Equity**—In addition to increasing diverse representation at all levels, representation across leadership is a deliberate focus which leads to increased retention of diverse team members. By the end of 2021, we aim for 100% of teams three or fewer levels from the CEO to have at least one diverse team member.



- **Advocacy**—Our internal data shows that team members are more engaged when they feel safe to speak up for each other, and we are advancing a “speak up” culture by developing greater advocacy. Following a successful pilot to expand education about the experiences of diverse communities, we are developing a program to certify team members as Allies. We have set a goal for all senior leaders to be a sponsor of diverse talent.

- **Community**—We are focused on justice and equity within our community investment work. In 2021, we are launching a 2:1 matching campaign on HPE Gives for racial justice organizations and explicitly outlining diverse representation as an element of our Community Impact Grants criteria.

Standing up for social justice

We will remember 2020 as a year of adversity, with the pandemic and racial injustice impacting everyone in ways big and small. While HPE has long stood for inclusion and diversity, the events that took place in the United States compelled us to join the chorus of voices demanding change. That change starts within, and we dedicated the rest of 2020 to listening, making change, and holding ourselves accountable.

In June 2020, we kicked off a series of Listening Sessions to hear the stories, experiences, and feedback from our Black and African American team members to help inform our near-term actions. Their success led to six more, featuring Hispanic/Latinx and Asian employees in the United States, with plans to expand these Listening Sessions beyond the U.S. to include a global perspective.

We also took targeted actions to address the underrepresentation facing our Black communities, including:

- Committing to support student scholars at Historically Black Colleges and Universities (HBCU) in the United States over the next five years
- Providing a grant from the HPE Foundation to the NAACP Legal Defense and Educational Fund, which uses litigation, advocacy, and public education to expand democracy, eliminate disparities, and work toward racial justice
- Matching team member donations, via HPE Gives, to the Equal Justice Initiative and NAACP LDF or to a list of recommended local, national, and international racial justice organizations

In 2020, HPE also joined the [Fortune CEO Initiative](#), a group of CEOs from purpose-driven companies who work together to tackle societal issues. In 2021, the group will introduce a resource to address the unique pressures CEOs face while navigating conversations around race and bias and implementing change.



ADVANCING DIVERSITY IN OUR WORKPLACE

Increasing workforce representation

In 2019, we set a target to increase the representation of women and ethnically diverse talent by at least 1% year over year. We are pleased to report that HPE met its year over year target for total U.S. ethnicity categories. We nearly doubled the acceleration of our female representation year over year, although were short of meeting the target for women by 0.4%. Nevertheless, HPE increased our female workforce at every level worldwide, including manager, technical, and director roles even as our total employees decreased by 3% globally.

HPE has accelerated its female hiring rate to over 37%, which is 5% higher than representation at HPE. Our diversity targets are tied to incentive compensation for HPE executives and our diversity scorecard progress is reviewed quarterly with the Board of Directors.

In addition, the [HPE board of directors](#) is one of the most diverse in the industry, reflecting the cultural, racial, and gender diversity of our workforce and our stakeholders.

See the [2020 Data Summary](#) for comprehensive employee demographics data.

Creating equal opportunity

HPE maintains policies to ensure equal pay, and we regularly review our pay practices so that team members with the same role in a similar location are paid fairly and equitably. We believe equity must also include fostering equal opportunities, evaluating and addressing biases, and accommodating flexible work. We offer several benefits that support a gender-inclusive culture by promoting work-life balance and flexibility, including our Work That Fits Your Life benefits program, which includes six months paid parental leave and parental transition support.

We cultivate female talent within our business units through leadership programs such as the Office of Operations, Legal, and Administrative Affairs' (OLAA) Women's Network (OWN), which is sponsored by our Chief Operating Officer and focuses on developing talent and improving the working environment for women within the organization. In 2020, OWN conducted a psychological safety survey to better understand areas of opportunity to promote an environment where every employee can succeed. Initial findings indicate that mentorship and sponsorship and increased transparency around inclusion efforts have a significant influence on psychological safety, helping to support long-term retention.



In 2020, HPE also hosted several development programs for women across the globe to build a strong community of future women leaders and to engage their male counterparts as gender advocates. For example, in Guadalajara, Mexico, the Women's Network Mexico Resource Group launched HeForShe, a UN Women initiative, which consisted of six open webinars for all team members in Mexico and six workshops for male leaders focusing on the topic of gender equality. Additionally, our European Women's Leadership Council created an open mentoring program to create more learning and development opportunities for female team members.

It is also critical that we reflect our inclusive values through the way we communicate and bring solutions to market. In 2020, we identified instances of non-inclusive terminology and are phasing them out across the business, including in coding language to ensure the language is free of discrimination, unconscious bias, and stereotypes. To date, 1,089 instances of terms have been eliminated or replaced. In addition, the Global Brand team has emphasized diversity in visual representation, updating our imagery and collateral to source and choose impactful brand visuals that ensure all our team members and stakeholders see themselves in the HPE brand.

HPE is also committed to better streamlining and improving processes to accommodate team members with disabilities. We launched HPE Able in 2019 in conjunction with training focused on foundational awareness of people with disabilities, building team member's inclusive communication skills, and interviewing practices. During 2020, HPE Able supported team members with disabilities through the new HPE Open Line accommodations process, working to provide assistive technologies for team members with visual and hearing impairments. We have seen significant year-over-year growth in Disabilities Network, our team member-led Resource Group. In 2020, chapters grew by 166% and membership by 80% compared to 2019.

Our efforts have earned HPE multiple awards for inclusion and diversity, including being listed on the [Bloomberg Gender Equality Index](#), [Working Mothers 100 Best Companies list](#), and [Best Workplaces for Dads list](#), as well as receiving 100% scores on the [Human Rights Campaign Corporate Equality Index](#) and [Disability:IN Disability Equality Index](#). Additionally, in 2020, HPE was named one of the top 70 Companies for Executive Women by the [National Association for Female Executives](#) (NAFE) and identified as one of the best workplaces for women by [Fortune Great Places to Work](#).

Building a diverse talent pipeline

Investing in the development of a more diverse talent pipeline is critical to closing the skills gap our industry faces. In 2020, 58% of U.S. HPE interns represented ethnically diverse backgrounds and, at a global level, 42% of HPE interns identified as female. We encourage more women and underrepresented groups to enter and succeed in technology careers through a variety of programs and partnerships, including creating tech-enabled learning tools, increasing specialized recruitment activities, cultivating female talent through internship programs, and providing reskilling to people who have been out of the workforce for an extended period of time.

In 2020, our Inclusion and Diversity Council increased our partnerships with historically Black colleges by 50% to boost recruitment of Black interns in the U.S., and implemented new recruiting requirements worldwide mandating that a minimum of one candidate from a diverse background be short-listed for non-executive roles. For executive roles, we are striving for a minimum of 50% diverse candidates. Additionally, we have set diverse slate goals for positions and utilize diverse interview panels.



INVESTING IN OUR LEADERS

At HPE, we believe that effective leadership is inclusive leadership.

HPE's highly immersive Inclusive Leadership Training program reinforces how we define our Elements of Leadership, with inclusion being a core part of those competencies. In June 2020, we bolstered the program with additional classes achieving 98% completion by our People Leaders.

In 2020, nearly 6,000 people leaders and senior technologists participated in strategic educational campaigns about fostering a culture of inclusivity across the business.

HPE is deeply committed to identifying and developing future top-tier leadership with a special focus on diverse and technical talent. In 2020, our promotion rate increased by 5% for all U.S. ethnicity categories and retention rate increased by 2%. Similarly, our retention rate for women increased by 2%. Additionally, in 2020 we continued our Women on Boards Leadership Program for top executive female talent at HPE.

[Learn more](#) about how we invest in our leaders.

Engaging our employees

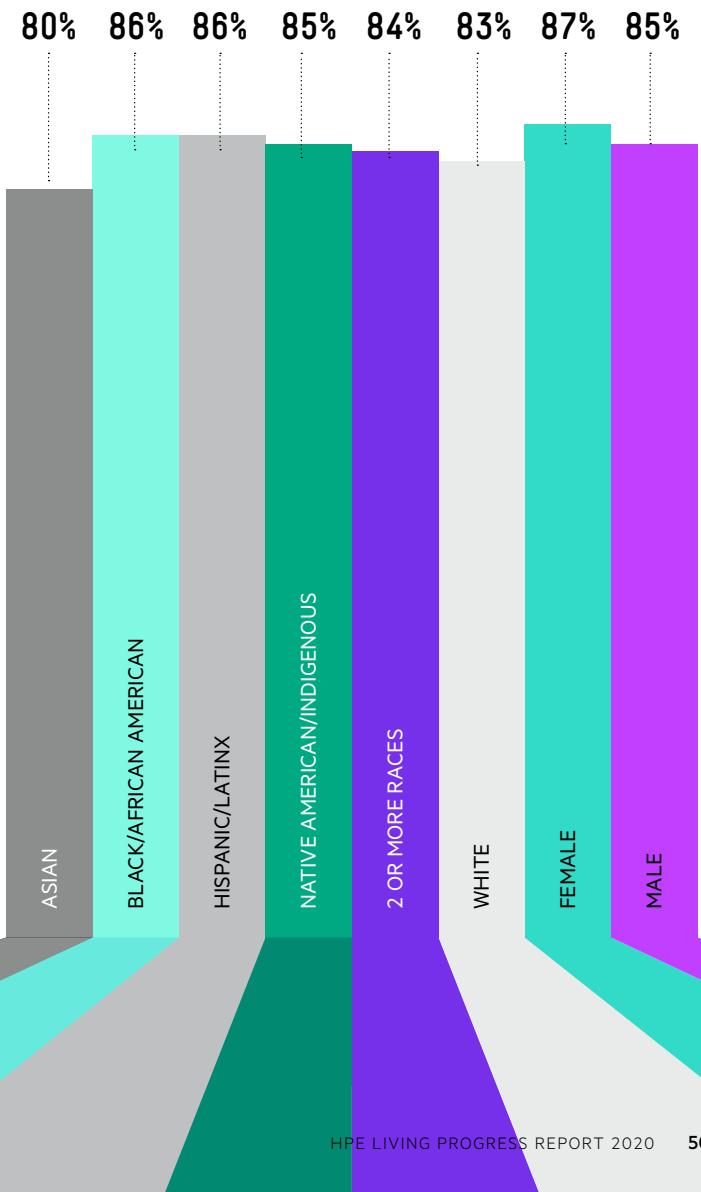
Results from our 2020 Voice of the Workforce survey showed that 95% of our team members feel they are treated equitably and with respect, regardless of gender, ethnicity, or other characteristic. This finding is reinforced through strong engagement scores across our diverse groups. We are proud of the progress we've made in this space but recognize we must continue to do more.

More than 28% of our workforce is actively engaged in our Resource Groups (RGs, formerly Employee Resource Groups) program through continued initiatives, events, and programming, and nearly a third of our workforce participated in the 300 major RG events we hosted around the world in 2020.

RGs are volunteer communities of employees that purposefully come together to build an even more inclusive culture at HPE by activating our strategic impact areas. Over the past year alone, we saw a 10% growth in the number of RG chapters, which represent 46 countries and nine constituencies—Hispanic, veterans, pan-Asian, Person with disability, multicultural, Black/African American, LGBTQ+, generational, and women.

Our RGs even partner together to host signature annual events including Lunar New Year, Diwali, Hispanic Heritage Month, Black History Month, International Women's Day, Asian Heritage Month, Veteran's Day, PRIDE month, and more.

2020 EMPLOYEE ENGAGEMENT BY GROUP



DRIVING BUSINESS RESULTS THROUGH SUPPLIER DIVERSITY

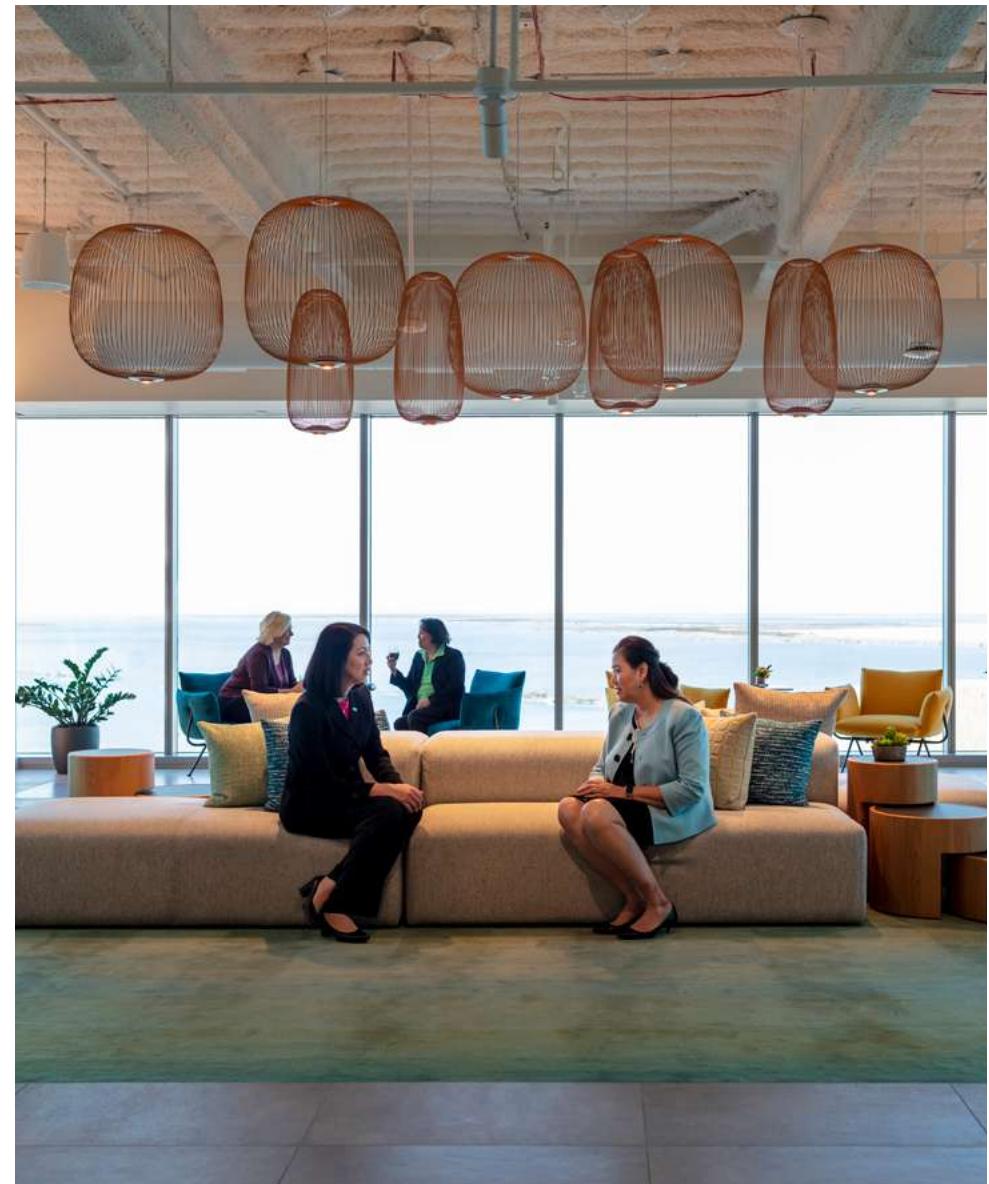
Beyond our workforce, we accelerate a more inclusive economy through our Supplier Diversity Program. In 2020, we spent \$126 million (7% of US sales) with small enterprises and businesses owned by diverse categories such as women, minorities, and veterans. Our percentage of spend with diverse suppliers decreased in 2020, which can be explained by two factors. First, in 2020 we migrated all supplier spend data to a new third-party management system. During this data migration process, our team isolated residual data from our legacy company and recalculated our spend baseline. Second, like other parts of our organization, the COVID-19 pandemic significantly impacted our overall supplier spend, especially services contracted to contingent labor and consultants, which have historically been fulfilled by our diverse suppliers.

In 2020, HPE introduced significant data-integrity improvements to better track our progress and increased our visibility into our LGBTQIA+ and Person with disability-owned business spending. We created a new, easy-to-use website and registration portal for potential diverse suppliers to initiate conversations. In a turbulent year focused on social justice issues in the U.S., we received outspoken support from our CEO for supplier diversity and overall inclusion and diversity efforts. In response, we also increased focus on minority-owned suppliers in our RFP opportunities.

HPE delivered on commitments for small and diverse business inclusion despite the challenging business environment and contraction in budgetary spending.

In 2020, HPE:

- Provided a valuable platform and opportunity for diverse supplier industry development and growth through our mentor protégé program
- Attended national and regional virtually-facilitated supplier diversity industry events on a monthly basis
- Met and educated numerous prospective suppliers on working with HPE, judged virtual small business pitch sessions, and volunteered with events to support our nonprofit industry partners
- Delivered educational sessions on “Navigating the New Normal,” offering technical advice for women and minority businesses, and worked with diverse suppliers to discover unique ways to unlock value through our Partner Ready Program and Value Added Reseller Channels



EMPLOYEE DEVELOPMENT, ENGAGEMENT, AND WELL-BEING

Our team members are our greatest asset. Their well-being and success are at the forefront of our company's values and culture. We foster team member engagement, invest in their professional development, and provide resources for wellness.

OUR CULTURE

Our new corporate culture program, Life Inside the Element, is centered around our team members, with a strong focus on their experiences, benefits, and career success. In 2020, we created new ways to strengthen our culture and values, whether our team members were working at home or in the office. Highlights from the year include:

- Integrating our culture blueprint into our people programs for consistency across all initiatives
- Launching the culture resource center with tools to promote our beliefs and behaviors
- Establishing the Culture Catalyst Network, made up of more than 850 team members in 54 countries who bring our culture to life through local grassroots movements

Despite the significant events in 2020 associated with social injustice and COVID-19, our team members remained more engaged than ever before, with an engagement score of 83%. In addition, our quarterly pulse surveys revealed 88% team member favorability across key culture dimensions. We also saw a drop in attrition from 7% in 2019 to 5% in 2020, a rate significantly below industry norms.

Strengthening our culture remains a top priority for HPE, and we aim for all leadership to instill our culture blueprint within their teams. We tie executive compensation to deployment of our culture—including employee engagement, talent retention, and diversity and inclusion.





SUPPORTING CAREER DEVELOPMENT

We continue to strengthen our human capital by investing in team members at every level and at every stage of their career. We conduct an in-depth annual talent and succession review with our CEO and Executive Committee members. The process focuses on accelerating talent development, strengthening succession pipelines, and advancing diversity representation for our most critical roles.

We expanded learning opportunities during COVID-19 to ensure team members had the resources to progress their careers while working from home. We transitioned all of our programs, including instructor-led, to be available online.

In 2020, HPE Learning and Development invested \$7.7 million in resources for team members, and HPE's business units made additional investments to support their teams. AcceleratingU is our primary learning platform, consisting of on-demand, interactive, and mobile access to personalized learning opportunities. During the year, 77% of active employees completed at least one non-mandatory training course in AcceleratingU. Team members achieved more than 609,000 course completions with an average of 23.2 learning hours per team member.

During the year, team members achieved more than 609,000 course completions, with an average of 23.2 learning hours per team member

To support team member career growth, we encourage them to apply for open positions within HPE. In 2020, we filled 35% of positions with internal candidates, up 10% from 2019.

We also support workforce development outside of our walls. Our Employee Development Grant program provides financial support to team members who are pursuing bachelor's, master's, or doctorate degrees. In 2020, more than 440 people benefited from the program. In the U.S.—where student loan debt totals more than \$1.5 trillion—we offer a Student Loan Repayment program. In 2020, we provided approximately \$2.5 million to more than 800 team members.

For more information on our Human Capital Management strategy, see our [Proxy Statement](#).

INVESTING IN LEADERSHIP

Effective leadership is pivotal to the success of our teams.

In 2020, we revised our leadership development curriculum to align with the company's business priorities, address timely topics, and deliver more targeted training. We now steer select leaders to shorter courses geared toward their roles. We also revamped our Inclusive Leadership course to reinforce our leaders' roles in ensuring a diverse and inclusive workforce. We require all leaders to complete the course, and at the end of 2020, we reached 98% of leadership.

We also updated our Elements of Leadership program to include tools that leaders can use in their day-to-day work. This program provides training on HPE's four elements of leadership—Engage, Empower, Evolve, and Execute. Honing these behaviors will ultimately help leaders drive business performance and team member engagement. In 2021, we will require 100% of leaders to complete this training.

PROMOTING TEAM MEMBER WELL-BEING

We've always believed that the well-being of our team members extends beyond our walls. This has never been truer than during the pandemic, when health is top of mind and the majority of our workforce is remote.

To support our team members and their families to stay well physically, financially, and emotionally, we expanded our benefits amid COVID-19, including:

- 100% coverage of COVID-19 testing and treatment under most HPE medical options
- Additional paid sick leave for eligible U.S. team members affected by COVID-19
- Up to 10 additional days of backup child or adult care in the U.S.
- Increased well-being resources, including workout subscriptions, access to counseling, and financial coaching

Our Employee Assistance Program (EAP) provides everyday support for team members, including counseling, referrals for childcare, professional assistance for emotional and behavioral health, and critical incident support for sites affected by natural disasters. In 2020, we expanded EAP offerings to address the everyday challenges brought on by COVID-19. During the year, global engagement with EAP increased by 50% compared to 2019. We were also encouraged to see that 87% of team members who participated in our annual Voice of the Workforce survey felt that HPE takes a genuine interest in them by offering wellness programs to team members and their families.

In 2020, global engagement with EAP increased by 50% compared to 2019.

The HPE Work That Fits Your Life benefit supports our workforce through work-life transitions by allowing flexibility in where and how our people work. The industry-leading benefit, launched in 2019, includes improvements to our paid parental leave, flexible work arrangements, and return-to-work opportunities. As a result of this program, we now offer one of the most generous parental leave programs in our industry—six months of paid parental leave after the birth or adoption of a child.

During the pandemic, we provided team members additional flexibility in their daily work schedule and extra paid time off as necessary to provide care for family members.

We also invest in team member health through Winning with Wellness, our longstanding well-being initiative. This comprehensive program incorporates in-person and virtual resources such as on-site trainings, wellness websites, and publicly-available podcast series, and physical fitness challenges. We promote all wellness pillars globally, with sites offering tailored programs to meet local needs.

DOUBLING DOWN ON TEAM MEMBER WELL-BEING DURING COVID-19

The pandemic posed unique challenges to governments, businesses, and individuals alike. Recognizing this, we wanted to make sure our team members and their families had the tools to stay well physically and mentally. In 2020, we stepped up our wellness support by offering new and expanded free resources, including:

- Headspace: A meditation app that addresses stress, anxiety, sleep, focus, and more. In 2020, more than 10,000 team members enrolled in Headspace, completing 2.2 million minutes of meditation
- Wellbeats: Video fitness classes that gives team members and their families the flexibility to work out anywhere and anytime

- StartOrganic: Bi-monthly interactive gardening webinars to help team members successfully garden, no matter their level of expertise
- Camp Supernow: Virtual after-school enrichment program in the U.S. and Canada

In 2020, we transitioned from an annual to ongoing behavioral health campaign. We tailored our resources to address the challenges being experienced by various groups—parents, those who live alone, and those who are caring for aging loved ones.



CASE STUDY

ENGAGING TEAM MEMBERS

Given that HPE has always had a global, distributed workforce, we already had the systems in place to engage remote teams. Amid the pandemic, we leveraged our existing platforms to frequently communicate with and get feedback from team members.

Our annual Voice of the Workforce survey encourages direct feedback from our team members on topics such as culture, inclusion, and career success. Every year, we update the survey to address evolving business priorities. In 2020, 80% of our team members participated, a 4% increase from the previous year and the highest rate to date. We also

achieved our highest engagement score to date of 83%, a 2% increase from 2019.

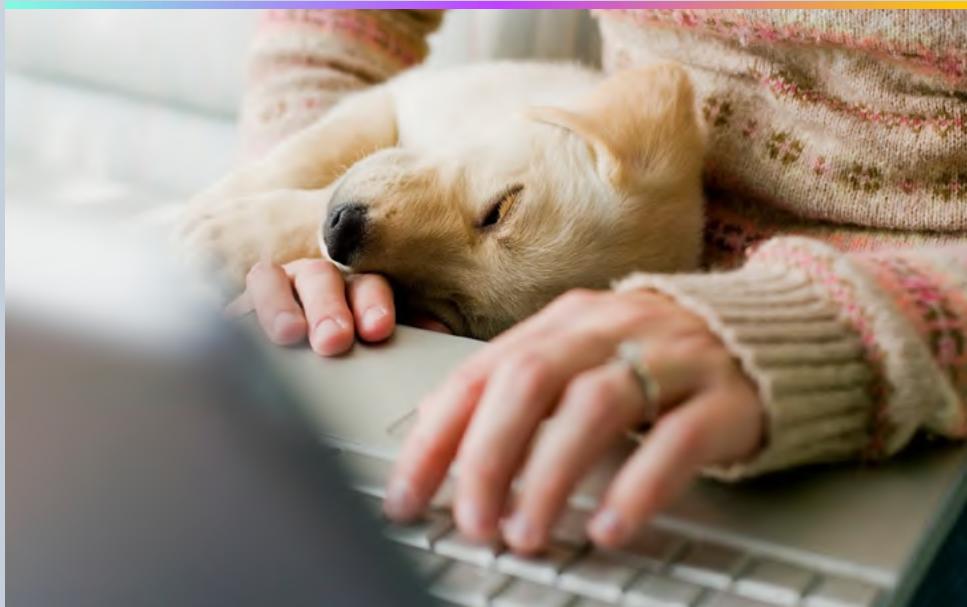
Additionally, 94% of team members feel they are given the flexibility to manage their work and personal needs, a positive indication that HPE rose to the challenge of the pandemic. Areas of opportunity identified include feeling encouraged to pursue an internal career move, fairness of the compensation process, and business process effectiveness. We share survey results with HPE leadership, who review the feedback and take appropriate action.

In 2020, we achieved our highest employee engagement score to date of 83%, a 2% increase from 2019.

We also engaged our remote teams through a number of existing channels, including: Connect Now, our internal social collaboration platform; HPE insider, our online company news page; and monthly All Team Member meetings.

At the onset of the pandemic, we shifted the majority of our 59,400 global team members to remote working. Shortly thereafter, we launched Edge-to-Office, a full reimagining of our sites that goes beyond short-term office closures. Edge-to-Office is a new way of working, anchored on flexibility and trust, while still ensuring that culture, collaboration, and innovation remain at the forefront of our day-to-day tasks. Under this program, the majority of our team members will permanently work remotely, but still have access to HPE sites for collaboration as needed. To assist team members with the transition and to help them succeed in their new work environment, we developed online resources, provided IT equipment, and offered extra time with leadership.

We also implemented a companywide campaign, HPE—Here to Help. The campaign shared resources to help all employees cope with challenges from the pandemic, both professionally and personally. We also built a specific learning channel on AcceleratingU that provided content on pandemic support.



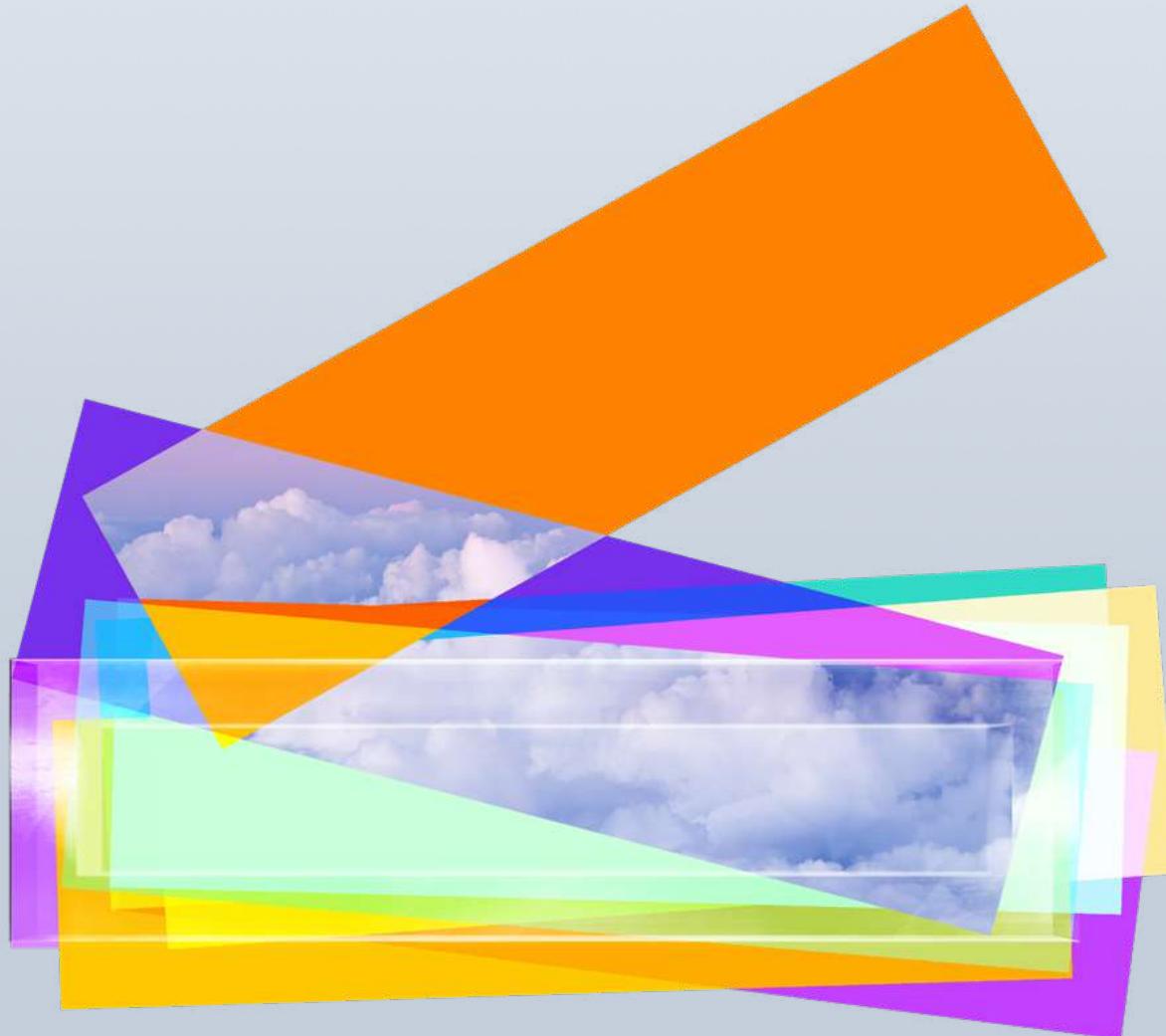
DEVELOPING RESILIENCE THROUGH RESKILLING

The rapid pace of technology innovation has re-shaped the tech job market, revealing skills gaps in our industry. We are supporting those affected by this transition with the abilities they need to succeed in the growing number of tech roles.

In 2020, we launched the Strategic Skills project to support our team members in learning tech skills that are in demand. Using software, this project will identify the skills needed at HPE and then hardwire these into our learning and development programs.

HPE also launched the HPE STEM initiative in 2020 to deploy HPE-developed tools and resources to students, with a focus on reaching female and ethnically diverse groups. Learn more in [community investment](#).

Beyond our company, we also provide reskilling to people who have been out of the workforce for an extended period of time. Through our Returnship program, we help professionals build skills and experience in specific areas, such as cybersecurity, before returning to the workforce.



EMPLOYEE HEALTH AND SAFETY

The health and safety of every team member remains our top priority at HPE. Whether in the office or working remotely, we have policies and resources in place to help our workforce stay healthy.

PRIORITIZING TEAM MEMBER SAFETY DURING COVID-19

In response to the COVID-19 pandemic, we activated more than 50 local HPE crisis management teams that worked quickly to comply with rapidly changing protocols and protect the health and safety of our team members.

We implemented a global work from home policy and established an online COVID-19 Resource Center to support the transition to remote working. In addition, HPE expanded our benefits and Employee Assistance Program to support team member well-being.

For select positions requiring individuals to be on-site, we immediately offered personal protective equipment, and we followed best practice and local regulations to prepare our offices and operations for safe working. Prior to allowing team members back on-site, all HPE facilities must complete a thorough 170-element safety checklist.





MAINTAINING SAFE AND HEALTHY WORKPLACES

We take a holistic approach to health and safety. Our Environmental, Health, and Safety (EHS) program promotes practices for an injury-free workplace and provides the tools and resources necessary for sites to comply with our [Environmental, Health, and Safety Policy](#). This policy guides our team members and subcontractors on the practices and protocols for maintaining a safe work environment.

In 2020, our lost workday case rate was .02 and our recordable incident rate was .05. Both rates were below U.S. industry standards of 0.1 and 0.2 respectively,²³ and were improvements compared to our rates in 2019. This improvement is primarily due to team members working remotely, which reduced the number of office- and vehicle-related accidents. Although our total rates were down, we saw an increase in ergonomics-related incidents and lost workdays due to the transition to working from home. We are addressing this trend by continuing to share tips and resources to help team members set up their home workspaces with ergonomics in mind.

Ensuring Site Safety

We use our internal EHS risk reporting tool to track regulations and compliance mechanisms across our global sites. This tool gives our EHS team greater visibility into site-specific risks and how they are being addressed. As part of this tool, our EHS team conducts on-site safety assessments. These assessments were postponed in 2020 due to COVID-19, but will be reinstated when team members return to the office. For regulatory updates, we receive periodic information from a third-party EHS management consulting company.

We certify select HPE offices to industry-leading safety standards. As of 2020, three HPE sites are certified to OHSAS 18001 and 10 are certified to ISO 14001. Every year, internal and third-party auditors confirm site compliance with these standards. In 2020, these audits were conducted remotely due to COVID-19 restrictions.

Upholding safety is the responsibility of every HPE team member. We engage team members often on health and safety through our EHS programs, mandatory training during onboarding, and company-wide campaigns. In 2020, a number of HPE sites received recognition for their strong health and safety practices, including HPE locations in Colombia, Italy, and the U.S.

COMMUNITY INVESTMENT

Our culture of giving strengthens the communities where we live and work and remains a powerful means of engaging team members. We channel our efforts toward the world's toughest challenges, tapping into the power of technology and the talents of our people.

A FORCE FOR GOOD

We use our strengths and skills as a technology leader to support community organizations and empower team members to use their passion and expertise to serve others. We are aligning our community initiatives to our business strategy with the goal of increasing our impact. This involves meeting with HPE leaders to drive synergy between our business and community activities and ensuring our team members are aware of the giving opportunities available to them.

The pillars of HPE Gives, our community investment program, are accelerating impact in the digital age, supporting communities where we live and work, and amplifying the impact of our people.

Our 2020 activities were heavily influenced by the year's events, including the COVID-19 pandemic and the social justice movement. We believe that digital inclusion has a role to play in tackling both of these issues.

In 2020, HPE was recognized as one of the 50 most community-minded companies in America with the Points of Light Civic 50 Award.

Our initiatives in 2020 included:

- Powering tech-centered nonprofits focused on underrepresented and under-resourced communities through our HPE Accelerating Impact initiative
- Supporting remote learning through our partnerships with organizations such as Curated Pathways to Innovation and the Warriors Community Foundation
- Donating Aruba Wi-Fi connectivity kits to entities managing public education and healthcare
- Giving to partners tackling frontline health challenges and providing essential life services
- Scaling COVID-19 testing by expanding our existing eHealth Center program

While in-person volunteering events were on pause, we set a company record for giving. In 2020, HPE Gives distributed more than \$7.6 million in funds to more than 4,800 causes.

ACCELERATING SOCIAL IMPACT IN THE DIGITAL AGE

HPE Accelerating Impact: Fueling Tech-Centered Nonprofits

Now in its second year, the HPE Accelerating Impact initiative supports technology-centered nonprofits through donations, volunteerism, and our partnership with accelerator Fast Forward. These nonprofits are uniquely positioned to enable inclusion for under-resourced communities through technology.

In 2020, our Accelerating Impact initiative included 40 tech nonprofits working on diverse issues around the world. Of these, more than 50% are led by a woman or gender non-binary person and more than 50% are led by a person of color. HPE delivered \$1.2 million in funding to these organizations by inviting team members to direct \$25 credits, provided by the HPE Foundation, to the organization of their choice. Twenty-nine thousand team members participated, and parts of our organization unlocked additional grant funding through gamification. Since its inception, HPE Accelerating Impact has positively benefited the lives of more than 360 million people.

Inspiring the Workforce of the Future through STEM Education

The racial, gender, and economic disparities in accessing high-quality STEM education extends beyond its impact on students—it represents a risk to the digital economy, which is expected to see a shortage of 85 million tech workers by 2030.²⁴ The HPE STEM Initiative deploys HPE-developed tools and resources to inspire a rising generation of diverse tech innovators and smart digital citizens.

With our support, our partner Curated Pathways to Innovation (CPI) is having a positive impact on the STEM education pipeline. The HPE Foundation is the founding funder of CPI, an initiative that aims to improve representation in STEM fields through an AI-enabled, personalized learning platform for students.

In 2020, HPE helped CPI reach more students in new geographies amid COVID-19 school closures. CPI's learning platform now features HPE's Cyber Squad, an online game that increases cybersecurity awareness. When in-person activities can safely resume, we will launch the HPE STEM board, a small microcontroller equipped with a set of ready-to-use devices and sensors to teach basic programming and robotics. We aim to reach 1,500 students through Cyber Squad and the HPE STEM board by the end of 2021, with at least 50% of students being female and at least 50% being ethnically diverse.



USING TECH TO TACKLE SOCIAL ISSUES

In 2020, we provided financial contributions to support the work of organizations dedicated to making a difference through tech, including Hopebound and Movers & Shakers.

Hopebound makes therapy more accessible to under-resourced adolescents who are less likely to have access to mental health support. In 2020, they completed the second pilot of their virtual therapy platform, connecting youth in Atlanta, Georgia, and Newark, New Jersey, to mental health clinicians for one-on-one weekly therapy sessions.

Movers & Shakers uses augmented reality (AR) to write narratives of underrepresented groups into American curricula. This year, they launched their AR Monuments Project app and curriculum in 100 under-resourced schools to share the history of women, people of color, and LGBTQIA+ icons. They are also developing a novel digital learning experience called Unsung, which uses AR to tell the story of four Black women singers who used their voices to fight for social change.



CASE STUDY

Supporting Communities Where We Live and Work

In 2020, we provided ongoing assistance to longstanding partners and channeled funds to address critical issues and inequities exacerbated by the pandemic. For safety reasons, we suspended HPE Gives in-person events, but we maintained our giving program and emphasized virtual volunteering.

Recognizing the value of pro bono service, we doubled the HPE Gives reward rate for this form of volunteering. We know that skills-based volunteering tends to be more impactful, valuable for organizations, and also rewarding for our team members; in 2021, we aim for 40% of all volunteering to be skills-based.

Our workforce consistently reports that these programs make them proud to work at HPE. In 2020, 94% of team members who responded to the Voice of the Workforce survey said it was important that HPE supports the communities in which we live and work. Given the increased interest in virtual volunteering, we continue to adapt our programs to meet that demand.

94% of team members that responded to the Voice of the Workforce survey said it is important that HPE supports the communities in which we live and work.

Improving Wi-Fi and IT Infrastructure to Help Communities Weather the Pandemic

HPE connectivity kits contain Aruba products that improve the reach and management of Wi-Fi networks. Between March and October 2020, we identified 1,600 education and healthcare organizations in 28 countries and delivered kits, valued at nearly \$26 million, to improve connectivity.²⁵

The kits enabled pop-up clinics, hospitals, and testing centers to utilize and extend existing Wi-Fi networks and to increase patient safety. Schools, libraries, and other public buildings used the kits to extend Wi-Fi into parking lots and fields to enable socially distanced learning.

Our team members were eager to help by contributing their expertise on a pro bono basis. For example, members of our HPE Artificial Intelligence and Healthcare teams developed text and data-mining tools to support COVID-19 knowledge sharing. Additionally, network engineers in our Airheads Volunteer Corps built network infrastructure for medical facilities on the front lines.



Funding Racial Justice Efforts

Beyond the significant work we did to make our organization more inclusive, in 2020 the HPE Foundation provided financial support to the NAACP Legal Defense and Educational Fund, which uses litigation, advocacy, and public education to fight racial injustice.

Additionally, HPE Gives provided team members with a list of trusted local, national, and international organizations supporting racial justice who were eligible for matching gifts.

Providing Relief for Natural Disasters and Crises

We leverage resources to address all phases of a disaster—from preparedness to immediate response to long-term recovery. Recognizing the link between climate change and natural disasters, we are expanding our approach to support important climate resilience initiatives.

In 2020, we featured matching campaigns and giving opportunities for the Australian bushfires, California wildfires, Puerto Rico earthquakes, Philippines volcano eruption, and the Beirut explosion. In total, these campaigns raised \$700,000. In addition, we continued our virtual skills-based volunteering work with the

Red Cross Missing Maps program to virtually map buildings and roads to enable more strategic and effective disaster relief around the world. This year, 300 team members participated, mapping 24,000 buildings.

Amplifying the Impact of Our Team Members

Compared to industry peers, HPE team members over-deliver—our volunteers average more than 19 volunteer hours per year and our donors give an average of more than \$400 annually.

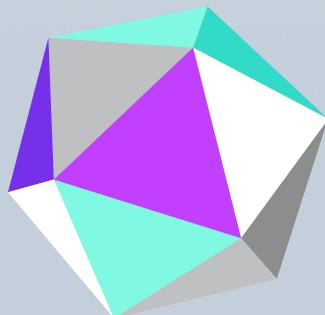
In 2020, HPE Gives distributed a record \$7.6 million in monetary donations and more than 3,500 team members

contributed more than 109,000 volunteer hours benefitting 5,200 nonprofit organizations. Safety concerns due to the pandemic reduced our in-person volunteering, but donations increased by 13.5% compared to the prior year.

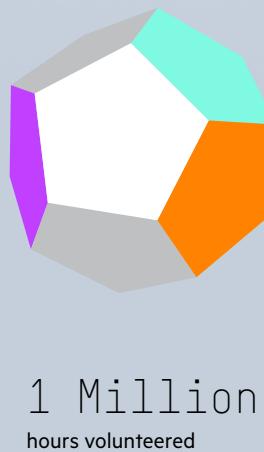
With the majority of our team members working remotely, employee engagement in our initiatives is more pivotal than ever before. We will continue to engage team members through our team member-nominated grants program, Community Impact Grants, and we will use HPE Gives to create opportunities for team members to feel connected to each other and their local communities.

HPE GIVES IMPACT

Since the inception of HPE Gives in 2016



\$30 Million
in contributions



1 Million
hours volunteered



45,000
team members
have given back



14,000
causes supported

SCALING COVID-19 TESTING IN INDIA

Since 2012, HPE has deployed a network of cloud-enabled eHealth Centers (eHCs) to expand healthcare access across India. Due to the urgent need for safe and efficient COVID-19 testing, we supported India's pandemic response by modifying 35 of our existing eHCs and opened 15 additional purpose-built facilities for COVID-19 testing and Outpatient Department Centers (OPD).

The COVID Test Labs and OPDs provide underserved communities with a clean environment for rapid testing and patient isolation. Utilizing HPE technology, the sites experienced minimal downtime, and remote troubleshooting capabilities helped limit the number of on-site staff required. Since its inception in May 2020, HPE's 50 COVID Test Labs and OPDs have facilitated more than 230,000 patient visits.



CASE STUDY



OPERATING RESPONSIBLY

04





We win the right way, holding ourselves, our suppliers, and our partners to the highest ethical standards. We protect our customers' reputations by combating forced labor, promoting accountability, and building security into everything we do. We share a responsibility to protect people and the environment, and we uphold these standards in our innovation principles, business decisions, and procurement choices.

IN THIS SECTION

Corporate governance and ethical behavior

Ethical sourcing

Human rights

Data security

Privacy

Public policy

CORPORATE GOVERNANCE AND ETHICAL BEHAVIOR

High ethical standards and strong governance are the foundations of our business. Together, our team members and Board demonstrate behavior and decision-making that protect our reputation and the long-term interests of shareholders.

CORPORATE GOVERNANCE

Oversight

Our approach to governance protects investor interests, addresses and reduces fiduciary risk, and informs our environmental, social, and governance (ESG) strategy. Our CEO, Board of Directors, and, in particular, the Nominating, Governance, and Social Responsibility (NGSR) Committee of the Board, oversee ESG issues and are committed to ensuring that HPE operates in a responsible manner. Through its careful oversight and management of the Company, the Board ensures that key ESG policies, such as the HPE Code of Conduct and

General Specification for the Environment, align with best practices and stakeholders' interests.

Our Board participates in five standing committees:

- Audit
- Finance and Investment
- Human Resources and Compensation
- Nominating, Governance, and Social Responsibility
- Technology

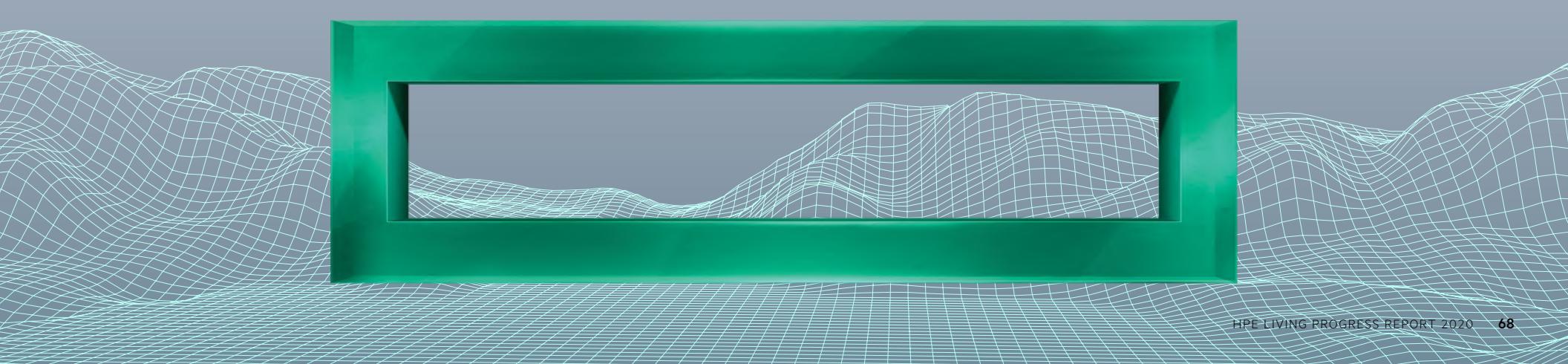
Our Board is one of the most diverse in the industry—a quality that makes it more capable of representing our workforce and stakeholders. As of 2020, we have 13 Board members. Twelve members are designated as independent directors under HPE and NYSE standards. Five are women and three identify with one or more diverse groups in ethnicity, race, nationality, sexual orientation, or gender identity.

Maintaining a diverse board is part of our strategy to ensure representation from leaders with varied perspectives, appropriate skills, and characteristics that can support the global

demands of our business. Our Board undergoes a regular and robust diversity evaluation process, led by the NGSR Committee, to ensure it maintains a diversity of skills and experiences.

We take a proactive approach to Board-level succession planning by maintaining an active pipeline of potential Board members. We are well-positioned to add talent when the need arises, and this helps us ensure business and strategic continuity when there is a change of leadership or other circumstances.

For more details regarding HPE's robust corporate governance, see our [Proxy Statement](#).



LIVING PROGRESS GOVERNANCE STRUCTURE



Living Progress Governance

Our ESG strategy is an integral component of the company's long-term performance strategy. The Living Progress team, which resides within HPE Corporate Affairs and the Office of Operations, Legal, and Administrative Affairs, leads the effort to set HPE's ESG strategy by identifying, evaluating, and addressing material ESG risks and opportunities alongside subject matter experts across the business.

Our Chief Sustainability Officer manages the Living Progress program, which is governed by the following groups:

HPE Board of Directors' Nominating, Governance, and Social Responsibility Committee

- Oversees HPE's ESG strategy, policies, practices, and public disclosures, including in the areas of climate change, environmental sustainability, human rights, privacy, and corporate responsibility
- Identifies, evaluates, and monitors matters that could significantly affect the company's reputation or operations, including social, political, regulatory, and environmental concerns
- Oversees our Political Action Committee, government affairs, and public policy engagement

HPE Executive Committee

- Responsible for the company's environmental and social performance. This includes the Chief Operating Officer and CEO, who directly oversee the Living Progress program

HPE Living Progress Strategy Council

- Evaluates the company's ESG focus areas and priorities
- Provides support from senior leaders across the organization for Living Progress objectives and commitments
- Oversees communication of ESG strategy to internal and external stakeholders
- Endorses materiality assessments and reporting activities

In 2020, we expanded the Living Progress Strategy Council to include a wider range of internal stakeholders who will ensure best-in-class ESG performance continues to be a part of our culture and value proposition. The Council is co-chaired by the senior vice presidents of our Corporate Affairs and Legal organizations.

The Corporate Affairs team communicates with the HPE Board of Directors on issues including risks, impacts, target setting, and resiliency. In addition, Corporate Affairs provides regular updates to the NGSR Committee regarding ESG matters and the company's approach to managing them, with particular emphasis on matters that pose material risk to the business.

There is a growing focus on ESG at the Board level, and Corporate Affairs supports the company's leadership with briefings and trainings on material ESG topics. In 2020, Corporate Affairs met with the Board twice on sustainability-related issues. ESG was included as a key engagement topic in our Board Outreach Program, which consists of focused, one-on-one meetings with our investors, and our Board remains actively engaged with stakeholders on the rapidly evolving ESG landscape through forums such as the Community of Chairpersons of the World Economic Forum.

We link a portion of senior management compensation to ESG factors and reward team members for delivering near-term results and long-term sustainable value. For instance, in order to enhance our **human capital** value, the HPE management by objectives (MBO) approach includes performance targets for retaining top talent and meeting organizational diversity targets. The Board of Directors' Human Resources and Compensation Committee oversees and reviews executive compensation.

Risk management

Our Enterprise Risk Management (ERM) program assesses and monitors company risk. The program is overseen by HPE's Chief Financial Officer and supported by the HPE Executive Risk Council, composed of an executive from every function and business unit across the company. ERM reports to the Audit Committee of the board quarterly and to the full Board of Directors annually.

Select board committees also have responsibilities for oversight of risk management, for instance the NGSR Committee oversees risks associated with ESG matters and the Human Resources and Compensation Committee oversees employee relations topics including inclusion and diversity and pay equity. More information can be found in the [HPE Proxy Statement](#).

Business continuity

HPE is committed to providing a safe work environment for our team members and ensuring continuity of operations in order to provide seamless service to our customers worldwide. Our global Business Continuity Management (BCM) Policy requires business group and global function leaders to develop, maintain, and conduct periodic rigorous testing of appropriate business continuity strategies and plans for their critical processes, operations, and facilities.

HPE has prepared for many imaginable regional or local disaster scenarios, including a pandemic, and will continue to consider a range of potential events. Prior to the COVID-19 pandemic, HPE initiated preparatory actions for possible pandemics that are being leveraged and applied as required. These include pandemic incident simulations, reviews of the resiliency of supply chains and customer support models, and evaluation of critical operations and contingency plans.

See [Our COVID-19 Response](#) for information regarding the measures HPE has taken to ensure business continuity during this global pandemic.

In addition, all HPE team members receive annual training on risk management principles such as cybersecurity and global trade. In 2020, 6,100 team members completed our Global Resiliency Awareness course.

Tax transparency

HPE fulfills [taxation responsibilities](#) in every location where we operate, and we advocate for tax reform that supports an evolving IT industry in a modern marketplace. HPE's tax affairs are managed to protect the company's wider corporate reputation in line with our overall high standards of governance. HPE maintains appropriate tax controls and documentation processes, which regularly undergo internal audits.

ETHICAL BEHAVIOR

We reinforce ethics training to ensure we maintain the highest ethical standards across our global workforce. We expect team members to take responsibility for their own actions and do what is right—behaving with honesty and integrity, even in challenging circumstances.

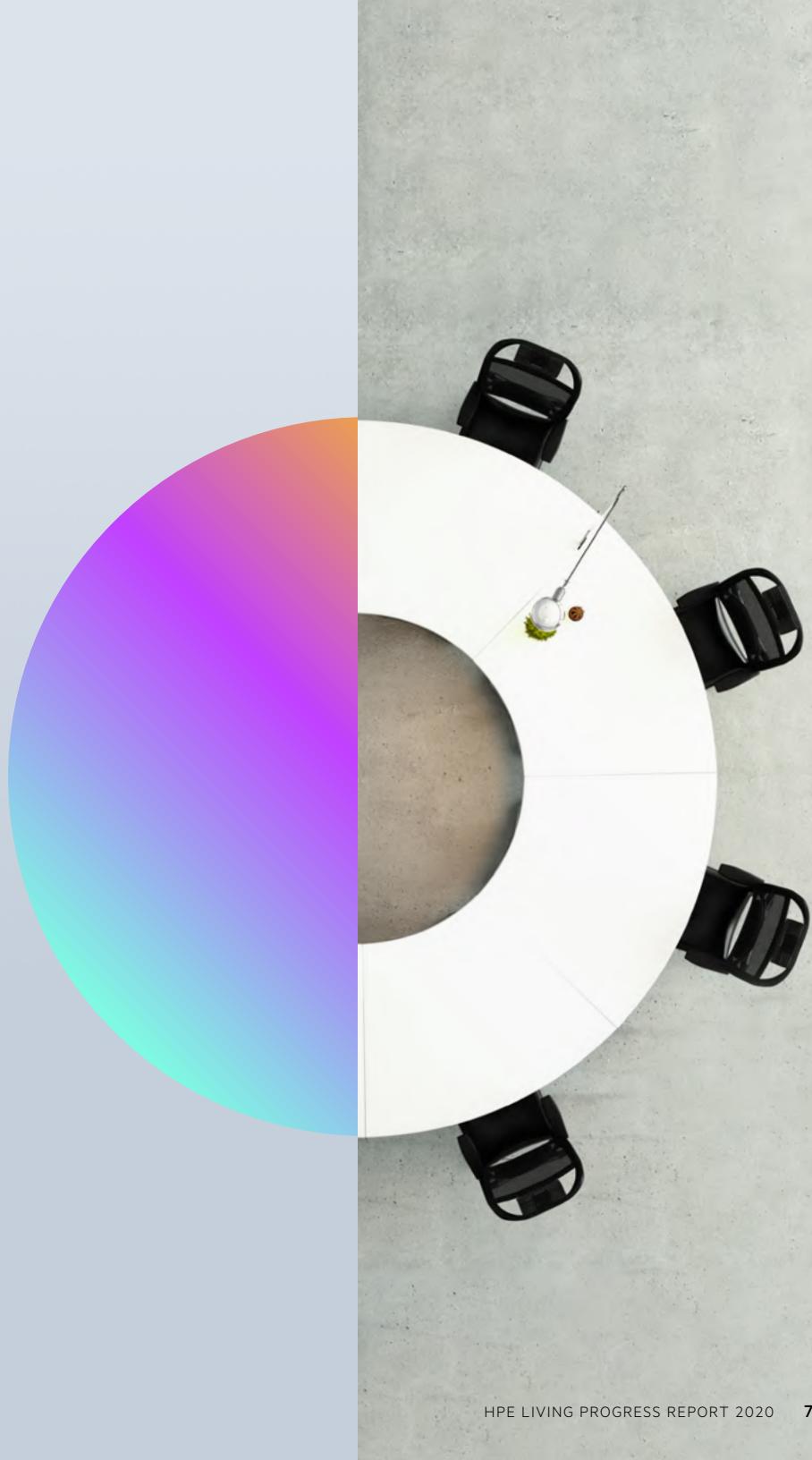
Anti-Corruption Program

Corrupt behavior is unacceptable, and we do not tolerate it in any form. We comply with anti-corruption laws in every country in which we do business, and through our anti-corruption program, we clearly communicate expectations to our workforce. Our program includes:

- Policies that provide clear guidance, including the [HPE Anti-Corruption Policy](#)
- Tools and training

- Process controls to review higher-risk transactions and screen third-party partners
- Support and advice from specialized anti-corruption attorneys and other compliance professionals
- A transparent, systematic process for investigating and addressing potential concerns
- A dedicated anti-corruption audit program

HPE is recognized
as one of the World's
Most Ethical Companies by
the Ethisphere Institute.



Ethics and Compliance Program

Our core document is the HPE Standards of Business Conduct (SBC), which governs our business practices and provides guidance for ethical decision-making. Our Ethics and Compliance Committee and our Audit Committee oversee our approach to ethical conduct, with the HPE Board of Directors taking ultimate responsibility.

If something is not right, we want to know. We encourage anyone with a concern or question about business conduct to raise it through one of our reporting channels, without fear of reprisal. Reports are confidential and can be made anonymously where local law allows.

For each report made, we:

- 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 2020, the majority of issues related to labor law and misuse of assets. Breaches of ethical behavior are reported in our Data Summary.

ETHICS & COMPLIANCE GOVERNANCE STRUCTURE



Training and Communication

Clear and consistent communication reinforces the importance of ethical behavior amongst our workforce. Our training and communication approach includes:

- Requiring all team members to complete SBC training, with new hires required to complete it within 30 days of joining HPE. Board members take SBC training every two years
- Enabling team members to ask questions, access resources, and debate ethics and compliance issues on our ethics and compliance social media platform
- Strengthening our culture of ethical conduct by connecting senior members of the Ethics and Compliance Office with HPE business leaders
- Communicating regularly with team members through formats such as email, videos, and training sessions

In 2020, we modified the format of our SBC training with the goal of increasing the knowledge our team members retain and improving the training experience. During the year, we began delivering the content in four shorter modules that cover anti-corruption, books and records, and anti-harassment, among other SBC topics.



ETHICAL SOURCING

Our extensive Supply Chain Responsibility program guides our approach to assessing risks, monitoring and improving performance, and working collaboratively with suppliers to share knowledge on key issues. We are proud to be a responsible partner for our customers.

At HPE, we hold our supply chain partners to high ethical standards and regularly audit and engage with suppliers to ensure maintenance of our standards throughout our supply chain. Through our Supply Chain Responsibility (SCR) program, we aim to protect and elevate workers; reduce global and community environmental impact; and benefit our company, our business partners, and our customers.

Our longstanding SCR program allows us to assess social and environmental risks in our supply chain and set rigorous targets and standards, including the industry's first Foreign Migrant Worker Standard and our first-of-its-kind science-based supply chain greenhouse gas (GHG) emission reduction goal. While we continue to hone our program and policies to maintain best practices and address emerging risks, we also work to further elevate supply chain social and environmental standards by sharing knowledge and collaborating with our suppliers and industry partners.

Read more about our approach to supply chain responsibility, including our program's purpose, objectives, and procedures.

RESPONDING TO THE IMPACTS OF COVID-19 IN OUR SUPPLY CHAIN

In partnership with our suppliers, we have taken many steps to review and respond to the risks to workers in our supply chain and to protect worker well-being and strengthen operational resiliency during the pandemic.

According to the International Labour Organization (ILO) and the UN,²⁶ there has been an increase in forced labor and loss of income due to the economic consequences of the pandemic. While our direct supply chain reported minimal impacts, movement restrictions, preventative quarantine measures, and short-term labor shortages did contribute globally to heightened risks to workers' mental and physical health.



In response, HPE held several capacity- and capability-development opportunities for suppliers and increased the frequency of one-on-one engagements with more than 60% of our supplier spend. We collaborated with peers and suppliers to offer third-party expert virtual trainings on the topics of elevating worker voice and combating forced labor during a time of increased vulnerabilities to workers. We also met with suppliers to better understand factories' unique challenges and how HPE can better support the prioritization of worker well-being throughout times of disruption and challenge. We used these conversations to evaluate supplier responses to the pandemic, gather best practices, and share opportunities for continual improvement based on leading practices from external stakeholders and our own supply base.

Although travel restrictions limited our ability to carry out on-site audits, our suppliers did not waiver in their commitment to uphold high standards and provided strong plans and remote evidence of progress. Where appropriate, we granted suppliers a reasonable extension in their 2020 audit deadlines. The [Responsible Business Alliance](#) (RBA) implemented and validated a protocol for remote auditing for countries with on-site restrictions, however no remote audits have been undertaken at any of our supplier facilities as of the end of 2020. Learn more about our [SCR audit results](#).

Read more information regarding our [SCR COVID-19 response](#).

COMBATING FORCED LABOR AND HUMAN TRAFFICKING IN OUR SUPPLY CHAIN

Every individual has the right to choose the work they do and to be treated with dignity and respect. We believe the business community must play a vital role in the effort to eradicate forced labor and, more specifically, must implement impactful policies, assess and respond to risks, and support remediation activities throughout their supply chains.

Anyone concerned about potential human trafficking or forced labor in our supply chain, including suppliers' workers, can use a range of [channels](#) to report it.

Read more about our channels for raising concerns [here](#).

How we map and respond to risks of forced labor in our supply chain

Forced labor in our supply chain remains a top priority for HPE and we focus on two groups of workers vulnerable to exploitation: migrant workers and student and dispatch workers. We respond to these risks with a step-by-step process to detect and address unacceptable labor practices in our supply chain. In instances where we work with a new direct or indirect supplier or issue an RFP for a large service contract, we assess the organization to ensure compliance and alignment with our [standards](#). If we identify major or critical issues during this phase, we require the potential supplier to commit to and demonstrate improvement prior to working with us.



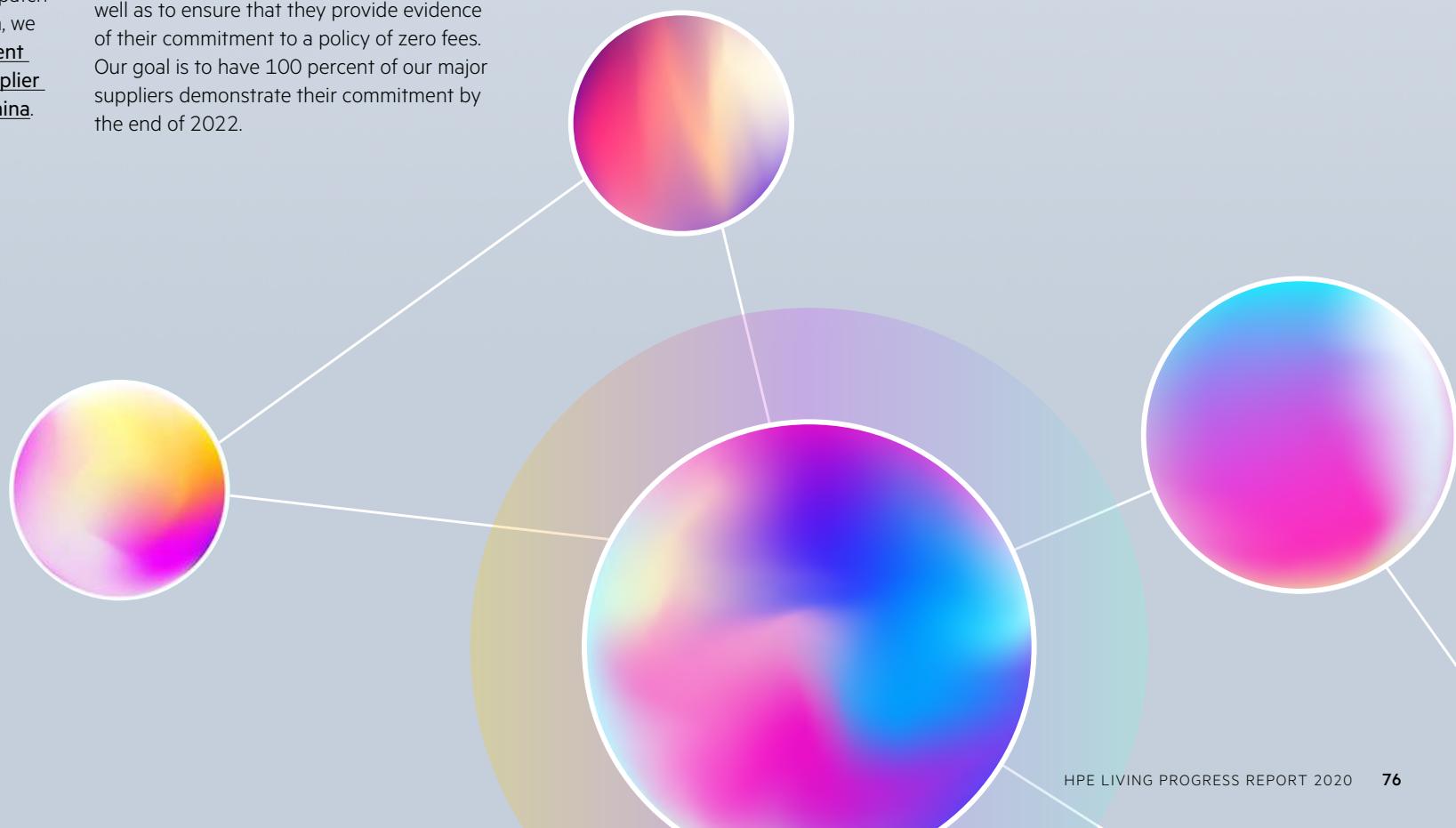
Social and Environmental Responsibility (SER) performance evaluation results directly influence our purchasing decisions. Additionally, HPE trains our sourcing managers on how to spot modern slavery and its risks in our supply chain and maintain ethical and responsible purchasing practices. For instance, in 2020, we co-facilitated trainings with Mekong Club for buyers on the topic of modern slavery and ethical practices.

To protect the rights of student and dispatch workers at our suppliers' plants in China, we require suppliers to adhere to our [Student and Dispatch Worker Standard for Supplier Facilities in the People's Republic of China](#).

We protect migrant workers by requiring supplier compliance with our [Foreign Migrant Worker Standard](#). Our standard upholds the [Employer Pays Principle](#), protecting workers from having to pay fees to obtain a job. If we find that one of our suppliers is in violation of this requirement, we require all recruitment fees to be reimbursed. Looking ahead into 2021, we will work with our major suppliers to request that they formally commit to the Employer Pays Principle, as well as to ensure that they provide evidence of their commitment to a policy of zero fees. Our goal is to have 100 percent of our major suppliers demonstrate their commitment by the end of 2022.

In 2020, [KnowTheChain](#), a resource for companies and investors to understand and address forced labor risks, ranked HPE first out of 40 companies in their ICT sector benchmark for our efforts to address forced labor in our supply chain. HPE also increased our score and placed second in the ICT manufacturing sector on the 2020 [Corporate Human Rights Benchmark](#).

HPE received top scores from KnowTheChain and the Corporate Human Rights Benchmark.



WORKING WITH OUR SUPPLIERS TO UPHOLD THE EMPLOYER PAYS PRINCIPLE

In 2020, HPE worked with four suppliers to reimburse a half-million dollars to workers who had paid recruitment fees to agencies. Cases of recruitment fees are deemed critical and, in 2020, we established a more robust program and tools to drive our work with suppliers where such fees were discovered. This program supported three suppliers to work more quickly and effectively on their previous cases of reimbursement, and one new supplier in 2020. This new supplier represented our one critical issue from 2020: A finding of five workers at a supplier manufacturing facility based in Malaysia who paid fees including medical, immigration security clearance, orientation, and agency fees back in their home country of Nepal. Upon further review across the workforce, the supplier identified additional instances of recruitment charges and

agreed to process reimbursement payments for all migrants from Nepal, regardless of whether they reported fees or had evidence.

The supplier openly engaged with HPE, quickly refining and improving its reimbursement program, ensuring worker voice and consultation into the reimbursement plan, provided evidence that workers were fully reimbursed within three months of HPE discovering the finding, and completed a successful third party closure audit. In addition, the supplier worked with HPE to survey workers across the entire company and found very high rates of understanding of the site's no-fees policy, satisfaction with the reimbursement program, and overall well-being and workplace satisfaction.

CASE STUDY

Advocating for stronger standards and reporting

The global recruitment industry spans multiple sectors; we engage with partners within and outside of the IT industry to drive wider change in working practices. HPE also takes initiative to promote large-scale collaboration between the public and private sectors to understand and address the root causes of modern slavery and forced labor. In 2020, HPE joined a small group of RBA members to pilot a worker engagement survey and training tool, [RBA Voices](#).

Additionally, alongside our industry peers, HPE provided recommendations and put forward formal proposals to advance worker protections within the RBA's updated Code of Conduct, which launched in 2021.

In 2020, we developed metrics in new areas and refined others to make more informed, evidence-based decisions that will have a positive impact on workers, our supplier performance, and HPE. These metrics focus on supplier engagement, demonstrable supplier improvement, worker voice, and freely chosen employment.

Our Board of Directors recognizes the leading role we play, and reviews and approves our commitments to the California Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act of 2015. Read our 2020 [statement](#).

Learn more about [our approach](#).

HOW WE WORK WITH SUPPLIERS

We embed ethics into how we select, onboard, and manage relationships with our supply chain partners. In the supplier selection process and, prior to finalizing requirements and contracts with major suppliers, our Global Operations team conducts assessments to ensure that SER issues—including social responsibility, responsible sourcing of minerals, and the environment—are prioritized. Compliance and engagement with our SER requirements are included in supplier contracts.

Once a supplier is onboarded, suppliers undertake regular, independent audits against our Supplier Code of Conduct. We require suppliers to cascade our Supplier Code of Conduct²⁷ within their own supply chains and expect them to engage with their sub-tier suppliers to uphold our SER standards and requirements.

We also include SER indicators in our supplier scorecard reviews, ensuring SER topics are regularly integrated into business discussions and decisions.

See the [2020 Data Summary](#) for comprehensive supplier performance.

We have long-term relationships with many of our suppliers and invest resources to deliver trainings and capability development programs for all suppliers. For example, in 2020, HPE:

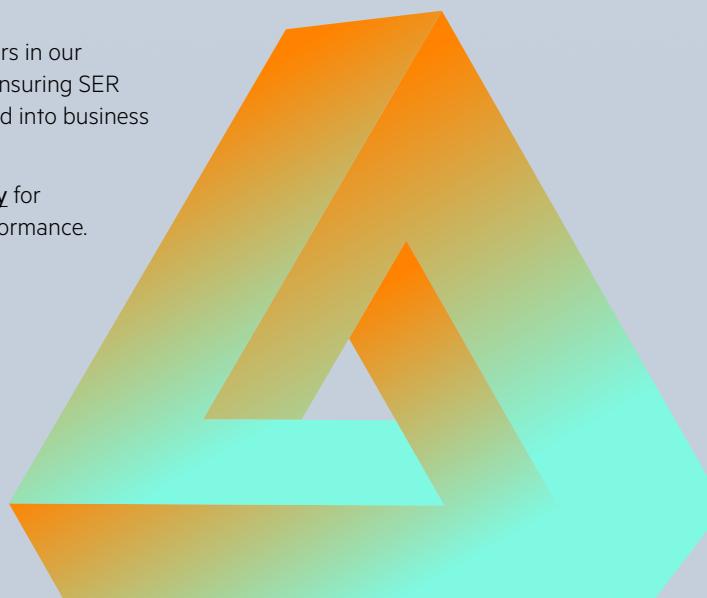
- Co-sponsored virtual trainings with peer companies (Intel®, Seagate, Western Digital, and HP Inc.) for 400 supplier representatives on the topic of forced labor and the impacts of COVID-19 on workers
- Through Elevate, a leading supply chain consultant, HPE and HP Inc. provided two virtual supplier trainings in China on managing forced and bonded labor risks, and ensuring worker voice. HPE invited all suppliers across China. Approximately 150 HPE supplier participants attended
- Continued to work with Verite's CUMULUS tool to review the results of four suppliers' forced labor screenings, with plans to onboard five new suppliers in 2021

SUPPLY CHAIN LEADERSHIP AND TRANSPARENCY

Leadership and transparency are at the core of our Supply Chain Responsibility (SCR) program. We engage with peers, industry bodies, and cross-sectoral organizations, including the RBA and the [Global Business Initiative](#) to share best practices and new challenges and to advance supply chain programs and standards beyond our own business. We are also a founding member of the [Leadership Group for Responsible Recruitment](#), focused on promoting ethical recruitment through the Employer Pays Principle and combating the exploitation of migrant workers.

We support supply chain transparency and publish:

- A [list of suppliers](#) and their addresses, their sustainability reporting, and their progress toward a transparent and science-based GHG reduction program
- Our [Supply Chain Responsibility dashboard](#) and supplier audit and SER Scorecard results
- Information about our recent [capability-building](#) activities and achievements
- A [list of 3TG \(tin, tantalum, tungsten, and gold\) smelters and refiners, their locations, and alignment with international best practice](#)



RESPONSIBLE SOURCING OF MINERALS

We have a responsibility to ensure that the materials used to make HPE products—including metals found in most technology products such as tin, tantalum, tungsten, and gold (3TG)—are ethically sourced. The mining, sale, and use of minerals from Conflict-Affected and High-Risk Areas (CAHRAs), including the Democratic Republic of the Congo (DRC) and the DRC-adjoining countries, has been associated with negative social and environmental impacts, including funding violent groups that commit human rights offenses. Through our responsible minerals program, we work to advance responsible mineral sourcing from CAHRAs used in our products.

We strive to improve our mineral-sourcing transparency within our supply chain and achieve DRC conflict-free sourcing²⁸ for our products. Ultimately, we aim to improve conditions in CAHRAs identified by the presence of armed conflict, widespread violence, or other human rights abuses. Because we believe it is important to avoid the economic and humanitarian impacts associated with an embargo of the DRC region, we continue to source from, and do not prohibit our suppliers from sourcing from the DRC, the DRC-adjoining countries, and other CAHRAs.

The mineral supply chain is complex and global, with several stages from mine to product. HPE does not directly purchase minerals from raw material providers; due to our downstream

position in the supply chain, we place strong importance on the value of multi-stakeholder collaboration. Since 2008, HPE has been a member of the [Responsible Minerals Initiative](#) (RMI), through which we engage with a variety of industry members, governments, nonprofits, and supply chain stakeholders to influence and advance the responsible sourcing of minerals. We engage in RMI and participate in its member working groups, including the Smelter Engagement Team, Due Diligence Practices Team, and the Gold Team.

In 2020, we continued to encourage India-based gold refiners to participate in responsible sourcing assessments. HPE worked with peer companies, RMI, and India's National Stock Exchange to encourage refiners' participation. We supported several educational town halls for refiners, and regularly wrote to refiners to express our support of their incorporation of responsible sourcing practices. The OECD hosted follow-up workshops to its 2019 Indian Responsible Gold Sourcing Workshop, which HPE attended virtually in 2020.

In 2020, 95% of smelters and refiners reported by suppliers made progress toward DRC conflict-free status.

In 2020, we facilitated outreach to more than 50 facilities to encourage their involvement in RMAP or another independent assessment program aligned with the OECD Due Diligence Guidance. Additionally, in 2020, 95%²⁹ of smelters and refiners reported by suppliers made progress toward DRC conflict-free status. Our annual [Conflict Minerals Report](#)—required by the U.S. Securities and Exchange Commission—shows the status of smelters and refiners involved in our supply chain.

To increase smelters' participation in the RMAP audit program, HPE made financial contributions to 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. HPE also supports the ongoing development and roll-out of a new shared industry tool, the [Minerals Grievance Platform](#), which we are piloting to report, track, and manage critical incidents linked to minerals supply chains. We provide feedback to strengthen the platform's effectiveness and encourage its widespread use.

[Read](#) more about our approach to Responsible Sourcing of Minerals in our supply chain and how HPE's program aligns with the internationally recognized OECD Due Diligence Guidance³⁰ for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Investing in mining communities

Investing in mining communities is an important aspect of responsible sourcing. In 2018, HPE became one of the first donors outside of the DRC region to make a financial contribution to KEMET Corporation's Friends of Kisengo organization, a nonprofit dedicated to effectively and sustainably improving people's lives in the DRC through an integrated rural development program focused on infrastructure, health, education, and environmental development. HPE continues to support the mission of Friends of Kisengo by financially contributing to childhood education in the Kisengo tantalum-mining community. In 2020, we doubled our impact and funded two months of school expenses for 1,500 children in the mining community of Kisengo, DRC.



HUMAN RIGHTS

We treat all people—inside and outside the company—with fairness, dignity, and respect. We actively pursue ways to demonstrate our respect for human rights, and embed it in how we operate.

PROTECTING HUMAN RIGHTS ACROSS OUR VALUE CHAIN

As we approach the 10-year anniversary of the establishment of the [United Nations Guiding Principles on Business and Human Rights](#) (UNGPs), HPE is proud to have been committed to these principles for the past decade. We believe that the basic freedoms and standards of treatment to which all people are entitled are universal, and upholding these rights is fundamental to our values. We respect the rights of all individuals impacted by our work and that of our partners. In particular, we respect the rights of vulnerable groups including migrants, children, and women, as defined in the [International Labour Organization \(ILO\) Declaration on Fundamental Principles and Rights at Work](#).

As we head into 2021, HPE is relaunching our company-wide Global [Human Rights Policy](#) to strengthen our pledge to global standards, clarify our commitment to respect the rights of vulnerable groups and human rights defenders, and better explain how we put our commitment into practice.

We also established new risk-sensing and due diligence processes related to responsible product development for HPE's latest advances in artificial intelligence (AI) and worked in partnership with our suppliers to [elevate worker well-being during the pandemic](#), which heightened vulnerabilities for workers around the globe. We improved our tools for identifying forced labor in the supply chain and supported the repayment of recruitment fees to workers who were wrongfully charged when seeking employment through recruitment agents. Lastly, this year we provided new opportunities for our staff to volunteer with NGOs to combat modern slavery in the communities where they live and work.

HPE continues to receive recognition for our work in human rights and achieved a top ranking in [KnowTheChain](#), second in the [Corporate Human Rights Benchmark](#), a near-perfect score in [Dow Jones Sustainability Index](#), and were rated as one of the [World's Most Ethical Companies](#) by Ethisphere. The HPE Office of Operations, Legal, and Administrative Affairs (OLAA) guides our approach and works across

the business to address specific issues as they arise. Our Human Rights program, which is part of HPE's Global Social and Ethical Responsibility team and sits within OLAA, supervises the day-to-day oversight responsibilities of our human rights policies and initiatives.

Any parties concerned about activities within our value chain should contact us immediately through one of our [reporting channels](#). We offer uninterrupted access, anonymity, and translation services to make it easy for anyone to raise a concern, and we promote our hotline where opportunities arise, such as when interviewing suppliers' workers.

OUR SALIENT HUMAN RIGHTS RISKS

In 2019, HPE conducted a company-wide Human Rights Impact Assessment with an external evaluator, [Article One](#), to better understand our risks, identify gaps in our due diligence, and update our strategy and processes in order to more effectively manage our human rights risks. The assessment identified HPE's most salient risks, all of which are common throughout the IT industry: responsible product development, responsible use, [modern slavery and decent work](#), [responsible sourcing of minerals](#), [inclusion and diversity](#), and [water use](#). We plan to conduct this assessment on a regular basis and to reevaluate our salient risks as needed.

Responsible development of AI

At HPE, we recognize that AI holds the potential to solve some of society's most pressing challenges, yet it also brings new human rights risks, including discrimination from algorithmic bias, data privacy concerns, and threats to freedom of expression. These unique risks can result in harm—especially

to the vulnerable, oppressed, or economically disadvantaged—that may be further exacerbated when paired with other emerging technologies, such as the Internet of Things.

We are establishing new risk-sensing and due diligence processes related to the use and development of AI to ensure beneficial outcomes for people, businesses, and public services. In 2020, we launched a new AI governance system that includes an AI Ethics Advisory Board to shape and guide our policies and approach to AI ethics.

We also created a new working group to identify and assess ethical risk and develop innovative operational guidance and solutions. Both groups provide company-wide representation in order to secure leadership commitment, to benefit from the expertise of team members around the company, and to ensure that decisions made by our governance body are enforced. This working group will build employee awareness across the company and develop tailored guidance for developers and end users to encourage compliance and engage with external stakeholders.

In 2020, we developed our inaugural AI Ethics Principles, which provide a framework for our journey to develop responsible products by design and provide a starting point for discussions and engagement with partners and customers. These ethical principles will be embedded throughout our company to ensure that HPE continues to do business the right way. We understand that we have the responsibility to identify potential risks,

mitigate potential negative impacts, and refuse to do business in any situation where AI applications are not consistent with our values. These principles are ingrained across the company through risk mitigation and internal controls. We will track our assessment results and the impact of our work, seeking to continuously learn and improve.

We actively participate in the [Business Roundtable on Human Rights and AI](#) to promote collaboration and action across the tech, business, and human rights communities. We join regular meetings to identify best practices on embedding human rights into the development and deployment of AI and to understand trends from guest experts of various backgrounds.

Responsible use of our technology

The responsible use of our products is another salient risk for HPE. We recognize that we share a responsibility to ensure our products are not used with any mal-intent or in ways that could violate the rights and freedoms of individuals.

In 2020, HPE joined our industry peers in informal workshops and meetings hosted by the [World Economic Forum](#) to discuss how organizations in the tech sector can further address the responsible use of new and disruptive technologies and how these technologies should be managed and governed.

HPE AI Principles

1. Privacy-enabled and secure

AI systems should be designed and used to respect individuals' privacy, be secure, and minimize the risk of errors or unintended or malicious use.

2. Human-focused

AI systems should respect human rights and abide by applicable laws throughout their lifecycle. AI systems should be designed and used with mechanisms and safeguards, such as capacity for human determination or oversight, to support responsible use and prevent misuse.

3. Inclusive

AI systems should be designed and used to be inclusive, minimize harmful bias, and ensure fair and equal treatment and access for individuals.

4. Responsible

AI systems should be designed for responsible use and mechanisms should be put in place to ensure accountability. AI systems should disclose information to allow a general understanding of the AI, including how AI can consume resources and influence outcomes. AI-driven outcomes should be open to challenge.

5. Robust

AI systems should be subject to a hazard-based safety engineering approach throughout their lifecycle to build in quality testing and, where possible, technical safeguards to ensure they function appropriately, minimize the risk of misuse, and the impact of failure.

Our HPE Global Human Rights Policy guides us and helps us reduce the potential for our products or services to be used by companies, individuals, organizations, or regimes to cause violations of people's human rights. Through our policy, we:

- Evaluate specific concerns connected with existing or future customers and partners
- Conduct due diligence on relevant business activities in appropriate circumstances. One of the ways we implement this is by partnering with our legal teams, building awareness and equipping them with tools to monitor and identify high-risk sales opportunities, and escalating them to our human rights desk for further risk assessment
- Engage stakeholders on how to effectively reach the aims of our policy
- Provide uninterrupted access to independent grievance mechanisms
- Continuously evaluate and improve our policies and approach

HUMAN RIGHTS AT HPE

We establish leading policy, develop internal procedures for robust due diligence, build awareness across our company and partners, and strengthen systems to hold ourselves accountable. We adopted recommendations provided by our Human Rights Impact Assessment to refine our strategy and develop our new roadmap for continuous improvement, which includes the following principles:

- Identify and escalate high-risk transactions
- Assess risk and inform decision makers across the business
- Design and implement mitigation strategies
- Track performance, assess and report trends to HPE leadership, and contribute to international best practices

We manage workplace risk through our [Standards of Business Conduct](#), our [Nondiscrimination Policy](#), and our [Harassment-Free Work Environment Policy](#). Our workforce also cares deeply about supporting human rights. In 2020, we launched a new initiative titled "HoPE", encouraging employees to volunteer in their local communities with organizations that work to combat modern slavery and support survivors of human trafficking.



DATA SECURITY

We prioritize data security at every step of our value chain, safeguarding our operations, as well as our customers' businesses.

HELPING OUR CUSTOMERS STAY SECURE

The volume of digital data is growing at an exponential rate. By 2025, worldwide data is expected to grow 61%, with the majority generated by IoT devices.³¹ As data increases, so do the threats against it. According to Accenture, the number of security breaches grew 67% over the last five years and 11% from 2018 to 2019.³²

Organizations and governments are spending more than ever to deal with the costs of increasingly sophisticated attacks. In 2021, the cost of cybercrime globally reached \$1 trillion.³³ By 2025, estimates suggest this cost will increase to \$10.5 trillion.³⁴

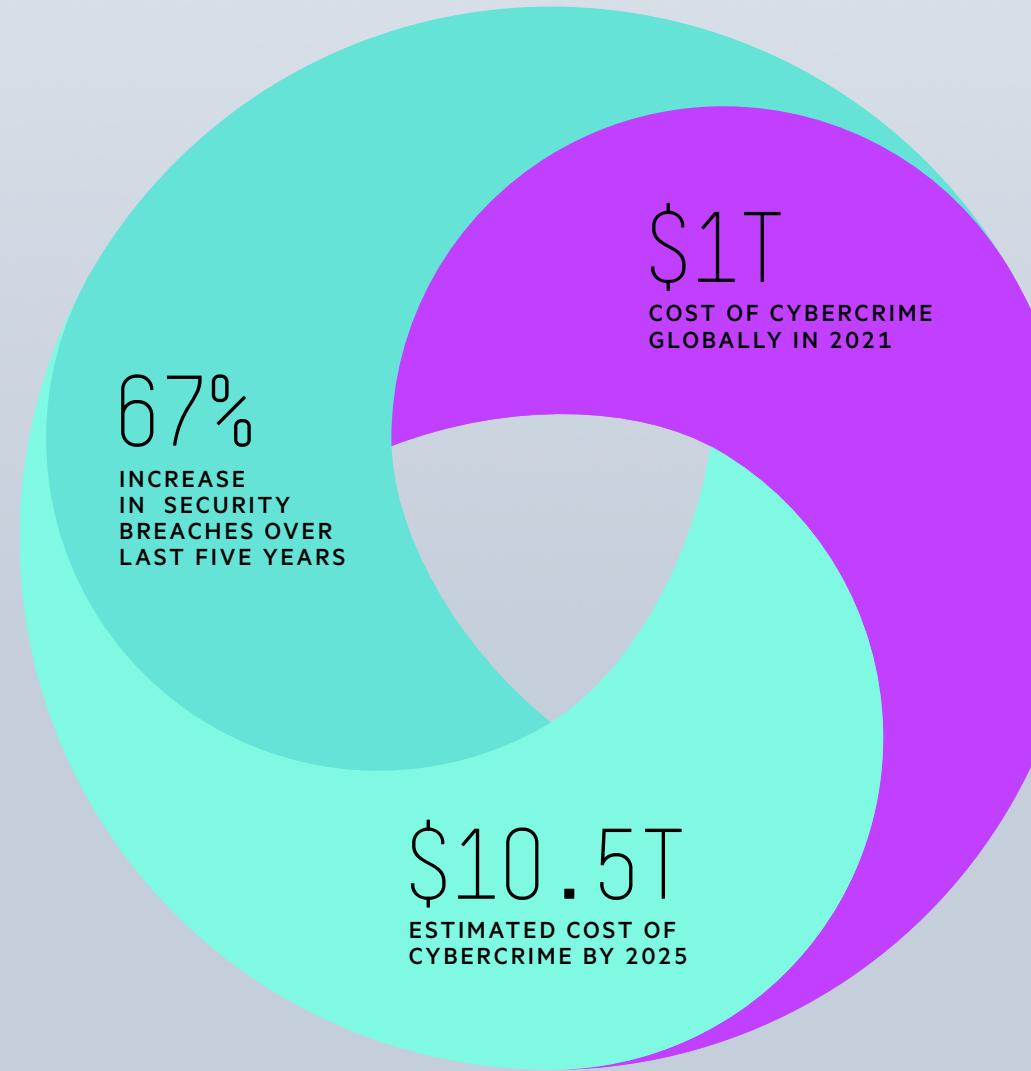
In 2020, the cybersecurity landscape became even more complex due to COVID-19. The pandemic required a rapid transition to remote working, shifting IT infrastructure needs to the edge. With more intelligent devices independently processing information, it's essential that data be secured at every point.

Our networks are built to withstand a growing volume and variety of threats including cyberattacks and unexpected demands. Our technology also helps customers keep pace with evolving global security standards and compliance requirements.

Supply Chain

A known threat in our industry is malicious firmware, hardware, and malware entering products in the supply chain. We protect against this by:

- Maintaining strict control over firmware code access; including running malware scans and checking code signatures prior to sending products to customers
- Using only suppliers on our approved vendor list that have been thoroughly vetted for their strong security protocols
- Implementing third-party evaluations in our supply chain for products at a higher risk of security threats

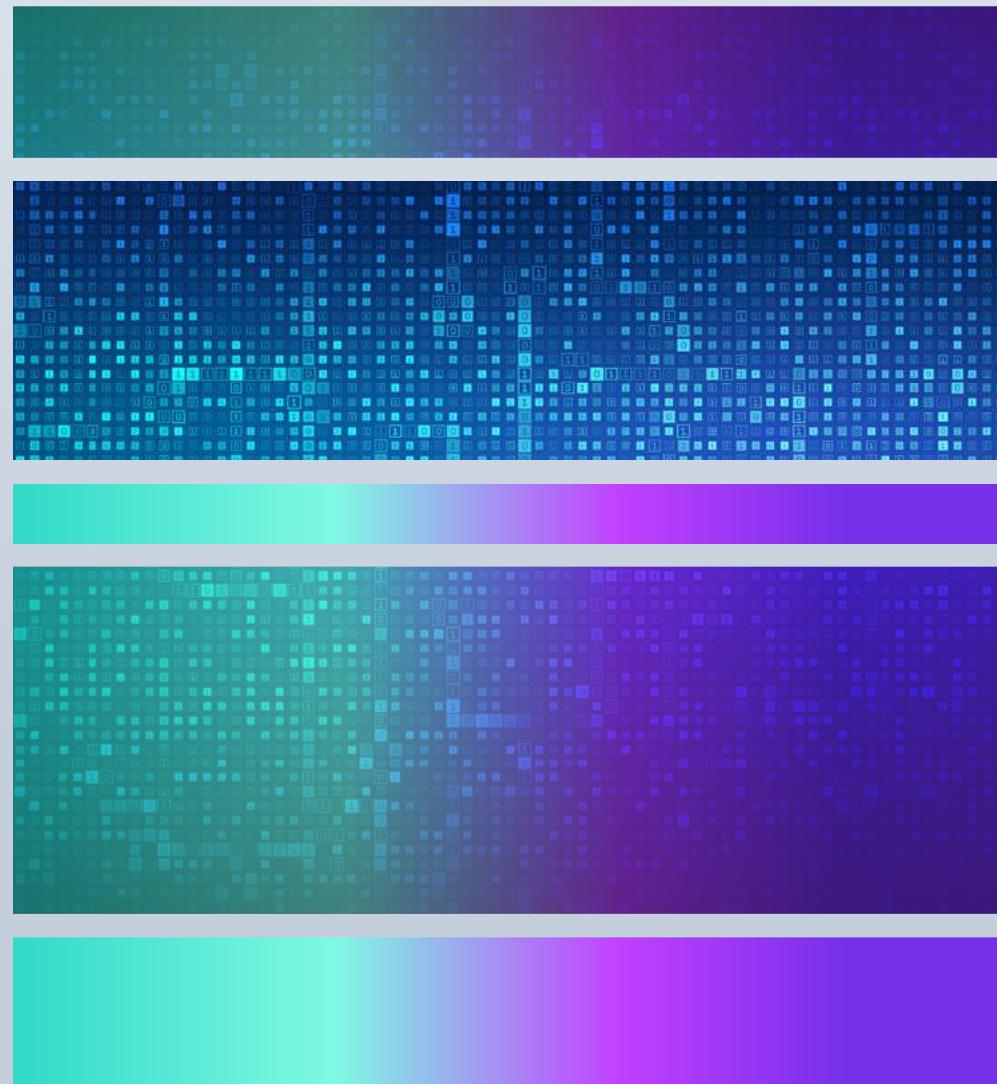


In 2020, we took another step toward our mission to provide customers with the highest level of cyber assurance. Through our newly launched HPE Trusted Supply Chain program, vetted HPE team members manufacture servers in highly secure U.S. facilities. The result is the new HPE ProLiant DL380T, a server with advanced security features, reduced sourcing risk, and verifiable cyber assurance. This program makes HPE the only major server manufacturer to produce the world's most secure industry-standard, made-in-the-USA servers.³⁵ In 2021, we will expand this program to other products in our portfolio, which will be offered as a service through HPE GreenLake for a highly secure cloud experience.

Products

We continue to improve product technology and capabilities to anticipate evolving threats. Our Silicon Root of Trust technology gives our servers an immutable fingerprint that prevents malicious code from corrupting essential firmware. As of 2020, HPE remains the only server manufacturer to design and develop our own silicon, making our Gen10 servers some of the most secure on the market. HPE is also the only company offering servers with Commercial National Security Algorithm Suite (CNSA) encryption as a standard. CNSA represents the most advanced security algorithm available for commercial systems.

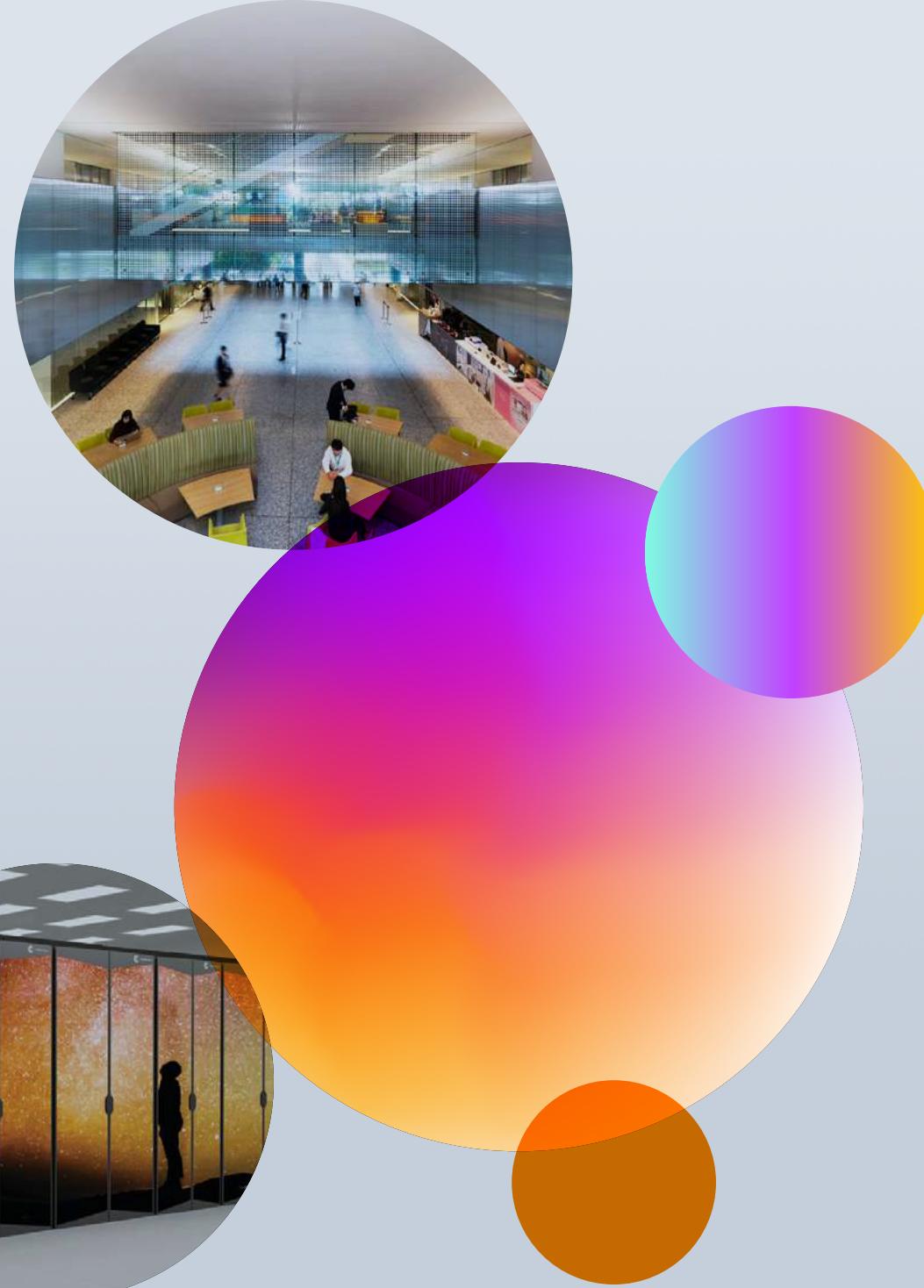
In 2020, we introduced certificate-based identities and verifications, which allows our products to attest to their own identity and configuration, making them more secure. To further this work, we're collaborating with peers and leading experts from the National Institute of Security and Technology (NIST) to test, refine, and document holistic cybersecurity solutions for our industry.



We help keep customer data secure through software platforms and services that protect against new vulnerabilities, detect intruders fast, and enable quick recovery from an attack. Our solutions include:

- **Aruba ClearPass**—A network access solution that brings visibility, control, and security response to the anywhere, anytime, any-device enterprise
- **Aruba Policy Enforcement Firewall**—The only edge-based cyber protection that stops attacks from happening during network connection, an essential feature when each second an attacker is in the network can mean significant damage
- **HPE Pointnext Backup and Recovery**—A service that keeps data safe while maintaining system performance, helping to avoid permanent loss of information and IT system functions following a breach
- **HPE Server System Restore**—A solution that provides the option to restore the firmware to a last known good state, or, in the event of a compromise, automatically loads its own authenticated firmware from an integrated backup, making a complete recovery quick and seamless

Our Hewlett Packard Pathfinder program invests in and scales new businesses that offer innovative data-security services. This program allows us to continue providing customers state-of-the-art security to defend against cybercrime. In 2020, HPE supported a number of companies through Pathfinder, including Synack. Synack creates proprietary technology to accelerate the search of critical software vulnerabilities. With funding they received in 2020, the company plans to combine hacker talent with artificial intelligence and machine learning to find and fix exploitable vulnerabilities at scale.



KEEPING CUSTOMER DATA SECURE DURING COVID-19

The rapid shift from on-site to remote working posed significant logistical challenges for many organizations, including our customers. These challenges were compounded by exposing a new set of cybersecurity vulnerabilities at the edge.

We acted quickly to tailor our services to help customers stay secure in a work-from-home environment, including:

- **Aruba**—Provides secure remote access to corporate resources through Virtual Private Networks or Remote Access Points
- **Virtual Desktop Infrastructure**—Supports secure remote access capabilities and can be implemented quickly and scaled rapidly
- **HPE Pointnext Services**—Helps customers adapt their technology and workforce to new ways of working, including working securely in a remote environment

Into 2021, we will continue to monitor new and evolving threats at the edge to help our customers and their employees stay secure.



CASE STUDY

SECURITY THAT CAN SAVE LIVES

For the Irish Prison Service, video surveillance is fundamental to ensuring the safety and security of prisoners and staff. Across their 12 facilities, they have approximately 5,000 cameras continuously recording. Anything captured on video could serve as crucial evidence for investigating an incident.

The Irish Prison Service required a solution with enough storage for their high-definition cameras while also providing a secure and systematic way to delete footage after a certain number of years. HPE's intelligent data storage solution achieved just that.

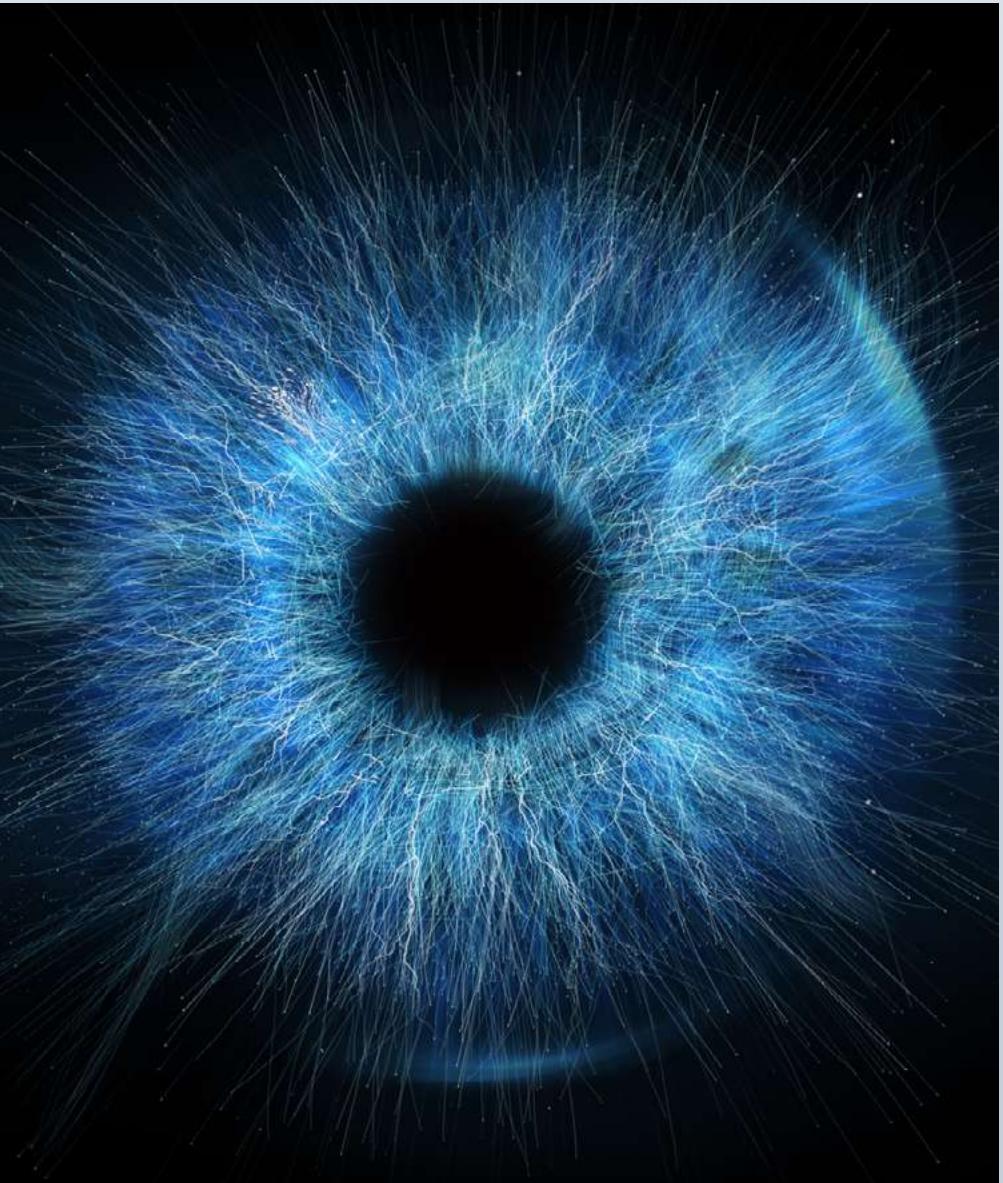
We combined the security and reliability of our servers with the software and cloud capabilities of CTERA Networks and Scality, respectively. HPE ProLiant DL380 Servers now capture 24x7 video at each prison facility. Their long-term off-site storage uses HPE Apollo 4000 systems and Scality cloud to securely retain video of incidents. HPE Proactive Care from HPE Pointnext Services provides the technical support for our servers to ensure no lapse in storage or security.

“Video data has a huge impact on the safety and security of our staff and prisoners. People’s lives are at stake in extreme cases. Therefore, it’s hugely important that there are safeguards around how the data is stored and secured. HPE and Scality provide us with assurance that those safeguards are in place and that they will work.”

GEORGE JACKSON,
HEAD OF ICT, IRISH PRISON SERVICE



CASE STUDY



PROTECTING OUR BUSINESS FROM EVOLVING THREATS

Team members are our first line of defense for protecting our business against cybersecurity risks. We ensure they remain informed of evolving threats and regulations through training, including:

- Mandatory annual training and monthly phishing exercises for all team members
- Role-based training for higher-risk jobs
- Product training for developers

In 2020, as we shifted team members to remote working, we increased our focus on cybersecurity at the edge. We adapted our security tools to increase edge protection coupled with team-member training and awareness campaigns.

To further protect HPE operations, we have an always-on Security Operations Center that continuously monitors the HPE environment in real time. It protects against a wide range of attacks such as phishing, malware, hacking, ransomware, human error, and more. Its objective is to:

- Proactively identify and remediate vulnerabilities
- Prevent breaches and malware infection
- Detect and respond to anomalous activity in real-time and/or near-time
- Isolate and remediate detected threats while preventing the exposure of sensitive information

On average, the Center reviews 6.5 billion security events per day, with around 100 of those cases requiring further investigation. We share insights from these events across the company through our Fusion initiative, which helps keep team members up to date on evolving risks.

We assess our cybersecurity practices and preparedness through internal audits, and we use a third party to audit our IT infrastructure and validate our cybersecurity preparedness. In addition, when HPE acquires a company, we conduct a thorough assessment of their cybersecurity protocols.

Collaboration

Cybercrime is not something HPE can tackle alone. We continue to work with governments globally and participate in external engagements to promote cybersecurity. For instance, in 2020, we sponsored a study with the Ponemon Institute, [Closing the IT Security Gaps](#), which outlines best practices from organizations most effective in closing their IT security gaps.

We are also focused on empowering diverse talent to enter IT and cybersecurity roles. We continue to recruit from Historically Black Colleges and Universities (HBCU) in Texas, including offering internships and hosting meet-and-greets with students to engage them on careers in cybersecurity. We also partner with the Girl Scouts Nation's Capital to offer their troops cybersecurity curriculum.

■ PRIVACY

Protecting personal data and individuals' privacy is a priority for business and society. HPE is a leader in practices that protect data, and we comply with all regulations across global markets.

We take our responsibility to protect personal data seriously, whether in our business operations or the products and solutions we develop.

COVID-19 presented new privacy and security challenges related to workplace safety and remote working. This, together with the growing body of privacy laws around the world, requires organizations to adapt and evolve privacy programs to maintain compliance and ethical practices.

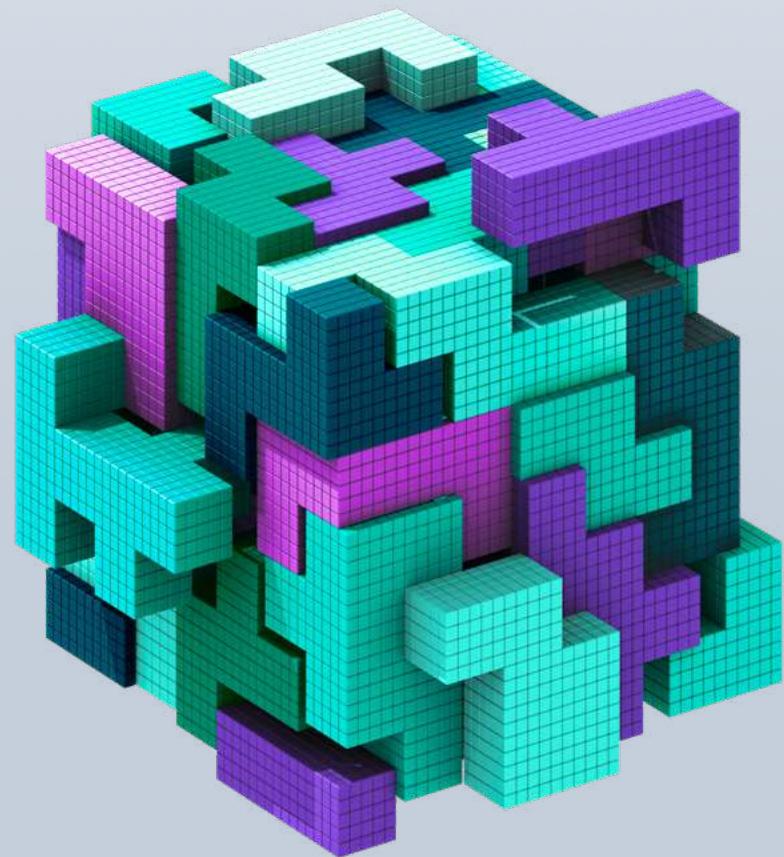
We take a holistic approach to ensure compliance and to protect the privacy of our team members, customers, and business partners. HPE's robust privacy governance and suite of internal accountability measures help us meet global regulatory requirements and rising stakeholder expectations. We are also building privacy protections into products and tackling a major industry challenge—defining ethical principles for our use and development of AI-enabled technology.

PRIVACY GOVERNANCE

The HPE Privacy Office is responsible for our global privacy program and works closely with HPE Cyber Security and HPE business units. In 2020, the Dow Jones Sustainability Index awarded HPE the top score in our industry for privacy protection. The Privacy Office leads the Privacy Compliance Committee, a group of senior HPE leaders who oversee our global privacy program and compliance work.

The Privacy Compliance Committee is responsible for reviewing privacy risks and elevating concerns to the Ethics and Compliance Committee in order to ensure senior-level engagement regarding significant privacy matters.

In 2020, we prepared for Brazil's national data protection law, which entered into effect in August, and we began preparing for the California Privacy Rights Act that will come into effect in 2023. In 2021, we will focus on new privacy laws in the Asia Pacific region and the maintenance of international data transfers from Europe.



Privacy Guidelines for AI-enabled Tools

AI-enabled technology can create significant benefits for society, uncovering insights with unprecedented efficiency. However, without appropriate safeguards in place, the rapid, unfettered adoption of AI-enabled technology could pose a threat to basic human rights, including the right to privacy. We seek to develop and use AI in a responsible and ethical manner, so we are tackling this challenge head-on.

In 2020, we established an AI Ethics Advisory Board tasked with developing AI principles for our products and third-party tools that utilize AI. We will begin operationalizing our [AI ethical principles](#) into practice in 2021 by developing the principles within our products and services.

INTERNAL ACCOUNTABILITY PROTECTIONS

Our privacy policies lay the foundation of our privacy program and are regularly reviewed to ensure we remain aligned with new laws. Our [Global Privacy Policy](#) outlines the general privacy and data-protection principles we follow. The [HPE Privacy Statement](#) and the Employee Privacy Policy inform customers, partners, and team members about our privacy practices and explain what personal data we collect, use, disclose, and transfer. The policies also detail the choices individuals can make and rights they can exercise in relation to their personal data, including the right to access, rectify, and delete personal data.

We have tools and documented processes for responding to incidents and data-subjects' rights requests in accordance with legal requirements. In 2020, we adopted a new, centralized platform that has streamlined and expedited our ability to process and respond to data subject rights requests.

HPE is among a short list of companies who have approval from data-protection regulators in Europe for our [Binding Corporate Rules for Controllers and Binding Corporate Rules for Processors](#) to facilitate international data transfers. HPE also complies with the [Asia Pacific Economic Cooperation \(APEC\) Cross-Border Privacy Rules System](#), which provides a framework for organizations to ensure the protection of personal data transferred among participating APEC economies.

We continue to audit our privacy and information governance programs and business operations to ensure compliance. Audits are conducted by the HPE Internal Audit function and the Ethics and Compliance Office audit team to evaluate our governance, risk management, and controls.

We educate all HPE team members on privacy through our mandatory annual Standards of Business Conduct training and other privacy training modules. Team members in our Human Resources (HR) function are required

to complete additional privacy training to access HR systems and refresher training approximately every 18 months.

To extend privacy and security across our supply chain, we conduct due diligence on suppliers and obtain specific contractual commitments to ensure data is properly protected and used appropriately.

Our Privacy Impact and Compliance Assessment (PICA) tool helps us integrate privacy protection and a privacy-by-design approach into our business practices, products, and services. In 2020, we launched an [Aruba Contact Tracing](#) solution for enterprise customers, which supports their workers' return-to-office plans following the COVID-19 pandemic. The solution enables contact tracing through Aruba Wi-Fi networks and the maintenance of workplace safety. By utilizing a privacy-by-design approach, we built in features that will help customers comply with privacy laws and manage privacy risks when deploying the solution in their workspaces.

PUBLIC POLICY

We advocate for policies that will help society thrive in a digital-first world while ensuring the sustainable growth of our business. We relentlessly pursue smarter, better ways of using IT that protect citizens and consumers and are cost-effective and sustainable.

SUPPORTING GOVERNMENTS ON COVID-19 RELIEF

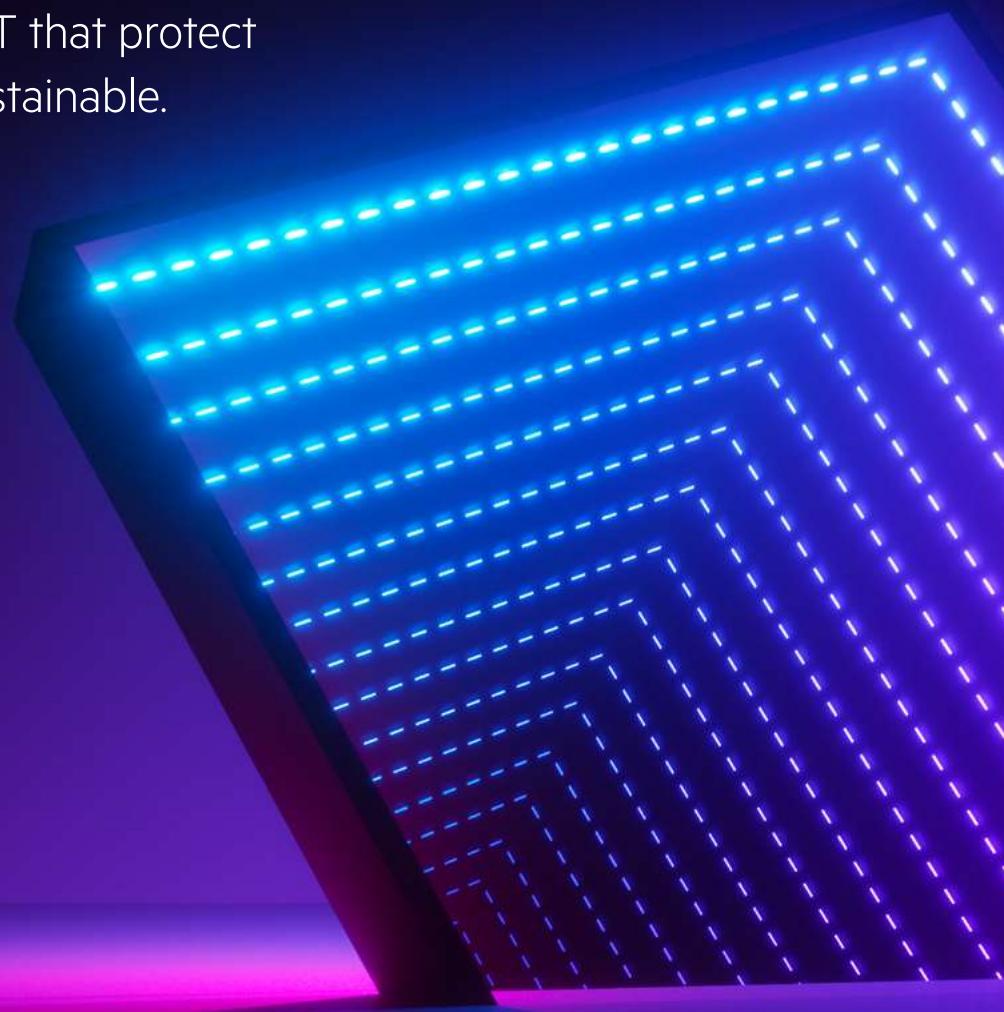
In 2020, we partnered with business and nonprofits to support government responses to COVID-19. Our work included:

- Collaborating with the U.S. White House on a High-Performance Computing (HPC) consortium to support critical COVID-19 research by providing free supercomputing software and applications expertise
- Participating in a technology “SWAT Team” convened by Governor Andrew Cuomo of New York to advise and support the state’s response to COVID-19
- Enabling IT engineers to be deemed essential workers to maintain critical IT infrastructure throughout the crisis in numerous countries, including the U.S., UK, and India
- Partnering in three smart city projects in India to aid local governments in controlling the outbreak of COVID-19

Read [Our COVID-19 Response](#) for more information.

ENABLING PUBLIC SECTOR TRANSFORMATION

For governments to thrive in a digital-first world, they must be able to quickly respond to changing public needs. Yet, many public-sector organizations have been slow to pursue a “cloud-smart”³⁶ digital transformation, despite its benefits of efficiency, security, and scalability. As a trusted advisor for governments in their digital transformation journeys, HPE advises on cloud strategy and the benefits of hybrid cloud solutions and updated procurement models. By offering our entire portfolio as a service, we provide the best of the public cloud on-premises and help reduce the barriers to digital transformation through cost-effective, sustainable IT solutions.





In 2020, HPE signed a Memorandum of Understanding (MOU) with Crown Commercial Services, the central buying entity on behalf of the UK public sector. The agreement will provide public-sector organizations access to discounted HPE technologies that will reduce complexity, boost innovation, and bring cost efficiency to their digital transformation efforts. The MOU will also enable public-sector organizations to adopt HPE GreenLake's hybrid cloud pay-per-use model when acquiring hybrid cloud services.

Accelerating digital transformation within the public sector requires public-private collaboration. HPE convenes European public-sector decision makers annually during the [HPE Public Sector Transformation conference](#). In 2020, the event focused on cloud and data infrastructures for resilient digital governments in a post-COVID-19 era. HPE also joined the EU GaiaX Foundation, an organization that supports the European decentralized cloud federation by enhancing

data ownership and revenue sharing across the European continent. HPE also actively participates in groups such as the World Economic Forum's Global Future Council on Agile Governance to drive regulatory reform that unleashes innovation while supporting public safety and security.

During 2020, we worked with government stakeholders to navigate the transition of the UK from the European Union. Through this partnership, we successfully prepared our supply chain and solutions for a new trading environment in the UK while ensuring continuity of supply for our products and services throughout the transition period.

PROMOTING DIGITAL INCLUSION THROUGH CONNECTIVITY

Wi-Fi communications are more critical than ever before, yet increasing Wi-Fi congestion limits access and usability. HPE has long been an advocate for increasing wireless bandwidth and capacity through the 6 GHz radio spectrum, which will provide faster wireless networks with better security.

In 2020, the Federal Communications Commission voted unanimously to open the entire 6 GHz band for unlicensed use, marking the biggest change to Wi-Fi in almost 20 years and dramatically expanding the market for Aruba's solutions and offerings.

While cellular and Wi-Fi have enabled the interconnected lives we lead, 5G and Wi-Fi together will transform businesses, economies, and nations. The possibilities of 5G technology are significant, yet so are the risks if it's not secure. HPE has promoted public policy in

India, Italy, the UK and U.S. that supports national strategies to secure 5G and next generation wireless communications. HPE CEO Antonio Neri participates in the U.S.-India CEO Forum, where he co-chairs a working group on the future of connectivity across India with a focus on 5G and 6 GHz implementation.

As a global leader in digital services infrastructure, we recognize our role in advancing digital inclusion, ensuring that every business, government, organization, and individual has access to essential IT infrastructure and services. In 2020, examples of our efforts include:

- Offering HPC as a service, making it easier and less costly to use for organizations of all sizes
- Joining the American Connection Project Broadband Coalition to educate federal and state governments on how broadband can help close the connectivity gap

HPE GREENLAKE DRIVING POSSIBILITIES IN KERN COUNTY

Kern County, California, is home to almost 1 million residents and is comprised of more than 40 different government departments. Prior to partnering with HPE, every department had a separate IT provider—creating a system which was enormously complex and costly to manage. Kern County's vision was simple: Establish one unified framework so that all county departments can benefit from the same platform and economies of scale.

In 2020, we implemented HPE GreenLake, our hybrid cloud solution, for Kern County. Through GreenLake, all departments now have access to secure cloud services and the county can run, manage,

and optimize their entire IT estate. Any backend issues are fully covered through HPE Pointnext Services, reducing the IT administration burden on the county.

With HPE GreenLake, Kern County has gained the agility, flexibility, and innovation of the cloud, while preserving the compliance, governance, cost controls, and visibility of running its applications and workloads on-site. As of 2020, HPE GreenLake supports more than 75% of Kern County's departments.

CASE STUDY

ADVOCATING FOR SOCIAL AND ENVIRONMENTAL PROGRESS

We continue to use our public policy platform for positive change for citizens and the environment.

In 2020, HPE supported numerous litigation efforts and amicus briefs to challenge regulations and Executive Orders targeting immigrant populations in the U.S. This included an amicus brief to the U.S. Supreme Court that commended the decision to rescind the Department of Homeland Security's termination of Deferred Action for Childhood Arrivals (DACA).

HPE advocates for climate action that aligns with climate science and the Paris Agreement. In 2020, we called on the U.S. Congress to consider clean energy policies within relief and recovery packages and signed onto a CEO statement urging world leaders to align their COVID-19 recovery efforts with measures to achieve a zero-carbon economy.

For the second year, HPE participated in French president Emmanuel Macron's Tech for Good global initiative and pledged to mitigate the negative externalities of technology's proliferation by signing onto the Tech for Good Call. With HPE CEO Antonio Neri as co-chair, the initiative's Tech for Environment Group also developed a roadmap on climate and circular economy initiatives.

PUBLIC POLICY CONTRIBUTIONS

HPE makes corporate contributions to U.S. state and local candidates, committees, and ballot measures. Annually, we publicly disclose the candidates, groups, and Section 527 organizations that receive corporate contributions from HPE.

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 team-member donations, makes bipartisan contributions to U.S. congressional, state, and local candidates, and committees who share not only HPE's key business and public policy priorities, but also its culture, values, and commitment to advancing the way people live and work. The HPE PAC has structured criteria which evaluate contributions and consider whether the recipient embraces our corporate commitment to diversity, inclusion, equity, and justice for all.

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





OUR APPROACH

04





Our culture of integrity and transparency builds trust with our stakeholders as we collaborate to make meaningful progress on the issues most relevant to our business. Our best-in-class environmental, social, and governance (ESG) reporting ensures accountability, aligning with prominent standards and frameworks to meet the needs of our stakeholders.

IN THIS SECTION

[Materiality](#)

[Sustainable
Development
Goals](#)

[Stakeholder
engagement](#)

[About this
report](#)

OUR APPROACH

Our fifth annual Living Progress Report offers an overview of our approach, our programs, and our progress on the environmental, social, and governance issues most significant to our business.

MATERIALITY

We regularly undertake a materiality³⁷ assessment to ensure we are addressing the environmental, social, and governance (ESG) issues of greatest significance to our business and our stakeholders.

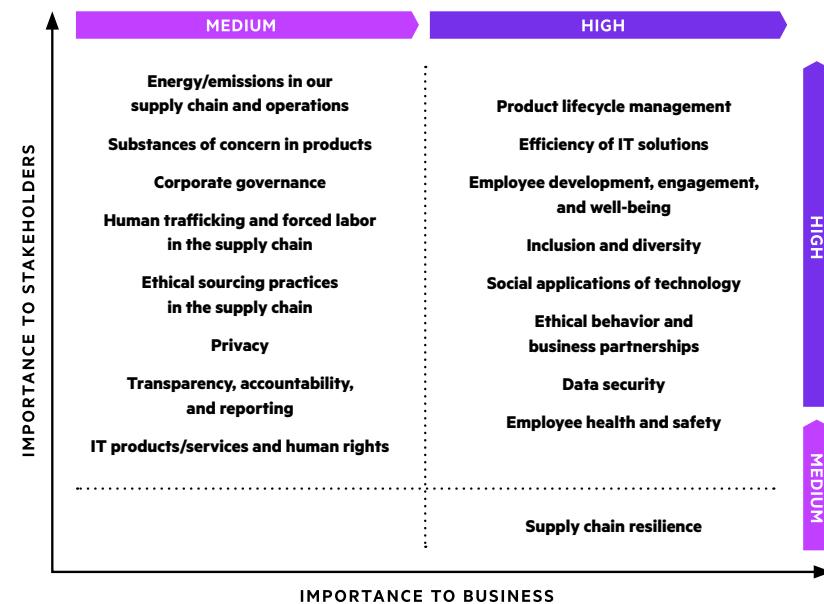
HPE completed our latest third-party materiality assessment in 2019, taking into account the evolution of our business, changes in the sustainability landscape, geographical variations in issue prioritization, and the continuing evolution of best-practice materiality techniques informed by organizations such as the Global Reporting Index (GRI) and Sustainability Accounting Standards Board (SASB) standards to which this report is aligned. Since 2017, HPE has paired traditional stakeholder interviews and desk research with a data-driven approach that leverages artificial intelligence software to detect emerging ESG topics in the digital media landscape.

As our assessment was undertaken in the fall of 2019, prior to the emergence of COVID-19, we revisited our key findings in 2020 to account for the impact of the pandemic on our business, customers, and stakeholders more broadly.

This review engaged executive members of the Living Progress Strategy Council and was presented to the Nominating, Governance, and Social Responsibility Committee of the HPE Board of Directors in November 2020. Our materiality refresh found a notable increase in the significance of two key issues: employee health and safety and supply chain resilience.

The issues in the following chart meet the materiality threshold for this report. Issues are rated by their importance to HPE's business and importance to external stakeholders. Although these issues are the primary focus for this report, we also provide information about additional issues that have significance to our transparency and accountability as a corporate citizen, such as our environmental footprint, public policy engagement, and community investment. Definitions of the issues in the chart, as well as the corresponding report section, can be found in the [Appendix](#).

2020 Materiality Map



SUSTAINABLE DEVELOPMENT GOALS

A materiality-based approach

Our strategy aligns with the United Nation's Sustainable Development Goals (SDGs) to address objectives that are mutually beneficial to society and to our business. We assess both where our company can have the greatest contribution and how these actions can create new forms of customer value.

Achieving the SDGs could unlock an estimated \$12 trillion in market opportunities and our technologies play an important role in advancing these transformational goals.

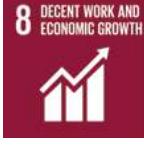
We take a materiality-based approach to prioritize action toward the SDGs with significant risks and opportunities to our business. This is fundamental to ensuring our long-term financial success, building the skilled talent to succeed in a digital-first world, and ensuring that HPE remains competitive in a low-carbon economy.

Achieving any of these goals will require technological innovation to be applied both purposefully and collaboratively—making Partnership to the Goals (SDG 17) an underlying theme across our strategy and implementation efforts. Learn more about how our corporate purpose guides us to advance the way people live and work

by applying our technologies to solve complex global challenges and developing technology-based solutions to support underserved communities lacking access to resources such as healthcare and education.



The following chart highlights examples of how HPE's practices or activities advance the SDGs and targets that are material to our business. A list of indicators mapped to the SDGs can be found in our [Standards Index](#).

SDG	Targets	HPE material issues	Activity or business practice
 5 GENDER EQUALITY	<p>5.1: End gender-based discrimination.</p> <p>5.5: Ensure women's full and effective participation and equal opportunities for leadership.</p>	<u>Inclusion and diversity</u> <u>Employee development, engagement, and well-being</u>	<ul style="list-style-type: none"> Increased female workforce representation at every level worldwide, including manager, technical, and director roles 98% of people leaders completed Inclusive Leadership training Began reporting all diversity data broken down by gender
 7 AFFORDABLE AND CLEAN ENERGY	<p>7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.</p> <p>7.3: By 2030, double the global rate of improvement in energy efficiency.</p>	<u>Energy use and GHG emissions in our operations and supply chain</u> <u>Efficiency of IT</u>	<ul style="list-style-type: none"> Sourced 44% renewable power for our operations Enrolled in new utility green tariff programs, resulting in more than 20,000 MWh of renewable energy consumption annually Served as a founding member and board member of the Renewable Energy Buyer's Alliance
 8 DECENT WORK AND ECONOMIC GROWTH	<p>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.</p> <p>8.7: Eradicate forced labor, modern slavery, child labor, and human trafficking.</p> <p>8.8: Protect labor rights and promote safe and secure working environments for all workers.</p>	<u>Ethical sourcing practices in the supply chain</u> <u>Human trafficking and forced labor in the supply chain</u> <u>Employee health and safety</u>	<ul style="list-style-type: none"> Ranked number one in our industry on the Corporate Human Rights Benchmark and KnowtheChain benchmark for forced labor risks Worked with four suppliers to reimburse a half-million dollars to workers who paid recruitment fees Lowered lost workday case rate to just .02 and recordable incident rate to .05, both well below industry standards
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4: Upgrade infrastructure and retrofit industries to make them sustainable.	<u>Efficiency of IT solutions</u> <u>Data security</u> <u>Privacy</u> <u>Social applications of technology</u>	<ul style="list-style-type: none"> Signed the Open COVID Pledge, granting free access to all of our patented technologies for the purpose of diagnosing, preventing, containing, and treating COVID-19 Launched as-a-service delivery models for high-performance computing offerings to expand access Introduced efficient data center IT solutions, including HPE Apollo Platform Manager and HPE Hyperconverged Infrastructure 2.0

SDG	Targets	HPE material issues	Activity or business practice
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	<u>Product lifecycle management</u> <u>Efficiency of IT solutions</u>	<ul style="list-style-type: none"> Provided 182 product carbon footprints to customers, an 800% increase year-over-year More than 90% of HPE product material is recyclable, on average Saved more than \$200,000 and avoided 1,002 metric tons of emissions through sustainable packaging initiatives
13 CLIMATE ACTION 	13.3: Improve education, awareness raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	<u>Efficiency of IT solutions</u> <u>Energy use and GHG emissions in our operations and supply chain</u>	<ul style="list-style-type: none"> Recognized on the CDP Climate A List for the eighth consecutive year Announced goal to be carbon neutral across our value chain by 2050 Reduced our operational carbon emissions intensity by 61% from a 2016 baseline

STAKEHOLDER ENGAGEMENT

To succeed in our purpose to advance the way people live and work, HPE is committed to working in partnership with a wide range of stakeholders on our shared sustainability objectives, helping us understand expectations and priorities. We regularly collaborate with our stakeholders through partnerships, industry forums, supplier capability-building, direct customer engagements, mentoring, surveys and assessments, and more. Through these engagements, we maintain our understanding of which material ESG issues are most relevant in the context of each stakeholder group and ensure we reach key stakeholders through the most relevant channels.

In addition to our materiality assessment, which seeks to understand stakeholder priorities and garner feedback, HPE conducts regular stakeholder research to gauge their perceptions and ensure we meet evolving expectations. In 2020, HPE commissioned a reputation audit to understand the state of HPE's reputation relative to key competitors. The research, which sought to assess our progress against benchmarking conducted in 2018, included a survey of hundreds of business elites and IT decision makers as well as direct interviews with financial analysts, industry analysts, and policymakers. The study found little to no negative perception of HPE and increased recognition of HPE as a good corporate citizen since the prior benchmark.

Throughout 2020, HPE responded to the COVID-19 pandemic with initiatives to stabilize

communities, support customers tackling the challenges of this pandemic, and offer technology to help organizations adapt to this unprecedented situation. More information on our COVID-19 response can be found [here](#).

Customer engagement

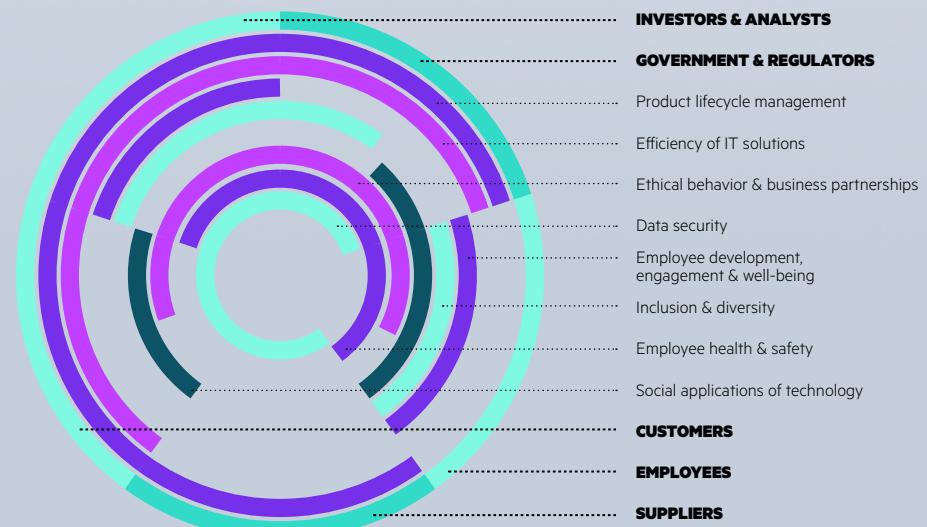
In addition to face-to-face engagements with customers, HPE offers a direct channel for customer and stakeholder inquiries through our Sustainability and Compliance (S&C) mailbox. In 2020, the S&C group responded to more than 1,600 inquiries from stakeholders, primarily comprised of customers and sales representatives, requesting information about HPE policies and practices related to sustainability issues. We catalog inquiries by subject matter and track them to ensure that our programs, materials, and reporting address stakeholder needs. The Living Progress team also provides support to HPE sales representatives via a direct internal mailbox and sales trainings, which serve as a central feedback loop for our customer engagement strategy. Although the COVID-19 pandemic curtailed face-to-face engagements, our team seamlessly shifted to virtual engagements, resulting in a year-over-year increase in customer engagements.

Investor engagement

HPE actively engages with investors regarding our approach to environmental, social, and governance (ESG) issues management and performance. In 2020, HPE partnered with Morgan Stanley to host our first investor webcast focused on our ESG strategy and

performance. The webcast, which featured HPE CEO Antonio Neri and executives leading our company's ESG initiatives, yielded positive feedback from investors, who noted that our strong ESG framework helps to drive competitive advantage, win deals, and reduce turnover. Neri also featured on JUST Capital's quarterly webcast in January 2020 and subsequently joined JUST's CEO on CNBC's Squawk Box to discuss the rise of stakeholder capitalism.

In addition, HPE Investor Relations regularly briefs investors on ESG issues through direct exchanges, face-to-face engagements, the HPE Security Analysts Meeting, and the annual investor road show. To better align our financial and sustainability disclosures, we further integrated information such as our ESG governance structure and approach to human capital management into our HPE 2020 Annual Report on Form 10-K and HPE 2021 Proxy Statement.



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 2020; however, this is not exhaustive of all HPE partnerships.

In addition, we invest in category-leading startup companies through Hewlett Packard Pathfinder, combining HPE solutions with portfolio companies' cutting-edge technologies to deliver differentiated solutions for our customers. 2020 investments included Dragos, a global leader in industrial cybersecurity, and IonQ, which delivers quantum-computing solutions with the potential to solve the world's most complex and data-intensive problems.

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

Reporting theme	Organizations	
Driving a circular and low-carbon economy	American Chamber of Commerce Basel Convention Bloomberg New Energy Finance Business for Social Responsibility DEFRA DeSA Alliance Digital Europe Ellen MacArthur Foundation Engineering Entrepreneurship Steering Council at Texas A&M University Green Electronics Council Information Technology Industry Council	Renewable Energy Buyers Alliance Shell Center for Sustainability at Rice University Step Up Declaration Sustainable Air Freight Alliance TCO Certified techUK The Climate Group The Green Grid Uptime Institute We Mean Business Coalition World Resources Institute
Investing in people	American Foundations for the Blind AnitaB.org Ascend American Red Cross Disaster Responder Program Change Catalyst Consortium Curated Pathways to Innovation Disability Equality Index Disability:IN Executive Leadership Council Fast Forward Girl Scouts Nation's Capital Hispanic Information Technology Executive Council Home of the Brave Human Rights Equality Index	International Association for Volunteer Effort Lucile Packard Children's Hospital at Stanford MindGym Math & AI for Girl National Action Council for Minorities in Engineering National Center for Women in Information Technology NetHope Out and Equal Points of Light Red Cross Disaster Responder Program Silicon Valley Community Foundation Silicon Valley Leadership Group Simmons Leadership Stanford Women's Leadership Veterans Jobs Mission

**Memberships and partnerships
(continued)**

Reporting theme	Organizations
Operating ethically and responsibly	Association of Certified E-Discovery Specialists
	Association of Intelligent Information Management
	Association of Records Managers and Administrators
	Centre for Information Policy Leadership
	Corporate Community Relations Consortium
	Corporate Eco Forum
	Ethisphere
	Global Business Initiative on Human Rights
Our approach	Article One
	CDP
	Dow Jones Sustainability Index
	EcoVadis
	Information Technology Industry Council
	Institute of Certified Records Managers
	International Association of Privacy Professionals
	Leadership Group for Responsible Recruitment
	Responsible Business Alliance (Responsible Labor Initiative, Responsible Minerals Initiative)
	TechNet
	The National Technology Security Coalition
	World Economic Forum
	Institutional Shareholder Services
	JUST Capital
	Sustainable Brands Advisory Board
	United Nations Global Compact

ABOUT THIS REPORT

This report covers HPE's fiscal year 2020 (November 1, 2019–October 31, 2020) and is part of the Living Progress reporting suite, along with our complete performance data available in our [2020 Data Summary](#).

Our Living Progress reporting and disclosure to third parties keeps us accountable and builds trust with our stakeholders. We report each year to third-party organizations including:

- [CDP](#)
- [Dow Jones Sustainability Index](#)
- [EcoVadis](#)

We also contract external assurance provider SCS Global Services to perform an independent review of selected key performance indicators in the 2020 Data Summary.

Information within this report adheres to the following specifications:

- Contents cover all HPE operations but do not cover joint ventures
- Data are rounded to reflect the appropriate level of certainty
- References to years are to HPE's fiscal year, unless otherwise stated
- References to dollars are to U.S. dollars

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.

As a forward-looking document, our report contains statements that involve inherent assumptions, risks, and uncertainties. HPE assumes no obligation and does not intend to update these statements based on changes resulting from the emergence of any of these risks or uncertainties, or in the case of assumptions proving incorrect.

We welcome any questions or feedback relating to our Living Progress report. Contact us [here](#).

You can remain up to date on Living Progress through our Advancing Life and Work [blog](#), [hpe.com/livingprogress](#), and by joining us in conversation on Twitter at [@HPE_LivingProg](#).

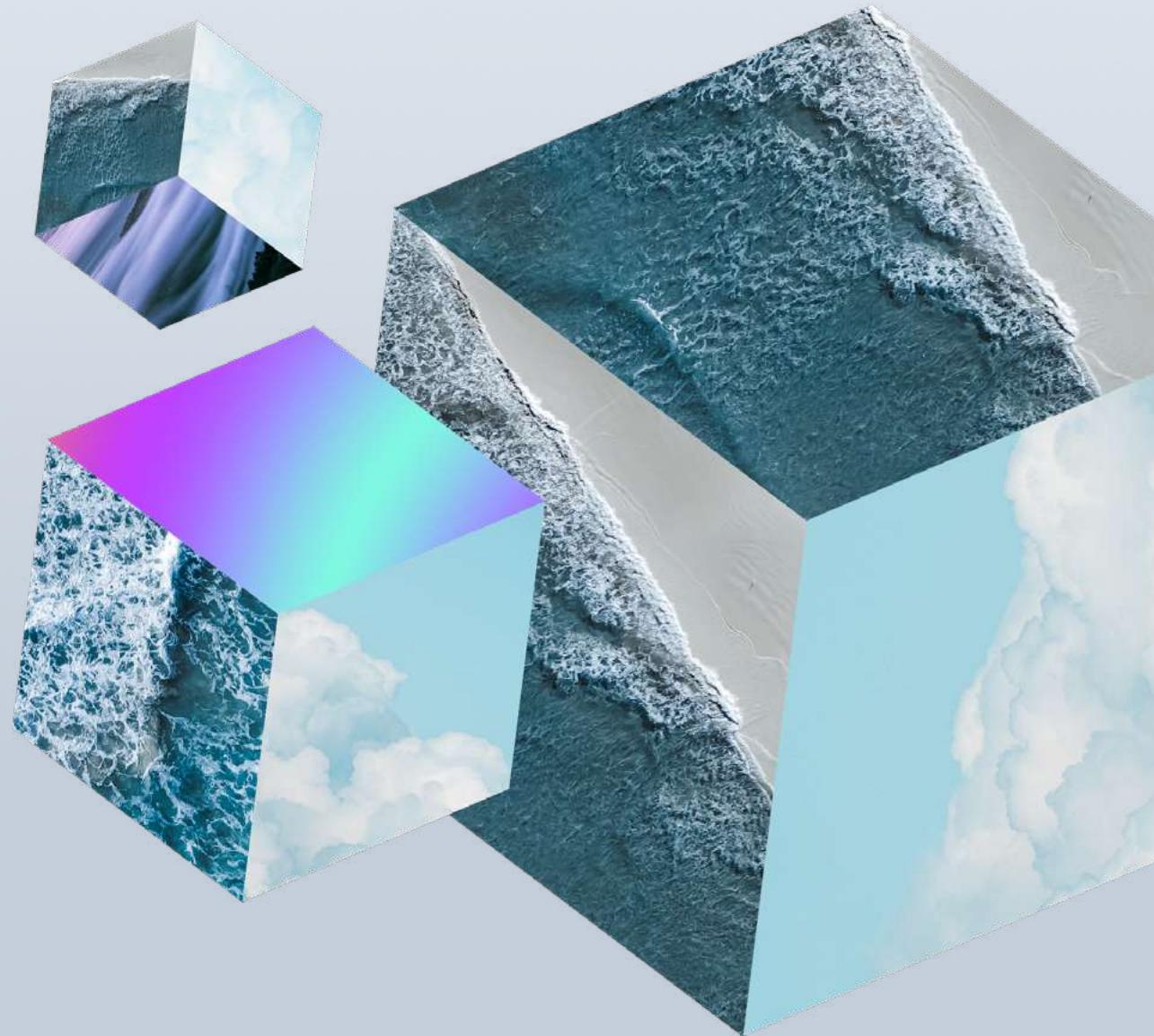
Complete 2020 data, standards index, and statement of assurance can be found in the [Data Summary](#)





APPENDIX

05



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](#)

DIVERSITY

[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 Sustainable Procurement Framework](#)

[HPE Climate Policy](#)

[HPE Water Policy](#)

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

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 Master 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](#)

MATERIAL ISSUE DEFINITIONS

The table below provides definitions for the issues in the 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 importance to external stakeholders, high importance to HPE's business success		
Product lifecycle management	<u>Product lifecycle management</u>	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.
Efficiency of IT solutions		
Efficiency of IT solutions	<u>IT efficiency</u>	Providing IT services, products, and solutions and engaging with customers to solve customer business and sustainability challenges. Increasing the energy efficiency of HPE products and enabling customers to reduce their energy use.
Employee engagement, development and well-being		
Employee engagement, development and well-being	<u>Employee engagement and development</u>	Promoting rapid professional growth and matching team member skills to future business needs in the ever-evolving technology industry. Fostering employee engagement and open communication and promoting team member well-being.
Inclusion and diversity		
Inclusion and diversity	<u>Inclusion and diversity</u>	Ensuring that the HPE workforce reflects our global business and customers. Maintaining a supply chain that is diverse, inclusive, and global.
Social applications of technology		
Social applications of technology	<u>Introduction</u>	Providing IT solutions that improve access to health, finance, food, government services, education, information, and markets.
	<u>Human Rights</u>	Taking account of ethical considerations in the social applications of big data and the social implications of IoT.
Ethical behavior and business partnerships		
Ethical behavior and business partnerships	<u>Corporate governance and ethical behavior</u>	Promoting high standards of ethics and eliminating corruption, extortion, and bribery in employee, business partner, joint venture, and customer relationships. Ensuring that the marketing and communication of products and services is honest, transparent, and fair. Fulfilling taxation responsibilities to the economies in which HPE operates.
Data security		
Data security	<u>Data security</u>	Protecting information managed by HPE and customers from unwanted parties and unauthorized access, such as security threats and cyberattacks. Processes managed include the collection, use, processing, storage, transfer, sharing, and end-of-life disposal of data.
Employee health and safety		
Employee health and safety	<u>Employee health and safety</u>	Creating a healthy, safe, and secure working environment for all HPE team members.

Material Issue	Covered in section(s)	Definition
High importance to external stakeholders, medium importance to HPE's business success		
Energy use and GHG emissions in our supply chain and operations	<u>Environment</u>	<p>Improving energy efficiency and using renewable energy sources to reduce GHG emissions in our operations, including buildings, employee travel, and transportation logistics.</p> <p>Encouraging our suppliers to adopt energy efficiency and GHG emissions reduction practices in their operations.</p>
Substances of concern in products	<u>Substances of concern</u>	Designing and developing products and solutions that use alternatives to materials and substances of concern to human health and the environment.
Corporate governance	<u>Corporate governance and ethical behavior</u>	<p>Improving diversity of HPE's board structure, as well as its independent oversight of the company, governance of sustainability, and role of CEO/chairman.</p> <p>Managing executive compensation relative to average worker salaries.</p> <p>Providing clear and comparable business and sustainability information on products, operations, and the supply chain in an accessible manner.</p>
Human trafficking and forced labor in the supply chain	<u>Ethical sourcing</u>	Eliminating slavery and forced labor in the HPE supply chain.
Ethical sourcing practices in the supply chain	<u>Ethical sourcing</u>	<p>Maintaining and elevating ethical standards in the supply chain, including services and manufacturing supply chains, that maintain labor standards in working hours and conditions, wages and benefits, and humane treatment of workers employed.</p> <p>Achieving fair and beneficial outcomes for supply chain participants, especially workers and communities.</p>
Privacy	<u>Privacy</u>	Upholding the right to privacy and protecting personal data from unwanted parties, including privacy by design. 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.
Transparency, accountability, and reporting	<u>How we report</u> <u>Appendix</u>	Providing clear and comparable business and sustainability information on products, operations, and the supply chain in an accessible manner.
IT products and services and human rights	<u>Human rights</u>	<p>Taking measures to prevent 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.</p> <p>Preventing discriminatory outcomes resulting from the use of customer data and big data analytics.</p>

Material Issue	Covered in section(s)	Definition
Medium importance to external stakeholders, high importance to HPE's business success		
Supply chain resilience	<u>COVID-19 Response</u> <u>Corporate governance and ethical behavior</u> <u>Ethical sourcing</u>	Managing risk and potential exposure of our supply chain to impacts from natural resource constraints, disruptions such as pandemics or extreme and unpredictable weather events related to climate change, and geographic-specific considerations of supply chain risk.
Additional fundamental issues covered in the report (Medium or low importance to both external stakeholders and HPE's business success)		
Waste and hazardous materials in our value chain	<u>Environment</u>	Managing and disposing of hazardous and non-hazardous waste responsibly across the HPE value chain.
Water in our value chain	<u>Environment</u>	Conserving water across the HPE value chain and improving transparency and water stewardship of suppliers.
Public policy engagement	<u>Public policy</u>	Influencing public policy development through direct engagement and multi-stakeholder associations or initiatives. Responsible and ethical public policy engagement, including lobbying and political contributions.
Responsible sourcing of minerals	<u>Ethical sourcing</u>	This includes the responsible sourcing of raw minerals for HPE products and managing the negative social and environmental impacts associated with sourcing and extraction of raw materials, such as rare earth elements and conflict minerals.
Corporate philanthropy	<u>Community investment</u>	Supporting local communities through employee volunteering or providing monetary contributions to qualified organizations. Additional monetary and product contributions are donated in response to natural disasters.

FOOTNOTES

- 1 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.
- 2 The Total Economic Impact of HPE GreenLake, Forrester, June 2020
- 3 World Health Organization, World hunger is still not going down after three years and obesity is still growing—[2019 UN report](#)
- 4 GSMA Association (September 2020). Connected Society: The State of Mobile Internet Connectivity 2020. <https://www.gsma.com/r/wp-content/uploads/2020/09/GSMA-State-of-Mobile-Internet-Connectivity-Report-2020.pdf>
- 5 IDC (June 2019). The Growth in Connected IoT Devices is Expected to Generate 79.4ZB of Data in 2025, According to a New IDC Forecast. #US45213219
- 6 All HPE products demonstrate essential sustainability elements; however, our suite of efficient IT solutions enable our customers to compute at the highest level while exhausting the least amount of resources possible. This portfolio is based upon attributes of efficient equipment, energy-efficient products, and resource efficiency.
- 7 IDC (May 2020). [IDC Cloud Pulse 1Q20 Survey Findings](#).
- 8 Gartner Research (September 2019). [Market Guide for Edge Computing Solutions for Industrial IoT](#).
- 9 Ehsan Ahvar, Anne-Cécile Orgerie, Adrien Lebre. Estimating Energy Consumption of Cloud, Fog and Edge Computing Infrastructures. IEEE Transactions on Sustainable Computing, IEEE, 2019, pp.1-12. 10.1109/TSUSC.2019.2905900. hal-02083080
- 10 Energy Efficiency (December 2019). [Data centres in future European energy systems—energy efficiency, integration and policy](#).
- 11 G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures
- 12 With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2019.
- 13 With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2019.
- 14 Significant increases in energy performance occur when new product generations are introduced. Progress toward target stalled in 2020 due to test lab closures but is expected to resume in 2021.
- 15 95% of production suppliers, by spend.
- 16 Supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2019.
- 17 We anticipate the percentage of suppliers committing to set their SBTs to decline year-over-year as they transition from committing to targets to actually setting them.
- 18 Supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2019.
- 19 In 2020, HPE went through a data rebaseline exercise to account for our Cray acquisition in 2019. As a result, there were changes made to historic environmental data from FY16 to FY19.
- 20 HPE's water withdrawal from our operations is minimal compared to our impacts from the energy-water nexus across our value chain. For this reason, in 2020, we shifted our water modeling to focus on our impacts from the energy-water nexus.
- 21 Supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2019.
- 22 HPE categorizes waste-to-energy as diverted waste.
- 23 The most recent industry rates available at the time of this publication was 2019.
- 24 Costa, P. (2019, March). The Global Competition for Technology Talent—IMF Finance & Development Magazine.
- 25 Product donations are valued at the internet list price. This is the price a customer would have paid to purchase the equipment through HPE direct sales channel on the internet at the time the grant was processed.
- 26 International Labour Organization, COVID-19 impact on child labour and forced labour, May 2020.
- 27 For audits on 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.
- 28 "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.
- 29 Our progress toward DRC conflict-free status is based on the number (as of the 2020 Cut-Off Date of March 17, 2021) 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.
- 30 We designed our due diligence measures to conform with applicable portions of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition, OECD 2016).
- 31 IDC, Data Age 2025, November 2018, #US44413318
- 32 2019 study by Accenture and Ponemon, *Cost of Cybercrime*.
- 33 2020 Report by McAfee®, *The Hidden Cost of Cybercrime*.
- 34 2021 Report by Cybersecurity Ventures, *Cyberwarfare in the C-Suite*.
- 35 Based on source from Infusion Points: <https://www.infusionpoints.com/blogs/how-hpe-leading-supply-chain-security>
- 36 A "cloud-smart" approach focuses on adopting cloud effectively opposed to "cloud first," which deploys the technology by any means possible.
- 37 Materiality, as used in this report, differs from the definition used in the context of filings with the SEC. Issues deemed material for the purposes of our ESG strategies and disclosures may not be considered material for SEC reporting purposes.

RESOURCES

HPE REPORTS AND ONLINE CONTENT

[HPE 2020 Living Progress Data Summary](#)

[HPE 2020 Annual Report on Form 10-K](#)

[HPE 2021 Proxy Statement](#)

[HPE Investor Relations](#)

[HPE Carbon Accounting Manual](#)

[HPE Water Accounting Manual](#)

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

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

EXTERNAL RATINGS

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

[CDP](#)

[Dow Jones Sustainability Index](#)

FEEDBACK

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a00113526enw, May 2021