



Hewlett Packard
Enterprise



DATA SUMMARY

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INTRODUCTION

INTRODUCTION

The 2020 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 [2020 Living Progress Report](#).

Business changes

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

Assurance

External assurance provider SCS Global Services (SCS) performed an independent review of a selected number of key performance indicators in this Summary. Please see the scope of SCS's work [here](#).

COMPANY PROFILE

In 2020, our net revenue was \$27 billion, approximately 66% of which was generated outside of the United States. We fulfilled taxation responsibilities in every location of operation and contributed net income taxes of \$297 million.

ECONOMIC IMPACT OF HPE OPERATIONS¹

	2020
Net revenue (\$ million)	\$26,982
Profit (\$ million)	\$8,469
Net cash provided by operating activities (\$ million)	\$2,240
Net revenue from outside the United States	66%
Income taxes paid, net of refunds (\$ million)	\$297
Net revenue by segment (\$ million)	
Compute	\$11,821
High Performance Computes & Mission-Critical Systems	\$2,965
Storage	\$4,583
Advisory and Professional Service	\$946
Intelligent Edge	\$2,837
Financial Services	\$3,340
Corporate Investments	\$490

¹ All data in this table is from [HPE's 2020 10-K](#).

Navigation



This symbol, found throughout this report, is a hyperlink to the [2020 Living Progress Report](#) where you can find further in-depth information.

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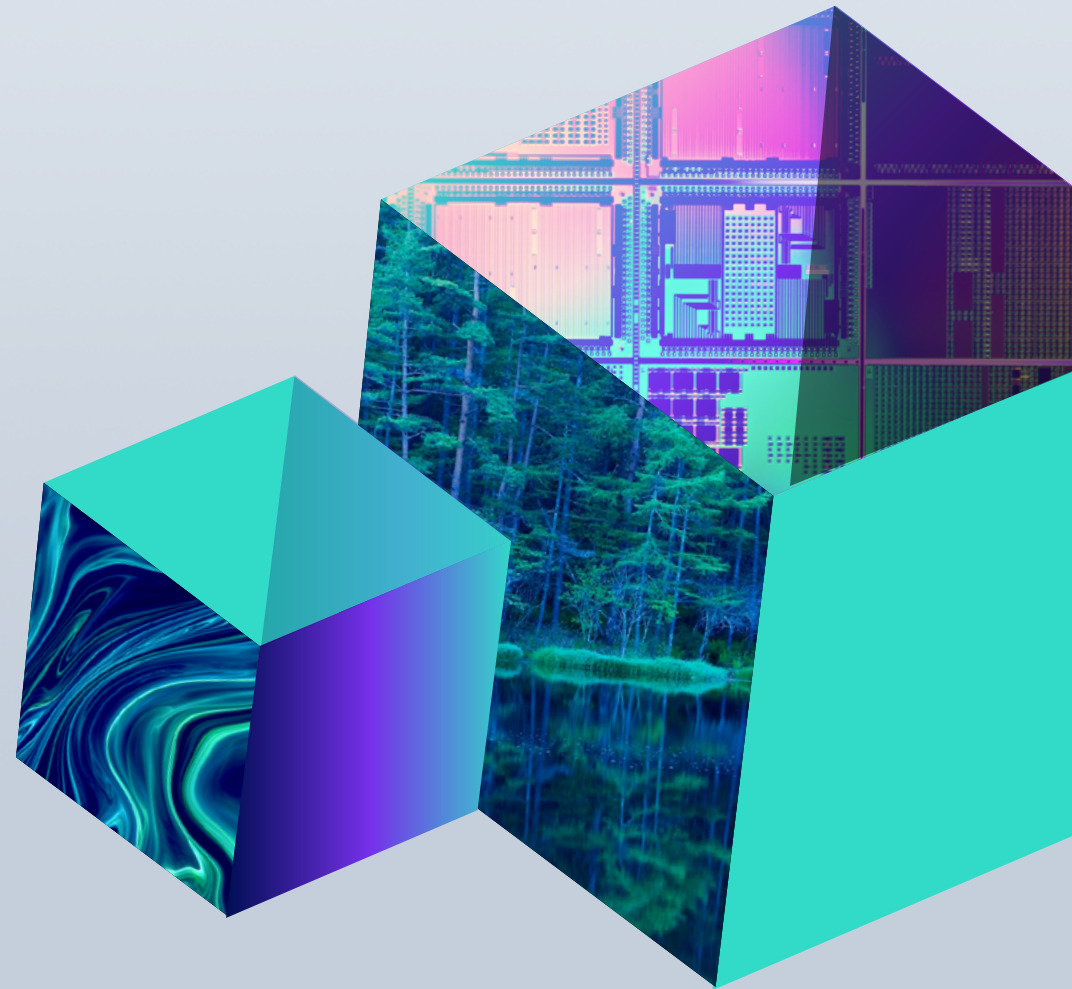
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RESOURCES



KPI DASHBOARD

2020 KPIs

	Topic	Description	Indicator	2020 Progress
1	Environment	Achieve net-zero emissions across the value chain by 2050 ²	Percent change of global emissions intensity from 2016 baseline	-58%
2	Efficiency of IT solutions	Provide customers with sustainable and efficient IT solutions	Revenue from “clean” or efficient offerings	\$8.2 billion (+6% on 2019)
3	Product lifecycle management	Recover IT assets for reuse to contribute toward a circular economy	Refurbishment rate of IT assets recovered by HPE Technology Renewal Centers	87% for datacenter and workplace assets 93% for servers
4	Employee development, engagement, and well-being	Attract, engage, and retain top talent	Employee engagement score, based on team member survey	83% (+12% on 2018)
5			Retention rate (voluntary)	95% (+2% on 2019)
6	Inclusion and diversity	Foster our culture of unconditional inclusion	Percentage of people leaders completing inclusion training	98%
7			Percentage of total active employees identifying as women	31.9% ³
8	Community investment	Contribute to local communities and society	Total (USD) provided to philanthropic causes	\$43.5 million (+98% on 2019)
9	Human rights	Protect and elevate human rights	Progress on establishing AI Ethics Principles and Advisory Board	Launched
10	Corporate governance	Maintain a diverse board of directors	Percentage of board members identifying with one or more diverse groups	54% ⁴


² See [progress](#) toward our suite of 2025 climate targets.

³ Well-above technology industry benchmark.

⁴ Among the most diverse boards in the technology industry.

OUR DATA

DESIGN FOR ENVIRONMENT

Learn about HPE's approach to [Product lifecycle management](#) 

DESIGN FOR ENVIRONMENT


	2019	2020
Number of environmental product stewards, program managers, and advocates	57	49

ECO-LABELS ACROSS HPE'S PRODUCT PORTFOLIO

Product group	% of eligible product lines with ENERGY STAR® configurations	% of eligible product lines on EPEAT registry	% of eligible product lines with CECP configurations	% of eligible product lines with CHINA SEPA configurations	% of new products with IT Eco Declarations ⁵
Servers	57%	57%	98.8%	99.8%	100%
Storage	69%	N/A	N/A	N/A	100%
Networking	0%	N/A	N/A	N/A	100%

⁵ 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.


PRODUCT RETURN, REUSE, AND RECYCLING


Learn about HPE's approach to [Product lifecycle management](#) 


PRODUCT RETURN, REUSE, AND RECYCLE

	2019	2020
Number of countries and territories with return and recycling programs	58	58
Total reuse and recycling combined (metric tons, approximate)	25,936	19,149
Reuse	19,631	14,924
Recycling	6,305	4,225
Total recycling, by region (metric tons)		
Americas	3,821	2,323
Europe, Middle East, and Africa	1,705	1,296
Asia Pacific and Japan	779	606

MATERIALS AND PACKAGING

Learn about HPE's approach to [Product lifecycle management](#) 

Learn about HPE's approach to [Substances of concern](#) 

Learn about HPE's approach to [Environment](#) 

PACKAGING ENVIRONMENTAL AND COST BENEFITS

as a result of innovations by HPE and its suppliers

	2019	2020
CO ₂ e emissions avoided (metric tons)	1,784	1,002
Packaging material reduced (metric tons)	216	221
Recycled material used (metric tons)	508	403
Recycled wood packaging material used (metric tons)	108	92
Recycled cushion material used (metric tons)	410	388
Financial savings from materials innovations ⁶	\$219,000	\$203,000
Financial savings from design innovations ⁷	\$878,919	\$718,000

⁶ Financial savings due to shipping optimization, recyclable wood packaging material, reuse of materials, EPE recycle foam initiatives, and use of airbags in packaging throughout fiscal year 2020.

⁷ Financial savings due to packaging redesign and innovation from different regions.

MATERIAL COMPOSITION AND RECYCLABILITY OF TYPICAL HPE PRODUCTS⁸

Device	Total weight of product (g)	Material composition (%)							Recyclable content (%)
		Metal	Recyclable plastics	Non-recyclable plastics	Wires/cables	Glass	Printed circuit assemblies	Other ⁹	
HPE DL380 Gen10 Server	18,679	64.38%	5.71%	0.26%	0.88%	0%	23.41%	0.69%	98.50%
HPE StoreServ 8000	17,972	68.77%	0%	9.99%	0%	0%	20.08%	1.13%	90.00%
HPE Primera Storage A650	75,189	63.95%	28.21%	0.25%	0.24%	0%	28.21%	3.08%	91.70%
Aruba 3800 Switch	7,106	68.19%	1.30%	0.11%	0.91%	0%	27.08%	2.29%	96.10%
HPE Synergy 480 Gen10	7,299	55.20%	3.90%	0%	0%	0%	25.80%	1.78%	98.00%
HPE ProLiant XL190r Gen10 Server	5,503	69.96%	0.90%	0%	0.90%	0%	28.16%	0%	99.40%

⁸ Based on Recyclability Assessment Tool (RAT) calculations for base models. HPE products are highly customizable/configurable and results could vary based on configuration.

⁹ Includes rubber, cork, and other materials not included in the other categories.

ENVIRONMENTAL FOOTPRINT¹⁰

Climate goals

Our strategic goals help minimize 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, including our operations and supply chain.

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

Our climate goals are approved by the [Science Based Target initiative](#) and align with the recommendations of the internationally recognized [Paris Climate Agreement](#).

HPE was among the first global companies to reset our operational science-based emissions reduction target to align with a 1.5°C trajectory.

We are pleased to announce that as of 2019, our manufacturing suppliers decreased emissions by 15% compared to 2016 levels, achieving our target six years ahead of schedule. However, we anticipate 2021 data may fluctuate due to impacts related to COVID-19. Although our supply chain SBT target has stalled as a result of the pandemic, we will continue to focus on building supplier capabilities through direct engagement.

PROGRESS TOWARDS CLIMATE TARGETS

By 2025: Reduce absolute manufacturing-related GHG emissions in our supply chain by 15% compared to 2016 levels	Achieved
In 2019 ¹¹ : Reduced emissions by 15% compared to 2016 levels	
By 2025: Enable 80% of our production suppliers (by spend) to set science-based targets	On track
In 2019 ¹² : 28% of production suppliers have set Scope 1 and 2 targets	
By 2025: Minimize operational GHG emissions by 55% compared to 2016 levels	Achieved
In 2020: Reduced emissions by 62% compared to 2016 levels	
By 2025: Source 50% of total electricity consumption in our operations from renewables	On track
In 2020: Sourced 44% of our operational electricity from renewables	
By 2025: Reduce absolute emissions from transportation logistics by 35% compared to 2016 levels	On track
In 2020 ¹³ : Reduced absolute emissions from transportation logistics by 27% compared to 2016 levels.	
By 2025: Increase the energy performance of our product portfolio 30x compared to 2015 levels	On track
In 2020 ¹⁴ : Increased the energy performance of our product portfolio 3.2x compared to 2015 levels	

Additionally, in 2020, we achieved our operational GHG emissions target five years ahead of schedule. We will spend the upcoming year setting a new strategic target to continue to drive down emissions from our direct operations.

¹⁰ 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.

¹¹ With the exception of product transport, supplier data is reported as a one year lag. Therefore, the most recent data available is from 2019.

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 Although HPE is on track to meet this target, our absolute emissions from transportation logistics increased 2% compared to 2019 due to increased use of airfreight in 2020 because of COVID-19.

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.

Carbon footprint

In 2020, HPE emitted a total of 9,514,217 metric tons of CO₂e. We reduced GHG emissions from our direct operations by 62% compared to 2016 levels.

Currently, 95% of our emissions occur in the upstream and downstream portions of our value chain (Scope 3). In 2020, our scope 3 emissions increased primarily due to the use of our products, however, our carbon intensity decreased year-over-year.

Learn about HPE's approach to [Environment](#) 

CARBON FOOTPRINT (SCOPE 1, 2, AND 3)

	2016	2017	2018	2019	2020
GHG emissions (Scopes 1, 2, and 3) (metric CO₂e)	9,973,912	12,859,869	10,696,123	8,497,601	9,514,217
Operational GHG emissions (Scope 1 and Scope 2 market-based method)	513,121	377,367	305,711	250,656	193,747
% reduction to 2016 ¹⁵ baseline	-	-26%	-40%	-51%	-62%
Scope 1 ¹⁶	39,480	79,964	74,106	56,577	38,006
Scope 2 (market-based method)	473,641	297,403	231,606	194,079	155,742
Scope 2 (location-based method)	602,200	332,504	374,372	334,317	304,612
GHG emissions intensity (metric tons CO ₂ e/\$ million of net revenue)	17	13	10	9	7
Scope 3	9,460,791	12,482,503	10,390,412	8,246,945	9,320,470

¹⁵ HPE's operational emissions and 55% reduction are calculated with the Scope 2 market-based method.

¹⁶ The increase in Scope 1 emissions from 2016 to 2017 is primarily because HPE retained the majority of the corporate fleet after the spins-offs.

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

	2016	2017	2018	2019	2020
Scope 1 and Scope 2 (market-based)	513,121	377,367	305,711	250,656	193,747
Americas	254,061	187,816	125,097	121,161	102,376
Europe, Middle East, and Africa	70,418	71,712	54,906	45,386	28,681
Asia Pacific and Japan	188,642	117,839	125,708	84,109	62,690
Scope 1	39,480	79,964	74,106	56,577	38,006
Americas	20,568	40,992	33,854	25,906	18,083
Europe, Middle East, and Africa	17,193	36,864	38,553	28,243	18,241
Asia Pacific and Japan	1,718	2,107	1,698	2,428	1,683
Scope 2 (market-based)	473,641	297,403	231,606	194,079	155,742
Americas	233,493	146,824	91,243	95,255	84,294
Europe, Middle East, and Africa	53,225	34,848	16,353	17,143	10,441
Asia Pacific and Japan	186,923	115,731	124,010	81,680	61,007
Scope 2 (location-based)	602,200	332,504	374,372	334,317	304,612
Americas	297,372	170,632	191,824	198,721	183,131
Europe, Middle East, and Africa	83,370	46,161	31,576	28,526	18,689
Asia Pacific and Japan	221,459	115,710	150,972	107,070	102,793

Carbon footprint (cont.)

OPERATIONS EMISSIONS BY TYPE (SCOPE 1 AND 2) (METRIC TONS CO₂e)¹⁷

	2016	2017	2018	2019	2020
Scope 1	39,480	79,964	74,106	56,577	38,006
Natural gas	10,750	7,140	11,013	9,323	6,583
Diesel/gas/oil ¹⁸	472	2,378	955	686	760
Transportation fleet	22,711	64,648	52,134	42,315	26,179
Refrigerants (hydrofluorocarbons HFCs)	5,547	5,797	10,003	4,253	4,483
Perfluorocarbons (PFCs) ¹⁹	-	-	-	-	-
Scope 2 (market-based)	473,641	297,403	231,604	194,079	155,742
Purchased electricity for operations	473,641	297,403	231,604	193,908	155,608
District cooling (purchased) for operations	-	-	1	171	133
Scope 2 (location-based)	602,200	332,504	374,372	334,317	304,612
Purchased electricity for operations	602,200	332,504	374,371	334,146	304,479
District cooling (purchased) for operations	-	-	1	171	133

¹⁷ Some segments do not add up to total due to rounding.

¹⁸ HPE does not estimate or extrapolate diesel use for nonreporting sites.

¹⁹ Data is based on the calendar year.

²⁰ Some segments do not add up to total due to rounding.

²¹ FY2016 Scope 3 emissions include data from DXC and Micro Focus.


²² FY2017 Business travel includes emissions from air and rail travel as well as rental cars.

GHG EMISSIONS SCOPE 3 (METRIC TONS CO₂e)²⁰

	2016 ²¹	2017	2018	2019	2020
Scope 3 emissions by category	9,460,791	12,482,503	10,390,412	8,246,945	9,320,470
Purchased goods and services	1,544,000	2,903,748	2,585,685	2,259,514	2,124,329
Capital goods	230,000	87,672	91,320	120,736	98,728
Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	275,000	121,460	96,367	96,396	86,916
Upstream transportation and distribution	385,791	406,124	323,580	274,753	282,069
Waste generated in operations	-	3,478	1,294	1,142	809
Business travel	137,000	67,220 ²²	68,568	69,521	31,633
Employee commuting	677,000	225,829	247,936	237,643	248,425
Upstream leased assets	not relevant	not relevant	not relevant	not relevant	not relevant
Downstream transportation and distribution	not relevant	413,419	323,853	275,446	311,830
Processing of sold products	not relevant	not relevant	not relevant	not relevant	not relevant
Use of sold products	6,155,000	8,173,602	6,625,762	4,889,462	6,111,054
End-of-life treatment of solid products	29,000	38,639	26,047	22,333	24,677
Downstream leased assets	28,000	41,312	-	-	-
Franchises	not relevant	not relevant	not relevant	not relevant	not relevant
Investments	not relevant	not relevant	not relevant	not relevant	not relevant


Water footprint

The majority of our global water footprint can be attributed to the electricity associated with the use of our products (91%) and the energy needs of our operations (4%).

Learn about HPE's approach to [Environment](#) 

Operations

In 2020, our operations used 668,143 MWh of energy, down 12% compared to 2019. Additionally, 44% of our electricity was sourced from renewables.

Learn about HPE's approach to [Environment](#) 

ENERGY-WATER NEXUS²³

WRI Aqueduct Water Risk Category	Operations	HPE Operational Energy		Energy Product Use	
		Withdrawal	Consumption	Withdrawal	Consumption
Extremely High	113,612 m ³ (8%)	214,281,177 m ³ (37%)	334,453 m ³ (16%)	1,057,075,243 m ³ (8%)	4,001,463 m ³ (8%)
High	105,907 m ³ (8%)	14,156,389 m ³ (2%)	117,485 m ³ (6%)	839,747,926 m ³ (7%)	3,178,790 m ³ (7%)
Medium – High	204,152 m ³ (15%)	30,902,359 m ³ (5%)	254,952 m ³ (12%)	2,347,360,211 m ³ (18%)	8,885,721 m ³ (18%)
Low – Medium	649,845 m ³ (47%)	153,302,084 m ³ (26%)	839,765 m ³ (40%)	3,754,952,864 m ³ (29%)	14,214,036 m ³ (29%)
Low	294,721 m ³ (22%)	170,419,204 m ³ (29%)	539,190 m ³ (26%)	4,336,932,953 m ³ (34%)	16,417,069 m ³ (34%)
No Data	-	-	-	572,432,944 m ³ (4%)	2,166,893 m ³ (4%)

OPERATIONS²⁴

	2016	2017	2018	2019	2020
Energy use (MWh) ²⁵	1,266,826	784,054	771,358	756,850	670,331
Energy intensity (MWh/\$ million of net revenue)	42	27	25	26	25
Direct energy use in operations²⁶ (corresponds to Scope 1 emissions) (MWh)	62,585	50,602	65,845	54,909	40,297
Natural gas (MWh)	59,317	39,399	60,767	51,440	36,323
Diesel/LPG (MWh)	1,997	9,765	4,078	2,965	3,215
Electricity (generated on-site) (MWh)	1,271	1,438	1,001	504	759
Renewable (generated on-site) (MWh)	1,271	1,043	938	494	759
Diesel/gas/oil/LPG (MWh)	-	395	63	11	-
Indirect energy use (corresponds to Scope 2 emissions) (MWh)	1,204,240	733,452	705,513	701,941	630,034
Electricity sourced from non-renewable energy (MWh)	1,050,917	631,556	444,889	434,110	350,946
Electricity sourced from renewable energy (MWh)	153,323	101,896	260,617	266,840	278,315
Voluntary purchases of renewable energy credits (RECs)	151,122	52,082	169,990	161,795	176,458
Voluntary purchase of utility-provided renewable energy	2,201	49,814	90,627	105,045	101,858
District cooling and heating (purchased) (MWh)	-	-	7	991	772
Electricity sourced from renewables (percentage of total electricity use)	13%	14%	37%	38%	44%

²³ In 2020, we shifted our energy-water nexus modeling to consider how our energy-water demands impact water risk regions. Our modeling leverages the WRI Aqueduct Risk Atlas.

²⁴ Some segments do not add up to total due to rounding.

²⁵ Includes both direct and indirect energy use, which are the source of Scope 1 and Scope 2 emissions, respectively.

²⁶ Data does not include fuel consumption from HPE's transportation fleet.

Operations (cont.)

ENERGY USE (BY REGION)

		AMS	EMEA	APJ
2016	Electricity (purchased and on-site) (MWh)	636,545	275,492	293,474
	Electricity sourced from renewable energy (MWh)	114,043	52	40,500
	District cooling and heating (purchased) (MWh)	-	-	-
	Scope 2 emissions (market-based) (metric tons CO ₂ e)	233,493	53,225	186,923
2017	Electricity (purchased and on-site) (MWh)	431,553	137,504	165,833
	Electricity sourced from renewable energy (MWh)	56,065	46,566	309
	District cooling and heating (purchased) (MWh)	-	-	-
	Scope 2 emissions (market-based) (metric tons CO ₂ e)	146,824	34,848	115,731
2018	Electricity (purchased and on-site) (MWh)	415,459	102,446	188,601
	Electricity sourced from renewable energy (MWh)	175,327	45,530	40,698
	District cooling and heating (purchased) (MWh)	-	-	7
	Scope 2 emissions (market-based) (metric tons CO ₂ e)	91,243	16,353	124,010
2019	Electricity (purchased and on-site) (MWh)	439,328	95,398	166,729
	Electricity sourced from renewable energy (MWh)	176,436	52,972	37,926
	District cooling and heating (purchased) (MWh)	-	988	3
	Scope 2 emissions (market-based) (metric tons CO ₂ e)	95,255	17,143	81,680
2020	Electricity (purchased and on-site) (MWh)	403,190	68,978	157,853
	Electricity sourced from renewable energy (MWh)	188,169	35,732	55,174
	District cooling and heating (purchased) (MWh)	-	771	1
	Scope 2 emissions (market-based) (metric tons CO ₂ e)	84,294	10,441	61,007

Operations (cont.)

OZONE DEPLETION

	2016 ²⁷	2017	2018	2019	2020
Ozone depletion potential of estimated emissions (kg of CFC-11 equivalent)	134	3.6	4.01	15.91	0.06
Americas	129	3.6	3.91	15.91	0.06
Europe, Middle East, and Africa	0	0	0.1	0	0
Asia Pacific and Japan	5	0	0	0	0

²⁷ Includes data from DXC and Micro Focus.


AIR POLLUTANTS

	2017	2018	2019	2020
Nitrous Oxide (NO _x)	150.57	123.72	79.98	73.53
Sulfur Dioxide (SO ₂)	48.71	40.19	25.21	23.98
Particulate Matter (PM ₁₀)	4.71	3.84	2.60	2.26
Carbonate Oxide (CO)	35.12	28.26	18.22	16.79
Volatile Organic Compounds (VOC)	4.78	3.91	2.67	2.30

Operations (cont.)

Our operations withdrew 1.4 million cubic meters of water in 2020, a decrease of 20% from the previous year.

In 2020, HPE increased our waste diversion target from 87% to 90%. We generated a total of 6,471 metric tons of non-hazardous waste in 2020 and diverted 89% of non-hazardous waste from landfill.

Learn about HPE's approach to [Environment](#) 

WATER²⁸

	2016	2017	2018	2019	2020
Water withdrawal, by region (cubic meters)	2,558,431	1,942,092	2,042,090	1,710,774	1,368,238
Americas	1,328,204	1,165,078	1,255,782	1,087,583	919,309
Europe, Middle East, and Africa	341,712	301,049	259,233	224,084	169,390
Asia Pacific and Japan	888,515	475,964	527,074	399,107	279,538
Water withdrawal, by source (cubic meters)	2,558,431	1,942,092	2,042,090	1,710,774	1,368,238
Municipal water	2,549,279	1,853,502	1,965,008	1,629,524	1,323,576
Rainwater	872	7,534	4,295	5,295	3,236
Tanker water	8,280	81,056	72,787	75,955	41,426
Reused treated sewage treatment plant water²⁹	4,774	29,806	42,965	50,890	25,931

²⁸ Some segments do not add up to total due to rounding.

²⁹ Water used for landscaping and flushing toilets.

WASTE³⁰


	2016	2017	2018	2019	2020
Non-hazardous waste (metric tons)	4,184	8,636	9,460	7,643	6,471
Americas	3,165	4,856	4,947	4,178	4,067
Europe, Middle East, and Africa	737	1,052	555	748	298
Asia Pacific and Japan	282	2,727	3,958	2,717	2,107
Non-hazardous waste landfill diversion rate (percentage of total produced)	73%	81%	88%	86%	89%
Americas	72%	77%	87%	84%	87%
Europe, Middle East, and Africa	84%	85%	67%	76%	84%
Asia Pacific and Japan	50%	87%	94%	92%	5%
Hazardous waste (metric tons)	341	109	113	63	78
Americas	253	88	80	48	35
Europe, Middle East, and Africa	58	6	3	1	2
Asia Pacific and Japan	31	16	30	15	41

³⁰ Due to improved data management, updates were made to our historic waste data (FY16-FY19).

Supply chain environmental impact

In 2017, HPE established two supply chain emission reduction goals to achieve by 2025, compared to 2016. We will enable 80% of our production suppliers (by spend) to set their own science-based emission reduction targets (SBTs), with the overall goal of reducing manufacturing-related GHG emissions (on an absolute basis) in our supply chain by 15%.

We are pleased to announce that, as of 2019, our manufacturing suppliers decreased emissions by 15% for a total decrease of 688,148 metric tons of CO₂e, compared to 2016 levels.

Learn about HPE's approach to [Environment](#) 

SUPPLIER ENVIRONMENTAL PERFORMANCE³¹

	2016	2017	2018	2019	
Suppliers (by spend) who have a sustainability report based on Global Reporting Initiative (GRI) Protocol	65%	73%	88%	86%	
Third-party verification of GHG emissions in line with CDP verification ³²	-	41%	65%	75%	
Production supplier GHG emissions^{33, 34}					
% Reduction from 2016 baseline	-	1%	2%	15% ³⁵	
Production supplier Scope 1 and Scope 2 emissions (metric tons CO ₂ e)	813,204	816,629	810,431	688,148	
Production suppliers with science-based Scope 1 and Scope 2 targets³⁶					
Production suppliers with Scope 1 and 2 targets that track with climate-science	-	9%	15%	23%	
Production suppliers with SBTi-approved targets	-	2%	7%	5%	
Production suppliers committed to set SBTs within two years					
Production suppliers stating their commitment to set SBTs	-	58%	49%	26%	
Production suppliers with commitment to the SBTi to set SBTs	-	9%	6%	26%	
Production supplier water withdrawal³⁸					
Production suppliers with water withdrawal-related goals (% of spend)	62%	64%	39% ³⁹	37%	
Production supplier waste generation⁴⁰					
Production suppliers with waste-related goals (% of spend)	61%	60%	41%	41%	
	2016	2017	2018	2019	2020
Estimated total GHG emissions from product transport⁴¹ (metric tons CO₂e)					
Road (includes rail)	36,422	60,534	20,977	17,665	20,472
Ocean	12,873	8,884	7,590	4,124	5,388
Air	336,496	336,706	295,013	252,963	256,209

⁴⁰ Waste metrics are estimated based on suppliers' reported waste data and their dollar volume of HPE business compared to their total revenue. Data collected for hazardous waste represents 66% and 69% of supplier spend for 2016 and 2017 respectively, and is extrapolated to 100% of first-tier production suppliers. Data for non-hazardous waste represents 66% and 69% of supplier spend for 2016 and 2017 respectively, and is extrapolated to 100% of first-tier production suppliers.

⁴¹ Effective 2019, transportation emissions were normalized using total tonnage. This can be accessed via the HPE Green Transportation Declaration located [here](#). Prior data reported represents transportation emissions from suppliers that received 98% of the total logistics transportation spend in 2018, 94% in 2017, and 92% in 2016.

³¹ With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2019.

³² Introduced Supplier CDP verification of GHG emissions in 2016, 2017 first year of available data.

³³ Emissions are estimated based on suppliers' reported emissions and their dollar volume of HPE business compared to their total revenue. Data collected represented 95% of suppliers and is extrapolated to 100% of first-tier production suppliers.

³⁴ Changes were made to historic data (FY16-FY18) based on improvements in methodology and consistency, and access to better supplier data.

³⁵ A few of our large suppliers saw significant emissions reduction in FY19, which accounts for the 15% reduction from 2016.

³⁶ Targets to reduce GHG emissions are considered "science-based" if they are in line with the latest climate science to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. Supplier targets may or may not be approved by the Science Based Target initiative (SBTi), which champions science-based target setting and independently assesses companies' targets. Supplier targets and stated commitments are based upon suppliers' reporting to CDP.

³⁷ 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.

³⁸ 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 71% and 79% of supplier spend for 2016 and 2017 respectively, and is extrapolated to 100% of first tier production suppliers. This can change based on shift in spend and better data management.

³⁹ HPE reviews supplier goal-setting for water and waste based on long-term commitment and measurement from an established baseline. Through our review this year, we excluded goals that covered a period of 12 months or less, thereby decreasing the overall percentage, by spend, of suppliers counted under these categories.


EMPLOYEES


At the close of 2020, we employed approximately 58,000 people worldwide. Women made up 31.9% of our workforce. We saw a year-over-year increase in women working in management, technical, and director roles. Our voluntary turnover rate dropped to just 4.8%.

In 2020, we expanded our data disclosure to account for men and women working in technical roles, a breakdown of employee demographics across all U.S. roles, including veterans and team members with disabilities, and new talent lifecycle metrics. Publicly reporting on these metrics will help hold HPE accountable as we continue to set new company-wide inclusion targets.

HPE supports the freedom of association of our team members and we comply with all applicable laws. Team members are represented by works councils, unions, or covered by a collective bargaining agreement in about 58% of the countries in which HPE operates. In total, HPE has relationships with 37 unions worldwide, with collective bargaining agreements covering 38% of our workforce.

See our EEO-1 report on our [policies and standards page](#) for additional demographic workforce data.

Learn about HPE's approach to [Inclusion and diversity](#) 

Learn about HPE's approach to [Employee development, engagement, and well-being](#) 

EMPLOYEE DEMOGRAPHICS


Active employees, 2020

	Men	Men (%)	Women	Women (%)	Total ⁴²
Employees (regular full-time and part-time) by region and gender	39,436	68.05%	18,487	31.90%	57,952
Americas	14,573	70.14%	6,189	29.79%	20,777
Asia Pacific and Japan	15,194	67.85%	7,193	32.12%	22,393
Europe, Middle East, and Africa	9,669	65.41%	5,105	34.54%	14,782
Employees (regular full-time) by employment type and gender	39,298	68.46%	18,074	31.49%	57,401
Executives	287	79.94%	72	20.06%	359
Directors	992	76.07%	312	23.93%	1,304
Managers	3,323	73.08%	1,223	26.90%	4,547
Professionals	32,216	69.77%	13,932	30.17%	46,175
Other	2,480	49.44%	2,535	50.54%	5,016
Technical Staff ⁴³	15,368	84.50%	2,809	15.45%	18,187
Employee (regular part-time) by employment type and gender	138	25.05%	413	74.95%	551
Executives	0	0.00%	0	0.00%	0
Directors	0	0.00%	0	0.00%	0
Managers	5	26.32%	14	73.68%	19
Professionals	120	25.53%	350	74.47%	470
Other	13	20.97%	49	79.03%	62
Technical Staff	67	60.91%	43	39.09%	110
World workforce by age group					
30 and under					17.42%
31-50					58.68%
51 and over					23.77%
Age not listed					0.13%
Employee voluntary turnover rate					4.8%
Employees covered by collective bargaining agreements					38%

⁴² Sum of "Female" and "Male" does not equal 100% due to a small number of new hires who did not declare a gender.

⁴³ Technical Staff—mutually inclusive with job levels.

EMPLOYEES (cont.)

Learn about HPE's approach to [Inclusion and diversity](#) 


EMPLOYEE DIVERSITY⁴⁴

	2019	2020
Regular Active Employees		
Women employees (% of total)	31.25%	31.90%
Americas	29.32%	29.79%
Asia Pacific and Japan	31.37%	32.12%
Europe, Middle East, and Africa	34.03%	34.54%
Women managers (% of total management workforce)	24.28%	26.02%
Americas	25.36%	27.40%
Asia Pacific and Japan	19.77%	21.88%
Europe, Middle East, and Africa	26.79%	28.03%
Senior ranking positions held by women (Director level and above) (% of total top management positions)	22.30%	23.09%
Americas	24.31%	24.95%
Asia Pacific and Japan	14.69%	17.03%
Europe, Middle East, and Africa	20.42%	21.26%
U.S. Employees⁴⁵ (% of total)		
White	68.39%	66.41%
All minorities	31.61%	33.59%
Black/African American	5.36%	5.44%
Hispanic/Latinx	6.34%	6.71%
Asian	17.76%	19.06%
Native American/Indigenous	0.35%	0.36%
Multiracial	1.63%	1.88%
Pacific Islander/Native Hawaiian	0.17%	0.15%
Veterans	4.89%	4.80%
Person with disability	0.71%	0.70%
Global new hires, by gender (% of total)		
Female	35.72%	37.14%
Male	64.18%	62.74%

⁴⁴ FY19 data restated for Cray acquisition. Individuals who did not declare were not included in the analysis nor placed into a default classification.

⁴⁵ U.S. metrics exclude Unknown and Not Specified.


EMPLOYEES (cont.)

Learn about HPE's approach to [Inclusion and diversity](#) 

EMPLOYEE DIVERSITY (cont.)

U.S. new hires, by ethnicity (% of total)	2019	2020
White	57.80%	52.54%
All minorities	42.20%	47.46%
Black/African American	6.09%	6.62%
Hispanic/Latinx	7.60%	6.84%
Asian	25.10%	30.02%
Native American/Indigenous	0.22%	0.66%
Multiracial	2.85%	3.31%
Pacific Islander/Native Hawaiian	0.34%	0.00%
Veterans	4.73%	5.04%
Person with disability	1.28%	0.95%
U.S. Executives (% of total)		
White	74.15%	74.12%
All minorities	25.55%	25.88%
Black/African American	1.46%	1.57%
Hispanic/Latinx	5.47%	6.27%
Asian	17.52%	16.86%
Native American/Indigenous	0.36%	0.00%
Multiracial	0.73%	1.18%
Pacific Islander/Native Hawaiian	0.00%	0.00%
Veterans	3.61%	4.56%
Person with disability	1.20%	1.05%
U.S. Directors (% of total)		
White	72.84%	69.84%
All minorities	27.16%	30.16%
Black/African American	3.02%	3.55%
Hispanic/Latinx	4.80%	5.00%
Asian	17.97%	20.32%
Native American/Indigenous	0.41%	0.32%
Multiracial	0.96%	0.97%
Pacific Islander/Native Hawaiian	0.00%	0.00%
Veterans	3.27%	2.39%
Person with disability	0.23%	0.27%

EMPLOYEES (cont.)

Learn about HPE's approach to [Inclusion and diversity](#) 

EMPLOYEE DIVERSITY (cont.)

	2019	2020
U.S. Managers (% of total)		
White	72.95%	70.93%
All minorities	27.05%	29.07%
Black/African American	3.99%	4.32%
Hispanic/Latinx	6.06%	6.27%
Asian	15.59%	16.95%
Native American/Indigenous	0.15%	0.08%
Multiracial	1.11%	1.36%
Pacific Islander/Native Hawaiian	0.15%	0.08%
Veterans	5.21%	5.09%
Person with disability	0.32%	0.44%
U.S. Professionals (% of total)		
White	67.50%	65.24%
All minorities	32.50%	34.76%
Black/African American	5.63%	5.72%
Hispanic/Latinx	6.05%	6.55%
Asian	18.61%	19.98%
Native American/Indigenous	0.37%	0.39%
Multiracial	1.67%	1.96%
Pacific Islander/Native Hawaiian	0.17%	0.15%
Veterans	4.97%	4.93%
Person with disability	0.78%	0.76%
U.S. Technical Staff (% of total)		
White	62.46%	60.56%
All minorities	37.54%	39.44%
Black/African American	2.71%	2.95%
Hispanic/Latinx	4.76%	5.07%
Asian	28.41%	29.46%
Native American/Indigenous	0.23%	0.21%
Multiracial	1.32%	1.68%
Pacific Islander/Native Hawaiian	0.10%	0.08%
Veterans	4.44%	4.38%
Person with disability	0.70%	0.64%

EMPLOYEES (cont.)

Learn about HPE's approach to Inclusion and diversity [↓](#)

TALENT LIFECYCLE METRICS

Hiring Regular, Active, 2020	Men	Men (%)	Women	Women (%)	Total ⁴⁶
U.S. Employees⁴⁷ (% of total)	641	70.75%	265	29.25%	906
White	351	38.74%	125	13.80%	476
All minorities	290	32.01%	140	15.45%	430
Black/African American	38	4.19%	22	2.43%	60
Hispanic/Latinx	43	4.75%	19	2.10%	62
Asian	181	19.98%	91	10.04%	272
Native American/Indigenous	5	0.55%	1	0.11%	6
Multiracial	23	2.54%	7	0.77%	30
Pacific Islander/Native Hawaiian	0	0.00%	0	0.00%	0
Veterans	42	4.41%	6	0.63%	48
Person with disability	8	0.84%	1	0.11%	9
Promotion Rate, 2020	Men	Men (%)	Women	Women (%)	Total
U.S. Employees (% of total)	576	6.05%	266	7.43%	842
White	343	5.29%	142	6.43%	485
All minorities	233	7.69%	124	9.04%	357
Black/African American	18	3.86%	20	8.10%	38
Hispanic/Latinx	38	6.41%	27	9.44%	65
Asian	158	8.98%	66	8.94%	224
Native American/Indigenous	2	7.69%	2	9.52%	4
Multiracial	17	9.88%	8	10.96%	25
Pacific Islander/Native Hawaiian	-	-	1	14.29%	1
Veterans	30	4.58%	3	4.92%	33
Person with disability	4	4.35%	1	7.69%	5
Retention Rate, 2020	Men	Men (%)	Women	Women (%)	Total
U.S. Employees (% of total)	526	95.16%	183	95.51%	709
White	323	95.68%	113	95.60%	436
All minorities	203	94.01%	70	95.36%	273
Black/African American	27	94.93%	10	96.23%	37
Hispanic/Latinx	27	95.83%	15	95.33%	42
Asian	141	92.90%	40	95.06%	181
Native American/Indigenous	1	96.49%	1	95.80%	2
Multiracial	7	96.13%	4	95.12%	11
Pacific Islander/Native Hawaiian	0	100.00%	0	100.00%	0
Veterans	25	96.58%	1	98.51%	26
Person with disability	7	93.20%	1	92.59%	8

⁴⁶ Sum of "Female" and "Male" does not equal 100% due to a small number of new hires who did not declare a gender.

⁴⁷ U.S. metrics exclude Unknown and Not Specified.

EMPLOYEES (cont.)

Learn about HPE's approach to [Employee health and safety](#)

HEALTH AND SAFETY

	2018	2019	2020
Lost workday case rate⁴⁸ (number)	.05	.05	.02
Americas	.07	.04	.02
Europe, Middle East, and Africa	.04	.08	.04
Asia Pacific and Japan	.02	.03	.02
Recordable incidence rate⁴⁹ (number)	.12	.11	.05
Americas	.23	.18	.07
Europe, Middle East, and Africa	.08	.12	.07
Asia Pacific and Japan	.03	.04	.03
Leading causes of lost workdays⁵⁰ (percentage)			
Slips, trips, and falls	43%	48%	50%
Struck by/against/cut by	18%	7%	21%
Caught in/between	3%	3%	7%
Ergonomics: office environment	3%	3%	7%
Ergonomics: materials handling	7%	3%	0%
Automobile accidents	21%	17%	7%
Overexertion	0%	10%	0%
Other ⁵¹	3%	7%	7%
Leading causes of all recordable incidents⁵² (percentage)			
Slips, trips, and falls	36%	42%	32%
Struck by/against/cut by	19%	14%	32%
Ergonomics: materials handling	10%	9%	6%
Ergonomics: office environment	4%	6%	16%
Automobile accidents	11%	13%	3%
Caught in/between	7%	3%	6%
Overexertion	7%	9%	0%
Other ⁵³	6%	3%	3%

⁴⁸ 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.

⁴⁹ 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.

⁵⁰ Some years may not add to 100% due to rounding.

⁵¹ "Other" category includes lost workdays cases, including those related to stress, exertion not related to materials handling, manufacturing ergonomics, and assault.


⁵² Some years may not add to 100% due to rounding.

⁵³ "Other" category includes lost workdays cases, including those related to stress, nonchemical burns, manufacturing ergonomics, exertion not related to materials handling, and assault.

SOCIAL IMPACT

In 2020, HPE provided \$43.5 million to philanthropic causes, including cash and product donations and employee volunteering, with more than \$26 million going to COVID-19 relief efforts.

Through HPE Gives, our community investment platform, we 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.

Learn about HPE's approach to [Community investment](#) 

SOCIAL IMPACT

	2018	2019	2020
Social investment (\$ million)⁵⁴	\$15.3	\$21.9	\$43.5
Cash	\$8.4	\$11.5	\$11.9
Product donations ⁵⁵	\$0.6	\$0.7	\$26.7
Volunteering ⁵⁶	\$6.3	\$9.8	\$5.0
Number of team members who took part in volunteering activities	4,891	13,850	3,547
Number of hours of volunteer time	181,155	264,602	109,277
% of volunteer time that was skills-based	44%	32%	55%
Team member participation in HPE Gives (number of team members)⁵⁷	7,252	16,579	11,668
Contributions to HPE Gives (\$ million)	\$5.4	\$7.0	\$7.6
Team member contributions	\$2.5	\$3.2	\$3.6
HPE Foundation matching	\$2.2	\$3.0	\$3.6
Volunteer rewards redeemed	\$0.6	\$0.7	\$0.5
Team member-directed grants	\$0.2	\$0.1	\$0.2
Disaster relief matching campaigns	\$0.3	\$0.7	\$0.7
Disaster relief⁵⁸			2020
ARC Disaster Responder Program			\$250,000
COVID-19			\$26,400,000
Australian bushfires			\$394,800
California wildfires			\$47,700
Typhoon Hagibis			\$10,800
Other			\$8,500

⁵⁴ Social investments include all grants made to nonprofit organizations from HPE and the HPE Foundation, plus the valuation of team member volunteer hours. Data excludes contributions to the HPE Foundation and team member donations but includes HPE's matching contributions and contributions from the HPE Foundation to other organizations. Some segments do not add up to total due to rounding.

⁵⁵ 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.


⁵⁶ Hourly rate based on type of volunteering: \$195/hour for pro bono (Taproot); \$27.20/hour for all other volunteering (Independent Sector).

⁵⁷ Number of team members who have donated, requested a match, tracked volunteer hours, or redeemed volunteer rewards via the HPE Gives platform.

⁵⁸ Disaster relief support includes monetary donations from our team members and monetary and product donations from HPE.

SUPPLIER DIVERSITY

In 2020, we spent \$126 million (7% of U.S. sales) with small enterprises and businesses owned by other 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. Second, 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.

Learn about HPE's approach to [Inclusion and diversity](#) 

SUPPLIER DIVERSITY

	2019	2020
HPE's spend with U.S. diverse suppliers		
Small businesses (\$ billion)	\$713	\$67
Minority-owned businesses (\$ million)	\$94	\$56
Women-owned businesses (\$ million)	\$109	\$45
Veteran-owned businesses, service-disabled veteran-owned businesses, HUBZone businesses, and others (\$ million)	\$23	\$42
Total amount spent by HPE on diverse suppliers (\$ million)	\$939	\$126

ETHICS

Learn about HPE's approach to

[Corporate governance and ethical behavior](#)

CORPORATE ETHICS HIGHLIGHTS (FY20)

	Total
Percent of active team members who completed annual Standards of Business Conduct training ⁵⁹	99.9%
Anti-corruption audits ⁶⁰	14

⁵⁹ 2020 SBC training includes four modules scheduled throughout the year. Data represents the completion rate for the two modules that were delivered prior to report publication.

⁶⁰ Includes internal and external audits.

BREACHES OF ETHICAL BEHAVIOR (FY20)

Items reported to HPE global Standards of Business Conduct team or other compliance functions in FY20⁶¹

	2020
Labor Law/HR	32.2%
Misuse of assets	26.6%
Reporting	9.6%
Conflicts of interest	7.3%
Anti-corruption ⁶²	6.2%
Confidentiality	4.0%
Workplace/Security	4.0%
Fraud	2.8%
Competition	2.3%
Theft	2.3%
Failure to make ethical decisions	1.7%
Brand Protection/Channel	1.1%


⁶¹ Some segments do not add up to total due to rounding.

⁶² 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.

SUPPLY CHAIN RESPONSIBILITY

Supplier Social and Environmental Responsibility (SER) performance is factored into our procurement decisions through our supplier business scorecard. Throughout the year, we evaluate our suppliers on their SER management systems, labor, responsible sourcing of minerals, materials compliance, and environmental programs, among other topic areas.

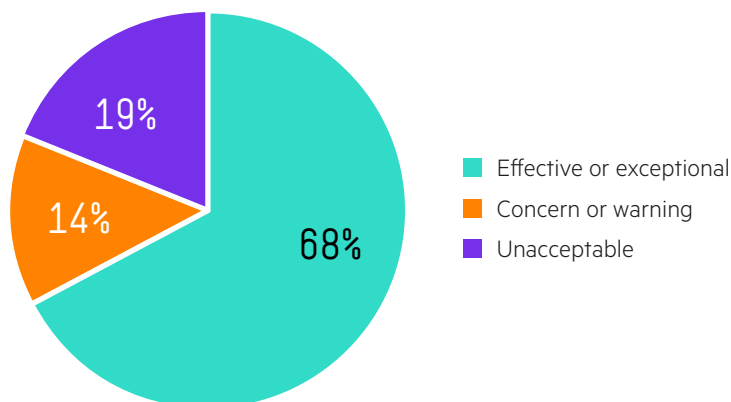
We work directly with our suppliers to rate their SER programs through our audit assurance program. These evaluations are shared with both HPE and supplier partner leadership. Through these engagements, suppliers are able to create corrective actions plans to address and improve their performance. In the last few years, we have worked to continually improve the criteria against which we evaluate our suppliers, adding more stringent requirements for climate change program implementation and responsible minerals sourcing. We continue to work directly with our suppliers to keep or move them into the effective or exceptional category, with 68% of our suppliers in this category in 2020.

Learn about HPE's approach to [Ethical sourcing](#) 

[Supply chain responsibility dashboard](#)

SER SCORECARD DISTRIBUTION, 2020

(percentage of total)



SOCIAL KEY PERFORMANCE INDICATORS

SCR dashboard

	2020
Suppliers' employees working less than 60 hours per week on average ⁶³ (percentage)	95%
Suppliers' employees receiving at least one day of rest each seven-day workweek (percentage)	98%
Suppliers in China with student workers representing 20% or less of total employees (percentage)	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	1
Critical findings related to occupational safety, emergency preparedness, or industrial hygiene	0
Critical findings related to disclosure of information	0
SER audits and assessments conducted (cumulative)⁶⁴	442
Total audits (cumulative)	402
Full audits (cumulative)	231
Follow-up audits (cumulative)	171
Assessments and allegation investigations (cumulative)	40
Number of suppliers audited (total, cumulative)	194
Number of supplier facilities audited (total, cumulative)	349

⁶³ Based on workers at final assembly, and selected commodity sites participating in the HPE KPI program. Suppliers are included in the KPI program based on business risk, country risk, and identified nonconformances.


⁶⁴ Cumulative figures reflect totals from 2017 to 2020.

Performance monitoring

71 assessments were conducted at supplier sites in 2020.

When a major nonconformance is identified, suppliers are required to implement a corrective action plan, which is verified with a follow-up audit. In cases where a critical issue is uncovered, we require swift action, including the development of a corrective action plan, and we downgrade the supplier on our SER scorecard.

We require key suppliers to provide additional information on their SER performance through our Key Performance Indicators (KPI) program. We require suppliers with priority nonconformances issues in working hours to join our program, where we monitor their working hours on a monthly basis. We work with suppliers to ensure they understand how to effectively monitor working hours, explain any breaches of working hours limits, and proactively check to prevent excessive overtime.

Learn about HPE's approach to [Ethical sourcing](#) 

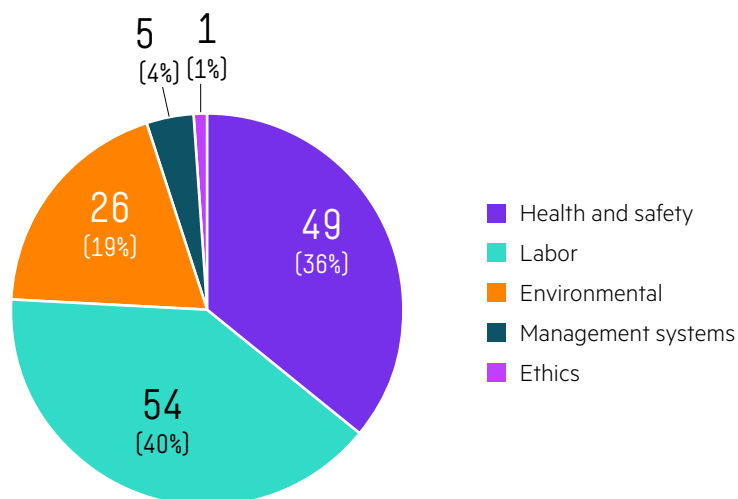
SER AUDITS AND ASSESSMENTS CONDUCTED BY REGION, 2020⁶⁵

	Greater China	Asia Pacific	Americas	Europe
Onboarding assessments for new suppliers	0	0	0	0
Vulnerable worker group (student and foreign worker) assessments	0	1	0	0
Allegation investigations	0	0	0	0
Worker interview consultation	1	0	1	0
Specialized assessments	0	4	1	0
Full audits (in partnership with RBA): appraisal of the five sections of the HPE Supplier Code of Conduct, covering labor, health and safety, the environment, ethics, and management systems	28	8	0	1
Follow-up audits: to address any major nonconformances found in an earlier full audit	22	6	0	0

⁶⁵ Data reflects fiscal year 2020 audit reports received as of January 31, 2021.

MAJOR NONCONFORMANCES, 2020⁶⁶

by section of HPE Supplier Code of Conduct (%)



⁶⁶ Data excludes minor nonconformances that do not indicate a systemic problem but typically represent an isolated finding. Data is from full 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, 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.

Health and safety

Health and safety findings represented 36% of all major nonconformances in 2020.

EMERGENCY PREPAREDNESS

Nonconformances related to emergency preparedness were specific to emergency exit routs that were inadequate in number and location, not readily accessible, or not properly maintained. Suppliers were required to complete corrective actions for identified issues quickly, submitting photo evidence to HPE and scheduling a closure audit where findings are rated as a major or higher.

OCCUPATIONAL SAFETY









Nonconformances with respect to occupational safety are related to workplace health and safety risks to workers, not properly identified, assessed or mitigated. Nonconformances were found related to the requirement of having reasonable steps to remove pregnant women/nursing mothers from working conditions with high hazards. This area was harnessed by the RBA in 2018, and some suppliers were first assessed against this requirement in 2020. We continue to support suppliers so they can better understand and comply with it.

OCCUPATIONAL INJURY AND ILLNESS

Nonconformances related to occupational injury and illness primarily consisted of lack of adequate first response equipment and first aid kits to provide medical treatment for injured or ill workers, and inadequate monthly inspections for these kits. Suppliers were required to complete corrective actions for identified issues.

HEALTH AND SAFETY, GLOBAL

Rates of major nonconformances of sites audited (%), 2020

Occupational safety		38%
Emergency preparedness		49%
Occupational injury and illness		22%
Industrial hygiene		3%
Physically demanding work		0%
Machine safeguarding		3%
Sanitation, food, and housing		14%
Health and safety communication		5%

HEALTH AND SAFETY, REGIONAL

Major nonconformances of sites audited, 2020

	Greater China	Asia Pacific	Americas	Europe
Occupational safety	11	3	0	0
Emergency preparedness	16	2	0	0
Occupational injury and illness	7	1	0	0
Industrial hygiene	0	1	0	0
Physically demanding work	0	0	0	0
Machine safeguarding	1	0	0	0
Food, sanitation, and housing	5	0	0	0
Health and safety communication	1	0	0	1

Labor

Labor-related findings represented 40% of all major nonconformances in 2020. We had an increase of non-conformances in this category, compared to last year, due to the pandemic. As factories were closed at the beginning of the year, they had to work overtime later in the year to cope with backlog. In response to these findings we continue to use targeted capability-building programs and trainings with suppliers to achieve conformance with HPE and legal requirements.

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 2020, an average of 95% of workers at supplier sites in the KPI program worked less than 60 hours per week, compared to 96% in 2019. On average, 98% of workers at supplier sites received at least one day of rest in every seven-day period, compared to 99% in 2019. The slight decrease of these percentages is also a result of the pandemic. We are continue to work with suppliers to raise standards by:

- Frequent monitoring of conformance with working hours and day of rest requirements for certain suppliers through our KPI program
- Engaging with supplier management to address root causes of nonconformances and support them in establishing robust working hours monitoring systems

WAGES AND BENEFITS

In 2020, wage-related nonconformances largely occurred in China. The most common issue concerned deductions or withholdings not being calculated correctly and submitted to the appropriate government agency within the local law time frame. We continue to work with suppliers to better understand the root cause of these issues and a process to fix them and sustain compliance.

FREELY CHOSEN EMPLOYMENT MANAGEMENT SYSTEMS

Nonconformances related to freely chosen employment primarily consisted of lack of adequate and effective policies and procedures to ensure that any form of forced, bonded, involuntary, or exploitative prison, trafficked, or slave labor is not used. Suppliers were required to complete corrective actions for identified issues.

In 2020, we continued to undertake stringent due diligence within our supply chain to uncover risks—including through additional specialized assessments against our Foreign Migrant Worker Standard. As a result of this continued level of scrutiny, we identified one critical finding, payment of excessive recruitment fees. We worked closely with the supplier to understand the payment of recruitment fees throughout the workforce, implement a strong reimbursement plan in consultation with workers, and remotely

LABOR, GLOBAL

Rates of major nonconformances of sites audited (%), 2020

Freely chosen employment management systems		16%
Young worker protection management systems		3%
Working hours		81%
Wages and benefits		38%
Humane treatment		0%
Nondiscrimination management systems		5%
Freedom of association		3%

LABOR, REGIONAL

Major nonconformances of sites audited, 2020

	Greater China	Asia Pacific	Americas	Europe
Freely chosen employment management systems	5	1	0	0
Young worker protection management systems	1	0	0	0
Working hours	25	4	0	1
Wages and benefits	13	1	0	0
Humane treatment	0	0	0	0
Nondiscrimination management systems	0	2	0	0
Freedom of association	0	1	0	0

monitor multiple forms of evidence of reimbursement. The supplier repaid all fees within 3 months of discovery, and closure was confirmed with a third party closure audit.

When we find a case of recruitment fees, we work closely with the relevant supplier to remediate the issue and strengthen management systems to guard against recurrence. We conduct follow-up assessments using third-party auditors to validate that all corrective actions are completed.

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 our ability to uncover and remediate these issues demonstrates that our approach is working.

In 2020, in response to audit findings, we provided capability building to enhance supplier management systems with respect to foreign migrant workers. In 2020, we will continue to focus our efforts on ensuring that suppliers fully understand our requirements and are proactively working to meet them.

See our [Modern Slavery Statement](#) pursuant to the California Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act of 2015.

Environmental

Environmental findings represented 19% of all major nonconformances in 2020.

Learn about HPE's approach to [Environment](#) ↴








HAZARDOUS SUBSTANCES

The majority of nonconformances related to hazardous substances including wastes not being properly categorized, labelled, handled, stored, transported, and disposed of using government-approved and/or licensed vendors.

The number two category with major findings this year was air emissions of chemicals, aerosols, corrosives, combustion by-products not properly characterized, monitored, controlled and treated before discharge. We continue to work and engage with suppliers to better understand their challenges and share good practices to prevent these issues in the future.

ENVIRONMENTAL, GLOBAL

Rates of major nonconformances of sites audited (%), 2020

Environmental permits and reporting		16%
Pollution prevention and resource reduction		3%
Hazardous substances		22%
Wastewater and solid waste		11%
Air emissions		14%
Materials restrictions		3%
Storm water management		3%
Energy consumption and GHG emissions		0%

ENVIRONMENTAL, REGIONAL

Major nonconformances of sites audited, 2020

	Greater China	Asia Pacific	Americas	Europe
Environmental permits and reporting	5	0	0	1
Pollution prevention and resource reduction	0	0	0	1
Hazardous substances	6	1	0	1
Wastewater and solid waste	2	1	0	1
Air emissions	5	0	0	0
Materials restrictions	0	0	0	1
Storm water management	0	0	0	1
Energy consumption and GHG emissions	0	0	0	0

Management systems

Findings related to management systems represented 4% of all major nonconformances in 2020. This was a very good improvement over the 16% in this category last year.

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 require corrective action plans that demonstrate how our first-tier suppliers plan to communicate the RBA requirements to their suppliers.

Our SER scorecard contains a management systems 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 (%), 2020

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

MANAGEMENT SYSTEMS, REGIONAL

Major nonconformances of sites audited, 2020

	Greater China	Asia Pacific	Americas	Europe
Company commitment	0	0	0	0
Management accountability and responsibility	0	0	0	0
Legal and customer requirements	1	0	0	0
Risk assessment and risk management	0	0	0	0
Improvement objectives	0	0	0	0
Training	0	0	0	0
Communication	0	0	0	0
Worker feedback and participation	0	0	0	0
Audits and assessments	0	0	0	0
Corrective action process	0	0	0	0
Documentation and records	0	0	0	0
Supplier responsibility	3	1	0	0

Ethics

Ethics-related findings represented 1% of all major nonconformances in 2020.

ETHICS, GLOBAL

Rates of major nonconformances of sites audited (%), 2020

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


ETHICS, REGIONAL

Major nonconformances of sites audited, 2020

	Greater China	Asia Pacific	Americas	Europe
Business integrity	0	0	0	1
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	0	0	0	0
Protection of identity and nonretaliation	0	0	0	0
Privacy	0	0	0	0
Responsible sourcing of minerals	0	0	0	0

RESPONSIBLE SOURCING OF MINERALS

HPE conducted due diligence by surveying suppliers between January 1, 2020 and December 31, 2020 to identify smelters and refiners in our supply chain in preparation for our [2020 Conflict Minerals Report](#). The surveyed suppliers contributed material, components, or manufacturing to products containing tin, tantalum, tungsten, or gold (3TG).

Learn about HPE's approach to [Ethical sourcing](#) 

PROGRESS TOWARD DRC CONFLICT FREE

	Total ⁶⁷ (number)	Progress toward DRC conflict free ⁶⁸ (number)	Percentage
Tin	73	69	95%
Tantalum	37	37	100%
Tungsten	44	43	98%
Gold	148	139	94%
Total	302	288	95%

STATUS OF ALL SUPPLIER-REPORTED 3TG SMELTERS AND REFINERS⁶⁹

	Number or percentage (see individual data points)
Conformant ⁷⁰	239
Conformant ⁷¹ (percentage of total)	79%
Active ⁷²	13
Active (percentage of total)	4%
Not yet participating	50
Not yet participating (percentage of total)	17%
Total	302

⁶⁷ Number of 3TG smelters and refiners by metal reported to HPE.

⁶⁸ Number of 3TG smelters and refiners by metal reported to HPE that were either conformant with RMAP or in the 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 March 17, 2021).

⁶⁹ Includes recyclers and scrap processors in the 3TG supply chain.

⁷⁰ 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.

⁷¹ 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.

⁷² Active 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.

POLITICAL CONTRIBUTIONS

Learn about HPE's approach to [Public policy](#)

GOVERNMENT RELATIONS CONTRIBUTIONS⁷³

	2018	2019	2020
Contributions to U.S. federal, state, and local candidates, political memberships/sponsorships, and other ballot measure campaigns ⁷⁴	\$501,700	\$316,900	\$390,000
U.S. lobbying expenses allocated to trade association membership dues and outside consultants	\$2,287,153	\$2,305,536	\$1,870,054

⁷³ Data are calendar year.

⁷⁴ Includes minimal operating expenditures.

PRIVACY

Learn about HPE's approach to [Privacy](#)

SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA⁷⁵

	2018	2019	2020
Substantiated complaints from outside parties (including customers)	0	0	0
Substantiated complaints from regulatory or other official bodies	0	0	1 ⁷⁶

⁷⁵ Breaches of customer privacy cover any 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.

⁷⁶ No enforcement action was taken against HPE.

STANDARDS INDEX

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

HPE was an early adopter of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Now in our third year reporting climate-related risks and opportunities aligned to these recommendations, we continue to evolve our disclosure to meet the needs of our investors and key stakeholders.

GOVERNANCE

BOARD OVERSIGHT

The Nominating, Governance, and Social Responsibility (NGSR) Committee of the HPE Board of Directors is responsible for oversight of environmental, social, and governance (ESG) matters, including the review of our strategy, policies, performance, disclosures, and engagement with stakeholders. The Committee also evaluates the company's progress against our ESG targets, which includes the establishment of, and progress toward, climate goals.

In 2020, the NGSRC Committee met three times and the Board held nine meetings. Two of these meetings covered ESG topics including HPE's climate strategy and disclosures. All board members also completed a training course to augment their expertise on sustainability issues, which included an overview of stakeholder expectations and review of HPE climate

targets and policies. As of 2020, four board members have identified themselves as having experience in environmental and sustainability topics, assuring that strategic business imperatives and long-term value creation for stockholders are achieved within a responsible and sustainable business model. For more information on the HPE Board of Directors and its oversight responsibilities, see our [Proxy Statement](#).

MANAGEMENT OVERSIGHT

The **HPE Executive Committee** is responsible for the company's environmental and social performance. This includes our CEO and Chief Operating Officer, who directly oversee the company's "Living Progress" ESG plan.

The **Living Progress Strategy Council** is an executive-level council that informs the company's ESG strategy and monitors ESG risks and opportunities with the capacity to affect our business. In 2020, the council was expanded to include a wider range of internal stakeholders who will ensure best-in-class ESG performance throughout the company. Council members include executives responsible for progress toward climate targets at all stages of the value chain, including our operations, our supply chain, and our products.

STRATEGY

HPE CLIMATE STRATEGY

As a technology company, HPE views addressing climate change not only as a moral imperative, but as a business opportunity to innovate technologies to help our customers thrive in a carbon-constrained world. HPE is committed to becoming carbon neutral across our value chain by 2050, or sooner, in order to hold global average temperature within 1.5°C of pre-industrial levels.

Product efficiency is a key focus for HPE's business strategy given that the majority of HPE's carbon and water footprint result from the product use phase. We apply our innovative solutions and expertise to help customers overcome their business challenges while driving efficiency and achieving sustainability objectives, contributing to new revenue opportunities for HPE. In 2020, approximately 50% of HPE's portfolio had sustainability and IT efficiency attributes. We will continue to focus on delivering products and services that empower our customers to operate sustainably and efficiently while also gaining maximum productivity from their IT investments and reducing costs. For example, our pivot to offer our entire portfolio as-a-service by 2022 is reducing the footprint of our customers' IT estates by decreasing energy consumption and dematerializing infrastructure. HPE GreenLake offerings use efficient hardware and solutions configured to, on average, reduce customer inefficiencies by 30%.

For more information, read the [IT Efficiency](#) and [Environment](#) sections of the 2020 Living Progress Report.

RISKS, OPPORTUNITIES AND SCENARIO ANALYSIS

In 2020, HPE commissioned [BSR Sustainable Futures Lab](#) to assist in climate scenario analysis with the aim of enhancing our understanding and management of climate-related risks and opportunities. We developed four scenarios looking 10 years into the future that tested a range of climate pathways (from 1.5°C to 5°C) and globalization trends.

Approximately 20 HPE subject matter experts from several business units and functions convened for two workshops to identify risks and opportunities to HPE's business in each of the four scenarios. The risks and opportunities fall into one of three main areas:

- regulatory / compliance risk
- product / market risk
- physical risk

In all four scenarios, we found HPE's business strategy to be resilient due to increasing technology demands regardless of the future climate trajectory. However, the opportunities for HPE are greater in future scenarios with aggressive climate mitigation aligning with a 1.5°C trajectory. This is driven by a rapid socio-technical transition and increased demand for superior energy performance in IT solutions. In addition, we found physical

risks to be greater in 4°C to 5°C climate scenarios due to the projected increase in disruptions to our supply chain, our facilities, and our workforce.

CLIMATE SCENARIOS

Scenario 1: “Return to Paris”

Temperature Assumptions	~1.5°C - 2°C
Key Assumptions	Strong climate policy Increased globalization
Emission Reduction Models	RCP 2.6 SSP1-26 (low challenges to mitigation and adaptation)
Time Horizon	10 years

Scenario 2: “Green Security”

Temperature Assumptions	~2.5°C - 3°C
Key Assumptions	Retreat from globalization Strong renewable incentives, but few mitigation policies
Emission Reduction Models	RCP 4.5 SSP4-60 (low challenges to mitigation and high challenges to adaptation)
Time Horizon	10 years

Scenario 3: “Dirty Digital Rebound”

Temperature Assumptions	~3°C - 4°C
Key Assumptions	Increased globalization Regressive climate policy
Emission Reduction Models	RCP 6.0 SSP5-60 (high challenges to mitigation and low challenges to adaptation)
Time Horizon	10 years

Scenario 4: “Citadels”

Temperature Assumptions	4°C - 5°C
Key Assumptions	Retreat from globalization Obstructive climate policy
Emission Reduction Models	RCP 8.5 SSP3-60 (high challenges to mitigation and adaptation)
Time Horizon	10 years

NOTES:

The Representative Concentration Pathways (RCPs) represent different emissions, concentration and radiative forcing projections leading to a large range of global warming levels, from continued warming rising above 4°C by the year 2100 to limiting warming well below 2°C as called for in the Paris Agreement (RCP Database—Version 2.0). These were used in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report.

The Shared Socioeconomic Pathways (SSPs) build upon the RCPs by modeling how socioeconomic factors, such as economic, population and technology developments, may impact actual emissions reductions (SP Database—Shared Socioeconomic Pathways—V 2.0). These will be included in the IPCC Sixth Assessment Report.

FINANCIAL IMPACT LEVEL

	Return to Paris	Green Security	Dirty Digital Rebound	Citadels	Summary
TRANSITION RISK	Policy & Legal	MEDIUM	LOW	MEDIUM	Increased regulatory costs, especially in scenarios with aggressive climate mitigation but a lack of global cooperation.
	Technology	LOW	MEDIUM	HIGH	It becomes increasingly competitive to remain a leader in energy performance in scenarios with aggressive climate mitigation. However, HPE loses competitive advantage in scenarios where mitigation is absent and energy performance is deprioritized. In addition, a retreat from globalization increases supply chain costs and impacts technology development.
	Market	LOW	MEDIUM	HIGH	Competition increases in scenarios with aggressive climate mitigation to win low-carbon markets. Socio-technical transition slows in scenarios without climate mitigation and the competition for lowest cost increases.
	Reputation	LOW	MEDIUM	MEDIUM	Risk of not meeting corporate climate goals increases in scenarios without climate mitigation. Climate leadership is deprioritized and focus shifts to resilience in scenarios with higher temperatures.
PHYSICAL RISK	Acute	LOW	MEDIUM	HIGH	Scenarios with higher temperatures increase costs due to extreme events that disrupt operations and supply chains, and/or elevate insurance premiums, and/or require investments to fortify facilities. Employees in vulnerable locations are impacted.
	Chronic	LOW	MEDIUM	HIGH	Costs increase in scenarios with higher temperatures due to impacted employee health and wellbeing in vulnerable locations.
OPPORTUNITIES	Resource Efficiency	HIGH	MEDIUM	LOW	Scenarios without climate mitigation show little to no benefit in resource efficiency. HPE's climate goals provide competitive advantage in scenarios with aggressive mitigation. Digital integration of supply chains increase efficiency in scenarios with increased globalization.
	Energy Source	HIGH	MEDIUM	LOW	Scenarios without climate mitigation show little to no benefit in energy source. HPE's climate goals provide a competitive advantage in scenarios with aggressive mitigation. Access to zero carbon energy sources increases in scenarios with aggressive climate mitigation.
	Product/Services	HIGH	MEDIUM	MEDIUM	Increased financial benefit in scenarios with aggressive climate mitigation. Climate mitigation drives demand for efficient solutions such as HPE GreenLake as-a-service solutions, HPE Intelligent Edge solutions, HPE Asset Upcycling Services, and breakthrough innovative technologies like Memory-Driven Computing.
	Resilience	MEDIUM	MEDIUM	LOW	Digital integration of supply chains increases resiliency in scenarios with increased globalization. Resiliency increases in scenarios with more aggressive climate mitigation.

Potential negative financial impact level: ■ LOW ■ MEDIUM ■ HIGH

Potential positive financial impact level: ■ LOW ■ MEDIUM ■ HIGH

MANAGEMENT PROCESSES

RISK MANAGEMENT

Management—representing a variety of teams and functions including Corporate Affairs, Global Real Estate, Ethics and Compliance, and Global Operations, among others—is responsible for monitoring, analyzing, and managing climate-related risks throughout the company. The teams evaluate risk within their area of expertise and update the HPE Living Progress Strategy Council accordingly. For instance:

- Corporate Affairs: sets climate strategy for HPE, consults with customers to improve IT efficiencies, identifies emerging stakeholder expectations, and collaborates with other teams to set and meet climate targets
- Global Real Estate: manages and approves operational climate targets, sets site strategies, and identifies and manages facility risk
- Ethics and Compliance manages and approves supply chain targets, monitors supplier performance, and conducts outreach and capability building with suppliers
- Global Operations: manages product regulatory compliance and supplier relationships

The Living Progress Strategy Council meets twice per year to bring attention to emerging ESG matters with the capacity to affect our business. In 2020, these meetings covered climate-related topics such as establishing our internal roadmap to net zero and driving product energy efficiency improvements.

In addition, our board and management recognize regulatory risks concerning environmental protection such as increased complexity related to product design, the associated energy consumption and efficiency related to the use of products, the transportation and shipping of products, and/or climate change regulations. More information regarding HPE's risk management and business continuity programs can be found in the [Corporate Governance](#) section of the 2020 Living Progress Report and the [HPE 2020 Annual Report on Form 10-K](#).

METRICS AND TARGETS

Our roadmap to carbon neutrality includes a suite of [intermediate targets](#) for 2025, which are approved by the Science Based Target initiative and meet the levels of decarbonization required to limit global average temperature rise to well below 2°C from pre-industrial levels. We report progress against these targets annually in the Living Progress Report and Data Summary. See our 2020 progress [here](#).

HPE aligns our reporting to the Sustainability Accounting Standards Board (SASB) standards, focusing on disclosures and indicators most material to our business by drawing from the sector-specific indicators of both the SASB “Software & IT Services” and “Hardware” industry standards. This index is intended to help our stakeholders locate content of interest across HPE’s reporting suite. It does not represent a complete overview of HPE’s reporting or practices.

SASB INDEX

Code	Metric description	HPE 2020 disclosure
Technology & Communications—Software & IT Services		
ENVIRONMENTAL FOOTPRINT OF HARDWARE INFRASTRUCTURE		
TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Environment 2020 Data Summary—Environmental footprint
TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Environment 2020 Data Summary—Environmental footprint
TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Not material to HPE business activities
DATA PRIVACY & FREEDOM OF EXPRESSION		
TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Privacy HPE Global Privacy Policy HPE Privacy Statement
TC-SI-220a.2	Number of users whose information is used for secondary purposes	Not material to HPE business activities
TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	2020 Data Summary—Privacy No enforcement action was taken against HPE in 2020 as a result of substantiated complaints regarding breaches of customer privacy and losses of customer data
TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Not material to HPE business activities
TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Not material to HPE business activities
DATA SECURITY		
TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Not material to HPE business activities
TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Data security HPE 2020 10-K

SASB INDEX (CONTINUED)

Code	Metric description	HPE 2020 disclosure
RECRUITING & MANAGING A GLOBAL, DIVERSE SKILLED WORKFORCE		
TC-SI-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Not material to HPE business activities
TC-SI-330a.2	Employee engagement as a percentage	Employee development and engagement Voice of the Workforce survey conducted for all team members globally, with an 80% participation rate in 2020
TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Inclusion and diversity 2020 Data Summary—Employees HPE EEO-1 Report
MANAGING SYSTEMIC RISKS FROM TECHNOLOGY DISRUPTIONS		
TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Not material to HPE business activities
TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	Corporate governance HPE 2020 10-K
INTELLECTUAL PROPERTY PROTECTION & COMPETITIVE BEHAVIOR		
TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Not material to HPE business activities
Technology & Communications—Hardware		
PRODUCT SECURITY		
TC-HW-230a.1	Discussion of approach to identifying and addressing data security risks to new and existing products	Data security HPE 2020 10-K
EMPLOYEE DIVERSITY & INCLUSION		
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Inclusion and diversity 2020 Data Summary—Employees HPE EEO-1 Report

SASB INDEX (CONTINUED)

Code	Metric description	HPE 2020 disclosure
PRODUCT LIFECYCLE MANAGEMENT		
TC-HW410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Substances of concern HPE General Specification for the Environment
TC-HW410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	2020 Data Summary—Design for Environment
TC-HW410a.3	Percentage of eligible products by revenue meeting ENERGY STAR criteria	2020 Data Summary—Design for Environment
TC-HW410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	2020 Data Summary—Product return, reuse, and recycling Product lifecycle management
SUPPLY CHAIN MANAGEMENT		
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	2020 Data Summary—Supply Chain Responsibility Ethical sourcing
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	2020 Data Summary—Supply Chain Responsibility
MATERIAL SOURCING		
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	<p>HPE is firmly committed to the assessment and assurance of supply necessary to maintain continuity of its global products and services. To mitigate risks associated with the use of critical materials, HPE works closely with our partners, suppliers, and key sub-suppliers to conduct periodic reviews to identify and manage risks. Strategies implemented by HPE's Supply Chain to guarantee assurance of supply include:</p> <ul style="list-style-type: none"> • identifying alternative materials, components, and suppliers • implementing buffer strategies • dual sourcing • operating in multiple geographical locations

This report references the following disclosures from the Global Reporting Initiative (GRI), focusing on issues and indicators most material to our business. This index is intended to help our stakeholders locate content of interest across HPE's reporting suite. It does not represent a complete overview of HPE's reporting or practices.

GRI INDEX

GRI standard number	GRI standard title	Disclosure number	Description	Location	SDG target
GRI 102	General Disclosures	102-2	Activities, brands, products, and services	HPE 2020 10-K	N/A
GRI 102	General Disclosures	102-3	Location of headquarters	HPE 2020 10-K	N/A
GRI 102	General Disclosures	102-4	Location of operations	HPE 2020 10-K	N/A
GRI 102	General Disclosures	102-5	Ownership and legal form	HPE 2020 10-K	N/A
GRI 102	General Disclosures	102-6	Markets served	HPE 2020 10-K	N/A
GRI 102	General Disclosures	102-7	Scale of the organization	HPE 2020 10-K	N/A
GRI 102	General Disclosures	102-8	Information on employees and other workers	2020 Data Summary—Employees	8.5, 10.3
GRI 102	General Disclosures	102-9	Description of the supply chain	Environment	N/A
GRI 102	General Disclosures	102-10	Significant changes to the organization and its supply chain	HPE 2020 10-K	N/A
GRI 102	General Disclosures	102-11	Precautionary Principle or approach	Substances of concern	N/A
GRI 102	General Disclosures	102-12	External economic, environmental, and social initiatives to which the organization subscribes	Environment Privacy Employee health, safety and well-being Product lifecycle management Data security TCFD Index	N/A
GRI 102	General Disclosures	102-13	Membership of associations	Environment Substances of concern Data security Ethical sourcing Human rights Privacy Public policy Corporate governance and ethical behavior	N/A
GRI 102	General Disclosures	102-14	Statement from senior decision-maker	A message from our CEO	N/A

GRI INDEX (CONTINUED)

GRI standard number	GRI standard title	Disclosure number	Description	Location	SDG target
GRI 102	General Disclosures	102-15	Key impacts, risks, and opportunities	HPE 2020 10-K Creating shareholder value TCFD Index	N/A
GRI 102	General Disclosures	102-16	Values, principles, standards, and norms of behavior	Corporate governance and ethical behavior Policies and standards	N/A
GRI 102	General Disclosures	102-17	Mechanisms for advice and concerns about ethics	Corporate governance and ethical behavior	16.3
GRI 102	General Disclosures	102-18	Governance structure	Corporate governance and ethical behavior HPE Governance	N/A
GRI 102	General Disclosures	102-19	Delegating authority	Corporate governance and ethical behavior	N/A
GRI 102	General Disclosures	102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate governance and ethical behavior	N/A
GRI 102	General Disclosures	102-21	Consulting stakeholders on economic, environmental, and social topics	Corporate governance and ethical behavior HPE Governance Stakeholder engagement	N/A
GRI 102	General Disclosures	102-22	Composition of the highest governance body and its committees	Corporate governance and ethical behavior HPE Governance	5.5, 16.7
GRI 102	General Disclosures	102-23	Chair of the highest governance body	Corporate governance and ethical behavior	16.6
GRI 102	General Disclosures	102-24	Nominating and selecting the highest governance body	Corporate governance and ethical behavior	5.5, 16.7
GRI 102	General Disclosures	102-25	Conflicts of interest	Corporate governance and ethical behavior 2021 HPE Proxy Statement	16.6
GRI 102	General Disclosures	102-26	Roles of highest governance body in setting purpose, values, and strategy	Corporate governance and ethical behavior 2021 HPE Proxy Statement	16.6
GRI 102	General Disclosures	102-27	Collective knowledge of highest governance body	Corporate governance and ethical behavior 2021 HPE Proxy Statement	16.6
GRI 102	General Disclosures	102-28	Evaluating highest governance body's performance	Corporate governance and ethical behavior 2021 HPE Proxy Statement	16.6
GRI 102	General Disclosures	102-29	Identifying and managing economic, environmental, and social impacts	Corporate governance and ethical behavior HPE 2020 10-K	16.7
GRI 102	General Disclosures	102-30	Effectiveness of risk management process	HPE 2020 10-K	N/A

GRI INDEX (CONTINUED)

GRI standard number	GRI standard title	Disclosure number	Description	Location	SDG target
GRI 102	General Disclosures	102-31	Review of economic, environmental, and social topics	Corporate governance and ethical behavior	N/A
GRI 102	General Disclosures	102-32	Highest governance body's role in sustainability reporting	Corporate governance and ethical behavior	N/A
GRI 102	General Disclosures	102-33	Communicating critical concerns	Corporate governance and ethical behavior HPE Governance	N/A
GRI 102	General Disclosures	102-35	Remuneration policies	HPE 2020 10-K	N/A
GRI 102	General Disclosures	102-40	List of stakeholder groups	Stakeholder engagement	N/A
GRI 102	General Disclosures	102-41	Collective bargaining agreements	2020 Data Summary—Employees	N/A
GRI 102	General Disclosures	102-42	Identifying and selecting stakeholders	Stakeholder engagement	N/A
GRI 102	General Disclosures	102-43	Approach to stakeholder engagement	About this report	N/A
GRI 102	General Disclosures	102-45	Entities included in the consolidated financial statements	HPE 2020 10-K	N/A
GRI 102	General Disclosures	102-46	Defining report content and topic Boundaries	Materiality	N/A
GRI 102	General Disclosures	102-47	List of material topics	Materiality	N/A
GRI 102	General Disclosures	102-48	Restatements of information	About this report	N/A
GRI 102	General Disclosures	102-49	Changes in reporting	Environment Materiality TCFD Index	N/A
GRI 102	General Disclosures	102-50	Reporting period	About this report	N/A
GRI 102	General Disclosures	102-51	Date of most recent report	June 2021	N/A
GRI 102	General Disclosures	102-52	Reporting cycle	About this report	N/A
GRI 102	General Disclosures	102-53	Contact point for questions regarding the report	About this report	N/A
GRI 102	General Disclosures	102-55	GRI content index	Standards index	N/A
GRI 102	General Disclosures	102-56	External assurance	About this report	N/A
GRI 201	Economic Performance	201-1	Direct economic value generated and distributed	HPE 2020 10-K	8.1, 8.2, 9.1, 9.4, 9.5
GRI 201	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	2020 CDP Submission TCFD Index	13.1

GRI INDEX (CONTINUED)

GRI standard number	GRI standard title	Disclosure number	Description	Location	SDG target
GRI 201	Economic Performance	201-3	Defined benefit plan obligations and other retirement plans	HPE 2020 10-K	N/A
GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Corporate governance and ethical behavior	16.5
GRI 301	Materials	301-1	Materials used by weight or volume	Product lifecycle management 2020 Data Summary—Materials and packaging	8.4
GRI 301	Materials	301-2	Recycled input materials used	Product lifecycle management 2020 Data Summary—Materials and packaging	8.4
GRI 301	Materials	301-3	Reclaimed products and their packaging materials	Product lifecycle management 2020 Data Summary—Product return, reuse, and recycling	8.4
GRI 302	Energy	302-1	Energy consumption within the organization	Environment 2020 Data Summary—Environmental footprint	7.2, 7.3, 8.4, 12.2, 13.1
GRI 302	Energy	302-2	Energy consumption outside of the organization	Environment 2020 Data Summary—Environmental footprint	7.2, 7.3, 8.4, 12.2, 13.1
GRI 302	Energy	302-3	Energy intensity	Environment 2020 Data Summary—Environmental footprint	7.3, 8.4, 12.2, 13.1
GRI 302	Energy	302-4	Reduction of energy consumption	Environment 2020 Data Summary—Environmental footprint	7.3, 8.4, 12.2, 13.1
GRI 302	Energy	302-5	Reductions in energy requirements of products and services	IT efficiency	7.3, 8.4, 12.2, 13.1
GRI 303	Water	303-1	Interactions with water as a shared resource	Environment 2020 Data Summary—Environmental footprint HPE Water Accounting Manual	6.4
GRI 303	Water	303-3	Water Withdrawal	2020 Data Summary—Environmental footprint	6.3, 6.4, 8.4, 12.2
GRI 303	Water	303-5	Water Consumption	2020 Data Summary—Environmental footprint	6.3, 6.4, 8.4, 12.2
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	HPE Carbon Accounting Manual Environment 2020 Data Summary—Environmental footprint	3.9, 12.4, 13.1, 14.3, 15.2
GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	HPE Carbon Accounting Manual Environment 2020 Data Summary—Environmental footprint	3.9, 12.4, 13.1, 14.3, 15.2

GRI INDEX (CONTINUED)

GRI standard number	GRI standard title	Disclosure number	Description	Location	SDG target
GRI 305	Emissions	305-3	Other indirect (Scope 3) GHG emissions	HPE Carbon Accounting Manual Environment 2020 Data Summary—Environmental footprint	3.9, 12.4, 13.1, 14.3, 15.2
GRI 305	Emissions	305-4	GHG emissions intensity	HPE Carbon Accounting Manual Environment 2020 Data Summary—Environmental footprint	13.1, 14.3, 15.2
GRI 305	Emissions	305-5	Reduction of GHG emissions	HPE Carbon Accounting Manual Environment 2020 Data Summary—Environmental footprint	13.1, 14.3, 15.2
GRI 305	Emissions	305-6	Emissions of ozone-depleting substances (ODS)	HPE Carbon Accounting Manual Environment 2020 Data Summary—Environmental footprint	3.9, 12.4
GRI 305	Emissions	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	2020 Data Summary—Environmental footprint	3.9, 12.4
GRI 306	Effluents and Waste	306-2	Waste by type and disposal method	Environment 2020 Data Summary—Environmental footprint	3.9, 6.3, 12.4, 12.5
GRI 308	Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	Environment 2020 Data Summary—Environmental footprint	N/A
GRI 401	Employment	401-1	New employee hires and employee turnover	Employees 2020 Data Summary—Employees	5.1, 8.5, 8.6, 10.3
GRI 401	Employment	401-3	Parental leave	Employees	5.4, 8.5, 10.3
GRI 403	Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Employee health, safety and well-being 2020 Data Summary—Employees	3.3, 3.9, 8.8
GRI 404	Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	Employee development and engagement	8.2, 8.5
GRI 405	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Inclusion and diversity Corporate governance and ethical behavior 2020 Data Summary—Employees	5.5, 8.5
GRI 408	Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Ethical sourcing 2020 Data Summary—Supply Chain Responsibility program	8.7, 16.2
GRI 409	Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethical sourcing 2020 Data Summary—Supply Chain Responsibility program	8.7

GRI INDEX (CONTINUED)

GRI standard number	GRI standard title	Disclosure number	Description	Location	SDG target
GRI 414	Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	<u>Ethical sourcing</u> <u>2020 Data Summary—Supply chain responsibility</u>	5.2, 8.8, 16.1
GRI 415	Public Policy	415-1	Political contributions	<u>Public policy</u> <u>Political contributions</u>	16.5
GRI 418	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<u>2020 Data Summary—Privacy</u>	16.3, 16.10

ASSURANCE

INDEPENDENT ASSURANCE STATEMENT

To Hewlett Packard Enterprise Company (HPE) Stakeholders

Hewlett Packard Enterprise Company (HPE) 2020 Living Progress Report has been prepared by the management of HPE who retain responsibility for its content. SCS Global Services' (SCS) responsibility was to carry out a limited level of assurance on the indicators specified in Appendix 1.

Scope

The geographic scope of SCS' work included HPE's global operations. A full list of indicators evaluated along with the verified results, standards, and criteria can be found in Appendix 1.

Summary of Work Performed

SCS' Assurance Team undertook the following summarized activities:

- Performed a risk-based analysis of inventory data to develop a verification plan targeted at the most likely areas of discrepancy

- Reviewed and analyzed material performance data collected for select indicators at the corporate and site-levels to identify potential material misstatements or process calculation errors;
- Reviewed and analyzed data management processes and procedures through documentation review and remote interviews of management and staff; and
- Reviewed the assessed indicators against the corresponding criteria (see Appendix 1) for conformance with prescribed data reporting methodologies

Limitations

The results of this assessment are based upon the criteria of a limited level assurance engagement, and materiality threshold of +/-5%.

Conclusions

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the HPE indicators summarized in Appendix 1 are not, in all material respects, fairly stated.

Independence

SCS Global Services complies with quality assurance procedures which are accredited by independent bodies and are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. All members of the assurance team were reviewed to ensure they were free from conflicts of interest. SCS has no financial dependence on HPE beyond the scope of this engagement.

Declaration

Tavio Benetti

Tavio Benetti, Lead Verifier
SCS Global Services,
Emeryville, California
May 7, 2021

Nicole Munoz

Nicole Muñoz, Independent Reviewer
SCS Global Services,
Emeryville, California
May 10, 2021



APPENDIX 1—ASSURANCE INDICATORS

Indicator name	Unit	Reported value	Criteria		
Scope 1 Greenhouse Gas ("GHG") Emissions	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	38,006			
Scope 2 GHG Emissions (Location-Based)	tCO ₂ e	304,612	World Resources Institute ("WRI") / World Business Council for Sustainable Development's ("WBCSD") The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard; ISO 14064-3: 2006 Specification with guidance for the validation and verification of GHG assertions; HPE's Carbon Accounting Manual		
Scope 2 GHG Emissions (Market-Based)	tCO ₂ e	155,742			
Scope 3 GHG Emissions	tCO ₂ e	Category 1: 2,124,329 Category 4: 282,069 Category 5: 809 Category 11: 6,111,054			
Scope 1 Energy ¹	MWh	40,297			
Scope 2 Energy	MWh	630,034			
Water Withdrawals	M3	1,368,238	HPE's Water Accounting Manual		
Energy/Water Nexus – Withdrawals	M3	583,061,213	World Resources Institute ("WRI"): Guidance for Calculating Water Use in Purchased Electricity		
Energy/Water Nexus – Consumption	M3	2,085,845			
Conflict Minerals Disclosure	Qualitative Assertion	HPE conducted due diligence by surveying suppliers between January 1, 2020 and December 31, 2020 to identify smelters and refiners in our supply chain in preparation for our 2020 Conflict Minerals Report due May 2021. The suppliers surveyed contributed material, components, or manufacturing to products containing tin, tantalum, tungsten, or gold (3TG).	Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT) Completion Guide – Corresponding to CMRT Revision 5.0; HPE Conflict Minerals Program Guide Book; Conflict Minerals Supplier Distribution List (SDL).		
		SER audits and assessments conducted			
	Number of SER audits conducted in 2020, by type	Total: 71 Full initial audits: 37 Follow up audit/closure: 28 Specialized assessment and allegation investigations: 6			
Supply Chain Social and Environmental Responsibility (SER) Audit Results	Distribution of major and priority nonconformance by RBA Category	Topic	Number	% of total	Responsible Business Alliance (RBA) Code of Conduct V6 (2018); RBA Validated Assessment Program (VAP) Operations Manual Revision 6.1.0 – January 2020; HPE's Supplier Code of Conduct, Version 2.1, Effective January 13, 2020
		Health and safety	49	36%	
		Labor	54	40%	
		Environmental	26	19%	
		Management systems	5	4%	
		Ethics	1	1%	
	Region	Full audits	Follow up audits	Specialized assessments	
Number of supplier audits performed per region	Greater China	28	22	0	
	Asia Pacific	8	6	4	
	Americas	0	0	1	
	Europe	1	0	0	

¹ Note that Scope 1 Energy total omits energy usage pertaining to HPE Fleet vehicles which comprise a material percentage of Scope 1 GHG Emission.

RESOURCES

HPE REPORTS AND ONLINE CONTENT

[HPE 2020 Living Progress Report](#)

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

[HPE 2021 Proxy Statement](#)

[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.

[CDP](#)

[Dow Jones Sustainability Index](#)

FEEDBACK

We welcome feedback on any aspect of our Living Progress reporting and performance.

Contact us [here](#)

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