





Introduction

The 2017 Living Progress Data Summary is designed primarily to meet the information needs of analysts and contains performance data on our most [material issues](#) . Selected data and an explanation of trends and management approach can be found in our [2017 Living Progress Report](#) .

Business changes

In 2017, Hewlett Packard Enterprise (HPE) made two significant spin-offs. On April 1, 2017, we completed the separation and merger of our Enterprise Services business with Computer Sciences Corporation (“CSC”). On September 1, 2017, we completed the separation and merger of our Software business segment with Micro Focus International plc. 2015 and 2016 data associated with our [goals](#) have been restated to reflect these changes.¹

Unless otherwise stated, data and activity reported relates to our fiscal year, ending October 31st.

Assurance

In accordance with attestation standards established by the American Institute of Certified Public Accountants, external assurance provider Ernst & Young LLP (EY) performed an independent review of a selected number of key performance indicators in this Summary. Please see the scope of EY’s work [here](#).

Company profile

In 2017, our net revenue was \$28.9 billion, approximately 66% of which was generated outside of the United States. We fulfilled taxation responsibilities in every location of operation and contributed net cash income taxes of \$836 million.

ECONOMIC IMPACT OF HPE OPERATIONS²

| | 2017 |
|---|-----------------|
| Net revenue (\$million) | \$28,871 |
| Profit (\$million) | \$8,694 |
| Cash flow generated from operations (\$ million) | \$889 |
| Net revenue from outside the United States | 66% |
| Net cash income taxes paid (\$ million) | \$836 |
| Net revenue by segment (\$ million) | |
| Enterprise Group | \$26,211 |
| Financial Services | \$3,602 |
| Corporate Investments | \$3 |

¹ The recalculations removed emissions from HP Inc., DXC, and Micro Focus, but included emissions from acquisitions

² All data in this table is from [HPE’s 2017 10-K](#).

Navigation



This symbol, found throughout this report, is a hyperlink to the [2017 Living Progress Report](#) where you can find further in-depth information.

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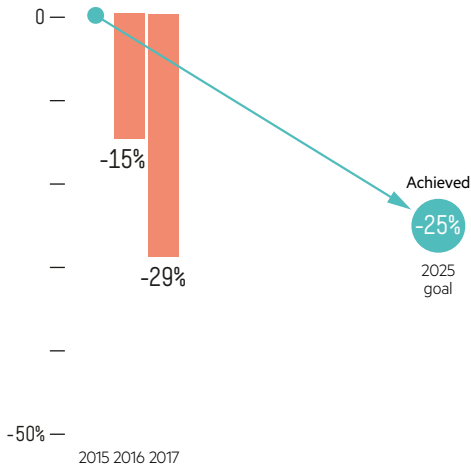


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Goals

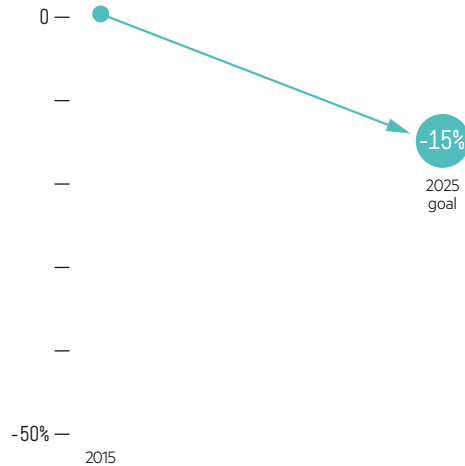
We set strategic goals to drive down our environmental footprint across our entire value chain—not just our direct operations. This approach ensures that we address the areas where our impact is greatest—currently 95% of greenhouse gas (GHG) emissions occur in the manufacture and use of our products.

Reduction in operational GHG emissions



We reduced our operational GHG emissions by 29% since 2015, exceeding our goal of 25%.³ We achieved our target by increasing the proportion of renewable electricity purchased, optimizing space through facility consolidation, and continuing our commitment to energy efficient LEED Silver facilities. We will set a new operational emissions goal in 2018.

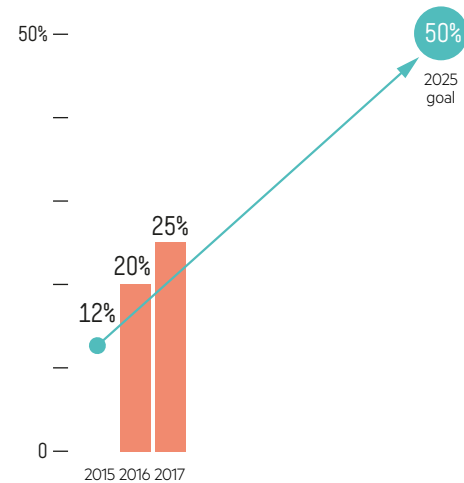
Reduction in supply chain manufacturing GHG emissions



In 2017, we set a goal to reduce absolute manufacturing-related GHG emissions in our supply chain by 15% from 2015 levels by 2025, in line with climate science, as well as a goal to enable 80% of our manufacturing suppliers (by spend) to set SBTs. Our data for supply chain GHG emissions is not sufficiently accurate to report a reliable trend due to the company restructuring. We are refining our data collection and analysis and aim to report performance in our 2018 report.

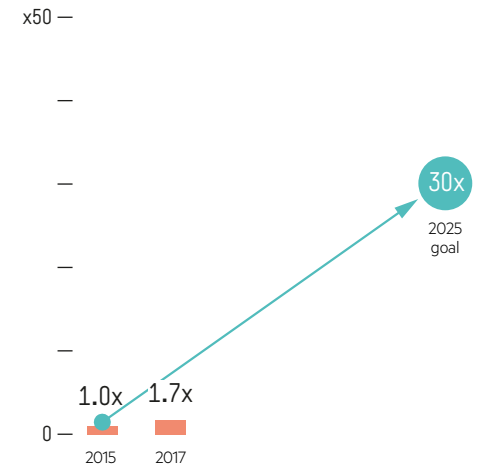
We are targeting our supply chain climate impact with a first of its kind science-based GHG reduction goal. We also set a science-based target (SBT) for our operational emissions, which we achieved in 2017. To address our product use impact, we set a transformative energy performance goal for our entire product portfolio.

Operational electricity sourced from renewables



We increased the proportion of electricity sourced from renewables to 25% from 12% in 2015, with a significant contribution from purchasing renewable energy credits, increasing our utility supplied green contracts, and investing in power purchase agreements. In addition, HPE consolidated real estate globally resulting in an overall reduction of operational electricity consumption. Our goal is to source 50% of total electricity consumption in our operations from renewables by 2025, with a long-term goal of achieving 100%.

Increase in the energy performance of our product portfolio



We increased the energy performance of our product portfolio 1.7 times from 2015. This improvement followed the release of our efficient ProLiant Gen10 servers.

³ Our SBT is based on a baseline of 2015 emissions calculated using the market-based approach. The goal is approved by the Science Based Target Initiative.

Our data

Carbon footprint

Due to significant changes to our business, we recalculated our Scope 1 and 2 greenhouse gas (GHG) emissions for the years 2015 and 2016. As part of this recalculation, we removed emissions from HP Inc., DXC, and Micro Focus, but included emissions from acquisitions.

This recalculation allows us to report progress toward our operation's emissions reduction goal, which reflects our current business and accurately compare year-over-year trends.

In 2017, we reduced our operational GHG emissions 29% compared to 2015, surpassing our goal, of 25% by 2025. A combination of initiatives contributed to our early achievement of this goal, including an aggressive consolidation of facilities and space optimization over a three-year period, a continued commitment to LEED Silver buildings, and an increase in our renewable electricity sourcing, which grew to 25% in 2017, up from 12% in 2015.

CARBON FOOTPRINT (SCOPES 1, 2, AND 3)

| | 2015 | 2016 | 2017 |
|---|----------|------------------|-------------------|
| GHG emissions (Scopes 1, 2, and 3) (metric tons CO₂e)⁴ | - | 9,890,373 | 12,605,123 |
| Operational GHG emissions (Scope 1 and Scope 2 market-based method) | 513,374 | 434,780 | 361,980 |
| % reduction to 2015 baseline ⁵ | - | -15% | -29% |
| Scope 1 ⁶ | 51,116 | 37,300 | 77,303 |
| Scope 2 (market-based method) | 462,258 | 397,480 | 284,677 |
| Scope 2 (location-based method) | 528,721 | 500,998 | 391,122 |
| GHG emissions intensity (metric tons CO ₂ e/\$ million of net revenue) | 17 | 14 | 13 |
| Scope 3 GHG emissions ⁷ | - | 9,455,594 | 12,243,143 |

OPERATIONS EMISSIONS BY REGION (SCOPE 1 AND SCOPE 2) (METRIC TONS CO₂e)

| | 2015 | 2016 | 2017 |
|---|----------------|----------------|----------------|
| Scope 1 and Scope 2 (market-based) | 513,374 | 434,780 | 361,980 |
| Americas | 294,549 | 219,824 | 175,067 |
| Europe, Middle East, and Africa | 40,635 | 36,082 | 52,091 |
| Asia Pacific and Japan | 178,190 | 178,874 | 134,823 |
| Scope 1 | 51,116 | 37,300 | 77,303 |
| Americas | 30,379 | 20,718 | 39,758 |
| Europe, Middle East, and Africa | 19,146 | 15,473 | 35,641 |
| Asia Pacific and Japan | 1,591 | 1,110 | 1,904 |
| Scope 2 (market-based) | 462,258 | 397,480 | 284,677 |
| Americas | 264,170 | 199,106 | 135,309 |
| Europe, Middle East, and Africa | 21,489 | 20,609 | 16,449 |
| Asia Pacific and Japan | 176,559 | 177,764 | 132,919 |
| Scope 2 (location-based) | 528,721 | 500,998 | 391,122 |
| Americas | 279,921 | 270,213 | 221,468 |
| Europe, Middle East, and Africa | 68,720 | 52,142 | 36,735 |
| Asia Pacific and Japan | 180,080 | 178,644 | 132,919 |

OPERATIONS EMISSIONS BY TYPE (SCOPE 1 AND 2) (METRIC TONS CO₂e)

| | 2015 | 2016 | 2017 |
|--|---------------|---------------|---------------|
| Scope 1 | 51,116 | 37,300 | 77,303 |
| Natural gas | 19,302 | 14,116 | 10,582 |
| Diesel/gas/oil ⁸ | 1,317 | 473 | 697 |
| Transportation fleet | 30,498 | 22,711 | 64,648 |
| Refrigerants (hydrofluorocarbons HFCs) | - | - | 1,376 |
| Perfluorocarbons (PFCs) ⁹ | - | - | - |

⁴ The increase in emissions from 2016 to 2017 is primarily due to a change in methodology of our Scope 3 calculations.

⁵ HPE's operational emissions and 25% reduction are calculated with the Scope 2 market-based method.

⁶ The increase in Scope 1 emissions from 2016 to 2017 is primarily because HPE retained the majority of the corporate fleet after the spin offs.

⁷ HPE's 2017 spin-offs and acquisitions did not have a significant impact on our Scope 3 emissions; as a result, the 2016 data has not been restated.

⁸ Hewlett-Packard Company does not estimate or extrapolate diesel use for nonreporting sites.

⁹ Data is based on the calendar year.

Carbon footprint

Our new business structure shifted an even larger portion of our environmental impact outside of our own operations. Currently, 95% of our emissions are in the upstream and downstream portions of our value chain (Scope 3).

In 2017, we improved the methodology, and accuracy, of our Scope 3 calculations by performing simplified lifecycle assessments for 100% of our products and components. This update expanded the scope of products we included in our assessment, leading to an overall increase in Scope 3 emissions being reported in 2017.

[Our environmental footprint](#) 

OPERATIONS EMISSIONS BY TYPE (SCOPE 1 AND 2) (METRIC TONS CO₂e)

| | 2015 | 2016 | 2017 |
|---|----------------|----------------|----------------|
| Scope 2 (market-based) | 462,258 | 397,480 | 284,677 |
| Purchased electricity for operations | 458,609 | 394,199 | 283,068 |
| District cooling (purchased) for operations | 3,649 | 3,281 | 1,610 |
| Scope 2 (location-based) | 528,721 | 500,998 | 391,122 |
| Purchased electricity for operations | 525,073 | 497,718 | 389,512 |
| District cooling (purchased) for operations | 3,649 | 3,281 | 1,610 |

GHG EMISSIONS SCOPE 3 (METRIC TONS CO₂e)

| | 2016 ¹⁰ | 2017 |
|--|--------------------|-------------------|
| Scope 3 emissions by category | 9,455,594 | 12,243,143 |
| Purchased goods and services | 1,544,000 | 2,694,662 |
| Capital goods | 230,000 | 88,074 |
| Fuel- and energy-related activities (not included in scope 1 or scope 2) | 275,000 | 187,286 |
| Upstream transportation and distribution | 380,594 | 423,759 |
| Waste generated in operations | - | 14,368 |
| Business travel ¹¹ | 137,000 | 62,503 |
| Employee commuting | 677,000 | 225,829 |
| Upstream leased assets | N/A | N/A |
| Downstream transportation and distribution | N/A | 413,419 |
| Processing of sold products | N/A | N/A |
| Use of sold products | 6,155,000 | 8,053,293 |
| End-of-life treatment of sold products | 29,000 | 38,639 |
| Downstream leased assets | 28,000 | 41,312 |
| Franchises | N/A | N/A |
| Investments | N/A | N/A |

¹⁰ 2016 Scope 3 emissions include data from DXC and Micro Focus.

¹¹ 2017 business travel includes emissions from air and rail travel as well as rental cars. Due to data limitations, 2017 Scope 3 emissions for business travel do not take into account HPE's acquisitions that occurred during that fiscal year. Additionally, data from DXC and Micro Focus were removed from the air and rail travel calculations, however were unable to be removed from the car rental data.

Water footprint

The majority of our global water footprint can be attributed to the electricity associated with the use of our products (56%) and the energy needs of our supply chain (33%).

[Our environmental footprint](#) 

WATER FOOTPRINT

| | 2017 |
|--|-------------------|
| HPE water footprint (cubic meters) | 57,934,001 |
| Water consumption in HPE operations | 2,228,986 |
| Water consumption associated with the generation of electricity used in HPE operations | 3,556,404 |
| Water consumed by HPE suppliers in their operations ¹² | 4,837,554 |
| Water consumption associated with the generation of electricity used by HPE suppliers | 14,627,463 |
| Water consumption associated with the generation of electricity used in HPE products | 32,683,594 |

¹² This metric reports the amount of water consumed by HPE's multi-tier supply chain, and not the amount withdrawn by first-tier suppliers as reported in our supply chain environmental impact.

Operations

We decreased our operational energy use in 2017 through multiple tactics to reduce on-site electricity consumption, such as: participating in local demand-response programs; investing in LED lighting, submeters, and smart building technologies; right-sizing office buildings based on the number of employees at a given location; and ensuring that all building retrofits meet LEED Silver certification.

In 2017, 25% of our electricity was sourced from renewables, moving us closer toward our goal to source 50% renewable electricity in our operations by 2025.

[Our environmental footprint](#) 

OPERATIONS

| | 2015 | 2016 | 2017 |
|--|------------------|------------------|----------------|
| Energy use (MWh)¹³ | 1,187,458 | 1,079,481 | 891,537 |
| Energy intensity (MWh/\$ million of net revenue) | 38 | 36 | 31 |
| Direct energy use in operations¹⁴ (corresponds to Scope 1 emissions) (MWh) | 114,985 | 82,572 | 63,890 |
| Natural gas (MWh) | 106,502 | 77,889 | 58,386 |
| Diesel/LPG (MWh) | 3,714 | 1,874 | 2,598 |
| Electricity (generated on-site) (MWh)¹⁵ | 4,769 | 2,810 | 2,905 |
| Renewable (generated on-site) (MWh) | 3,276 | 2,810 | 2,521 |
| Diesel/gas/oil/LPG (MWh) | 1,493 | - | 384 |
| Indirect energy use (corresponds to Scope 2 emissions) (MWh) | 1,072,472 | 996,909 | 827,647 |
| Electricity sources from nonrenewable energy (MWh) | 925,063 | 785,779 | 619,824 |
| Electricity sourced from renewable energy (MWh) | 127,119 | 192,885 | 198,869 |
| Voluntary purchases of renewable energy credits (RECs) | 5,648 | 110,929 | 131,841 |
| Voluntary purchase of utility-provided renewable energy | 121,471 | 81,956 | 67,028 |
| District cooling and heating (purchased) (MWh) | 20,291 | 18,244 | 8,955 |
| Electricity sourced from renewables (percentage of total) | 12% | 20% | 25% |

¹³ Includes both direct and indirect energy use, which are the source of Scope 1 and Scope 2 emissions, respectively.

¹⁴ Data does not include fuel consumption from HPE's transportation fleet.

¹⁵ Operational electricity sourced from renewables in 2015 was 130,326 MWh, composing 12% of total electricity use.

ENERGY USE (BY REGION)

| | Americas | Europe, Middle East, and Africa | Asia Pacific and Japan |
|--|----------|---------------------------------|------------------------|
| 2015 | | | |
| Electricity (purchased and on-site) (MWh) | 600,635 | 209,722 | 246,594 |
| Electricity sourced from renewable energy (MWh) | 8,727 | 117,269 | 4,399 |
| District cooling and heating (purchased) (MWh) | - | - | 20,291 |
| Scope 2 emissions (market-based) (metric tons CO ₂ e) | 264,170 | 21,489 | 176,599 |
| 2016 | | | |
| Electricity (purchased and on-site) (MWh) | 567,024 | 172,060 | 242,389 |
| Electricity sourced from renewable energy (MWh) | 114,197 | 80,163 | 1,335 |
| District cooling and heating (purchased) (MWh) | - | - | 18,244 |
| Scope 2 emissions (market-based) (metric tons CO ₂ e) | 199,106 | 20,609 | 177,764 |
| 2017 | | | |
| Electricity (purchased and on-site) (MWh) | 523,765 | 101,835 | 195,998 |
| Electricity sourced from renewable energy (MWh) | 136,424 | 64,657 | 309 |
| District cooling and heating (purchased) (MWh) | - | - | 8,955 |
| Scope 2 emissions (market-based) (metric tons CO ₂ e) | 135,309 | 16,449 | 132,919 |

Operations

Our operations consumed 2.2 million cubic meters of water in 2017, a decrease of 15% from the previous year. This trend is primarily due to our continued commitment toward highly efficient buildings, both in terms of electricity use and water consumption.

In 2017, we achieved our annual target of an 83% diversion rate, a 1.2% decrease from the year before. We also saw a significant decrease in our hazardous waste generation of 68%. These decreasing trends are a result of the spin-offs that occurred in 2017.

[Our environmental footprint](#) 

OZONE DEPLETION

| | 2016 ¹⁶ | 2017 |
|---|--------------------|------------|
| Ozone depletion potential of estimated emissions (kg of CFC-11 equivalent) | 134 | 3.6 |
| Americas | 129 | 3.6 |
| Europe, Middle East, and Africa | 0 | 0 |
| Asia Pacific and Japan | 5 | 0 |

WATER

| | 2016 | 2017 |
|---|------------------|------------------|
| Water consumption, by region (cubic meters) | 2,626,556 | 2,228,986 |
| Americas | 1,566,000 | 1,305,926 |
| Europe, Middle East, and Africa | 273,006 | 224,688 |
| Asia Pacific and Japan | 787,550 | 698,372 |
| Water consumption, by source (cubic meters) | 2,626,556 | 2,228,986 |
| Municipal water | 2,617,404 | 2,140,396 |
| Rainwater | 872 | 7,534 |
| Tanker water | 8,280 | 81,056 |
| Reused treated sewage treatment plant water¹⁷ | 4,774 | 29,806 |

WASTE

| | 2016 | 2017 |
|--|---------------|------------|
| Nonhazardous waste (metric tons) | 42,900 | 13,200 |
| Americas | 24,700 | 7,100 |
| Europe, Middle East, and Africa | 7,700 | 2,000 |
| Asia Pacific and Japan | 10,500 | 4,200 |
| Nonhazardous waste landfill diversion rate (percentage of total produced) | 84.2% | 83% |
| Americas | 81.7% | 78% |
| Europe, Middle East, and Africa | 91.5% | 95% |
| Asia Pacific and Japan | 84.7% | 87% |
| Hazardous waste (metric tons) | 341 | 109 |
| Americas | 253 | 88 |
| Europe, Middle East, and Africa | 58 | 6 |
| Asia Pacific and Japan | 31 | 16 |

¹⁶ Includes data from DXC and Micro Focus.

¹⁷ Water used for landscaping and flushing toilets.

Supply chain environment impact

In 2017, HPE established two supply chain emissions reduction goals to achieve by 2025, compared to 2015. We will enable 80% of our manufacturing suppliers (by spend) to set their own science-based emissions reduction targets, with the overall goal of reducing manufacturing-related GHG emissions (on an absolute basis) in our supply chain by 15%.

[Our environmental footprint](#) 

SUPPLIER ENVIRONMENTAL PERFORMANCE¹⁸

| | 2015 ¹⁹ | 2016 | 2017 |
|---|--------------------|-----------|---------|
| Production supplier GHG emissions²⁰ | | | |
| Production supplier Scope 1 and Scope 2 emissions (metric tons CO ₂ e) | 1,000,000 | 747,698 | - |
| Production suppliers participating in our SBT capability-building program | - | 88% | - |
| Estimated total GHG emissions from product transport (metric tons CO₂e)² | | | |
| Road (includes rail) | - | 36,422 | 60,534 |
| Ocean | - | 13,532 | 8,884 |
| Air | - | 330,639 | 354,341 |
| Production supplier water withdrawal^{22,23} | | | |
| Production supplier water withdrawal for use (cubic meters) | 12,780,997 | 9,894,323 | - |
| Production suppliers with water withdrawal-related goals (% of spend) | 73% | 74% | - |
| Production supplier waste generation²⁴ | | | |
| Production supplier nonhazardous waste generation (metric tons) | 33,776 | 28,572 | - |
| Production supplier hazardous waste generation (metric tons) | 22,844 | 18,338 | - |
| Production suppliers with waste-related goals (% of spend) | 63% | 67% | - |

¹⁸ With the exception of product transport, supplier data is reported on a one-year lag. Therefore, the most recent data available is from 2016. Although HPE was not established as a separate company until the end of 2015, the data shown here represents only HPE's portion of supplier environmental impact.

¹⁹ Trends based on 2015 data do not present an accurate reflection of performance. We are refining our data collection and analysis and expect 2017 data to be robust.

²⁰ Emissions are estimated based on suppliers' reported emissions and their dollar volume of HPE business compared to their total revenue. Data collected represented 95% of supplier spend and is extrapolated to 100% of first-tier production suppliers.

²¹ The data reported represents the transportation emissions from suppliers that receive 94% of total spend in 2017, and 92% of total spend in 2016. Total spend includes Warehousing and Brokerage operations in addition to transportation services.


²² With the exception of product transport, supplier data is reported on a one-year lag. Therefore, the most recent data available is from 2016. Although HPE was not established as a separate company until the end of 2015, the data shown here represents only HPE's portion of supplier environmental impact.

²³ This metric reports the amount of water withdrawn by our first-tier suppliers for manufacturing, materials, and components, not the amount consumed by our multi-tier supply chain as reported in our water footprint. Withdrawal is estimated based on suppliers' reported water withdrawal and their dollar volume of HPE business compared to their total revenue. Data collected represents 75% and 73% of supplier spend for 2015 and 2016 respectively, and is extrapolated to 100% of first-tier production suppliers.

²⁴ Waste metrics are estimated based on suppliers' reported waste data and their dollar volume of HPE business compared to their total revenue. Data collected represents 63% and 60% of supplier spend for 2015 and 2016 respectively, and is extrapolated to 100% of first-tier production suppliers.

Employees

At the close of 2017, we employed 66,141 employees worldwide. In 2017, nearly 35% of our new hires were female, a 9% increase from the previous year. During this same period, we improved our lost workday case rate by 20%.²⁵

[Inclusion and diversity and Employee health, safety, and well-being](#) 

EMPLOYEE DEMOGRAPHICS (2017)

| | Men | Men (%) | Women | Women (%) | Total ²⁶ |
|---|---------------|---------------|---------------|---------------|---------------------|
| Employees (regular full-time and part-time) by region and gender | | | | | |
| Americas | 17,997 | 70.68% | 7,460 | 29.30% | 25,461 |
| Asia Pacific and Japan | 15,071 | 67.24% | 7,304 | 32.59% | 22,413 |
| Europe, Middle East, and Africa | 12,014 | 65.17% | 6,225 | 34.08% | 18,267 |
| Employees not categorized by region | 0 | | 0 | | 0 |
| Other | 0 | | 0 | | 0 |
| Total | 45,082 | 68.16% | 20,989 | 31.73% | 66,141 |
| Employees (regular full-time) by employment type and gender | | | | | |
| Executives | 357 | 81.14% | 83 | 18.86% | 440 |
| Directors | 1,257 | 78.76% | 339 | 21.24% | 1,596 |
| Managers | 4,013 | 75.15% | 1,327 | 24.85% | 5,340 |
| Professionals | 34,879 | 69.00% | 15,629 | 30.92% | 50,552 |
| Other | 4,576 | 55.72% | 3,611 | 43.97% | 8,213 |
| Employees (regular part-time) by employment type and gender | | | | | |
| Executives | 0 | 0 | 0 | 0 | 0 |
| Directors | 2 | 28.57% | 5 | 71.43% | 7 |
| Managers | 4 | 12.50% | 28 | 87.50% | 32 |
| Professionals | 112 | 18.39% | 497 | 81.61% | 609 |
| Other | 19 | 15.97% | 100 | 84.03% | 119 |
| Subtotal | 137 | 17.9% | 630 | 82.1% | 767 |
| Other ²⁷ | - | - | - | - | - |
| World workforce by age group | | | | | |
| 30 and under | | | | | 18.71% |
| 31–50 | | | | | 56.68% |
| 51 and over | | | | | 24.05% |
| Age not listed | | | | | 0.56% |
| Total | | | | | 100.00% |

²⁵ Lost workday case rate is the number of work-related injuries that result in time away from work per 100 employees working a full year. Rates are calculated using Occupational Safety and Health Administration (OSHA) definitions for recordability around the world and using OSHA calculation methodologies.

²⁶ The sum of "Men" and "Women" may not equal 100% because gender identification is voluntary and for some employees it may remain uncategorized.

²⁷ Other category includes employees of certain majority-owned, consolidated subsidiaries for which this human resource data is not available to HPE.

EMPLOYEE DIVERSITY

| | 2016 | 2017 |
|--|---------------|---------------|
| Women employees (% of total) | 31.51% | 31.73% |
| Americas | 32.34% | 29.30% |
| Asia Pacific and Japan | 30.79% | 32.59% |
| Europe, Middle East, and Africa | 31.43% | 34.08% |
| Women managers (% of total management workforce) | 24.73% | 24.85% |
| Americas | 28.13% | 26.44% |
| Asia Pacific and Japan | 19.82% | 19.29% |
| Europe, Middle East, and Africa | 23.97% | 27.87% |
| Senior ranking positions held by women (Director level and above) (% of total top management positions) | 19.61% | 20.73% |
| Americas | 21.47% | 22.43% |
| Asia Pacific and Japan | 16.59% | 16.27% |
| Europe, Middle East, and Africa | 16.82% | 18.66% |
| Global new hires, by gender²⁸ (% of total) | 99.90% | 98.95% |
| Female | 31.82% | 34.81% |
| Male | 68.08% | 64.15% |
| U.S. new hires, by ethnicity²⁹ (% of total) | 99.98% | |
| White | 45.75% | 46.88% |
| All minorities | 31.07% | 33.92% |
| Black | 10.58% | 11.39% |
| Hispanic | 4.74% | 4.12% |
| Asian | 12.74% | 14.83% |
| Native American | 0.25% | 0.29% |
| Employee Resource Groups | | |
| Total number of chapters as of 2016 | 150 | 120 |
| Number of countries with ERG chapters | 30 | 30 |

²⁸ The sum of "Men" and "Women" may not equal 100% because gender identification is voluntary and for some employees it may remain uncategorized.

²⁹ The sum of "White" and "All minorities" does not equal 100%, and the sum of "Black," "Hispanic," "Asian," and "Native American" does not equal the total for "All minorities," because some people do not declare a category, do not chose to identify a category, or do not fall into these categories. For this table, those who did not declare were not included in the analysis nor placed into a default classification.

HEALTH AND SAFETY

| | 2016 | 2017 |
|---|-------------|-------------|
| Lost workday case rate (number) | 0.05 | 0.04 |
| Americas | 0.05 | .07 |
| Europe, Middle East, and Africa | 0.11 | .05 |
| Asia Pacific and Japan | 0.005 | .01 |
| Recordable incidence rate (number)³⁰ | 0.12 | .12 |
| Americas | 0.20 | .21 |
| Europe, Middle East, and Africa | 0.16 | .14 |
| Asia Pacific and Japan | 0.005 | .02 |
| Leading causes of lost workdays (%) | | |
| Slips, trips, and falls | 55% | 36% |
| Struck by/against/cut by | 6% | 17% |
| Caught in/between | 2% | 7% |
| Ergonomics — office environment | 6% | 7% |
| Ergonomics — materials handling | 12% | 5% |
| Automobile accidents | 14% | 5% |
| Other ³¹ | 5% | 23% |
| Leading cause of all recordable incidents (with and without lost time) (%) | | |
| Slips, trips, and falls | 47% | 38% |
| Struck by/against/cut by | 10% | 14% |
| Ergonomics — materials handling | 11% | 13% |
| Ergonomics — office environment | 12% | 8% |
| Automobile accidents | 12% | 8% |
| Caught in/between | 2% | 6% |
| Other ³² | 6% | 14% |

³⁰ Recordable incidence rate is the number of all work-related lost-time and no-lost-time cases requiring more than first aid per 100 employees working a full year. Rates are calculated using OSHA definitions for recordability around the world and using OSHA calculation methodologies.

³¹ Other category includes lost workdays cases including those related to stress, exertion not related to materials handling, manufacturing ergonomics, and assault.

³² Other category includes lost workdays cases including those related to stress, nonchemical burns, manufacturing ergonomics, exertion not related to materials handling, and assault.

Supply chain responsibility

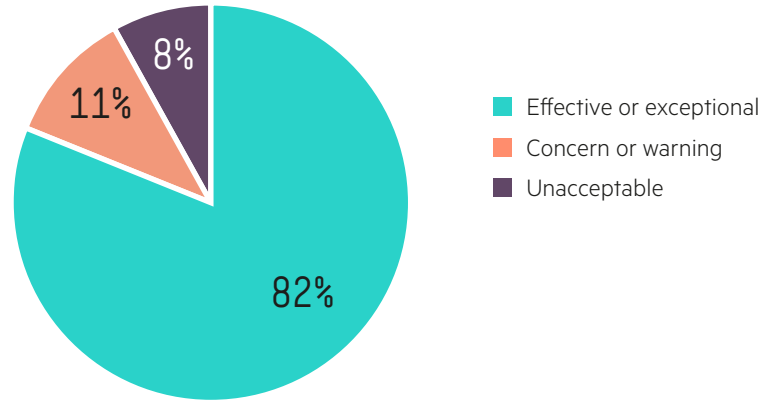
The HPE Supply Chain Responsibility (SCR) program guides our approach to ethical sourcing. It includes audits and assessments, capability building, efforts to tackle forced labor and human trafficking, and our conflict minerals program.

To help drive continual social and environmental responsibility (SER) improvement among suppliers, we made scoring on our SER scorecard more stringent. Even with this change, 82% of suppliers were in our effective or exceptional category in 2017, up from 74% in 2016.

[Ethical sourcing](#) 

SER SCORECARD DISTRIBUTION (2017)³³

(% of total)



³³ Distribution includes the top 95% of spend for our final assembly and strategic commodity supplier sites. Total does not add up to 100% due to rounding.

Supply chain responsibility dashboard

Our social key performance indicators (KPIs) form part of the overall HPE SCR dashboard.

SOCIAL KEY PERFORMANCE INDICATORS

SCR dashboard

| | 2016 | 2017 |
|---|------------|------------|
| Suppliers' employees working less than 60 hours per week on average ³⁴ (%) | 94% | 97% |
| Suppliers' employees receiving at least one day of rest each seven-day workweek ³⁵ (%) | 98% | 99% |
| Suppliers in China with student workers representing 20% or less of total employees ³⁶ (%) | 100% | 100% |
| Critical findings related to the ILO Declaration on Fundamental Principles and Rights at Work: freedom of association; freedom from forced, bonded, or indentured labor; from child labor; or from discrimination ³⁵ | 15 | 4 |
| Critical findings related to occupational safety, emergency preparedness, or industrial hygiene ³⁶ | 3 | 0 |
| SER audits and assessments conducted (cumulative) | 108 | 189 |
| Total audits (cumulative) | 95 | 169 |
| Full audits (cumulative) | 58 | 96 |
| Follow-up audits (cumulative) | 37 | 73 |
| Assessments and allegation investigation (cumulative) | 13 | 20 |
| Number of suppliers audited (total, cumulative) | 44 | 83 |
| Number of supplier facilities audited (total, cumulative) | 78 | 145 |

³⁴ Based on HPE production line workers at final assembly, and selected commodity sites participating in the HPE KPI program and audit results. Suppliers are included in the KPI program based on business risk, country risk, and identified nonconformances.


³⁵ 2017 findings relate to freely chosen employment management systems.

³⁶ 2017 finding relates to emergency preparedness.

Performance monitoring

In 2017, we arranged 81 audits and assessments with suppliers. In all cases of major nonconformance, suppliers are required to implement a corrective action plan, which is verified with a follow-up audit. In cases where critical issues are uncovered, we require immediate escalation, including the development of a corrective action plan, and we may downgrade the supplier on our SER scorecard.

We require key suppliers in high-risk locations to provide additional information on their SER performance through our KPI program.

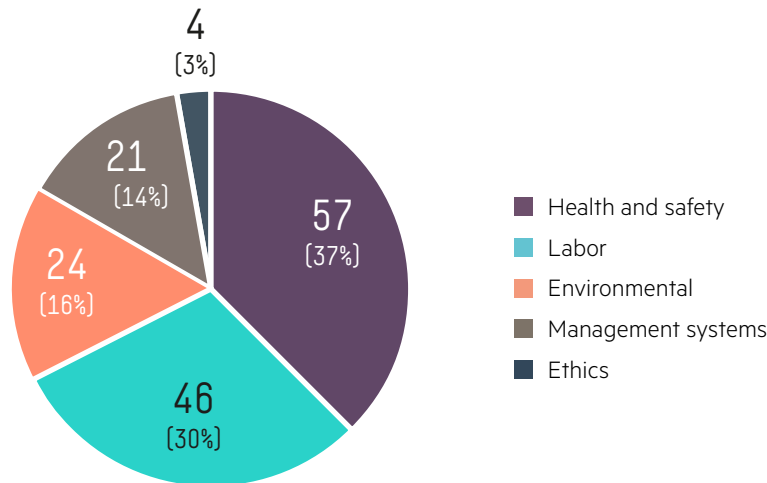
[Ethical sourcing](#) 

SER AUDITS AND ASSESSMENTS CONDUCTED BY REGION, 2017³⁷

| | Greater China | Asia Pacific | Americas | Europe |
|--|---------------|--------------|----------|--------|
| Onboarding assessments for new suppliers | 0 | 2 | 0 | 0 |
| Vulnerable worker group (student and foreign worker) assessments | 0 | 5 | 0 | 0 |
| Allegation investigations | 0 | 0 | 0 | 0 |
| Full audits: complete appraisal of the five sections of the HPE Supplier Code of Conduct, covering labor, health and safety, the environment, ethics, and management systems | 19 | 13 | 4 | 2 |
| Follow-up audits: to address major nonconformances found in an earlier full audit | 24 | 11 | 0 | 1 |

MAJOR NONCONFORMANCES³⁸

Of HPE Supplier Code of Conduct, by section, 2017



³⁷ Data reflects fiscal year 2017 audit reports received as of March 1, 2018 (the "2017 Cut-off Date").

³⁸ Data excludes minor nonconformances that do not indicate a systemic problem but typically represent an isolated finding. Data is from audits; data from assessments is not included. Each provision of the RBA audit protocol includes a number of audit questions, each with a potential for no finding, risk of nonconformance, minor nonconformance, major nonconformance, or priority nonconformance. HPE identifies the most significant nonconformance found in each provision and aggregates the major and priority nonconformances across all audits to determine the distribution of major and priority nonconformances by RBA category. Percentages were rounded to add to 100%.

Health and safety

Health and safety findings represented 37% of all major nonconformances in 2017.

Emergency preparedness

Nonconformances related to emergency preparedness were specific to emergency exits or exit routes that were inadequate in number and location, not readily accessible, or not properly maintained. Suppliers were required to complete corrective actions for any identified issues.

Occupational safety

Nonconformances with respect to occupational safety related to permits, licenses, and test reports that were either not in place or for which suppliers had no update process. Suppliers were required to complete corrective actions for any identified issues.

Sanitation, food, and housing

Nonconformances related to sanitation, food, and housing were due to canteens or cafeterias that were not clean, well maintained, and/or managed in compliance with local health regulations. Suppliers were required to complete corrective actions for any identified issues.

HEALTH AND SAFETY—GLOBAL

Rates of major nonconformances of sites audited (%), 2017

| | | |
|---------------------------------|--|------------|
| Occupational safety | | 39% |
| Emergency preparedness | | 39% |
| Occupational injury and illness | | 18% |
| Industrial hygiene | | 16% |
| Physically demanding work | | 8% |
| Machine safeguarding | | 0% |
| Sanitation, food, and housing | | 29% |
| Health and safety communication | | 0% |

HEALTH AND SAFETY—REGIONAL

Major nonconformances of sites audited, 2017

| | Greater China | Asia Pacific | Americas | Europe |
|---------------------------------|---------------|--------------|----------|--------|
| Occupational safety | 11 | 3 | 0 | 1 |
| Emergency preparedness | 11 | 2 | 1 | 1 |
| Occupational injury and illness | 5 | 2 | 0 | 0 |
| Industrial hygiene | 3 | 2 | 1 | 0 |
| Physically demanding work | 2 | 0 | 1 | 0 |
| Machine safeguarding | 0 | 0 | 0 | 0 |
| Sanitation, food and housing | 9 | 2 | 0 | 0 |
| Health and safety communication | 0 | 0 | 0 | 0 |

Labor

Labor-related findings represented 30% of all major nonconformances in 2017. In response to these findings we continue to use targeted capability-building programs, events, and training with suppliers and industry partners to achieve full conformance with HPE and legal requirements. We implement and track improvement through corrective action plans, and encourage industry-level attention and action through our full membership status with the Responsible Business Alliance (RBA).³⁹

Working hours

The most frequent nonconformance was associated with HPE's requirement for a maximum 60-hour workweek. Other findings related to our requirement for workers to have one day off in seven.

In 2017, an average of 97% of workers at supplier sites in the KPI program worked less than 60 hours per week, compared to 94% in 2016. On average, 99% of workers at supplier sites received at least one day of rest in every seven-day period, compared to 98% in 2016. We are expanding the reach of our working hours assessments to include more small and high-risk suppliers, and we will continue to work with suppliers to raise standards by:

- Frequent monitoring of conformance with working hours and day of rest requirements for suppliers in high-risk countries through our KPI program

³⁹ Formerly the Electronic Industry Citizenship Coalition (EICC).

- Engaging with supplier management to address root causes of nonconformances

Wages and benefits

In 2017, wage-related nonconformances largely occurred in China. The most common issue concerned legal wages for regular and overtime hours not being correctly calculated or paid to all workers, followed by nonconformance with social insurance requirements.

Freely chosen employment management systems

In 2017, we continued to undertake more stringent due diligence within our supply chain to uncover previously unidentified high risks—including through additional specialized assessments against our Foreign Migrant Worker Standard. As a result of this continued level of scrutiny, we identified four critical findings, including: payment of excessive recruitment fees; restriction of worker access to personal documentation; and requirement for workers to lodge deposits at the outset of employment, or in order to take leave.

In each case, we worked closely with the relevant supplier to remediate the issue and strengthen management systems to guard against reoccurrence. We conduct follow-up assessments using third-party auditors to validate that all corrective actions are completed.

Specific remedial actions have included suppliers: repaying recruitment fees; returning personal documents, deposits, and savings; changing company policies and procedures; updating worker contracts; amending labor agent contracts; enhancing labor agent due diligence and monitoring; and clearly communicating changes to policies and practices with workers.

When a critical finding is reported at a supplier facility, the supplier receives a significant penalty in our SER scorecard, potentially affecting the extent of their future business with HPE. We take all critical findings very seriously, and believe that our ability to uncover and remediate these issues shows that our approach is working.

In 2017, in response to audit findings, we provided on-site capability building to enhance supplier management systems with respect to foreign migrant workers. In 2018, we will continue to focus our efforts on ensuring that suppliers fully understand our requirements and are proactively working to meet them.

LABOR—GLOBAL

Rates of major nonconformances of sites audited (%), 2017

| | | |
|--|--|------------|
| Freely chosen employment management systems | | 18% |
| Young worker protection management systems ⁴⁰ | | 3% |
| Working hours | | 55% |
| Wages and benefits | | 29% |
| Humane treatment | | 0% |
| Nondiscrimination management systems | | 13% |
| Freedom of association | | 3% |

⁴⁰ The single finding in this category is related to an incomplete policy around young worker management systems.

LABOR—REGIONAL

Major nonconformances of sites audited, 2017

| | Greater China | Asia Pacific | Americas | Europe |
|--|---------------|--------------|----------|--------|
| Freely chosen employment management systems | 5 | 1 | 1 | 0 |
| Young worker protection management systems ⁴⁰ | 1 | 0 | 0 | 0 |
| Working hours | 16 | 5 | 0 | 0 |
| Wages and benefits | 9 | 2 | 0 | 0 |
| Humane treatment | 0 | 0 | 0 | 0 |
| Nondiscrimination management systems | 4 | 1 | 0 | 0 |
| Freedom of association | 1 | 0 | 0 | 0 |

Environmental

Environmental findings represented 16% of all major nonconformances in 2017.







The majority of nonconformances related to hazardous substances. This primarily involved the lack of robust programs to monitor the vendors used for disposal of hazardous

waste, as well as issues with correct labeling, secondary containment, or local language Material Safety Data Sheets (MSDS) for hazardous materials.

[Our environmental footprint](#) 

ENVIRONMENTAL—GLOBAL

Rates of major nonconformances of sites audited (%), 2017

| | | |
|---|---|------------|
| Environmental permits and reporting |  | 8% |
| Pollution prevention and resource reduction | | 0% |
| Hazardous substances |  | 32% |
| Wastewater and solid waste |  | 3% |
| Air emissions |  | 8% |
| Materials restrictions | | 0% |
| Storm water management |  | 11% |
| Energy consumption and GHG emissions |  | 3% |

ENVIRONMENTAL—REGIONAL

Major nonconformances of sites audited, 2017

| | Greater China | Asia Pacific | Americas | Europe |
|---|---------------|--------------|----------|--------|
| Environmental permits and reporting | 3 | 0 | 0 | 0 |
| Pollution prevention and resource reduction | 0 | 0 | 0 | 0 |
| Hazardous substances | 8 | 2 | 1 | 1 |
| Wastewater and solid waste | 1 | 0 | 0 | 0 |
| Air emissions | 3 | 0 | 0 | 0 |
| Material restrictions | 0 | 0 | 0 | 0 |
| Storm water management | 3 | 1 | 0 | 0 |
| Energy consumption and GHG emissions | 1 | 0 | 0 | 0 |

Management systems













Findings relating to management systems represented 14% of all major nonconformances in 2017.

The majority of the nonconformances were associated with supplier responsibility, or supplier management of SER requirements with their own suppliers. In response to these findings, we required corrective action plans that demonstrated how our first-tier suppliers would communicate the RBA requirements to their suppliers.

In 2017, we updated our SER scorecard with a management system component. This enables suppliers to demonstrate integration of SER issues within their own management systems, and to take proactive ownership of key risks.

MANAGEMENT SYSTEMS—GLOBAL

Rates of major nonconformances of sites audited (%), 2017

| Company commitment |  | 0% |
|--|--|------------|
| Management accountability and responsibility |  | 5% |
| Legal and customer requirements |  | 5% |
| Risk assessment and risk management |  | 5% |
| Improvement objectives |  | 8% |
| Training |  | 0% |
| Communication |  | 0% |
| Worker feedback and participation |  | 0% |
| Audits and assessments |  | 11% |
| Corrective action process |  | 3% |
| Documentation and records |  | 0% |
| Supplier responsibility |  | 18% |

MANAGEMENT SYSTEMS—REGIONAL

Major nonconformances of sites audited, 2017





| | Greater China | Asia Pacific | Americas | Europe |
|--|---------------|--------------|----------|--------|
| Company commitment | 0 | 0 | 0 | 0 |
| Management accountability and responsibility | 2 | 0 | 0 | 0 |
| Legal and customer requirements | 2 | 0 | 0 | 0 |
| Risk assessment and risk management | 1 | 1 | 0 | 0 |
| Improvement objectives | 1 | 2 | 0 | 0 |
| Training | 0 | 0 | 0 | 0 |
| Communication | 0 | 0 | 0 | 0 |
| Worker feedback and participation | 0 | 0 | 0 | 0 |
| Audits and assessments | 1 | 2 | 1 | 0 |
| Corrective action process | 0 | 1 | 0 | 0 |
| Documentation and records | 0 | 0 | 0 | 0 |
| Supplier responsibility | 4 | 2 | 1 | 0 |

Ethics

Ethics-related findings represented 3% of all major nonconformances in 2017.

ETHICS—GLOBAL

Rates of major nonconformances of sites audited (%), 2017


| | | |
|---|---|-----------|
| Business integrity |  | 3% |
| No improper advantage | | 0% |
| Disclosure of information | | 0% |
| Intellectual property | | 0% |
| Fair business, advertising, and competition |  | 3% |
| Protection of identity and nonretaliation | | 0% |
| Responsible sourcing of minerals |  | 3% |
| Privacy |  | 3% |

ETHICS—REGIONAL

Major nonconformances of sites audited, 2017

| | Greater China | Asia Pacific | Americas | Europe |
|---|---------------|--------------|----------|--------|
| Business integrity | 1 | 0 | 0 | 0 |
| No improper advantage | 0 | 0 | 0 | 0 |
| Disclosure of information | 0 | 0 | 0 | 0 |
| Intellectual property | 0 | 0 | 0 | 0 |
| Fair business, advertising, and competition | 1 | 0 | 0 | 0 |
| Protection of identity and nonretaliation | 0 | 0 | 0 | 0 |
| Responsible sourcing of minerals | 1 | 0 | 0 | 0 |
| Privacy | 1 | 0 | 0 | 0 |

Capability building

Ethical sourcing 

CAPABILITY BUILDING, 2017

| | |
|---|------|
| | 2017 |
| Number of sites with capability-building programs | 9 |
| Number of countries with capability-building programs ⁴¹ | 3 |

⁴¹ Does not include countries participating solely in the EICC e-Learning Academy, which is a global program open to all HPE suppliers.

Conflict minerals

In May 2018, we filed our annual Conflict Minerals Report with the U.S. Securities and Exchange Commission. HPE identified the smelters and refiners⁴² on the list set out in HPE's Conflict Minerals Report by surveying suppliers between January 1, 2017, and December 31, 2017. The suppliers surveyed contributed material, components, or manufacturing to products containing 3TG. Each smelter and refiner reported was identified in at least one of the Conflict Minerals Reporting Templates⁴³ received from a supplier.

We received acceptable responses from 3TG direct suppliers estimated to represent more than 98% of our 2017 spend with this group. These suppliers reported 312 total 3TG smelters and refiners in 2017, of which 90%⁴⁴ are either:

- Conformant with the [Responsible Minerals Initiative's](#) (RMI)⁴⁵ Responsible Minerals Assurance Program (RMAP)⁴⁶
- RMAP active⁴⁷
- Reasonably believed by HPE to exclusively source conflict minerals from recycled or scrap sources, or from outside the Covered Countries⁴⁸

Only 10% (32) of the supplier-reported 3TG facilities are facilities for which we have limited or no information on the sourcing of necessary conflict minerals (both because they are not yet participating in an independent assessment program and

PROGRESS TOWARD DRC CONFLICT FREE⁴⁹

| | Total ⁵⁰ (number) | Progress toward DRC Conflict Free ⁵¹ (number) | % of total |
|--------------|---------------------------------|--|------------|
| Tin | 81 | 76 | 94% |
| Tantalum | 40 | 40 | 100% |
| Tungsten | 46 | 46 | 100% |
| Gold | 145 | 118 | 81% |
| Total | 312 | 280 | 90% |

STATUS OF ALL SUPPLIER-REPORTED 3TG SMELTERS AND REFINERS⁵²

| | Number or % (see individual data points) |
|---------------------------------------|---|
| Conformant ⁵³ | 253 |
| Conformant ⁵⁴ (% of total) | 81% |
| In process ⁵⁵ | 27 |
| In process ⁵⁵ (% of total) | 9% |
| Not yet participating | 32 |
| Not yet participating (% of total) | 10% |
| Total | 312 |

because we found no information giving us reason to believe they were sourcing from outside the Covered Countries or exclusively from recycled or scrap sources).

Ethical sourcing

⁴² The reference to smelters and refiners includes recyclers and scrap processors in the 3TG supply chain.

⁴³ Refers to the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template.

⁴⁴ Based on due diligence and reasonable country of origin inquiry.

⁴⁵ Founded by the Responsible Business Alliance, the Responsible Minerals Initiative (RMI), formerly the Conflict Free Sourcing Initiative (CFSI), has grown into one of the most utilized and respected resources for companies from a range of industries addressing responsible 3TG challenges in their supply chain.

⁴⁶ The Responsible Minerals Assurance Program (RMAP), formerly the Conflict-Free Smelter Program (CFSP), is an RMI program that uses an independent third-party audit of smelter and refiner management systems and sourcing practices to validate conformance with

RMAP protocols and current global standards. The audit employs a risk-based approach to validate smelters' company level management processes for responsible mineral procurement.

⁴⁷ RMI defines "active" as smelter or refiner facilities that are engaged in RMAP but not yet conformant.

⁴⁸ The Democratic Republic of the Congo (DRC) or an adjoining country.

⁴⁹ "DRC conflict free" as defined in the U.S. Securities and Exchange Commission's conflict minerals rule to mean products that do not contain conflict minerals that directly or indirectly finance or benefit armed groups in the DRC or an adjoining country.

⁵⁰ Number of 3TG smelters and refiners by metal reported to HPE.

⁵¹ Number of 3TG smelters and refiners by metal reported to HPE that were either conformant with RMAP or in process of becoming conformant, and/or that we reasonably believe exclusively source conflict minerals from recycled or scrap sources or from outside of the covered countries (as of April 24, 2018).


⁵² Includes recyclers and scrap processors in the 3TG supply chain.

⁵³ Smelters and refiners conformant with the following assessment programs: RMAP, Responsible Jewellery Council's (RJC) Chain-of-Custody Certification Program, or the London Bullion Market Association's (LBMA) Responsible Gold Programme.

⁵⁴ Percentage of smelters and refiners conformant with any of the following assessment programs: RMAP, Responsible Jewellery Council's (RJC) Chain-of-Custody Certification Program, or the London Bullion Market Association's (LBMA) Responsible Gold Programme.

⁵⁵ In process includes facilities that are RMAP active and/or that we reasonably believe exclusively source conflict minerals from recycled or scrap sources or from outside of the Covered Countries.

Supplier diversity


[Inclusion and diversity](#) 

SUPPLIER DIVERSITY (2017)

| | 2016 | 2017 |
|--|-------|--------|
| HPE's spend with U.S. diverse suppliers | | |
| Small businesses (\$ billion) | \$1.7 | \$1.3 |
| Minority-owned businesses (\$ million) ⁵⁶ | \$483 | \$173 |
| Women-owned businesses (\$ million) ⁵⁶ | \$285 | \$190 |
| Veteran-owned businesses, service disabled veteran-owned businesses, HUBZone businesses, and others (\$ million) | \$244 | \$85 |
| Total amount spent by HPE on diverse suppliers (\$ billion) | \$2.1 | \$1.4B |

⁵⁶ Suppliers are categorized as minority-owned or women-owned, not both.

Ethics

[Corporate governance and ethical behavior](#) 

CORPORATE ETHICS HIGHLIGHTS (2017)

| | Total |
|--|--------|
| Percentage of active employees who completed annual SBC training | 99.7% |
| Number of employees who completed the SBC New Hire training | 16,006 |
| Number of employees who completed training on conducting business with the U.S. government | 18,237 |
| Anti-corruption audits | 19 |

⁵⁷ Some segments do not add up to total due to rounding.

⁵⁸ The anti-corruption category is broadly defined and includes allegations of commercial bribery, kickbacks, and certain Global Business Amenities Policy violations, as well as alleged corruption related to foreign public officials.


⁵⁹ This category is new for 2017.

BREACHES OF ETHICAL BEHAVIOR

Items reported to the HPE global Standards of Business Conduct team or other compliance functions in 2017⁵⁷

| | |
|---|-----|
| Labor Law/HR | 48% |
| Misuse of assets | 15% |
| Workplace security and theft | 7% |
| Conflicts of interest | 7% |
| Fraud | 7% |
| Reporting | 4% |
| Anti-corruption ⁵⁸ | 4% |
| Confidentiality | 3% |
| Competition | 1% |
| Gray marketing/channel | 1% |
| Failure to make ethical decisions ⁵⁹ | 1% |

Political contributions

[Public policy engagement](#) 

GOVERNMENT RELATIONS CONTRIBUTIONS⁶⁰

| | 2016 | 2017 |
|---|-----------|-----------|
| Contributions to U.S. federal, state, and local candidates, political memberships/ sponsorships, and other ballot measure campaigns ⁶¹ | \$913,775 | \$444,000 |

⁶⁰ Data are calendar year.

⁶¹ Includes minimal operating expenditures.

Privacy

[Privacy](#) 


SUBSTANTIATED COMPLAINTS

Regarding breaches of customer privacy and losses of customer data⁶²

| | 2016 | 2017 |
|---|------|------|
| Substantiated complaints from outside parties (including customers) | 1 | 6 |
| Substantiated complaints from regulatory or other official bodies | 0 | 3 |

⁶² Breaches of customer privacy cover nonconformance with existing legal regulations and voluntary standards regarding the protection of customer privacy related to data for which HPE is the data controller. Substantiated complaints are written statements by regulatory or similar official bodies addressed to HPE that identify breaches of customer privacy, or complaints lodged with HPE that have been recognized as legitimate by HPE.

Product return, reuse, and recycling

[Product lifecycle management](#) 

PRODUCT RETURN, REUSE, AND RECYCLING

Due to substantial separations of businesses into separate legal entities, it is difficult to draw conclusions regarding long-term recycling volume trends from 2016 and 2017.

| | 2016 | 2017 |
|---|---------------|---------------|
| Number of countries and territories with HPC return and recycling programs | 65 | 64 |
| Total reuse and recycling combined (metric tons, approximate) | 27,206 | 23,341 |
| Reused | 19,771 | 16,525 |
| Recycled | 7,435 | 6,816 |
| Total recycling, by region (metric tons) | 7,435 | 6,816 |
| Americas | 4,458 | 4,001 |
| Europe, Middle East, and Africa | 2,853 | 2,381 |
| Asia Pacific and Japan | 124 | 434 |

Materials and packaging

[Product lifecycle management](#) ↓

[Substances of concern](#) ↓

[Our environmental footprint](#) ↓

PACKAGING ENVIRONMENTAL AND COST BENEFITS

as a result of innovations by HPE and its suppliers

| | 2016 | 2017 |
|--|-----------|-----------|
| CO ₂ e emissions avoided (metric tons) | 1,660 | 1,627 |
| Packaging material reduced, compared to previous generation products (metric tons) | 328 | 285 |
| Recycled material used (metric tons) | 312 | 537 |
| Recycled wood packaging material used (metric tons) | 140 | 190 |
| Recycled cushion material used (metric tons) | 745 | 633 |
| Financial savings ⁶³ | \$230,000 | \$320,000 |

⁶³ Financial savings due to shipping optimization, recyclable wood packaging material, reuse of materials, EPE recycle foam initiatives, and use of airbags in packaging throughout 2017.

MATERIAL COMPOSITION AND RECYCLABILITY OF TYPICAL HPE PRODUCTS⁶⁴


| Device ⁶⁵ | Total weight of product (g) | Material composition (%) | | | | | | | Recyclable content (%) |
|---------------------------|-----------------------------|--------------------------|---------------------|-------------------------|--------------|-------|----------------------------|---------------------|------------------------|
| | | Metal | Recyclable plastics | Non-recyclable plastics | Wires/cables | Glass | Printed circuit assemblies | Other ⁶⁶ | |
| HPE DL380 Gen10 server | 16,369 | 64.3 | 3.5 | 0.0 | 0.9 | 0.0 | 20.5 | 0.0 | 95.3 |
| HPE StoreServ 8000 | 17,972 | 68.6 | 0.0 | 10.0 | 0.0 | 0.0 | 20.1 | 0.0 | 84.8 |
| Aruba 2930M Switch Series | 6,456 | 53.9 | 0.6 | 0.0 | 0.0 | 0.0 | 17.3 | 0.0 | 94.0 |
| HPE ML350 Gen9 Server | 32,941 | 71.7 | 5.1 | 0.0 | 1.9 | 0.0 | 5.7 | 0.0 | 97.1 |
| BL 460c | 4,539 | 51.1 | 5.1 | 0.0 | 0.0 | 0.0 | 39.6 | 0.0 | 91.5 |

⁶⁴ Based on Recyclability Assessment Tool calculations.

⁶⁵ RATs were completed for base models. HPE products are highly customizable/configurable and results could vary based on configuration.

⁶⁶ Includes rubber, cork, and other materials not included in the other categories.

Design for the Environment

[Product lifecycle management](#) 

DESIGN FOR THE ENVIRONMENT


| | 2016 | 2017 |
|---|------|------|
| Number of environmental product stewards, program managers, and advocates | 32 | 33 |

ECO-LABELS ACROSS HPE'S PRODUCT PORTFOLIO

| Product group | % of eligible product lines with ENERGY STAR® configurations | % of eligible product lines with China SEPA configurations | % of new products with IT Eco Declarations ⁶⁷ |
|---------------|--|--|--|
| Servers | 55% | 95% | 100% |
| Storage | 60% | N/A | 100% |
| Networking | 0% | N/A | 100% |

⁶⁷ IT Eco Declarations are not generated for individual parts and accessories. Nor do IT Eco Declarations include "proactive" declarations for company products acquired by HPE. For such products, we retroactively create the declarations.

Social investment

Corporate philanthropy 

SOCIAL IMPACT

| | 2016 | 2017 |
|---|----------------------------|---------------------|
| Social investment (\$ million)⁶⁸ | \$28.0⁶⁹ | \$20.0 |
| Cash | \$8.9 | \$13.3 |
| Product donations ⁷⁰ | \$0.2 | \$0.9 |
| Volunteering ⁷¹ | \$18.9 ⁷² | \$5.8 ⁷³ |
| Number of employees who took part in volunteering activities | 19,684 | 6,466 |
| Number of hours of volunteer time | 728,836 | 181,073 |
| Percentage of volunteer time that was skills based | 21% | 43% |
| Employee participation in HPE Gives (number of employees)⁷⁴ | 16,135 | 10,157 |
| Contributions to HPE Gives (\$ million) | \$4.8 | \$5.8 |
| Employee contributions | \$2.4 | \$2.8 |
| HPE Foundation matching | \$2.0 | \$2.4 |
| Volunteer rewards redeemed | \$0.4 | \$0.3 |
| Employee directed grants | - | \$0.4 |

DISASTER RELIEF AND DISASTER PREPAREDNESS

| Event | Partners | Amount |
|--|--------------------------------------|--------------------|
| Annual Disaster Responder Program | American Red Cross | \$250,000 |
| Grenfell Tower Fire grant | London Community Foundation | \$25,000 |
| Hurricane Harvey matching campaign | American Red Cross | \$695,018 |
| Hurricane Harvey grant | Greater Houston Community Foundation | \$250,000 |
| Hurricane Maria and Irma matching campaign | American Red Cross | \$198,519 |
| Hurricane Maria and Irma grant | American Red Cross | \$250,000 |
| California Wildfires grant | Tipping Point Community | \$250,000 |
| Other matching campaigns | | \$1,130 |
| Total | | \$1,919,667 |

⁶⁸ Social investment includes all grants made to nonprofit organizations from HPE and the HPE Foundation, plus the valuation of employee volunteer hours. Data exclude contributions to the HPE Foundation but include HPE's matching contributions and contributions from the HPE Foundation to other organizations. Some segments do not add up to total due to rounding.

⁶⁹ This number has been restated from the 2016 report due to a change in the valuation of volunteer time.

⁷⁰ Product donations are valued at the internet list price, which is the price a customer would have paid to purchase the equipment through an HPE direct sales channel on the internet at the time the grant was processed.

⁷¹ For an employee activity to be considered volunteering, it needs to be unpaid, to serve the public good, and be conducted through an organization that is not for profit. Volunteering can occur during paid work time and can also include time related to making a cash or goods donation (e.g., shopping for toys that will be donated).

⁷² This number has been restated from the 2016 report due to a change in the valuation of volunteer time. Hourly rate based on the type of volunteering: \$150/hour for pro bono (CECP); \$23.56/hour for all other volunteering, adjusted using World Bank data for purchasing power differences across countries.

⁷³ Hourly rate based on type of volunteering: \$150/hour for pro bono (CECP); \$24.14/hour for all other volunteering (Independent Sector).

⁷⁴ Number of employees who have donated funds, requested a match, tracked volunteer hours, or redeemed volunteer rewards via the HPE Gives platform.

Assurance

Independent Accountants' Review Report

To the Board of Directors and Management of Hewlett Packard Enterprise

We have reviewed the sustainability performance indicators (the "Subject Matter") included in Appendix A and as presented in Hewlett Packard Enterprise's ("HPE") Living Progress Report (the "Report") for the year ended October 31, 2017, unless otherwise stated, in accordance with the criteria also set forth in Appendix A (the "Criteria"). We did not review the narrative sections of the Report, except where they incorporated the Subject Matter. HPE's management is responsible for the Subject Matter included in Appendix A and as also presented in the Report, in accordance with the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be in accordance

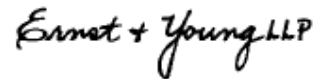
with the Criteria. A review consists principally of applying analytical procedures, making inquiries of persons responsible for the subject matter, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. A review also does not provide assurance that we became aware of all significant matters that would be disclosed in an examination. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have complied with the independence and other ethical requirements of the Code of Professional Conduct issued by the AICPA.

We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

As described in Note A, the Subject Matter is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Based on our review, we are not aware of any material modifications that should be made to the sustainability performance indicators included in Appendix A for the year ended October 31, 2017, unless otherwise stated, in order for it to be in accordance with the Criteria.



June 22, 2018
San Jose, CA



APPENDIX A—HPE SCHEDULE OF SELECTED PERFORMANCE INDICATORS

| Indicator name | Unit | Reported value ⁷⁵ | Criteria |
|--|--|--|--|
| Scope 1 greenhouse gas (“GHG”) emissions ⁷⁶ | Metric tons of carbon dioxide equivalents (tCO ₂ e) | 77,303 | World Resources Institute (“WRI”) / World Business Council for Sustainable Development’s (“WBCSD”) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and HPE’s Carbon Accounting Manual |
| Scope 2 GHG emissions (location-based-method) ⁷⁶ | tCO ₂ e | 391,122 | |
| Scope 2 GHG emissions (market-based-method) ⁷⁶ | tCO ₂ e | 284,677 | |
| Scope 3 GHG emissions ^{76,77} | tCO ₂ e | Category 1: 2,694,662 Category 6: 62,503 Category 7: 225,829 Category 11: 8,053,293 | WRI/WBCSD’s The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and HPE’s Carbon Accounting Manual |
| Scope 1 energy consumption ⁷⁸ | MWh | 63,890 | Global Reporting Initiative (“GRI”) Standard 302 and HPE management definitions disclosed in the FY17 Living Progress Report (LPR) |
| Scope 2 energy consumption | MWh | 827,647 | |
| Renewable energy consumption (voluntary purchases of RECs) | MWh | 131,841 | |
| Direct water consumption | Cubic meters | 2,228,986 | GRI Standard 303 and HPE management definitions disclosed in the 2017 LPR ⁷⁹ |
| Conflict mineral disclosure | N/A—Qualitative assertion | Hewlett Packard Enterprise identified the smelters and refiners on the list set out in Hewlett Packard Enterprise’s Conflict Minerals Report by surveying suppliers between January 1, 2017 and December 31, 2017. The suppliers surveyed contribute material, components or manufacturing to products containing 3TG. Each smelter and refiner reported was identified in at least one of the Conflict Minerals Reporting Templates received from a supplier. | HPE management definitions disclosed in the 2017 LPR |
| Supply chain social and environmental responsibility (SER) audit results | Number of SER audits conducted | Full Audits: 38 Follow-up (F/U) audits: 36 Total audits: 74 | HPE management definitions disclosed in HPE’s 2017 LPR and RBA’s Code of Conduct requirements for 3rd party audits |
| | Distribution of major and priority nonconformances by RBA Category ⁸⁰ | Labor: 30%; Health and safety: 37%; Environmental: 16%; Management System: 14%; Ethics: 3% | |
| | Number of supplier audits performed per region ⁸¹ | China: Full audits: 19; F/U audits: 24; Total: 43 EMEA: Full audits: 2; F/U audits: 1; Total: 3 APJ: Full audits: 13; F/U audits: 11; Total: 24 Americas: Full audits: 4; F/U audits: 0; Total: 4 | |
| | | | |
| Water footprint ⁸² | Cubic meters | 57,934,001 | HPE’s Water Accounting Manual |

- ⁷⁵ All indicators are reported for the year ended October 31, 2017 except as otherwise indicated.
- ⁷⁶ Refer to the [Carbon Accounting Manual](#) for details on GHG Scope 1, 2 and 3 calculation methodologies.
- ⁷⁷ Assurance for Scope 3 GHG emissions was limited to Category 1: Purchased Goods and Services, Category 6: Business Travel, (includes air, rail and rental car travel), Category 7: Employee Commuting and Category 11: Use of Sold Products.
- ⁷⁸ Fuel consumption from HPE’s transportation fleet is not included within the Scope 1 energy consumption figure.
- ⁷⁹ Direct water consumption for HPE operations. Includes municipal water, NeWater, tanker water and rainwater. Sewage treatment plant (STP) water is not included within the scope of water consumption and is reported as a separate line item in the FY17 LPR.
- ⁸⁰ Includes full audits only; RBA stands for Responsible Business Alliance (previously the EICC). Each provision of the RBA audit protocol includes a number of audit questions, each with a potential for no finding, risk of nonconformance, minor nonconformance, major nonconformance or priority nonconformance. HPE identifies the most significant nonconformance found in each provision and aggregates the major and priority nonconformances across all audits to determine the distribution of major and priority nonconformances by RBA Category.
- ⁸¹ Regions include: China, APJ (Asia Pacific and Japan), EMEA (Europe, Middle East, and Africa), and the Americas (North, Central, and South America).
- ⁸² Refer to the [Water Accounting Manual](#) for details on calculation methodology.

Note A: Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Resources

HPE reports and online content

[HPE 2017 Living Progress Report](#)

[HPE 2017 Annual 10-K Report](#)

[HPE Investor Relations](#)

[HPE Carbon Accounting Manual](#)

[HPE Water Accounting Manual](#)

External ratings

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

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a00048488enw, June 2018

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