



Hewlett Packard
Enterprise

Living Progress Report

for fiscal year 2021

A MESSAGE FROM OUR CEO

ACCELERATING
NET-ZERO

INVESTING
IN PEOPLE

OPERATING
WITH INTEGRITY

Over the last year, enterprises across the world continued to navigate turbulent times as challenges like supply chain disruptions, shifts in labor markets, and climate crises impacted our lives on a global scale. And just as we looked optimistically toward a post-pandemic future, the war in Ukraine devastated us all. We join those around the world in calling for peace, and my top priority remains taking care of our teams and their families in the region. I am confident that our resilient communities around the world will persevere, and I know HPE's technology and team members will continue to play an important role in improving lives for people around the globe.



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DRIVEN BY PURPOSE, WE LEVERAGE OUR TECHNOLOGIES AND RESOURCES TO ADDRESS URGENT CHALLENGES

Our purpose at HPE—to advance the way people live and work—has never been more important. We are innovating at the pace and scale needed to help businesses and communities respond to the challenges outlined above—and others—from deploying the world’s most powerful supercomputer dedicated to climate research to clocking more than two million patient visits at HPE’s COVID-19 vaccination centers and labs across India.

Our team members have mobilized in inspiring ways over these past two years, and it is in large measure because of their dedication and passion that we remain a force for good. As the crisis in Ukraine continues to unfold, thousands of HPE team members have donated to support humanitarian efforts—matched 2:1 by the HPE Foundation—and our team members in neighboring countries are taking advantage of expanded volunteer time off to support local relief activities.

INVESTING IN OUR TEAM MEMBERS IS AN INVESTMENT IN OUR FUTURE

Nothing we do as a company is possible without the right talent. Despite the impacts of the pandemic, we achieved our highest employee engagement scores on record—a testament to the strides we have made in fulfilling the needs of our team members during these challenging times.

We continue to increase the diversity of our industry, exceeding our female and ethnic representation targets in 2021. It remains critical that we ask ourselves hard questions, listen intently to all team members, and hold our leaders accountable for change. After all, while diverse teams are fundamental, respecting and encouraging unique points of view are what propel culture and drive innovation.

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EMBEDDING ESG PRIORITIES ACROSS HPE

We are helping organizations transform their data into actionable knowledge, no matter where it resides, as the first company to offer a complete portfolio of edge-to-cloud solutions. In 2021, we made strategic acquisitions and launched new offerings to respond to the emerging needs of our customers, which increasingly include support for their environmental, social, and governance (ESG) goals. For instance, HPE GreenLake and HPE Pointnext Services optimize the efficiency, security, and sustainability of customers' IT estates while propelling their digital transformations.

But we don't just help our customers meet their ESG goals; we continue to push ourselves and our entire industry forward by improving upon our own. This year we set a new and more aggressive climate ambition to become net-zero across our value chain by 2040, including the use of our products, backed by a clear roadmap and targets. Meeting this goal will require every leader at HPE to be accountable for transformative change, which is why, for the first time, our climate strategy will be directly tied to the incentives of our executive team. While the transformation ahead is formidable, I believe we have an enormous opportunity and privilege to help our customers, suppliers, and our communities successfully transition to a zero-carbon future.

As you'll see in this report, 2021 was a year of tremendous progress for HPE, and I am humbled by how our approximately 60,000 team members have delivered for our customers, our partners, and one another. Together, we are building a stronger enterprise, with ESG at its core, and we thank you for being part of our journey.

Regards,



Antonio Neri

President and Chief Executive Officer



A MESSAGE FROM OUR CEO

ABOUT HEWLETT PACKARD ENTERPRISE

- 06 About Hewlett Packard Enterprise
- 07 ESG Targets
- 08 Our Approach to ESG
- 11 Creating Value for Shareholders
and Customers

ACCELERATING NET-ZERO

- 16 Environment Strategy
- 20 IT Efficiency
- 23 Product Lifecycle Management
- 26 Substances of Concern
- 28 Environmental Impacts of
Our Supply Chain
- 32 Our Operational Footprint

Complete 2021 data, ESG indices, and statement
of assurance can be found in the separate
[Data Summary](#).

INVESTING IN PEOPLE

- 35 Diversity, Equity and Inclusion
- 41 Team Member Development,
Engagement, and Well-Being
- 44 Team Member Health and Safety
- 46 Community Investment

OPERATING WITH INTEGRITY

- 51 Corporate Governance and
Ethical Behavior
- 58 Human Rights
- 63 Data Security
- 68 Data Privacy
- 70 Public Policy

APPENDICES

- 74 List of Partnerships and Memberships
- 75 Policies and Standards
- 76 Issue Definitions
- 79 Resources

OUR APPROACH TO ESG

About This Report

Hewlett Packard Enterprise (HPE), and formerly as Hewlett Packard Company, has a decades-long history of public reporting on sustainability and environmental, social, and governance (ESG) issues. [Living Progress](#) is our business strategy for creating sustainable and equitable technology solutions for a data-first world. These efforts are inextricably linked to our corporate strategy and our purpose, which is to advance the way people live and work.

Reporting Scope and Boundaries

This report covers HPE's fiscal year 2021 (November 1, 2020–October 31, 2021). All references to years are to HPE's 2021 fiscal year, unless otherwise stated. All the information in the report is current as of the date of initial publication. The report has not been updated to reflect any changes that may have occurred after such date, including any changes to HPE's business or strategy. This report covers all HPE operations but does not include joint ventures. All references to dollars are to U.S. dollars. Data are rounded to reflect the appropriate level of certainty.

Standards and Frameworks

We align our reporting with the Sustainability Accounting Standards Board (SASB)

standards, focusing on disclosures and indicators most relevant to our business by drawing from the sector-specific indicators of both the Software and IT Services and the Hardware industry standards. Our report also references the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (2016) and the United Nations Sustainable Development Goals (UN SDGs). In addition, we align our disclosures with recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).



Third-party Disclosures and Assurance

We contract external assurance provider SCS Global Services to perform an independent review of selected key performance indicators in the [2021 Data Summary](#).



ABOUT HEWLETT PACKARD ENTERPRISE

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

IN THIS SECTION

About HPE

ESG Targets

Our Approach
to ESG

Creating Value for
Shareholders and
Customers

ABOUT HEWLETT PACKARD ENTERPRISE

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NET-ZERO

INVESTING
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We believe technology's greatest promise lies in its potential for positive change. This is the guidepost for each decision we make at Hewlett Packard Enterprise (HPE). Our company has always been an engine of innovation, and our approximately 60,000 team members search beyond customers' needs to accelerate meaningful outcomes and deliver against our purpose: to advance the way people live and work.

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

~60,000

Global team members

20,777

Americas

14,782

Europe, Middle
East, and Africa

22,393

Asia Pacific
and Japan

\$27.8 billion
Net revenue in 2021

68.1%
Of which was
generated outside
the United States

BUSINESS SEGMENTS BY % REVENUE

43%

Compute

17%

Storage

12%

Financial
Services

12%

Intelligent
Edge

11%

High Performance Computing
and Artificial Intelligence

5%

Corporate Investments
and Other

TOPIC	GOAL	PROGRESS TO DATE	% COMPLETION TOWARD TARGET
Accelerating Net-Zero	Achieve net-zero greenhouse gas emissions across the value chain by 2040:		
	• Reduce absolute Scope 1 and 2 GHG emissions by 70% by 2030 from a 2020 base year.	Reduced our Scope 1 and 2 emissions by 16%	On track  23%
	• Reduce absolute Scope 3 ¹ GHG emissions by 42% by 2030 from a 2020 base year.	Progress on our Scope 3 target will be reported starting from FY2022	
	• Reduce absolute Scope 1, 2, and 3 GHG emissions 90% by 2040 from a 2020 base year.	Progress on our 2040 target will be reported starting from FY2022	
	Divert 90% of non-hazardous waste from landfill each year	Increased non-hazardous diversion rate by 3.9% for an overall diversion rate of over 92%	Achieved  100%
	80% of production suppliers, by spend, will set their own science-based targets (SBTs) by 2030	25% had set Scope 1 and 2 targets and 55% committed to set SBTs within two years ^{2,3}	On track  31%
Investing in People	Source 50% of renewable electricity in our operations by 2025 and 100% by 2030	Sourced 49% renewable electricity in our operations	On track  98% ⁴
	Reduce packaging portfolio size 70% by 2022 from a 2020 base year.	Reduced packaging portfolio size by more than 56%	On track  80%
	Increase representation of women and ethnically diverse talent by at least 1 percentage point year-over-year; Increase representation of women in executive roles by at least 1 percentage point year-over-year	Representation of both woman and ethnically diverse talent increased by at least 1 percentage point YoY; Representation of women in executive roles increased by 2 percentage points YoY	Achieved  100%
Operating with Integrity	40% of all volunteering will be skills-based	52% of all volunteering was skills-based	Achieved  100%
	8% of U.S. sales to be spent with small enterprises and businesses owned by diverse groups such as women, minorities, and veterans	Spent 6% of U.S. sales with small enterprises and business owned by diverse groups	Not achieved 
	100% completion of Standards of Business Conduct training by active HPE team members	99.9% of HPE team members completed the SBC training	Achieved  100%
Operating with Integrity	100% of major suppliers ⁵ committed to the Employer Pays Principle, providing evidence of policy for zero fees by 2022	85% of suppliers have committed to the Employer Pays Principles and no payments are outstanding	On track  85%
	100% completion of annual Security Awareness training by active HPE team members	99% of HPE team members completed the annual Security Awareness Training	Achieved  100%

¹ Scope 3 target includes use of sold products, upstream transportation and distribution, and Scope 1 and 2 supplier emissions. Due to one-year lag in supplier emissions data, progress will be reported starting from FY2022.

² With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2020.

³ Supplier emission reduction targets are considered "science-based" if they are in line with the latest climate science to limit global warming to well-below 2 °C above pre-industrial levels and pursue efforts to limit warming to 1.5 °C. Supplier targets may or may not be approved by the Science Based Targets initiative (SBTi). Supplier targets and stated commitments are based upon suppliers' reporting to CDP.

⁴ Toward 2025 target

⁵ Suppliers accounting for 95% of spend

OUR APPROACH TO ESG

With our vision of a climate-resilient and digitally inclusive world, we are committed to developing technology solutions that have a positive social and environmental impact while maximizing the benefits to our customers, shareholders, team members, and communities in which we operate. Our approach enables our customers to reduce the environmental impacts of their infrastructure without compromising performance (see [IT Efficiency](#)) and to make data-driven decisions that boost the sustainability of their operations and, in many cases, the positive impact of their products and services. We continue to set ambitious ESG goals built upon the foundation of our unwavering commitment to ethical, equitable, and responsible business practices.

Because our commitment to ESG leadership extends to (and is integrated into) many aspects of our operations, HPE's competitiveness, resilience, and relationships with a broad array of stakeholders are enhanced in countless ways.

ACCELERATING
NET-ZERO

INVESTING
IN PEOPLE

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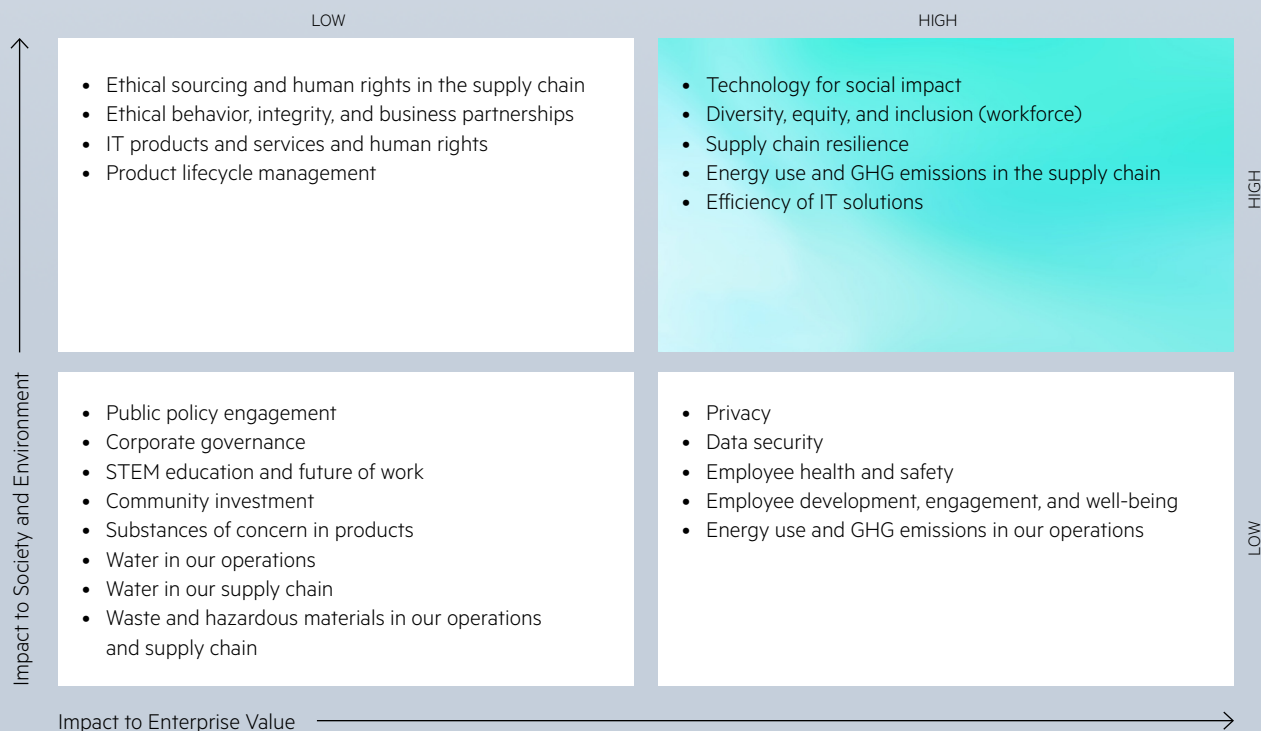
ISSUE PRIORITIZATION AND STAKEHOLDER ENGAGEMENT

We conduct nonfinancial materiality assessments regularly to ensure that we are addressing the ESG issues with the greatest impact on enterprise value and on society and the environment. We completed our most recent third-party assessment in February 2022, taking into account the evolution of our business, changes in the global corporate sustainability reporting landscape, evolving investor and stakeholder ESG information needs, and the continuing evolution of best-practice techniques informed by organizations such as the Global Reporting Index (GRI) and the Sustainability Accounting Standards Board (SASB). As a result, our latest assessment

adopts a "[double materiality](#)" definition. Although this has resulted in significant changes to the placement of issues within our matrix since previous assessments, the issues themselves remain overwhelmingly consistent.

The issues in the following chart meet the threshold for this report and are based on the company's impacts on society and the environment, rather than financial materiality. Nonfinancial materiality, as used in this report, differs from the definition used in the context of filings with the SEC. Issues considered material for SEC filings can be found within the [HPE Form 10-K](#).

NONFINANCIAL MATERIALITY MATRIX⁶



⁶ Definitions of the issues in this chart can be found in the [Appendix](#)

HPE is committed to working with our stakeholders to advance shared ESG objectives, and we regularly collaborate with them through partnerships, industry forums, capability-building, direct engagements, surveys and assessments. Learn more about HPE partnerships and memberships on [page 74](#)

Communities

We invest in communities around the world by deploying our talent, resources, and technologies as a force for good. In 2021, we contributed more than \$12 million in social investment, and more than 3,200 of our team members volunteered nearly 99,000 hours.

Investors & Shareholders

We conduct a formal shareholder outreach program focused on topics such as corporate governance, human capital strategies, and sustainability. In addition, we held our second annual ESG-focused investor webcast in 2021, hosted in partnership with Morgan Stanley, and HPE Investor Relations regularly briefed investors on ESG issues through direct exchanges, webcasts, and other forums.

Suppliers

We support our manufacturers and suppliers with the data, digital tools, and engagement they need to set goals and track progress around climate, water, waste, human rights, ethical sourcing, and other ESG issues. In 2021, we hosted engagements with 50% of our manufacturing suppliers by spend. In addition, 130 representatives from our direct suppliers attended supplier training, with an additional 568 participants attending from our extended supply chain.

Customers

We work with our customers to provide them with sustainable and ethical IT solutions that help them minimize the negative impacts of their IT operations and reduce costs. In 2021, direct customer briefings on sustainability-related topics contributed to approximately \$891 million in new net revenue. Our Sustainability and Compliance mailbox responded to more than 2,300 inquiries from customers and sales representatives.

Regulators & Policymakers

As a trusted advisor for governments in their digital transformation journeys, we advise on hybrid cloud strategies that improve the efficiency, security, and scalability of public sector organizations, while helping to meet evolving public needs. We also partner with governments across our geographies to apply HPE technologies to help solve local and global challenges such as digital inclusion and climate change.

Team Members

We support our approximately 60,000 diverse team members with the salaries and benefits, professional and career development, safety, and health and well-being support they need to do bring their best selves to work. In 2021, despite the continuing global COVID pandemic, our team member engagement score from our annual Voice of the Workforce survey reached 84%—an all-time high. We are encouraged by our steadily improving engagement scores, up 13 percentage points over three years.

SUSTAINABLE DEVELOPMENT GOALS

Our ESG strategy aligns with the United Nations' Sustainable Development Goals (SDGs) to address objectives that are mutually beneficial to society and to our business. We take a focused approach to prioritize action toward the SDGs and targets with significant risks and opportunities to our business, considering both where our company can have the greatest contribution and how these actions can

create new forms of customer value. This is fundamental to ensuring our long-term financial success, building the skilled talent to succeed in a data-first world, and ensuring that HPE remains competitive in a low-carbon economy.

We have identified six goals, and targets within each, that are particularly relevant for HPE:

SDG	RELEVANT TARGETS	ISSUE REFERENCED IN THIS REPORT
	5.1: End gender-based discrimination. 5.5: Ensure women's full and effective participation and equal opportunities for leadership.	- Diversity, equity, and inclusion: p. 35 - Team member development, engagement, and well-being: p. 41
	7.2: By 2030, increase substantially the share of renewable energy in the global energy mix. 7.3: By 2030, double the global rate of improvement in energy efficiency.	- Energy use and GHG emissions in our operations: p. 32 - Energy use and GHG emissions in our supply chain: p. 28 - Public policy engagement: p. 70
	8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.7: Eradicate forced labor, modern slavery, child labor, and human trafficking. 8.8: Protect labor rights and promote safe and secure working environments for all workers.	- Ethical sourcing and human rights in the supply chain: p. 58 - Team member health and safety: p. 44 - Public policy engagement: p. 70
	9.4: Upgrade infrastructure and retrofit industries to make them sustainable.	- Technology for social impact: p. 12 and 70 - IT efficiency: p. 20
	12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	- Product lifecycle management: p. 23 - Efficiency of IT solutions: p. 20
	13.3: Improve education, awareness raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	- Efficiency of IT solutions: p. 20 - Public policy engagement: p. 70

A list of relevant GRI indicators mapped to the SDGs can also be found in the Standards Index, p.38 of the [data summary](#).

CREATING VALUE FOR SHAREHOLDERS AND CUSTOMERS

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NET-ZERO

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IN PEOPLE

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WITH INTEGRITY

INNOVATING FOR OUR CUSTOMERS

Customers are increasingly committing their budgets to sustainable and ethical IT solutions and seeking partners to help them reduce their climate impacts through improved efficiency, measurement and automation, and minimization of energy use and materials. HPE offers numerous solutions, including via the HPE GreenLake edge-to-cloud platform, that deliver cost savings and efficiency gains, while also enabling customers to take advantage of sustainable transformation opportunities. We continue to capitalize on the increasing interest in sustainability, mainly in the European and North American markets, by tailoring our sustainability engagements to meet these customer needs.

We work one-on-one with customers to help them improve the efficiency and sustainability of their technology operations to meet their business needs. These uniquely customized engagements covering HPE's sustainability and IT efficiency positioning contributed to **approximately \$891 million in new net revenue** for Fiscal Year (FY) 2021, an increase of more than 185% since 2018. Refer to [page 20](#), IT Efficiency, for more information regarding our actions to reduce the environmental impacts of HPE solutions and, in turn, the environmental footprints of our customers.

We publish numerous resources to help our customers transform sustainably, including our [Sustainable IT Purchasing Guidelines](#) and [Sustainable IT Strategy Workbook](#).



Sustainability has been a focus for Atea for many years, which has led to us to create a platform for dialogue that helps Nordic IT buyers and the global IT industry build common ground on what is most impactful for achieving sustainable IT. Our close collaboration with an industry leader in sustainability like HPE, who brings decades of expertise in areas such as circular economy, climate targets and energy efficiency, is a critical component of this initiative. The HPE Sustainability team has enabled more than 300 buyers and partners to understand the importance of creating a sustainability strategy and the impact that sustainable IT solutions can make for their customers.

CHIARA SELVETTI
DIRECTOR SUSTAINABLE BUSINESS, ATEA

In addition to helping our customers meet their environmental, social, and governance (ESG) goals, we help them leverage HPE technologies to tackle complex societal challenges—whether [fighting pandemics](#) or [accelerating clean energy solutions](#)—all while opening new market opportunities. Our vast intellectual property portfolio and global research and development (R&D) capabilities are part of a broader innovation road map designed to help organizations take advantage of the expanding amount of data available and leverage the latest technology developments like cloud, artificial intelligence, and cybersecurity to drive business outcomes now and in the future.

LOW-CARBON LEADERSHIP

HPE focuses heavily on R&D to reduce the carbon impacts of our solutions, however we recognize that many of our patents—such as those related to thermal management or enablement of zero-carbon energy sources—could benefit researchers working in entirely different fields. In order to help reduce unintended roadblocks and encourage the acceleration of breakthroughs for low-carbon technologies, HPE co-launched the [Low-Carbon Patent Pledge](#) in 2021. Together with founding partners Facebook and Microsoft, more than 400 patents that could support low-carbon solutions for generating, storing and distributing low-carbon energy have been made available royalty-free. This collaborative initiative has the potential to attract patents from across industries and open the door for additional knowledge-, technology-, and resource-sharing efforts to address the world's climate emergency.

CASE STUDY**SAVING PROPERTY AND LIVES FROM VIOLENT WILDFIRES ENABLED BY SUPERCOMPUTING SOLUTIONS**

For first responders, quickly and accurately anticipating where wildfires are headed is critical to successful containment. The National Center for Atmospheric Research (NCAR) currently develops and tests its wildfire and other weather prediction models on an HPE SGI 8600 system and is upgrading to an HPE-Cray EX supercomputer, which will deliver up to six times the performance per watt of energy. “When our predictive models are higher fidelity, when they can be run more quickly, responders can use them more effectively to understand risks and make informed decisions,” explains Branko Kosović, Director of NCAR’s Weather Systems and Assessment Program. “Upgrading to the latest generation of supercomputer will equip us with even more of the processing power we need to conduct our research and development—work that enables us to build models that firefighters can use to protect themselves, protect property, and save lives.”

CASE STUDY**SPEEDING UP GENOMIC SEQUENCING TO BETTER FIGHT COVID-19**

Genomic sequencing has become a vital tool in the fight against COVID-19. Researchers at McMaster University are using HPE’s Superdome Flex to analyze large global datasets that help them understand how the virus is mutating and spreading, enabling Canadian health authorities and scientists to roll out public health measures, develop critical vaccines and drugs, and prevent the next pandemic. What previously would take the lab nine to ten hours they can now do in under an hour. “Based on genomic surveillance, we knew cases were going to take off and this was going to be a pandemic. So, we started working with Canada’s public health agencies to build the infrastructure to track variants,” says Andrew McArthur, Associate Professor of Biochemistry and Biomedical sciences at McMaster. “We grab databases from around the planet and compile them.” This requires a massive amount of computing. “So, the Superdome Flex has been really great for that.”

CASE STUDY**SAVING LIVES AND PREVENTING VANDALISM WITH
EDGE TO CLOUD SOLUTIONS**

Auckland Transport (AT) cameras are always recording traffic across the New Zealand city to optimize transport routes, promote public transportation use, and support decision-making for law enforcement. But their video management system was aging. By transitioning to Qumulo File Data Platform on a HPE Apollo 4200 Gen10 server running on the HPE GreenLake platform, they were able to reduce rack space by 41% while still adding 60% more cameras that capture higher quality images, all while decreasing energy consumption by 37%. “We use the data to convert people to public transport,” says Roger Jones, AT Executive General Manager for Business Technology. “We’re also able to easily meet our requirements for disaster recovery, backup, and user management without the added cost or complexity of third-party applications.”

CASE STUDY**UPCYCLING ASSETS TO IMPROVE DIGITAL
PAYMENTS AT LESS COST**

Worldline, Europe’s largest global payments provider, leveraged HPE GreenLake’s flexible as-a-service model and Financial Services’ asset renewal program to fund approximately 25% of the recent major performance upgrade to its mission-critical payments platform. As a result, Worldline achieved a significant upgrade with no up-front investment. Its old data center IT infrastructure will be decommissioned after a transition in a safe and sustainable manner in HPE’s Technology Renewal Center to minimize electronic waste. “Working with HPE has enabled us to navigate the turbulent market caused by COVID-19 via a combination of legacy asset buy-back and a flexible as-a-service approach,” explains Frédéric Papillon, Managing Director Production Systems at Worldline. “We feel confident that these solutions will enable us to offer our customers a highly secure and efficient platform for digital transactions that keeps the supply chain moving, and also provide a cost-competitive solution that delivers value for money.”

ENGAGING WITH OUR SHAREHOLDERS

We continue to build strong relationships and create value for our shareholders. Our legacy of ESG leadership remains among our strongest competitive advantages, linked inextricably to our business strategy and transition to an edge-to-cloud company.

We keep our investors informed through several channels, including:

- Quarterly earnings calls
- Disclosures through our 10-Q, 10-K, proxies and other U.S. Securities Exchange Commission (SEC) filings
- Securities analysts' meetings
- Annual board outreach program

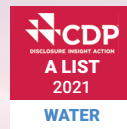
In 2021, HPE actively engaged with investors regarding our approach to ESG issues, including as a key theme of the HPE Board Outreach Program and via our second annual ESG-focused investor webcast, hosted in partnership with Morgan Stanley. In addition, HPE Investor Relations regularly briefs investors on ESG issues through direct exchanges and discloses financially material information in the HPE Form 10-K and other filings.

Our ESG reporting to third parties helps us build trust and accountability. We report each year to leading ratings organizations including CDP, Dow Jones Sustainability Index, MSCI,⁷ EcoVadis, Sustainalytics, and others.

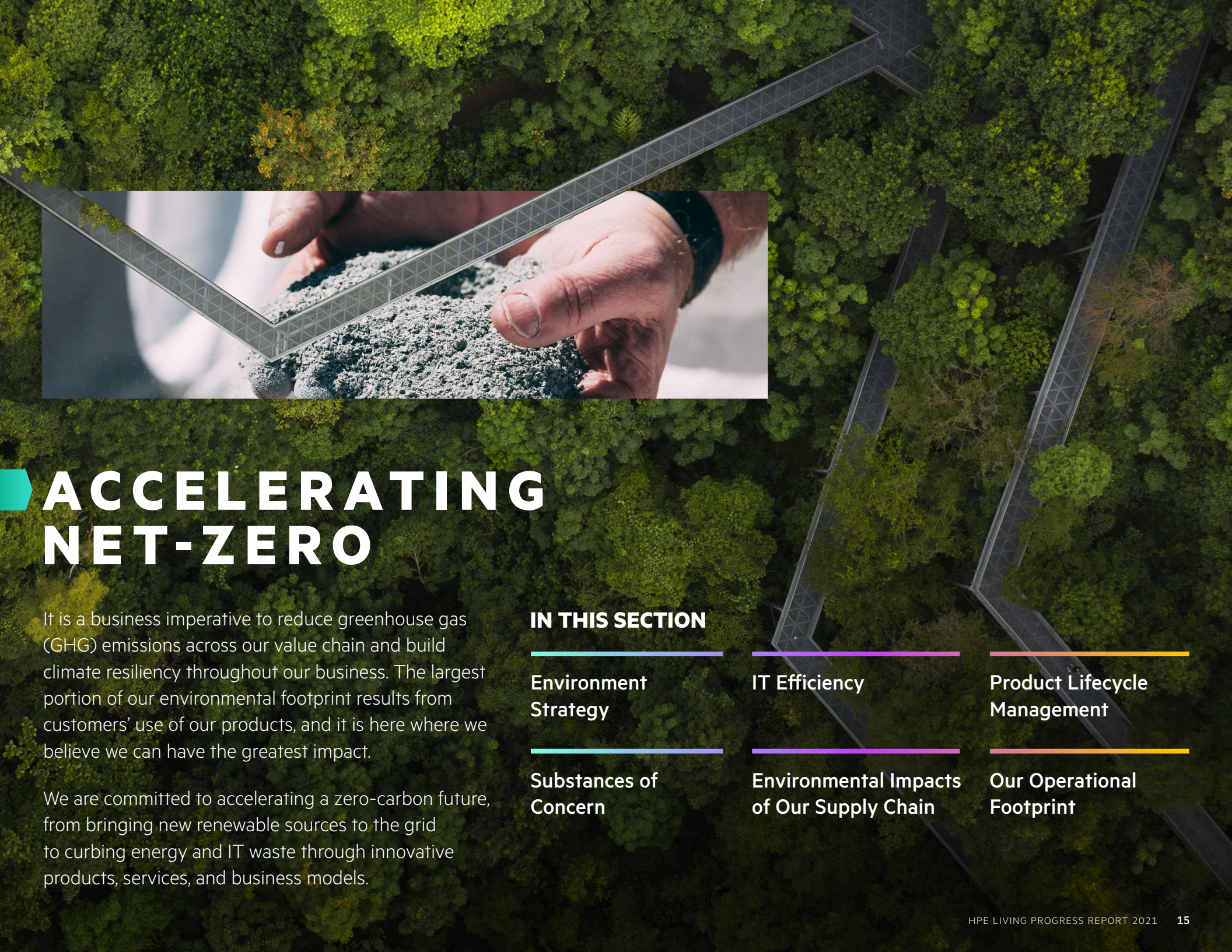
More information regarding ESG governance and board engagement can be found on [page 51](#).



Sustainability Award
Silver Class 2022
S&P Global



⁷ The use by HPE of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of the MSCI logos, trademarks, service marks, or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of HPE by MSCI.



ACCELERATING NET-ZERO

It is a business imperative to reduce greenhouse gas (GHG) emissions across our value chain and build climate resiliency throughout our business. The largest portion of our environmental footprint results from customers' use of our products, and it is here where we believe we can have the greatest impact.

We are committed to accelerating a zero-carbon future, from bringing new renewable sources to the grid to curbing energy and IT waste through innovative products, services, and business models.

IN THIS SECTION

**Environment
Strategy**

**Substances of
Concern**

IT Efficiency

**Environmental Impacts
of Our Supply Chain**

**Product Lifecycle
Management**

**Our Operational
Footprint**

ENVIRONMENT STRATEGY

ACCELERATING
NET-ZERO

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Our environment strategy touches all areas of our value chain—focused on both minimizing our footprint and enabling transformative efficiency gains.

CLIMATE STRATEGY AND TARGETS

HPE is committed to becoming a net-zero enterprise by 2040.⁸ Our [net-zero road map](#) outlines our comprehensive plans to reduce our carbon footprint through ambitious science-based targets, innovations in IT efficiency, customer and supply chain collaboration, and investments in renewable electricity.

We continue to align our goals to the latest climate science with a new suite of science-based targets that are consistent with a 1.5°C pathway and approved by the [Science Based Target initiative](#) (SBTi):

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

Near-term Targets (2030)

- Reduce absolute Scope 1 and 2 emissions 70% by 2030 from a 2020 baseline.
— Includes a commitment to source 100% renewable electricity in our operations.
- Reduce absolute Scope 3 emissions 42% by 2030 from a 2020 baseline.

2020

2030

Scope 1 & 2

Scope 1 & 2

reduce
70%

reduce
42%

Scope 3

Long-term Target (2040)

- Reduce absolute Scope 1, 2, and 3 emissions 90% by 2040 from a 2020 baseline.

2020

2040

Scope 1 & 2

Scope 1 & 2

reduce
90%

reduce
90%

Scope 3

Scope 3

⁸ HPE net zero targets are validated by the Science Based Target initiative's Corporate Net Zero Standard. The Net Zero Standard covers a company's entire value chain emissions and requires deep decarbonization of 90-95% to reach net zero.

Achieving our net-zero commitment will require a complete business transformation for which every leader at HPE will be responsible. In 2022, we will launch a mandatory climate learning program to empower and enable all our executives to contribute toward our climate goals. In addition, as of 2022, climate metrics are linked directly to the compensation of our executive committee.

While addressing the enormity of our climate emergency is a challenge that requires international cooperation and action, it also provides an opportunity to position ourselves as a business and technology leader enabling a low-carbon future. We recognize the urgency to minimize our industry's environmental footprint, to build our own capacity to adapt to climate-related risks such as compromised supply chains and infrastructure, and to accelerate solutions that support the transition to a low-carbon and more inclusive economy. Beyond improving the sustainability and efficiency of our own solutions, we are doing this by helping our customers apply these technologies to decarbonize carbon-intensive industries and accelerate climate research.

HPE continues to align itself with a wide range of alliances and partner organizations that support climate science. For instance, we are a founding member of the [Clean Energy Buyers Association](#) (CEBA), formerly the Renewable Energy Buyers Alliance, and [advocate globally](#) for climate policies that align with a 1.5°C future. In addition, we publicly support market-based mechanisms with clear, transparent, and consistent price signals such as setting a price on carbon, which is detailed in our [climate policy](#).



ENVIRONMENTAL FOOTPRINT

Given that more than two-thirds of our GHG emissions are generated from customer use of our solutions—and more than 90% of HPE's water footprint is associated with the production of electricity to power these solutions—our business practices are driven in large measure by the imperative to minimize the environmental footprint of our products and services.

In 2021, HPE's carbon intensity (across its entire value chain) increased by 9% from 2020, primarily due to a shift in sales of different product lines and energy mix of the customers to which they were sold. Nevertheless, our trajectory remains on track with a 23% reduction in carbon intensity since 2017. The data behind our carbon and water footprints, as well as our global energy-water nexus footprint, can be found in the [2021 Data Summary](#).



Percentage of Total Carbon Footprint

Million Metric Tons CO₂e

SUPPLY CHAIN

31%

0.5% Upstream Energy Production

1% Capital Goods

3% Transport

26% Purchased Goods and Services

OPERATIONS

3%

0% Transportation Fleet

0% Commercial Air Travel

2% Employee Commuting

1.5% Facilities

PRODUCTS AND SOLUTIONS

66%

0.5% Product End of Life

0% Buildings Leased to Others

65% Product Use

ENVIRONMENTAL RISKS

Preparing our company, our customers, and our broader stakeholders to thrive in a low-carbon economy is a top priority. HPE was among the first IT companies to disclose climate risks and opportunities in alignment with the recommendations of the [Task Force on Climate-related Financial Disclosures](#) (TCFD)⁹ and we support the advancement of corporate reporting on climate as a material risk.

Full disclosures from our TCFD analyses can be found in our [TCFD index](#).

More information on material risks related to the environment can be found in the [HPE Form 10-K](#).

In 2020, HPE undertook climate scenario analyses with the aim of enhancing our understanding and management of climate-related

risks and opportunities. Our modeling confirms that the physical risks of climate change will continue to impact our company and that developing technology solutions to facilitate a low-carbon transition could yield significant market opportunities for our business. We continue to embed climate risk in our [resiliency planning program](#), recognizing the clear and present danger to the continuity of our operations and success of our business.

In addition, water use is among [HPE's six salient human rights risks](#), as identified through a third-party conducted company-wide human rights impact assessment. We believe clean water is a fundamental human right and focus our efforts on improving water management in water-stressed regions in order to improve resiliency.

We recognize the interconnections between the impacts of climate change and risks related to ecosystems, biodiversity, and human communities, as outlined by the [Intergovernmental Panel on Climate Change](#) (IPCC). Although biodiversity is not a material issue for HPE, we continue to monitor and manage our limited natural capital-related risks through initiatives described throughout this report. For example, we promote our industry's transition to renewable energy, continue to lower the environmental footprint of our products and services, work to ensure the responsible sourcing of minerals used in our products, extend product life and recyclability through takeback and refurbishment programs, and partner with our customers to develop technological solutions with applications in fields such as sustainable agriculture and land stewardship.

⁹ G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures



IT EFFICIENCY

As the demand for digital services grows, so too do the complexity and resource demands of IT infrastructure.

In today's competitive marketplace, enterprises are being challenged to make their operations more efficient and to reduce their environmental footprints in order to meet ambitious sustainability and climate goals. Often, these efforts focus on an organization's IT infrastructure, which can be a significant driver of energy use and greenhouse gas (GHG) emissions within most companies.

Moreover, these resources directly translate into costs to the business, whether from energy consumption or the associated demand for cooling and ancillary equipment. Fortunately, innovations in the IT sector have enabled today's infrastructures to be far more efficient than their predecessors; yet significant opportunities remain to drive more sustainable and energy efficient operations. This not only enables the IT organization to drive innovation and deliver on business objectives but also to contribute toward sustainability targets and objectives.

ADVANCING IT EFFICIENCY

Our commitment to reducing our Scope 3 emissions 42% by 2030 includes a significant focus on the energy performance of our products and solutions given that customer use comprises approximately two thirds of the HPE carbon footprint. Our approach is to maximize IT compute and storage capabilities while minimizing power, cost, and resource demands. Combined with optimized software, this approach provides our customers with improved efficiency and cost savings.

The HPE approach to IT efficiency includes:

ENERGY EFFICIENCY

Enabling enterprises to do the most work with the smallest amount of energy possible. This can lower the GHG emissions and energy costs of HPE customers, as well as our own Scope 3 emissions.

EQUIPMENT EFFICIENCY

Improving operational capacity by maximizing compute and storage capabilities with fewer IT assets. More efficient IT infrastructures with high performance and utilization levels translate into significant costs savings from saved hardware and reduced software license and maintenance agreements costs.

RESOURCE EFFICIENCY

Eliminating unnecessary support equipment and personnel requirements. For instance, cooling systems can account for nearly half of total electricity usage in data centers¹⁰ and thus require tailored strategies that reduce cooling needs, implement containment methods, and/or use naturally generated cooling sources.

SOFTWARE EFFICIENCY

Using software to optimize performance and to make every system smarter and more self-sufficient. Software efficiency can reduce the energy consumption associated with CPU resources and, with the propagation of artificial intelligence and machine learning, can identify the most efficient performance state for IT equipment in real time.

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¹⁰ Global Survey of IT and Data Center Managers, the Uptime Institute, 2020

HPE not only innovates more sustainable IT solutions, we also calculate revenue associated with these solutions on an annual basis and publish the results in a [technical white paper](#). Products with sustainability and IT efficiency attributes accounted for nearly 50% of HPE net revenue in 2021.¹¹

HPE engages directly with customers to help them make more sustainable IT choices and provides [numerous resources](#) to jump-start customers' sustainable digital transformations. For instance, in 2021, HPE published a [two-part technical white paper](#) and [workbook](#) to guide organizations through the process of defining and implementing an edge-to-cloud sustainable IT strategy. In addition, we are actively involved with industry-wide initiatives such as the development of The Green Grid's liquid cooling standards and the Information Technology Industry Council (ITI)'s efforts to create a carbon footprint template for IT products.

PROMOTING EFFICIENCY FROM EDGE TO CLOUD

To help customers further address IT efficiency challenges, HPE offers our entire portfolio as a service with a range of subscription, pay-per-use, and consumption-driven technology offerings.

Providing infrastructure as a service can reduce the environmental impact of IT by reducing the amount of equipment needed, as well as the resources required to power and cool equipment.

The HPE GreenLake platform can reduce the environmental impact of IT by enabling customers to flexibly scale their IT to meet their needs, thereby improving utilization levels and avoiding the waste of overprovisioning. In fact, customers transitioning to HPE GreenLake from traditional CAPEX models can achieve a more than [30% reduction in energy costs](#)¹² and [total cost of ownership](#).¹³ (Additional estimates for energy savings based on common configurations of HPE GreenLake solutions can be found [here](#).)

Additionally, with our colocation partners, customers' IT infrastructure can be deployed in energy-efficient facilities to optimize power draw, space, and cooling. Solutions delivered through HPE GreenLake are complemented by HPE Pointnext Services, which can provide unique sustainable transformation capabilities, as well as HPE Financial Services, which offers refurbishment and migration solutions to responsibly manage retired assets while recovering their value.

The potential environmental benefits of HPE GreenLake are further magnified when combined with energy effective IT solutions.

For instance:

- Composable infrastructure solutions such as HPE Synergy have lowered customer IT infrastructure costs by 22%—and resulted in lowered associated costs such as licensing, power, and facilities costs—by establishing more virtualized and optimized IT infrastructure foundations.¹⁴
- HPE Moonshot systems use 25% less power than traditional server designs¹⁵ and include technologies that, in one customer application, resulted in up to 70% power reduction.¹⁶
- Combining HPE high-performance computing solutions and HPE GreenLake enables companies of all sizes to access highly-performant processing power and run simulations without the otherwise prohibitive investment. For instance, high-performance systems in our HPE Apollo, HPE SGI, and HPE Cray families are available with direct liquid cooling as a standard feature. This reduces power consumption from cooling significantly, with a potential 84% reduction estimated for a recent financial services customer.¹⁷

86 HPE systems were listed on the [November 2021 Green 500 list](#) of the world's most energy efficient supercomputers.

¹¹ All HPE products demonstrate essential sustainability elements; however, our suite of efficient IT solutions enables our customers to compute at the highest level while exhausting the least amount of resources possible. This portfolio is based upon attributes of efficient equipment, energy-efficient products, and resource efficiency.

¹² [Energy Cost Savings of HPE GreenLake versus Traditional CAPEX Purchase Methodology reference guide](#), March 2021.

¹³ [The Total Economic Impact of HPE GreenLake](#), Forrester, June 2020.

¹⁴ [Quantifying the Business Value of Enhanced IT Agility and Performance with HPE Synergy](#), IDC, February 2021.

¹⁵ [HPE Moonshot website](#), citing HPE internal testing, March 2020.

¹⁶ [Inventx Unifies Big Data and AI in a Single Platform](#), HPE, 2021.

¹⁷ HPE internal testing, February 2022.

PRODUCT CARBON FOOTPRINTS

We equip our customers with the information and tools to understand the carbon footprint of our solutions. Through our HPE Power Advisor tool customers can estimate the total energy consumption and heat generation of our products during their use phase. In addition, we use a streamlined lifecycle analysis (LCA) tool called Product Attribute to Impact Algorithm (PAIA) to estimate the overall carbon footprint of applicable products throughout their lifecycle, providing our customers with a suite of product carbon footprint (PCF) white papers online. PCFs help us identify the components or processes with the largest carbon impacts so we can prioritize our design and downstream emission reduction initiatives accordingly. In addition, they help our customers evaluate and report on the emissions associated with their IT assets. In 2021, we provided 893 PCFs directly to customers and published 20 standard configuration footprints for compute products on our website.



PRODUCT LIFECYCLE MANAGEMENT

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We maintain a holistic approach to product lifecycle management. By designing products from the start with plans for longevity, dematerialization, and waste minimization, we improve our customers' total cost of ownership and lower their environmental impacts. In addition, by offering our portfolio as a service, we help our customers eliminate unnecessary infrastructure and promote more circular and responsible IT management practices.

Our product lifecycle management-related data can be found on page 5 of our [2021 Data Summary](#).

PRODUCT ECO-LABELS AND MARKET STANDARDS

To ensure market access across the globe and inform customers about the steps we have taken to reduce a product's environmental footprint, many of our products have obtained [eco-labels](#) through initiatives like the Electronic Product Environmental Assessment Tool (EPEAT), ENERGY STAR®, 80 Plus, the China State Environmental Protection Agency (SEPA), and the China Energy Conservation Program (CECP). Additionally, we provide IT ECO Declarations for each of our new products, offering customers and other stakeholders visibility into product components, energy efficiency, and guidelines for responsible end-of-use management.

Eco-label successes in 2021 include our involvement in the development of a new EPEAT standard for networking equipment and our early 2021 rollout of data center products that are certified according to TCO Certified. We are the first brand to offer server products carrying the TCO Certified designation. In 2021, [eight server families](#) were submitted for review and approved by an independent verifier.

EXTENDING ASSET LIFE

We make it easier for our customers to extend the useful life of HPE products by designing longer lifecycles through modular design and easy disassembly that allows repair, upgradability, remanufacturing, or refurbishment. Increasing recyclability starts at the design phase, and we estimate that HPE product material is more than 90% recyclable on average.¹⁸

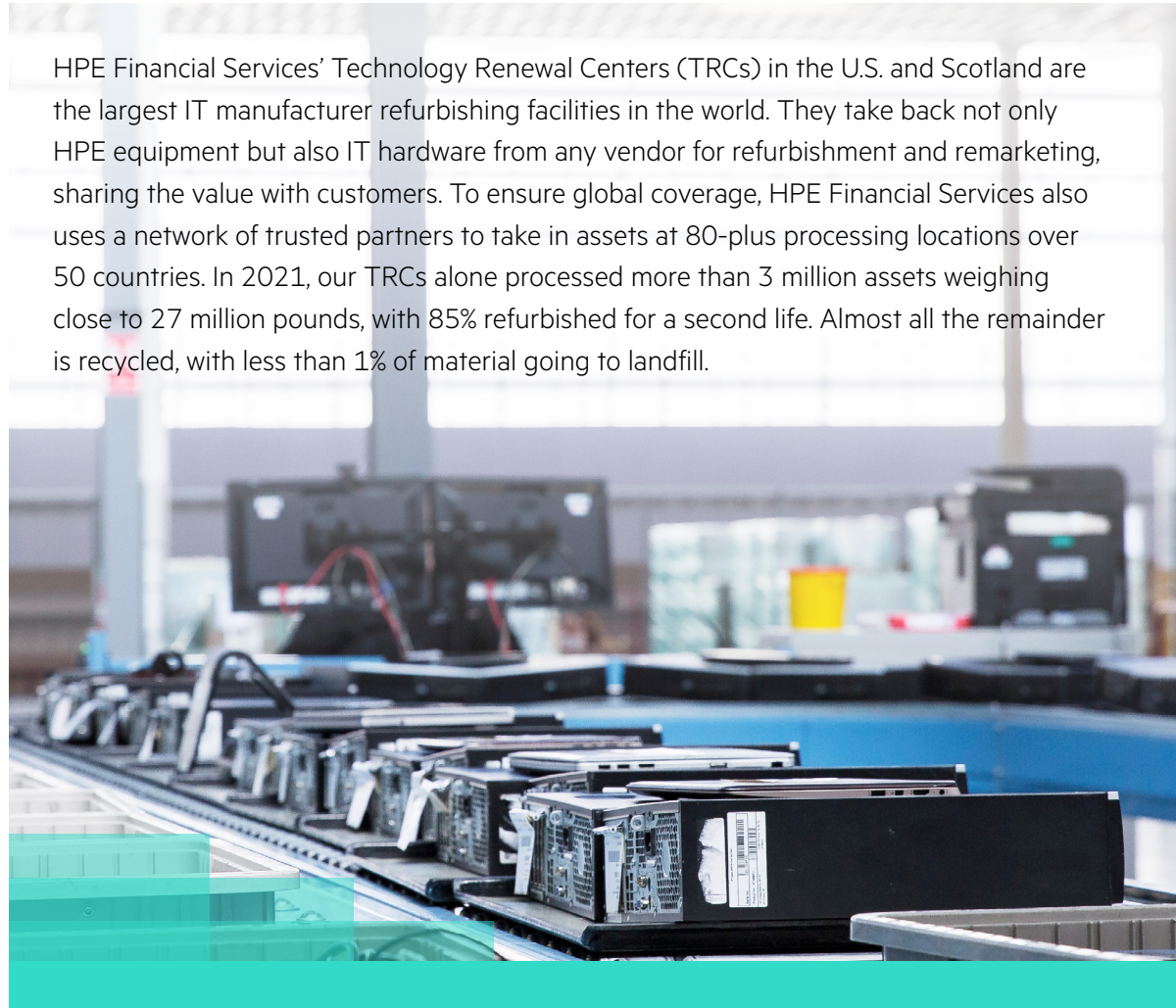
HPE distinguishes three levels of self-repair by the customer that indicate the ease and speed with which a customer should be able to replace a particular part. A skilled maintenance engineer is required when, for example, a replacement by the customer may present risks to either the customer or the product. In 2021, more than 1,000 repair vendors worldwide were authorized to deliver HPE branded support services to customers of HPE in more than 200 countries. If the product includes an option to self-repair, HPE ships the replacement part directly from the regional hubs or distribution centers to the customers. More information about our approach to design for repair can be found in our [Circular Economy](#) solution guide.

¹⁸ Based on HPE internal calculations using Recyclability Assessment Tool (RAT).

The rapid pace of technology innovation leads to the obsolescence of previous generations of hardware; however, the end-of-use of a product for one customer doesn't mean it's at end of life. HPE offers multiple solutions across our global markets to encourage participation in the circular economy, including:

- **HPE Renew:** We offer a comprehensive portfolio of products that undergo complete remanufacturing and testing processes. Before resale, products must meet stringent quality standards and provide the same reliability and performance as new HPE products. Customers purchasing through this program receive a minimum 15% savings along with an HPE warranty. These products can be purchased directly from the HPE Renew Program or through HPE partners, making it easy for customers to participate.
- **HPE Asset Upcycling Services:** We provide customers with options to create value from unnecessary, surplus, or outdated IT equipment through removal, data overwriting, refurbishment or recycling, and asset-level tracking. We take in retired IT hardware, regardless of manufacturer, and provide customers with the true market value of their assets for reinvestment in new IT initiatives. Importantly, we help customers do so securely: last year we ensured that more than one exabyte of data (or 1B gigabytes) was securely overwritten from data-bearing devices.
- **HPE Certified Pre-owned Products:** To extend the life of legacy systems and support business continuity, we offer reliable, certified pre-owned IT equipment. Our entire inventory is available and includes products released from 18 months up to 25 years ago. Products are tested, updated, warranted (a minimum of 30 days), licensed, and configured to meet customer needs. Customers benefit from reduced IT costs and avoided environmental impacts from manufacturing, without compromising on performance. Over the last three years, over 2.5 million personal computers (PCs), 2.2 million servers and compute assets, and close to 1 million storage devices were returned to active use.

HPE Financial Services' Technology Renewal Centers (TRCs) in the U.S. and Scotland are the largest IT manufacturer refurbishing facilities in the world. They take back not only HPE equipment but also IT hardware from any vendor for refurbishment and remarketing, sharing the value with customers. To ensure global coverage, HPE Financial Services also uses a network of trusted partners to take in assets at 80-plus processing locations over 50 countries. In 2021, our TRCs alone processed more than 3 million assets weighing close to 27 million pounds, with 85% refurbished for a second life. Almost all the remainder is recycled, with less than 1% of material going to landfill.



HPE HARDWARE RETURN AND RECYCLING

In addition to offering solutions that extend the life of IT, we also assist customers with end-of-use recycling of HPE devices when reuse is not an option. We collect and transport equipment to an authorized sorting and waste facility, managing the entire logistic and recycling chain in nearly 60 countries. We strive to recycle in-country to avoid exporting electronic waste across borders. Our [Policy on Export of Electronic Waste to Developing Countries](#) prohibits the export of electronic waste from developed countries (OECD and European Union) to developing countries (non-OECD countries, outside the EU).

Hardware recycling vendors must adhere to [HPE's Hardware Recycling Standards](#) and commit to cyclical audits performed by an independent auditing firm. Our Global Reuse and Recycling Audit Assurance Program began in 2007, with the intent to engage closely with vendors to drive substantive improvements toward our standards and to report outcomes and challenges with transparency.

HYBRID PALLETS WIN PACKAGING AWARDS FOR 2ND YEAR IN A ROW

Our hybrid design shipping pallets were awarded the AsiaStar Award, World Star Award and a Singapore Packaging Star Award. Redesigned in 2020 to be comprised of 60% recycled wood and 30% sustainable materials, the hybrid pallets weigh 44% less than a traditional all virgin-wood design.

Working with a third-party consultant, Environmental Resource Management (ERM), in 2021, we focused on:

- **Improved Transparency and Data Visualization.** With the help of ERM's digital services team, we launched a new dashboard to provide better visualization and transparency of audit results and vendor performance over time, in order to improve decision-making.
- **Vendor Engagement and Corrective Action Management.** We performed audits of 13 hardware recycling (4 new, 9 repeat) and 24 hardware reuse (3 new, 21 repeat) facilities in 21 countries. Most vendors had fewer major findings in 2021 compared to previous years due to vendor engagement that identified reasonable solutions to correct deficiencies. Major non-conformance issues were identified at only one recycling and two reuse sites audited for the first time, and at one recycling and three reuse sites undergoing repeat audits. We will conduct repeat audits in 2022 at those facilities with major non-conformance issues to ensure improvement. In addition, as a result of the COVID pandemic, some audits have been rescheduled for a future date in 2022 following the safe reopening of supplier facilities to outside vendors.

TRANSITIONING TO SUSTAINABLE PACKAGING

Packaging is a key element of our sustainability and product lifecycle strategies. We continue efforts to increase the use of efficient, sustainable, and protective packaging to deliver our products. We balance packaging minimization, sustainable materials use, efficient logistics, hardware safety and financial savings to design packaging that meets our customers' needs.

Established in 2020, our Packaging Governance Committee advances our commitment to packaging innovation across the business. Achievements to date include:

- Developing packaging reuse initiatives at our U.S. facilities.
- Extending bulk packaging to all Gen11 1U and 2U platforms, we have reduced our plastic packaging use by 80% and corrugated/paper packaging by 30%.
- Reducing our packaging portfolio size by more than 56% from 2020 baseline in 2021, with a 70% reduction goal for 2022.
- Reusing wooden shipping crates from inbound shipments for packaging completed cabinets ready for outbound shipments to customers. Each crate makes six to eight reuse loops within the U.S. until it is used for an international air shipment and not returned.
- Contracting with UPS Air Freight to pick up inbound reusable nested bulk packaging from Chippewa Falls and return empty bulk packaging to Puerto Rico by air for cheaper reuse than purchasing new containers.

SUBSTANCES OF CONCERN

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Throughout 2021, we continued efforts to reduce the use of substances of concern and replace suspect materials with viable alternatives. When designing new products, we consider a multitude of material requirements from different eco-labels such as TCO Certified, EPEAT, CECP, and SEPA. We also review criteria promoted by public procurement agencies worldwide.

We are committed to meeting, if not exceeding, regulatory and compliance requirements for our products, components, and owned equipment. In collaboration with industry peers, local and regional governments, and trade associations, we push for technology industry standards on materials use, including the assessment and phaseout of materials where scientific data has established a potential health or environmental risk. Our assessment of materials is an ongoing process: we have conducted more than 100 in-house substance assessments to date.

Product specifications, including substances and materials restrictions, can be found in our [General Specification for the Environment \(GSE\)](#).

Our supply chain responsibility data can be found on pages 26-35 of our [2021 Data Summary](#).

EARLY ADOPTION OF REGULATORY AND COMPLIANCE REQUIREMENTS

Since 2019, our goal has been to meet all substance restrictions of the [European Union \(EU\) RoHS legislation](#) outside the EU (as well as the European Free Trade Area of the European Economic Area) six months ahead of every legal compliance date worldwide for virtually all new, HPE branded products, except where it is widely recognized that there is no technically feasible alternative. By voluntarily meeting compliance mandates six months early, we give our customers and partners lead time to adapt their own supply chains to new restrictions before they are put into force. We work closely with our suppliers and EU consultants to find alternatives that meet our reliability and performance requirements.

Similarly, we brought our products into compliance with the [EU's Lot 9 regulation](#) before its March 2020 effective date. The Lot 9 declarations lay out strict requirements for enterprise server and storage products by product category, including power usage and material composition. They also promote more circular practices

through design requirements that include modular parts that can be easily disassembled and data sanitation services that allow storage products and components to be reused in lieu of shredding. [Several of HPE's asset management programs](#) were already using these best practices before Lot 9 came into effect. Our Lot 9 declarations are available [here](#).

Finally, we were an early contributor to the European Chemicals Agency (ECHA) Substances of Concern in Products (SCIP) database. Manufacturers and importers of products on the EU market are required to submit reports to ECHA via the database for any product SKUs that contain Substances of Very High Concern (SVHC). The database allows for data transparency in the supply chain and makes information readily available to end users and waste handlers for safe use, recycling, and disposal of products. We installed specialized SCIP software in 2020 to enable data collection, report writing, and system-to-system submissions to the SCIP database, and disclosed all relevant information by early 2021.

GREENSCREEN® FOR SAFER CHEMICALS TOOL

HPE uses the globally recognized [GreenScreen for Safer Chemicals tool](#) to assess and benchmark chemicals of high concern and identify safer alternatives. These assessments can be conducted by a certified in-house Authorized GreenScreen Practitioner. By integrating the tool into our alternatives assessment and benchmarking protocols, we can more easily select replacement materials with a reduced risk of human health and environmental impacts and predict potential future design restrictions that might impact product lifespans.

Our progress includes:

- Assessing our portfolio of plastic material in server products against the available flame retardants and plasticizers that have already achieved a GreenScreen benchmark score and that are considered to be safe for use. Going forward and where feasible, such flame retardants and plasticizers are preferred in the design of product housing and printed circuit boards of the HPE server family portfolio. Flame retardants remain necessary for material safety reasons, but we are committed to working toward a menu of plastics that will contribute to the development of a market for safer secondary plastics materials.

- Advances in delivering low-halogen networking equipment and servers since the launch of the Gen10 portfolio. We made significant improvements in reducing our halogen use between Gen9 and the latest Gen10 server lineup. We have included guidance in our General Specification for the Environment for our design teams and manufacturers on how to move to low-halogen products, and we continue to promote low-halogen where that is feasible.

In addition to the chemical components of our products, the manufacturing process itself involves chemicals and materials that can cause human and environmental health hazards. To reduce these hazards and promote safe working environments for our suppliers and team members, we maintain and provide a regularly updated and complete list of restricted substances along with clear guidance on suitable alternatives.



ENVIRONMENTAL IMPACTS OF OUR SUPPLY CHAIN

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Reaching our net-zero goals requires close collaboration with our global manufacturers and suppliers. We actively partner with the top 95% of our supply chain manufacturing spend to help them improve their management of GHG emissions, water, and waste.

Our supply chain environmental performance data can be found on page 14 of our [2021 Data Summary](#).

REDUCING GREENHOUSE GAS EMISSIONS IN OUR SUPPLY CHAIN

In 2020, we achieved our prior supply chain manufacturing-related GHG emissions reduction target five years ahead of schedule, signaling to HPE that our suppliers were driving ambitious reduction goals within their operations. Our new suite of science-based targets and net-zero goal include a commitment to reduce Scope 3 emissions by 42% from 2020 to

2030. In addition, we have committed that, by 2030, 80% of HPE production suppliers by spend, will set their own science-based targets.

HPE's industry-first supply chain management program requires our production suppliers—which contribute to nearly 25% of HPE's global carbon footprint—to set science-based emissions reduction targets for their own operations and publicly disclose their emissions and progress annually.

Building upon the successful launch of our supply chain data management software—built and hosted by [Optera](#) (formerly POINT380)—we began sharing supplier-facing GHG emissions

management dashboards. To date, 80% of our manufacturing suppliers, by spend, can access the software's customizable dashboard which provides them with company-specific emissions data, modeled science-based GHG emissions reduction targets, the ability to track progress toward their publicly stated emissions reduction goals, and allows them to view their own performance against that of their peers. HPE further customized a performance dashboard for our suppliers to track their individual GHG performance against a set of HPE defined requirements. These requirements are part of our supplier [Social and Environmental Responsibility \(SER\)](#) scorecards and are referenced in key procurement decision-making.



Compliance with our [Supplier Code of Conduct](#) and suppliers' SER performance are monitored through independent audits, [public supplier lists](#) (which disclose the environmental performance of 95% of our manufacturing suppliers by spend), and direct engagements. In 2021, HPE hosted engagements with 50% of our manufacturing suppliers by spend. Information regarding supplier due diligence and our Supply Chain Responsibility program can be found on [page 62](#).

Finally, we are working directly with our top-spend suppliers to help them implement renewable energy projects at their manufacturing locations within the next five years. Partnering with the [Clean Energy Buyers Association](#) (CEBA), formerly the Renewable Energy Buyers Alliance, we collaborate with our peers to influence policy and drive availability of renewable energy in regions of the world where access to renewables is limited. CEBA also provides HPE and our suppliers with renewable energy resources and information through free webinars, CEBA and other industry conferences, trainings, and supplier road maps.

Since we launched our first-of-its-kind, science-based supply chain manufacturing GHG reduction targets in 2017, we have been in close partnership with one of our largest original design manufacturers (ODM) to help them set science-based targets in their own operations. After participating in 100% of our climate workshops and one-on-one engagements, the supplier was candid about the challenges they faced in quantifying their Scope 1, 2, and 3 emissions. With the support of Optera, we modeled the supplier's science-based targets and worked directly with them to outline the steps necessary to reach these goals. As a result, in 2021, our ODM supplier publicly announced a suite of SBTi-approved targets, aligned with a 1.5°C trajectory. This achievement highlights the value of collective action, resource-pooling, and our extensive engagement with our supply chain partners.

Using EVs for Final Mile Delivery in Slovakia

In September 2021, Gebrüder Weiss, a logistics service provider for HPE based in the EU, started delivering over 50% of its final mile deliveries into Slovakia via electric vehicle (or e-truck). Between 50-100 HPE shipments per month move from the Gebrüder Weiss hub in Vienna, Austria to ASBIS, HPE's largest customer in Slovakia. This EV transition is expected to prevent approximately 100 metric tons of GHG emissions every year.



IMPROVING TRANSPORTATION LOGISTICS

HPE's Logistics Sustainability Road map outlines our five- to ten-year transportation emissions plans to make progress toward our Scope 3 emissions reduction target. Our strategies include:

Short-Term Strategies

- Implementing modal shifts like air to ocean or rail conversions, freight consolidation, and network optimization.
- Using zero- and low-emission vehicles for final mile delivery to customers in select markets.

Long-Term Strategies

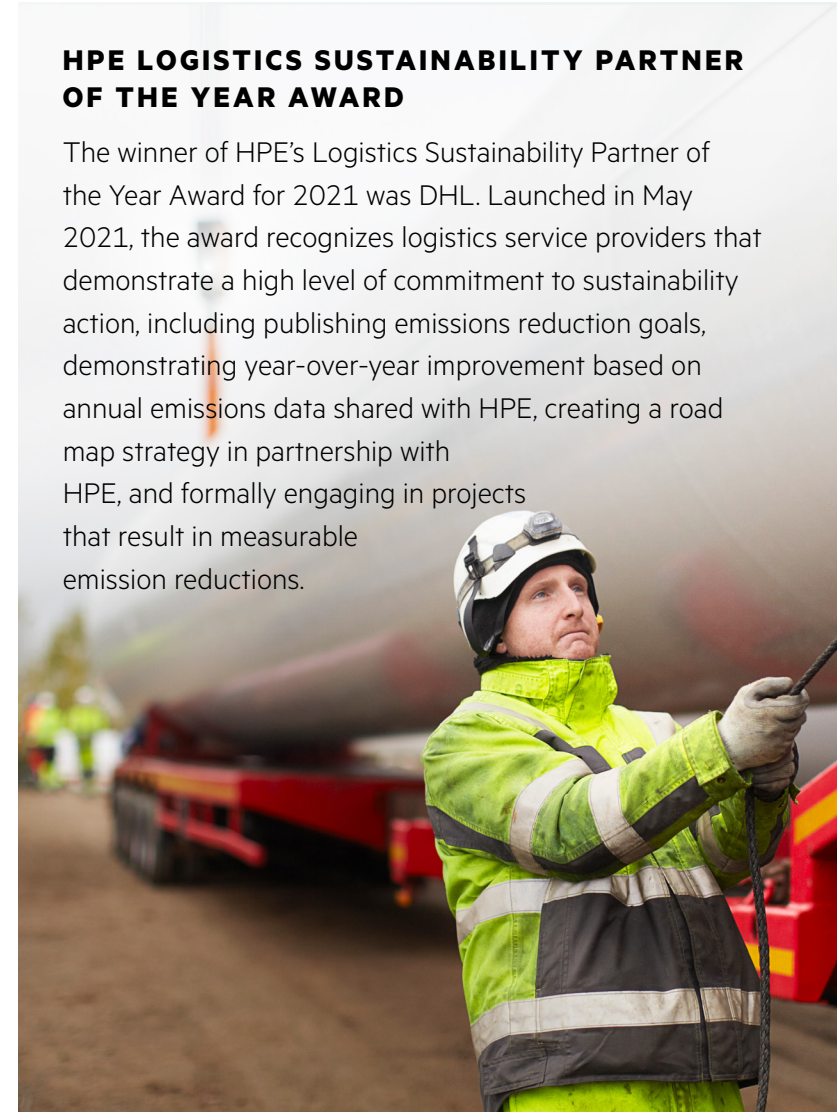
- Deploying advanced technology vehicles.
- Working with carriers to transition to more fuel-efficient aircraft.
- Collaborating with partners on the use of sustainable aviation fuels.

In addition, to share our best practices and move our entire industry forward, we are active members of the U.S. Environmental Protection Agency (EPA) [SmartWay program](#), the [Global Logistics Emissions Council \(GLEC\)](#), and the [Sustainable Air Freight Alliance \(SAFA\)](#).

HPE has reduced emissions related to transportation and distribution by 20% over the last five years; however, in 2021, transportation-related emissions increased by 9.1% year-over-year. This can be attributed to the increased reliance on airfreight as the ocean logistic channels remain impacted worldwide. Throughout the pandemic, freight has continued to move with minimal disruption. It has been challenging, however, due to an approximate 50% reduction in passenger flights (a primary transport mode), global container shortages, and port congestions for the ocean industry. We have mitigated these risks by exploring various alternatives such as diversion to other ports that are fully operational, modal shifts to rail, and charter aircraft use as necessary.

HPE LOGISTICS SUSTAINABILITY PARTNER OF THE YEAR AWARD

The winner of HPE's Logistics Sustainability Partner of the Year Award for 2021 was DHL. Launched in May 2021, the award recognizes logistics service providers that demonstrate a high level of commitment to sustainability action, including publishing emissions reduction goals, demonstrating year-over-year improvement based on annual emissions data shared with HPE, creating a road map strategy in partnership with HPE, and formally engaging in projects that result in measurable emission reductions.



REDUCING WATER USE IN OUR SUPPLY CHAIN

Water management is an important component of our suppliers' environmental performance and is tracked within our Supplier SER scorecard. We encourage our suppliers to set water-related goals in their operations and to disclose their water management practices through the CDP Water Security questionnaire. We also require our suppliers to publicly report on their water consumption and withdrawal in their annual sustainability reports.

As of 2021, 25% of our production suppliers, by spend, have set science-based emissions reduction targets, 48% have set water-related targets, and 58% have set waste reduction goals.¹⁹

25%

have set science-based
emissions reduction targets

48%

have set water-related
targets

58%

have set waste
reduction goals

¹⁹ Supplier data based on percent of spend

OUR OPERATIONAL FOOTPRINT

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HPE has set a science-based target to reduce Scope 1 and 2 emissions 70% by 2030 from a 2020 baseline. After exceeding our previous operational emissions target last year (achieving a 62% reduction from 2016 to 2020), we are already progressing toward our ambitious new target with an additional 16% year-over-year reduction in 2021.

Our energy, emissions, waste, water and other environmental data can be found on pages 7-14 of our [2021 Data Summary](#).

We have defined a hierarchy of actions and investments, outlined in the [HPE Climate Policy](#), in order to achieve these targets. We prioritize energy efficiency improvements and renewable energy, purchasing carbon offsets as a last-mile approach. As of 2021, we have no carbon offsets in our energy portfolio. Our operational emissions mitigation strategies include:

- Improving building energy efficiency, acquiring at least Silver Leadership in Energy and Environmental Design (LEED) certification for new builds or interior designs in Europe and Asia Pacific, and Japan (APJ), and leasing green buildings where available.
- Sourcing 50% renewable electricity in our operations by 2025 and 100% by 2030.
- Moving our fleet vehicles to all electric and hybrid alternatives.

TRANSITIONING TO RENEWABLE ENERGY

We have made it a priority to transition to clean energy alternatives, taking a hybrid approach that includes owned renewable assets, on-site and off-site power purchase agreements (PPAs), green tariff programs, green contracts and bundled and unbundled renewable energy certificates (RECs). In 2021, we signed a deal to build an on-site cogeneration plant in Aguadilla, Puerto Rico, which is expected to come online in spring 2022. Powered by renewable liquefied natural gas (RLNG), the plant is over 50% more efficient than using grid power and will be 100% renewable due to its bio-based feedstock.

In 2021, 54% and 45% of our electricity in the Americas and in Europe, respectively, were renewable.

ADOPTING ELECTRIC VEHICLES

We regularly replace company vehicles to update our fleet with better fuel-efficiency and engines, including implementing hybrid and electric vehicles (EV) as choice options in mature EV-infrastructure markets. In 2021, we began integrating both fully electric and plug-in electric hybrid vehicles into our corporate fleet of more than 7,000 vehicles in 31 countries. Our goal is to transition the majority of our fleet to either EVs or plug-in hybrid electric vehicles (PHEV) by 2030 in markets where the infrastructure is mature, proven technology exists, and it is economically feasible. In addition, we will pursue other ultra-low emission solutions where EVs and PHEVs are not a viable option. Successes in our auto fleet transformation program will reduce our overall carbon footprint and optimize our total cost of ownership.

REDUCING WATER USE IN OUR OPERATIONS

Although the water withdrawals of our operations are minimal (less than 0.01% of our water footprint), we recognize that water availability can pose numerous risks to our business, including to our operations and to our workforce and their communities. The vast majority of our operational water footprint is comprised of indirect water withdrawal related to the electricity consumed by our operations. Given this, we are aligning our renewable energy and water strategies using [guidance from the World Resources Institute](#).

In 2021, we withdrew 1.18 million cubic meters of water, a 14% decrease from the previous year. 15% of these water withdrawals occurred in extremely high and high water-stressed regions. In order to limit these impacts, we prioritize water management projects at sites in water-stressed regions and use robust, data-driven assessments to identify projects that bring the greatest benefit to high water stressed communities.

In 2021, for the second year in a row, we received an A score from the [CDP](#) for our disclosures and approach to water stewardship and management.

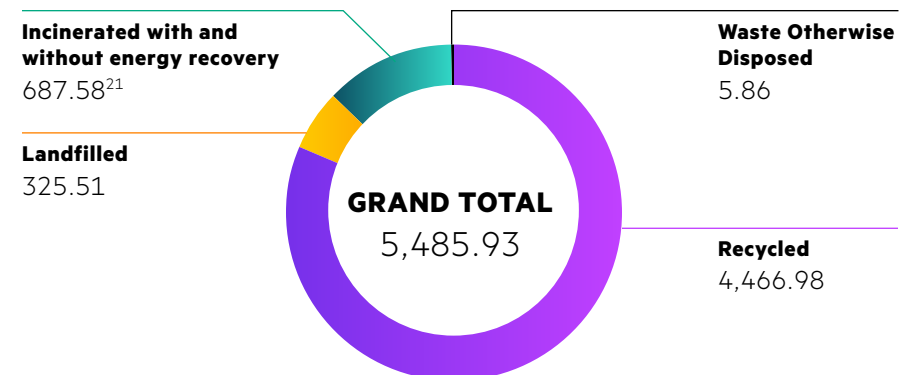
For example, raw sewage generated within our facilities in Bangalore, India, is treated at our wastewater treatment plants following the principles of “zero discharge” and reused within the facilities. No wastewater is released into the public sewer system. Wastewater quality is monitored on a daily and monthly basis as stipulated by the National Accreditation Board for Laboratories (NABL) and the Ministry of Environment and Forest (MoEF) ensuring that Pollution Control Board regulations are met. Water that meets lab-specified parameters is used for landscaping and gardening. Any water that does not meet lab standards is retreated in the sewage treatment plant. Sludge generated from the sewage treatment plant is used as manure for gardening.

REDUCING WASTE FROM OUR OPERATIONS

In 2021, we met our annual target of diverting 90% of our non-hazardous waste from landfill.²⁰ Total waste generation from our operations decreased by 15% and our non-hazardous waste diversion rate increased by 3.9% for an overall diversion rate of over 92%. HPE also produces limited hazardous waste, such as lead-acid batteries, which accounts for approximately 1% of the total waste we generate.

We anticipate that our Edge-to-Office transition will continue to shift the amounts and characterizations of our waste streams.

HPE NON-HAZARDOUS WASTE STREAMS FROM OPERATIONS (Metric Tons)



²⁰ HPE categorizes recycled waste and waste-to-energy as diverted waste

²¹ Of which 600.11 metric tons are incinerated with energy recovery



INVESTING IN PEOPLE

Our approximately 60,000 diverse team members are the foundation of everything we do. To power innovation and creativity, we foster an inclusive culture, support the long-term development and well-being of our team members, and provide a safe and secure work environment.

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

IN THIS SECTION

Diversity, Equity,
and Inclusion

Team Member Development,
Engagement, and Well-Being

Team Member
Health and Safety

Community Investment

DIVERSITY, EQUITY, AND INCLUSION

ACCELERATING
NET-ZERO

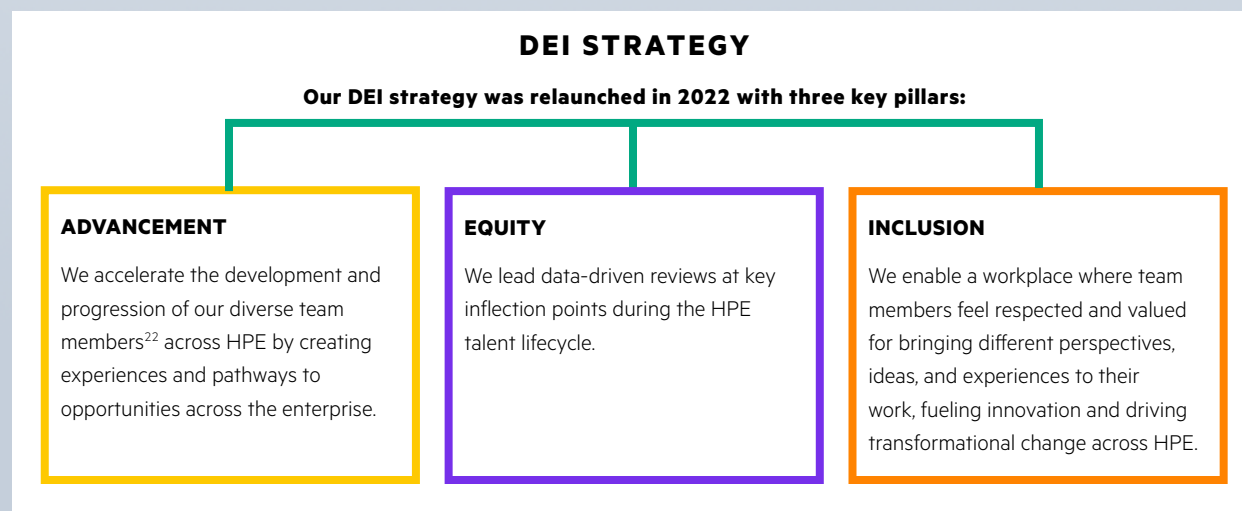
INVESTING
IN PEOPLE

OPERATING
WITH INTEGRITY

At HPE, we are committed to advancing the principles of diversity, equity, and inclusion within and beyond our walls. With a shared sense of belonging, our leadership and team members bring differing perspectives, ideas, and experiences to their work, fueling innovation and driving transformational change across the IT industry.

See page 15 of our [2021 Data Summary](#) for Board and team member demographics and talent lifecycle metrics.

In 2021, we welcomed a new Chief Diversity, Equity, and Inclusion Officer (CDEIO) and realigned our diversity, equity, and inclusion (DEI) strategy to re-enforce our focus on diversifying the workplace and striving for unconditional inclusion. The CDEIO reports directly to the Chief Human Resources Officer (CHRO) to advance the DEI function and to operate as a horizontal function partnering across all organizations (including Talent Acquisition, Performance Management, People Operations, and Talent Succession). The CDEIO also leads HPE's DEI Council, alongside HPE CEO Antonio Neri. The Council, launched in 2020 following listening sessions with team members across HPE, is responsible for overseeing the development of, and progress toward, our companywide DEI strategy.



²² Diverse team members are defined as individuals who self-identify with characteristics that are legally protected from employment discrimination such as race, disability, sexual orientation, gender, age, or veteran status.

ADVANCEMENT

We partner across the enterprise to influence meaningful progress in the development and sponsorship of our diverse team members, including through our leadership roles and talent pipeline.

Representation across leadership is a deliberate focus which leads to increased retention of diverse team members. We review top diverse internal talent monthly to ensure career conversations and internal opportunities are vetted. In 2021, **96% of our teams achieved our target of having at least one diverse team member reporting three or fewer levels from the CEO.** In addition, in 2021, ethnically diverse team members received 35.8% of total U.S. promotions, which is 4 percentage points higher than representation.²³

We host various development programs to advance our diverse talent. For instance, our Ready Now program helps HPE female executives secure board seats outside of the company, and the Office of Operations, Legal and Administrative Affairs' (OLAA) Women's Network offers talent and development programs aimed at high-potential female talent.

In 2021, we launched a year-long sponsorship program with our executive committee (EC) to further develop the diversity of our executive pipeline. A diverse team member from each organization was selected to receive access, visibility, and sponsorship from their EC leader. **Our aim is to double our Black and Hispanic executive headcounts by 2027 from 2020 levels, and for our executive population to be one third female by 2027.**

EQUITY

We take a data-led approach to improve workforce representation, drive accountability, and implement targeted interventions at various points across the talent lifecycle.

Our aspirational workforce diversity goals are tied to incentive compensation for our executives, our diversity progress is reviewed quarterly with the Board, and the HR and Compensation Committee monitors HPE's DEI efforts to ensure compliance with equal opportunity employment requirements.

In 2021, we achieved or exceeded all our workforce representation targets: Representation of women in executive roles increased by 2 percentage points—amounting to a nearly 9% increase year over year—and representation of women and U.S. ethnically diverse team members each increased by at least 1 percentage point.

HPE maintains policies to ensure equal pay, and we regularly review our global pay practices to ensure that team members in similar roles and locations are paid commensurately with their experience and responsibilities. We partner with independent third-party experts to conduct annual pay assessments and identify unexplained gaps between our present state and our goal of equitable pay treatment for all team members. Where these reviews identify such gaps at a country-wide level, we adjust compensation to eliminate the gap.

As a result of these efforts, our most recent pay equity review shows that female team members in the U.S., U.K., and India – as well as underrepresented ethnicities in the U.S. – earn, on average, \$1 for every \$1 earned by male team members.²⁴ The team member population in these three countries represents a majority of our global workforce. HPE conducts a number of compensation analyses in other countries to ensure competitive and equitable pay and, where permissible, intends to incorporate similar third-party pay assessments into our existing processes.



²³ All employee demographic data refers to fiscal year

²⁴ When accounting for legitimate business factors such as job title, time-in-role, experience, and location.

WORKFORCE REPRESENTATION GOALS²⁵

We aim to increase the representation of women and ethnically diverse talent by at least 1 percentage point year-over-year.

	FY20 Baseline	FY21 Target	FY21 Actual	Status of Target
Global Women Executive Representation	22.65%	23.65%	24.68%	✓
Global Women Overall Representation	31.81%	32.81%	32.81%	✓
U.S. Ethnicity Overall Representation	29.52%	30.52%	31.10%	✓

We believe equity must also include fostering equal opportunities, evaluating, and addressing biases, and accommodating flexible work. We offer several benefits that support a gender inclusive culture by promoting work-life balance and flexibility. Our Work That Fits Your Life benefits program includes a minimum of six months fully paid parental leave, parental transition support including part-time work, and career reboot returnships for team members who left the workforce for an extended period. In 2021, initiatives and practices such as these earned HPE recognition on rankings such as:

- [Bloomberg Gender-Equity Index](#)
- [Great Place to Work's Best Workplaces for Parents™](#)
- [Seramount's 100 Best Companies](#)
- #1 on Germany's [Women Career Index \(FKI\)](#)
- #1 in "Diversity at the Workplace" by the [Bulgarian Business Leaders Forum](#)

We also encourage more women and underrepresented groups²⁶ to enter and succeed in technology careers through a variety of programs and partnerships, including supporting technology-enabled learning programs such as [Curated Pathways to Innovation](#), cultivating female

talent through internship and apprenticeship programs, and providing reskilling to those who have been out of the workforce for an extended period. HPE CodeWars, an annual program designed to engage high school students in coding and STEM, is now in its 25th year in the U.S. and has spread to countries including Spain, Taiwan, and India.

Additionally, in order to build the innovative workforce needed to compete globally, we have increased our partnerships with Historically Black Colleges and Universities (HBCUs). Through our partnership with the [Executive Leadership Council \(ELC\)](#), HPE awarded scholarships to undergraduate Black students pursuing degrees in business or STEM-related fields.

Our work doesn't stop within the walls of HPE. We are stewards for change in society, pledging to do better for our team members and our communities by joining coalitions such as [The Valuable 500](#) (innovating for disability inclusion) and the Human Rights Campaign's [Business Coalition for the Equality Act](#) (advocating for LGBTQ+ protections in the U.S.). Learn more about our efforts in [Public policy](#) and [Community investment](#).

²⁵ All employee demographic data refers to fiscal year.

²⁶ Underrepresented groups are defined as a subset of the population whose representation in a given group is lower than their percentage of the population.



INCLUSION

Fostering a diverse and inclusive workplace requires the deliberate cultivation of inclusive behaviors and allyship, and we encourage team members to use their unique perspectives to innovate and deliver for our customers. We have a strong [anti-harassment](#) and [non-discrimination](#) culture, supported by mandatory annual trainings, robust policies, and reporting mechanisms for any issues that arise in the workplace.

Beyond these foundational efforts, we take active steps to listen to our team members' input on how we can continue to make our workplace culture more diverse, equitable, and inclusive. Over the past two years, our CEO, Antonio Neri and other executives held Listening Sessions with team members from diverse and underrepresented groups across the company, including 11 sessions in 2021, to hear their experiences and feedback first-hand. These sessions allowed us to take a fresh look at our priorities and determine areas for improvement. Immediate actions resulting from these sessions included:

- Making Juneteenth an official HPE holiday in the U.S. beginning in 2022.
- Providing American Sign Language interpreters at all team member sessions with our CEO.

- Launching a Gender Inclusivity Toolkit to create awareness and tools to support transgender and gender non-conforming team members and their allies.
- Signing the Disability:IN CEO Letter on [Disability Inclusion](#), which commits to benchmarking our disability inclusion journey with the [Disability Equality Index](#) (100% score received in 2021).

Training

As part of our multi-year road map toward unconditional inclusion, we delivered Inclusion for All—a new, virtual instructor-led training which is based on behavioral science research and customized for various geographies to reflect the cultural nuances within each. Sessions were offered to all team members and, in 2022, will be included in the onboarding journey for new hires. Within the first six months of launch, 63% of team members and approximately 70% of our people leaders globally completed the training.

In addition, since 2019, we have required that our leaders participate in an Inclusive Leadership course to help them cultivate the skills needed to support our culture of inclusion. These sessions are still offered monthly and across multiple regions for all newly promoted or hired people leaders. In 2021, 86% of our leaders completed the course.

Resource Groups

Our Resource Groups (RG) bring together volunteer communities of team members to help build an even more inclusive culture at HPE. Our RGs support company goals while providing team members with opportunities in leadership development, networking, mentoring, and community and educational outreach. Often, these groups partner together to host signature annual events including Lunar New Year, Diwali, Hispanic Heritage Month, Black History Month, International Women's Day, Asian Heritage Month, Veteran's Day, PRIDE month, and more. More than 29% of our workforce across 46 countries participated in 300 RG-led events.

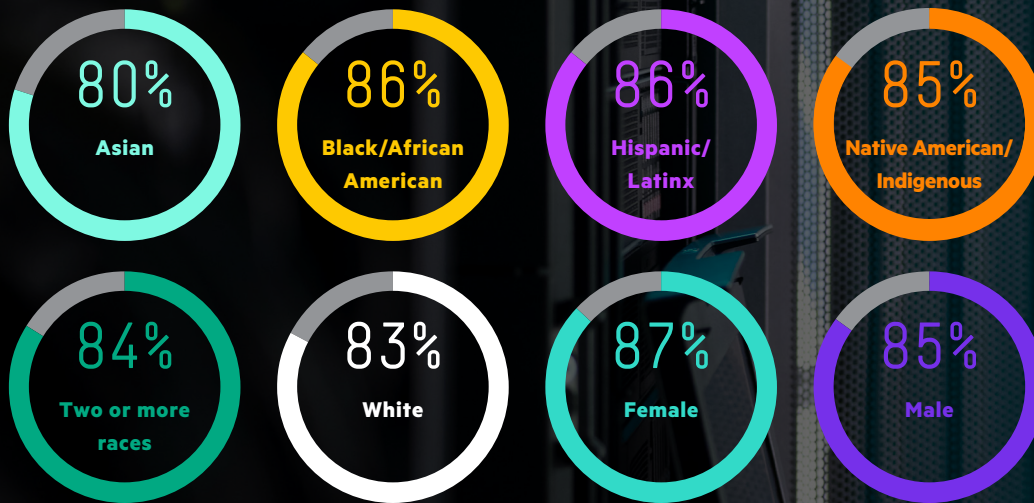
Bias-Free Language

In 2021, we phased out non-inclusive terminology across the business, including in coding language, to ensure language is free of discrimination, unconscious bias, and stereotypes. This included emphasizing diversity in visual representation, imagery, and branding collateral; incorporating more inclusive language throughout our Corporate Communication Guidance document; providing inclusive communication skills and interviewing practices training; and adding accommodations to the HPE Open Line, a secure and confidential online channel for team members to communicate and resolve concerns about their work environment.

2021 VOICE OF THE WORKFORCE SURVEY RESULTS

Our annual Voice of the Workforce survey revealed that 95% of team members feel they are treated equitably and with respect, regardless of gender, ethnicity, or other characteristic. This finding is reinforced through strong engagement scores across our diverse groups:

TEAM MEMBER ENGAGEMENT BY GROUP



FAVORABILITY SCORES

"My direct leader creates a climate in which diverse perspectives are valued"

91%

"My direct leader treats me with respect"

96%

"I feel comfortable being myself at work"

91%

"HPE creates an environment where people of diverse backgrounds can succeed"

92%

FOSTERING SUPPLIER DIVERSITY

Beyond our workforce, we accelerate a more inclusive economy through our Supplier Diversity Program. Small businesses disproportionately contribute more significantly to local, state, and federal taxes and these businesses tend to hire more diverse employees, particularly in underserved communities. Equity in sourcing not only creates opportunities for underrepresented and underserved communities, but it also contributes to the resiliency of our supply chain and of our communities.

In 2021, we spent \$119 million with small enterprises and businesses owned by diverse groups such as women, minorities, and veterans. An additional \$56 million was spent with diverse suppliers as a result of employee corporate card usage for business expenses. COVID significantly impacted overall supplier spend in 2020 and 2021, especially with regard to services contracted to contingent labor and consultants, which have historically been fulfilled by our diverse suppliers. Due to these impacts, as well as the migration of supplier spend data to a new third-party management system, our percentage of spend with diverse suppliers decreased to (6% of U.S. sales).²⁷ Looking ahead to 2022, we have set an ambitious goal of 8%.

In 2021, we launched our Tier 2 reporting program requesting diverse spend data from our top suppliers. This reporting increases transparency and showcases the collective power of our commercial impact, as it allows HPE to capture not only our direct spend with diverse suppliers, but also the effect of our spend with our suppliers who engage with diverse suppliers themselves. Our Tier 2 spend with our top suppliers totaled \$50 million²⁸ and will grow as we continue to build this reporting program.

In order to meet our 2022 target, we are implementing a number of new programs and processes including:

- Finalizing new global procurement best practices around sourcing, including improving data processes for establishing diverse supplier spend baselines, targets and tracking.
- Launching our Supplier Diversity Champions program, which meets quarterly to review progress and collaborate on ideas. In 2022, we plan on showcasing diverse suppliers across the company to increase visibility and awareness.
- Expanding our focus to include certified lesbian, gay, bisexual, transgender, queer and other LGBTQIA+ owned businesses by gaining visibility into our spend with LGBTQIA+ owned businesses, encouraging suppliers to certify with the National LGBT Chamber of Commerce (NGLCC), and promoting the consideration of LGBTQIA+ suppliers across our procurement workstreams.
- Providing a platform and opportunity for diverse supplier development and growth through our mentor protégé program.
- Participating virtually in regional and national supplier diversity industry events on a monthly basis. We educated numerous prospective suppliers on working with HPE, judged virtual small business pitch sessions, and volunteered with events to support our nonprofit industry partners.

²⁷ Data reflects fiscal year 2021.

²⁸ Data reflects calendar year 2021.

TEAM MEMBER DEVELOPMENT, ENGAGEMENT, AND WELL-BEING

ACCELERATING
NET-ZERO

INVESTING
IN PEOPLE

OPERATING
WITH INTEGRITY

The success and well-being of our team members is essential to our organization. We never stop investing in our human capital, aiming to strengthen our wellness and talent development programs, and working to attract, develop, and retain the best talent.

See pages 21-22 of our [2021 Data Summary](#) for talent lifecycle metrics.

FOSTERING A STRONG CULTURE

Our team members keep our culture strong and lead our business forward. That's why we constantly assess and analyze our human resource efforts, building on our strengths and addressing our weaknesses. We promote what we believe in and spread HPE culture through our programs, campaigns and events. We tie executive compensation to supporting the key elements of our culture, including team member engagement, talent retention, and equity, inclusion, and diversity.

It's also why we pay very close attention to team member feedback. Our team members tell us what we're doing right, and they don't hesitate to tell us where we need to improve. This feedback informs our strategic planning and initiatives. In 2021, despite the continuing global COVID pandemic, our

team member engagement score from our annual Voice of the Workforce survey reached 84%—an all-time high. We are encouraged by our steadily improving engagement scores in recent years, up 13 percentage points over three years. Further, more than 85% of team members would recommend HPE as a great place to work, and 89% say they are proud to work for HPE.

RECRUITING AND RETAINING A DIVERSE AND SKILLED WORKFORCE

We continue to invest in strategies that ensure a diverse talent pipeline to meet our long-term business needs. Our human capital strategy cultivates high performance by communicating a clear purpose and strategy; setting transparent goals; driving accountability; continuously assessing, developing and advancing talent; and providing a leadership-driven talent strategy.

More information about our U.S. Benefits program can be found [online](#).

Our annual Voice of the Workforce survey found that over 95% of team members feel they are given the flexibility to manage their work and personal needs, a good indication that we continue to meet the needs of team members during these challenging times.

We attract, develop, and retain team members through competitive salaries and benefits, professional development and leadership training, and wellness offerings that help our team members care for themselves and their families. Our retention of top talent remains strong, despite the “great resignation” that affected all industries in 2021. Our talent retention strategy focuses on retaining at least 95% of our top-performing team members. While our overall attrition rate rose to 6.9% in 2021 from 4.8% in 2020, we remained below the industry average of 13.5%.²⁹ When we do experience turnover, we seek to fill roles with internal candidates: last year we filled 32.1% of our open positions with internal candidates.

In addition to our competitive salaries, which are assessed regularly against market data and set at or above legal minimum requirements, we provide benefits such as student loan repayment, on-site and virtual wellness programs, and leadership development. Our “Work That Fits Your Life” global initiative, which launched in 2019, includes an industry-leading paid parental leave program (minimum 6 months), part-time work opportunities for new parents or team members transitioning to retirement, and “Wellness Fridays” encouraging team members to leave work early one Friday per month to focus on their well-being. HPE’s broader wellness program offers flexibility built around team member needs surrounding mental health, physical health, financial wellness, and community well-being, while continuing to deliver on critical business results.

BUILDING ON OUR COMMITMENT TO CAREER DEVELOPMENT

The dynamism of our industry and our company enables team members to build new skills that help them grow in their current roles or transition to new roles that meet their career planning and our business needs. HPE is deeply committed to identifying and developing the next generation of top tier leadership with a special focus on diverse and technical talent. We conduct an in-depth annual talent and succession review with our CEO and Executive Committee members. Each team member’s performance is reviewed biannually together with people leader. The process focuses on accelerating talent development, strengthening succession pipelines, and advancing diversity representation for our most critical roles.

In 2021, HPE Learning and Development invested \$7.53 million in resources for team members, with additional investments from business units to support their teams. Our primary internal learning platform, Accelerating U, includes on-demand, interactive, and mobile access to personalized learning opportunities. During the year, **97.7% of active team members completed at least one non-mandatory training course in Accelerating U**. Overall team members completed 455,000 courses with an average of 17.8 learning hours per team member.

We also support team members who are pursuing educational opportunities outside of HPE. Our Employee Development Grant program provides financial support to team members who are pursuing bachelor’s, master’s, or doctorate degrees. In 2021, 310 people benefited from the program. In the U.S., we offer a student loan repayment program. In 2021, we provided approximately \$2.1 million to more than 780 team members.

Our workforce planning strategy ensures we have the strategic skills required for our business to compete, considering both internal skilling opportunities and recruitment priorities. We provide a digital platform for team members, providing curated content and learnings paths for them, to hone their skills. Our Talent Acquisition organization prioritizes the key skills and roles identified as critical to implementing our strategy, and we are promptly fulfilling pressing recruiting demands to accelerate our pivot to become the edge-to-cloud company. In 2022, HPE will increase the deployment of artificial intelligence and machine learning based tools in order to support our strategy to attract the right talent, faster.

Beyond our own workforce, we provide HPE developed tools and resources to students, focusing on supporting STEM learning in underserved and underrepresented communities. Learn more on [page 46](#) in Community Investment.



²⁹ Based on Comptryx Mercer data for Global Tech Companies market view

DEVELOPING FUTURE LEADERS

In the last two years, we have updated our leadership development curriculum to align more closely with our organizational priorities, including our focus on **diversity, equity, and inclusion**. Modifications to our Inclusive Leadership course reinforce our leaders' roles in making HPE an inclusive place to work. In 2021, 86% of our leaders completed the course.

Our updated Elements of Leadership program provides training on our four elements of leadership—Engage, Empower, Evolve, and Execute. Sharpening these skill areas will help leaders drive business performance and promote team member engagement and inclusion. In 2021, 35% of our people leaders completed at least one of the four modules. In 2022, we plan to launch a readiness program for diverse team members to help them transition into leadership roles.

SUPPORTING TEAM MEMBER WELL-BEING

The well-being of our team members is a top priority. We support the health of our team members through Winning with Wellness, our longstanding well-being initiative. This program incorporates in-person and virtual resources like on-site trainings, wellness websites, a publicly available podcast series, a physical fitness challenge, and tailored programs to meet local needs.

In 2021, we expanded the health benefits we offer our team members, including preventative healthcare for women; made telehealth more widely available outside the U.S.; and offered new benefits like coverage for gender reassignment. We also continued to offer our Employee Assistance Program (EAP), which provides everyday support like counseling, referrals for childcare, professional assistance for emotional and behavioral health, financial coaching, career transition support after termination, and critical incident support for sites affected by natural disasters. We were encouraged to see that 93% of team members who participated in our annual Voice of the Workforce survey felt that HPE takes a genuine interest in them by offering wellness programs to team members and their families.

INCREASED SUPPORT FOR REMOTE WORK

Starting in 2020, the majority of our global team members began working remotely through our Edge-to-Office program, which we adapted this past year to include hybrid work in 57 of the 150 countries where we operate. The change has empowered team members in the decision-making process of how and where they work. To support our team members with this transition, we began offering a variety of new initiatives, including a free tutoring program for children doing remote learning from home, a stipend and equipment lending program to help team members assemble a secure and ergonomic home office, summer Fridays off, wellness videos and ergonomics website to foster healthy telework. For those team members on a hybrid work schedule, we began offering counseling and a variety of other resources to help them adjust to going back into the office once COVID-19 safety protocols permitted their return.



TEAM MEMBER HEALTH AND SAFETY

ACCELERATING
NET-ZERO

INVESTING
IN PEOPLE

OPERATING
WITH INTEGRITY

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

See page 23 of our [2021 Data Summary](#) for health and safety data.

PROMOTING A SAFE AND HEALTHY WORKPLACE

We work to promote an injury-free workplace through our Environmental, Health, and Safety (EHS) program. This holistic program provides the tools and resources our employees need to maintain a safe work environment by following our [Environmental, Health, and Safety Policy](#).

We believe everyone has a role to play when it comes to upholding safety at our facilities worldwide. We engage employees through our EHS programs, including mandatory training upon hire and a variety of campaigns throughout the year. In 2021, team members completed 11,403 safety-related training courses.

Our EHS risk reporting tool provides visibility into site-specific risks and how they are being addressed and enables us to track regulations and compliance mechanisms across our global sites. It also helps us conduct on-site safety assessments and certify

select HPE offices to industry-leading safety standards. We also use a third-party consultant to provide us with ongoing global regulatory updates for the countries where we operate.

At the end of 2021, 100% of our manufacturing sites were ISO 14001 certified and 66% were certified to the new ISO 45001. Apart from manufacturing sites, our global sales sites and headquarters are part of ISO certification program. In total, we had 12 locations certified to ISO 14001 and four sites are awaiting the audit process to be certified to the new ISO 45001 Occupational Health and Safety Standard, replacing the ISO 18001 standard, comprising 6% of all HPE sites. Every year, internal and third-party auditors confirm site compliance with these standards. These audits were conducted remotely due to COVID-19 restrictions. In addition, we completed a variety of internal EHS-focused audits at sites in Slovakia, Italy, Hungary, Poland, the Czech Republic, Spain, Sweden, Denmark, Norway, South Africa, and Taiwan.

Our strong EHS program has shown results; our lost workday case rate dropped from .02 in 2020 to 0.01 in 2021, while our recordable incidence rate dropped from .05 to .04. Both are below the industry average of 0.1.³⁰



³⁰ [U.S. Bureau of Labor Statistics](#), as of December 2021.

CONTINUED COVID-19 SAFETY

Throughout 2021, we used a phased approach to reopening offices safely while the world still managed the COVID-19 pandemic. Global Workplace/EHS, Human Resources, Security, and Global Resiliency teams monitored and implemented pandemic-related procedures to assist essential workers returning to offices first, followed in controlled phases by 20% of team members, 50%, 100%, then back to normal with restrictions as needed. For anyone not considered essential, returning to work was voluntary. Each country or region was required to meet certain metrics at each phase of the reopening process, and travel and meetings were limited based on the phase. Local site reconstitution teams monitored metrics to track progress throughout the year. Personal Protective Equipment (PPE) was provided based on the phase or government requirements. In October of 2021, we began instituting a vaccination policy in countries where it is legally allowed. We established on-site

vaccination clinics in several locations, including India and Puerto Rico, and conducted COVID educational programs for customer engineers providing critical business support at non-HPE sites in India. For our HPE team members in India, we provided pulse oximeters, thermometers and N95 masks; introduced a telehealth vendor to provide virtual COVID support; offered special medical insurance enrollment opportunities for team members who wanted to increase their HPE coverage; and provided well-being resources like a webcast to promote available COVID and mental health resources.



COMMUNITY INVESTMENT

ACCELERATING
NET-ZERO

INVESTING
IN PEOPLE

OPERATING
WITH INTEGRITY

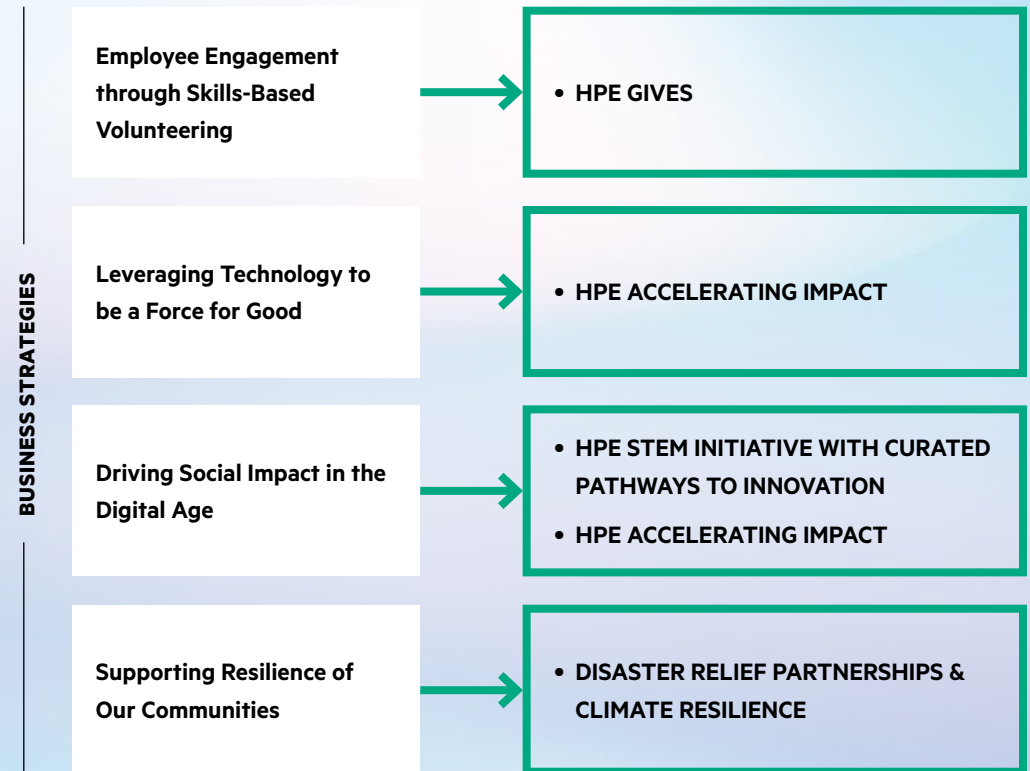
We believe that technology can be a force for good and has the potential to enable greater efficiencies, mitigate social inequities, and drive better solutions to the world's most complex challenges.

Through our culture of giving, we support community organizations and use our skills and passion to accelerate social impact where it's needed most.

See page 24 of our [2021 Data Summary](#) for social impact metrics.

We continue to align our community investment strategy and initiatives with our business strategy. Our philanthropic initiatives focus on leveraging the talents of our highly-skilled workforce, supporting non-profit organizations that are using technology to make an impact, fostering STEM skills and competencies to compete in the digital age, and making our communities stronger and more resilient.

INVESTING IN COMMUNITIES IN ALIGNMENT WITH OUR BUSINESS STRATEGY



HPE GIVES

HPE Gives, our signature giving and volunteering program, empowers team members to use their passion and expertise to serve others and make an impact in the community. While activities continued to be impacted by the COVID-19 pandemic, we are proud of our 2021 program results:

- Distributed **nearly \$8.4 million in funds to more than 4,900 causes**. The [HPE Foundation](#) matches team member gifts with cash donations. Team member contributions to HPE Gives increased nearly 20% from the previous year.
- **More than 3,200 team members contributed nearly 99,000 volunteer hours**. Our global volunteer policy allows every team member to use 60 hours of paid time during the year to volunteer, and the HPE Foundation provides volunteer rewards.

In 2020, we doubled the HPE Gives reward rate for skills-based volunteering, recognizing that it provides greater value not only for our nonprofit partners but also for our team members. In 2021, we set and then exceeded our goal of 40% of all volunteering being skills-based, ending the year at **52% skills-based volunteerism**.³¹

Through HPE Gives, team members can also contribute to special matching campaigns that are separate from and do not impact the annual HPE Gives matching limit of \$5,000 USD

per employee. Our workforce consistently reports that it is important that HPE support the communities where we live and work and that these programs make them proud to work at HPE.

In 2021, team members supported special matching campaigns such as:

- California wildfires—\$3,470
- COVID-19 in India—\$351,036
- COVID-19 in other countries—\$15,129
- Texas winter storms—\$64,565
- Other—\$3,417

In addition, as part of HPE's continued commitment to racial justice and equity, HPE Gives launched a special matching campaign centered around the Juneteenth holiday in the U.S., doubling donations to support select organizations who are advancing racial justice and equity. In FY22, we announced that the campaign will be extended year-round: every dollar donated to each of the organizations will receive \$2 in HPE Gives matching.

IN 2021

39%

increased donations
compared to 2020

\$698.78

average donation
amount

22.3%

increased hours
per volunteer
compared to 2020

33.47

hours spent per
volunteer

SINCE HPE GIVES WAS ESTABLISHED IN 2016

~45,000

team members have participated

\$35 million+

in donations

1 million+

hours of time volunteered

³¹ Due to the COVID pandemic, volunteer hours and participation rates are both down from 2020 levels. However, virtual volunteering is typically skills-based, thus our percentage of skills-based volunteering has increased in 2021.

HPE ACCELERATING IMPACT

The HPE Accelerating Impact initiative supports technology-centered nonprofits (“tech nonprofits”) through donations, volunteerism, and our partnership with the accelerator [Fast Forward](#), which invests in nonprofit organizations that use technology to accelerate social impact. The initiative partners with 40 tech nonprofits working on a range of issues around the world—from building AI technology to combat online child sexual abuse to using augmented reality to highlight underrepresented narratives. In 2021, more than 50% of the organizations supported were led by a woman or gender nonbinary person, more than 50% were led by a person of color, and more than 50% were founded by a person who experienced the very same issue they were solving for others.

HPE delivered \$1.3 million in funding to these organizations in 2021 by inviting team members to direct \$25 credits provided by the HPE Foundation. Over 28,000 team members from around the world participated in the campaign, and many continue to engage with these non-profits throughout the year by participating in skills-based volunteering opportunities. Since the program's inception in 2019, HPE Accelerating Impact has directed nearly \$4 million to tech nonprofits, positively benefitting more than 360 million people.

HPE STEM INITIATIVE WITH CURATED PATHWAYS TO INNOVATION

Our HPE STEM Initiative encourages access to STEM education by deploying our own tools and resources to inspire a rising generation of diverse tech innovators and smart digital citizens. The HPE Foundation is a founding partner of [Curated Pathways to Innovation \(CPI\)](#), an initiative that aims to improve representation by women and historically underrepresented minorities in STEM fields through an AI-enabled, personalized learning platform for students.

CPI includes two learning platforms: [Cyber Squad](#), an online game developed by our Women in Security Resource Group in 2020, increases cybersecurity awareness while the Virtual STEM Board, a web-based module and game, teaches students software and hardware concepts and programming topics. We aim to reach 1,500 students through these platforms, with at least 50% of students being female and at least 50% being ethnically diverse.

SUPPORTING COMMUNITY RESILIENCE AND DISASTER RELIEF

We leverage resources from across the company, our workforce, and the HPE Foundation to address all phases of a disaster—from preparedness to immediate response, through to long-term recovery.

Recognizing the link between climate change and natural disasters, we expanded our approach in 2021 to support important climate resilience initiatives in partnership with the Natural Resource Defense Council (NRDC). The focus of such partnership is to address the importance of climate resiliency, reduce communities' vulnerability to the impacts of climate change, and help manage recovery and rebuilding in the aftermath of climate-related disasters. In 2021, we led a series of climate resilience webinars with the NRDC and HPE team members to discuss the impacts of climate change on public health in their own communities.

The HPE Foundation also continued its longstanding partnership with the American Red Cross Disaster Responder Program, which enables the Red Cross to have vital resource in place even before disaster strikes, and made a one-time \$200,000 grant to Houston Harris Country Winter Storm Relief Fund, via United Way of Great Houston, to assist the most vulnerable affected by the extreme winter storm in 2021.



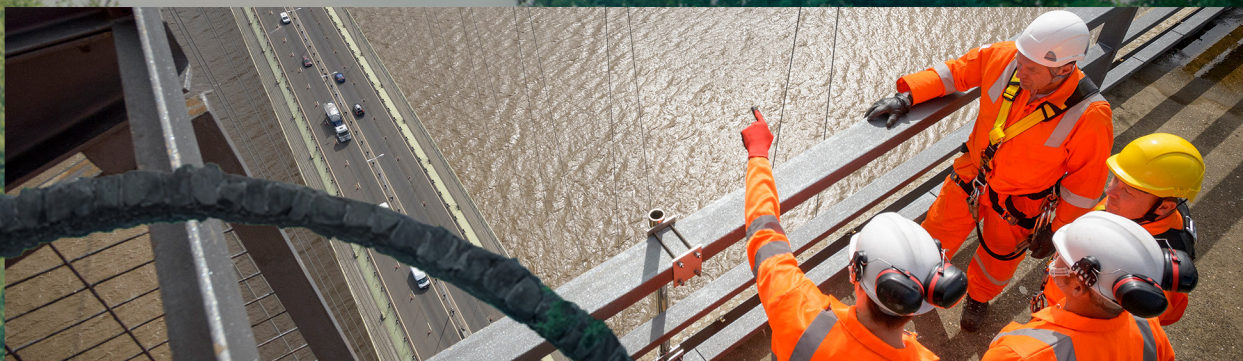
HELPING INDIA RESPOND TO THE GLOBAL COVID PANDEMIC

In 2021, when the spread of COVID-19 intensified across India, our company came together to help our colleagues, their families and the communities where they live and work. You can learn more about HPE team member support on [page 41](#).

- HPE's 50 COVID-19 Test Labs and Outpatient Department (OPD) Centers, opened in 2020, facilitated over 500,000 patient visits across 14 states in India, providing a clean environment for rapid testing and rapid isolation. In addition, HPE deployed 53 COVID-19 Vaccination Centers in collaboration with state governments and NGO partners. By the end of 2021, we had facilitated more than 2 million patient visits, including no-cost vaccinations for more than 3,500 HPE team members and their eligible dependents.

- Team member donations, including a special matching campaign, raised more than \$350,000 in support of COVID-19 relief efforts in India. In addition, the HPE Foundation provided a grant of \$100,000 to UNICEF's emergency appeal and the Foundation's funds for the Red Cross Disaster Responder Program were activated to support the Indian Red Cross.
- HPE Foundation also provided financial support to a number of tech nonprofits working on the ground in India on various critical COVID-19-related efforts, including organizations ensuring effective and equitable vaccine delivery, delivering life-saving COVID-19 related information to people through open-source tools and tele-training, and developing software that supports health workers in hardest-to-reach communities.





OPERATING WITH INTEGRITY

We succeed by operating responsibly, holding ourselves and our business partners to the highest ethical standards. We embrace our responsibility to help safeguard the environment and human rights, and we work with our suppliers and supply chain partners to uphold the same principles.

We help our customers and their employees stay secure, building security into everything we do. And we safeguard data and build privacy protections into all of our products and systems. In the public arena, we advocate for policies that will help people thrive in a digital, connected world.

IN THIS SECTION

**Corporate Governance and
Ethical Behavior**

Human Rights

Data Security

Data Privacy

Public Policy

CORPORATE GOVERNANCE AND ETHICAL BEHAVIOR

ACCELERATING
NET-ZERO

INVESTING
IN PEOPLE

OPERATING
WITH INTEGRITY

What we do and how we do it matters. To run our business efficiently, serve our stakeholders responsibly, and ensure our integrity in the marketplace, we are committed to maintaining the highest standards of ethical behavior and corporate governance. We hold our partners and suppliers to these same standards.

BOARD OVERSIGHT

Our long-standing commitment to principled, ethical governance protects investor interests, addresses and reduces fiduciary risk, and informs our environmental, social, and governance (ESG) strategy. The HPE Board of Directors (Board) provides ultimate oversight and guidance for the company's ESG strategies and targets, public disclosures, and policies.

For more details regarding HPE's robust corporate governance and our ESG-related policies, see our [Proxy Statement](#) and Appendix of [HPE Policies and Standards](#).

To continually assess effectiveness and maintain the diversity we deeply value, Board committees, individual directors and the Board as a whole undergo regular and robust evaluations. We take a proactive approach to Board-level succession planning and maintain an active pipeline of potential directors who offer skills that will enhance the Board's oversight of our long-term strategy.

Board members regularly engage on ESG topics with investors and other global stakeholders through our Board Outreach Program and through participation in forums such as the Community of Chairpersons of the [World Economic Forum](#). Several Board members personally champion ESG issues. For example, our Board has sponsored initiatives such as Ready Now, a program that

mentors female executives at HPE to help them secure seats on external boards, and HPE's Diversity, Equity, and Inclusion Council, which oversees the development and implementation of our company-wide strategy.

BOARD DIVERSITY

As of the close of fiscal year 2021, the HPE Board consisted of 12 world-class directors with a broad range of skills, knowledge, and expertise. Eleven members are designated as independent directors under HPE and NYSE standards. In addition, each member of the Audit Committee and Human Resources and Compensation (HRC) Committee meets the heightened independence standards required for such committee members under the applicable listing standards.

Our Board was one of the most diverse in the industry, with 50% of board members identifying with one or more diverse groups. In 2021, five board members identified as women and two as ethnically diverse. While the ethnic diversity of our Board has decreased due to recent departures, we continue to consider diversity as a key focus of our director selection process as we aim to ensure the right mix of representation, skills, and perspectives.

See page 15 of HPE's [2021 Data Summary](#) for Board diversity statistics.

ESG GOVERNANCE

Our CEO, Board, and Nominating, Governance, and Social Responsibility (NGSR) Committee of the Board oversee ESG issues and are committed to ensuring that we operate in a responsible manner. ESG topics such as supply chain issues, human capital management, climate risk, and equity, inclusion and diversity are regularly discussed at Board and committee meetings. In addition, progress against the company's ESG objectives and targets are reviewed at least annually by the Board of Directors and NGSRC Committee. In 2021, all Board members completed an internal training course to enhance their knowledge and competence on ESG topics.

Last year we updated the charter of the NGSRC Committee to reinforce its role in overseeing our ESG strategy, policies, practices, and public disclosures. Other Board Committees—Audit, Human Resources and Compensation, and Finance and Investment—provide additional direction to our ESG strategy related to their specific areas of oversight.

HPE BOARD COMMITTEE OVERSIGHT OF ESG**AUDIT
COMMITTEE**

- Oversees ESG risks as part of overall risk management
- Reviews ESG disclosures in Securities Exchange Commission filings

**HUMAN RESOURCES AND
COMPENSATION COMMITTEE**

- Oversees corporate culture and team member relations topics (e.g., diversity and inclusion initiatives, social justice activities, executive compensation)

**FINANCE AND INVESTMENT
COMMITTEE**

- Reviews stockholder sentiment and perspectives on ESG topics and areas of concern
- Reviews ESG-related components of applicable credit and financing arrangements

**NOMINATING, GOVERNANCE,
AND SOCIAL RESPONSIBILITY
COMMITTEE**

- Provides primary oversight for the Living Progress team
- Oversees development of an annual Living Progress Report
- Oversees our Political Action Committee³²
- Evaluates progress made toward ESG targets
- Oversees government and public policy engagement

³² See [page 72](#) to learn more about HPE's Political Action Committee (PAC).

The **HPE Executive Council**, including our Chief Operating Officer and CEO, directly oversees the company's ESG strategy, with management goals and executive compensation tied to diversity and climate targets. The **HPE Living Progress Strategy Council**—a cross-functional team of executives across organizations such as Corporate Affairs, Chief Technology Office, Corporate Strategy, Ethics and Compliance, Global Operations, Human Resources, Global Communications, and Legal—ensure

best-in-class ESG performance. Co-chaired by the senior vice presidents of our Corporate Affairs and Legal organizations, the Council evaluates our ESG focus areas and priorities; provides support across the organization for ESG objectives and commitments; oversees communication of our ESG strategy to internal and external stakeholders; endorses nonfinancial materiality assessment and reporting activities; and regularly briefs the Board on ESG topics covering risks and opportunities, impacts and

strategies. Its role is to ensure that best-in-class ESG performance continues to be a part of our culture and that what we do and how we do it reflects this priority.

On a day-to-day basis, our Living Progress team leads the effort to set HPE's ESG strategy by identifying, evaluating, and addressing ESG risks and opportunities in coordination with subject matter experts across our business.

LIVING PROGRESS GOVERNANCE STRUCTURE



RISK MANAGEMENT

We manage and assess risk through our Enterprise Risk Management (ERM) program. Our Chief Financial Officer oversees the program and is supported by our HPE Executive Risk Council, comprised of executives representing each business unit from across the company. ERM updates are provided to the Audit Committee on a quarterly basis and to the full Board annually.

Risk management oversight is shared across Board committees, with the NGRS Committee overseeing risks associated with ESG topics such as sustainability, human rights, and corporate governance; the Audit Committee overseeing risks related to cybersecurity governance; and the Human Resources and Compensation Committee responsible for risk related to human capital management, including diversity and gender programs, compensation policies and practices, and executive succession planning. For more information, please refer to the [HPE Proxy Statement, Form 10-K](#), and our [TCFD analysis](#).

BUSINESS CONTINUITY

To ensure our services are resilient, our global Business Continuity Management (BCM) Policy requires business group and global function leaders to develop, maintain, and conduct at least annually rigorous testing of appropriate business continuity strategies and plans for their critical processes, operations, and facilities. We have prepared for many regional or local disaster scenarios, including a pandemic, and will continue to consider a range of potential events. Our team members play a role, undertaking mandatory annual training on issues such as cybersecurity and global trade. Last year, 22,876 team members completed our Global Resiliency Awareness course.

BUSINESS CONTINUITY DURING COVID

Our Corporate Crisis Management Team (CMT) and all 54 country CMTs remain activated in response to COVID-19, with oversight from the Board of Directors. Our Business Continuity team continues to monitor the impact of COVID-19 on our global supply chain and logistics, including the ongoing monitoring of global silicon shortages. As of the end of fiscal year 2021, production continues without capacity constraints from COVID-19.

Our Business Continuity team also assesses the company's climate resilience. In 2021, the team developed a climate-related risk resilience assessment, assessing 19 sites in the U.S. and Asia Pacific and Japan, using the number of critical processes identified in the business continuity depository and site power consumption as drivers for site selection. The framework applied the following climate risk indices—Heat, Storm Surge, Water, Flood, and Power electricity—to assess risk probability and produce an overall climate risk score for four sites identified as high risk. In 2022, we plan to extend the framework to include additional sites and to replicate the site resilience framework for HPE's supply chain. HPE's business continuity supplier checklist also requests information on supplier continuity strategies for climate risk.

TAX TRANSPARENCY

Our [HPE Global Tax Policy](#) is a critical component of our business values and ethical principles. We fulfill taxation responsibilities in every location where we operate. We advocate for tax reform that supports an evolving IT industry in a modern marketplace. HPE's tax affairs are managed to protect the company's wider corporate reputation in accordance with our overall high standards of governance. HPE maintains appropriate tax controls and documentation processes, which regularly undergo internal audits.

ETHICAL BEHAVIOR

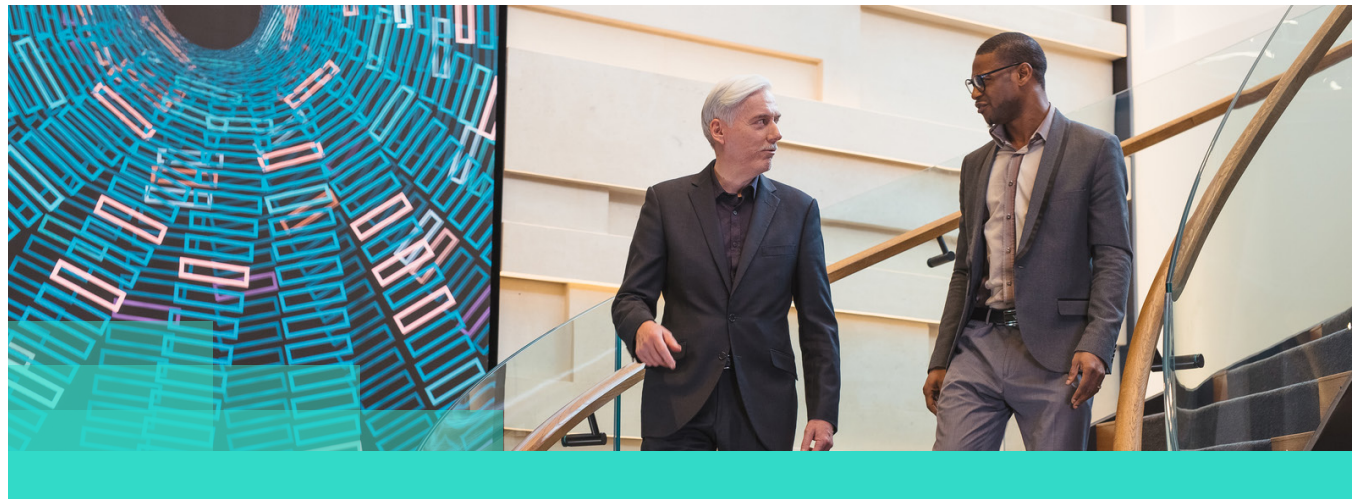
We maintain the highest ethical standards across our global workforce. We work to foster a culture of integrity, continuously working to strengthen policies and expand training to ensure team members do what is right. These expectations also extend to our business partners and suppliers worldwide.

In 2021, HPE was named one of the [World's Most Ethical Companies](#) by the Ethisphere Institute for the third consecutive year.

ANTI-CORRUPTION PROGRAM

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

- Policies that provide clear guidance, including the [HPE Anti-Corruption Policy](#).
- Tools and training for our workforce and our third-party vendors/suppliers, including mandatory annual anti-corruption training for all non-contingent employees.
- Process controls to review higher-risk transactions and to screen third-party partners.
- Support and advice from specialized anti-corruption attorneys and other compliance professionals.
- A transparent, systematic process for investigating and addressing potential concerns.
- A dedicated anti-corruption audit program, which conducted 14 audits.



ETHICS AND COMPLIANCE PROGRAM

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

We foster a speak-up culture and encourage our employees, customers, stakeholders, and suppliers to raise concerns regarding business conduct through one of our reporting channels—without fear of reprisal. Reports are confidential and can be made anonymously where local law allows.

For each report made, we perform the following actions:

- Add a record to our global case management system, which we use to identify trends and priorities.
- Review and respond promptly.

- Conduct any required investigations appropriately, carrying out disciplinary or remedial action when needed.

We track the nature of ethics and compliance items reported to us each year. In 2021, ethics allegations and inquiries were down 31% from 2019. The majority of issues related to labor law and misuse of assets. Breaches of ethical behavior are reported on page 37 of our 2021 Data Summary.

ETHICS & COMPLIANCE GOVERNANCE STRUCTURE



ETHICS TRAINING AND ENGAGEMENT

Along with developing and updating robust ethics policies, we understand the importance of clear and consistent workforce training and communication to reinforce standards of ethical behavior those policies detail. Our approach includes the following elements:

- Requiring all non-contingent team members to complete SBC training through short modules focused on anti-corruption, books and records, anti-harassment, and other SBC topics. New hires are required to complete training within 30 days of joining the company. In 2021, 99.9% of active team members completed the annual SBC training.
- Designing a new board-level ethics training, completed by all Board members in March 2022.
- Highlighting emerging risks and sharing real-life examples of misconduct at HPE via quarterly emails to team members.
- Enabling team members to ask questions, access resources, and discuss ethics and compliance issues on our Slack channel.
- Strengthening our culture of ethical conduct by connecting senior members of the Ethics and Compliance Office with HPE business leaders via executive presentations.
- Communicating regularly with team members through email, videos, and training sessions.



Human rights principles are embedded in the way we do business, and we hold our entire value chain to high ethical standards.

Our Board provides ultimate oversight of human rights-related risks as part of our broader ESG strategy, policies, and public disclosures. In 2021, our Board—including both our Audit and Nominating, Governance, and Social Responsibility (NGRSR) Committees—engaged on various human rights issues and approved our annual conflict minerals disclosure and Modern Slavery Act transparency statement. In HPE executives, including our Chief Executive Officer (CEO) and Chief Operating Officer (COO), actively engage in forums to communicate our plans to accelerate human rights and drive collective impact with our peers. For instance, in 2021, our COO joined UN High Commissioner Michelle Bachelet and other technology executives to discuss their role in advancing corporate respect for human rights. More information regarding HPE's oversight and management of human rights risks can be found in the [2022 Proxy Statement](#).

See page 26 of our [2021 Data Summary](#) for supplier SER performance, audit, and responsible sourcing data.

See [page 74](#) for a list of key partnerships and engagements on human rights and other ESG issues.

Monitoring and enforcing human rights is a responsibility of the entire company, and we provide and track mandatory training for all new employees on our global human rights

“Respecting human rights is a core value at HPE and is embedded in the way we do business.”

ANTONIO NERI,
HPE CHIEF EXECUTIVE OFFICER

policy. Additional human rights trainings were launched in 2021 targeting specific groups such as sourcing teams—on responsible purchasing practices and supply chain responsibility challenges such as modern slavery and working hours—and sales, legal, government affairs, and leadership in high-risk countries—on responsible use due diligence.

Our leadership across human rights and ethical sourcing issues earned HPE notable awards and recognition in 2021, including:

- Highest ranking on [KnowTheChain's latest ICT Benchmark](#)
- Became the only repeat winner of the [Thomson Reuters Foundation Stop Slavery Award](#)
- Second place ranking in latest [Corporate Human Rights Benchmark for ICT](#)



OUR SALIENT HUMAN RIGHTS RISKS

In 2021, we celebrated the tenth anniversary of our committing to the [United Nations Guiding Principles on Business and Human Rights](#) (UNGPs), and we used the opportunity to reassess our entire program, including improving our company-wide [Global Human Rights Policy](#). The policy highlights six salient human rights risks identified through a company-wide assessment conducted by a third-party: (1) responsible use of our products, (2) responsible product development, (3) modern slavery and decent work, (4) responsible sourcing of minerals, (5) inclusion and diversity, and (6) water use.

We continuously monitor these human rights risks and perform thorough due diligence to avoid complicity in human rights violations. In 2021, we conducted 87 human rights impact assessments (HRIAs), tracking them by geographic region, business group and type, and human rights at risk.

Responsible Use of HPE Technology

We recognize that we have a responsibility to ensure that our products are not misused by bad actors or in ways that could jeopardize the rights and freedoms of individuals. In 2021, we strengthened and formalized our processes for identifying and assessing high risk opportunities (including sales, acquisitions, investments, technology partnerships, products, and in relation to changes in operating environments). We implemented enhanced human rights screenings of sales in high-risk geographies and

strengthened onboarding of sales partners in regions of concern—such as Myanmar and across Asia—by conducting human rights trainings with sales partners for the first time. We also continue to bring our peers together to launch, discuss, and research how best to engage sales partners on human rights.

Responsible Product Development

We aim to develop new products responsibly, with ethical and social considerations integral to the process. This means collaborating actively with engineers and leaders across the company, as well as external experts. The responsible development of AI is a particular priority.

In 2021, we publicly launched our [AI Ethical Principles](#), which are overseen by our AI Ethics Advisory Board. We began operationalizing the principles across product development, partnerships and the internal use of third-party AI to support business operations. As part of this, we piloted and refined our tools for assessing the AI we develop and use. Finally, we developed AI ethics training for our customers and raised awareness of our AI Principles company-wide through a leadership-based communications campaign. In early 2022, we launched AI Ethics training for all team members.

Modern Slavery and Decent Work

We stand against human rights abuses, including modern slavery, and commit to protect vulnerable groups as detailed in our annual [Modern Slavery Transparency Statement](#) and [Global Human Rights Policy](#). We pay particular attention to vulnerable groups as

defined in the [International Labour Organization](#) (ILO) Declaration on Fundamental Principles and Rights at Work, including migrants, children, women, racial and ethnic minorities, student and dispatch workers, and human rights defenders.

Our modern slavery efforts are guided by our industry-leading standards, including HPE's:

- [Student and Dispatch Worker Standard for Supplier Facilities in the People's Republic of China](#): Sets the minimum standards for technically managing student and dispatch workers at supplier facilities involved in that country in HPE manufacturing processes.
- [Migrant Worker Standard](#): the first in our industry and now being leveraged by others in the industry, upholds the [Employer Pays Principle](#), protecting workers from having to pay fees to obtain a job. If we find that one of our suppliers is in violation of this requirement, we work with the supplier and their workers, and require all recruitment fees to be reimbursed. As of 2021, all suppliers have graduated from HPE's reimbursement program, and all outstanding reimbursements have been made. It also requires suppliers to directly employ foreign migrant workers. We updated this standard in 2021 with input from various stakeholders to advance all areas of the standard including an expanded focus on recognizing risk to internal or domestic migrants.

In addition, we contributed enhancements to the multi-industry Responsible Business Alliance Code of Conduct, better aligning it with the well-respected ILO Core Conventions and incorporating new, tough rules to deter the use of child labor and ensure any identified cases of child labor are fully remediated.

HPE has established processes for the early detection of forced labor and implemented due diligence procedures to monitor and help prevent these abuses at our suppliers. We inform our own factory workers on our standards and rights and conduct third-party audits to help ensure workers in our supply chain have been informed of their rights as relate to our [Supplier Code of Conduct](#). More information regarding our supplier audits and due diligence can be found in the sub-section “Supplier Due Diligence” and corresponding section of the [Data Summary](#) on page 26.

In 2021, we engaged rights-holders, experts and NGOs across a number of groups: migrants, women, children and youth, racial and ethnic minorities, and human rights defenders. Through these engagements, we gathered valuable insight around how to improve our work to protect each group, as well as broader feedback such as identifying and addressing heightened risk to individuals who fall within multiple vulnerable categories, and engaging individuals as solution providers, including the development of HPE’s approach to when and how they engage rights-holders. Their feedback informed our Commitment to Respect the Rights of Marginalized Groups, published in early 2022, and identified opportunities to make a bigger impact.

Responsible Sourcing of Minerals

Through our Responsible Minerals Program, we work to advance the responsible sourcing of minerals used in our products and within our supply chain. This includes metals found in most technology products, such as tin, tantalum, tungsten, and gold (3TG)—especially those from Conflict Affected and High Risk Areas (CAHRAs) such as the Democratic Republic of Congo (DRC) and DRC adjoining countries.

In 2021, 99% of smelters and refiners reported by suppliers made progress toward DRC conflict-free status. Learn more in our annual [Conflict Minerals Report to the U.S. SEC](#).

We have been a member of the [Responsible Minerals Initiative](#) (RMI) since 2008, including participating in RMI’s Smelter Engagement Team, Due Diligence Practices Team, and Gold Team. While we do not source raw materials directly, we continue to partner with our suppliers, peers, governments, and non-profits to influence mining facilities to engage in RMI’s Assessment and Audit Process (RMAP) or in another independent assessment program aligned with the OECD Due Diligence Guidance.³³



³³ We designed our due diligence measures to conform with applicable portions of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition, OECD 2016).

In 2021, we rolled out a new shared industry tool, the [Minerals Grievance Platform](#), an online system for reporting, tracking, and managing critical incidents linked to mineral supply chains. HPE also joined the [Public-Private Alliance for Responsible Minerals Trade \(PPA\)](#), which supports collaborative 3TG initiatives in the DRC region with peer companies and the U.S. government.

HPE aligns our philanthropic giving with our responsible minerals strategy:

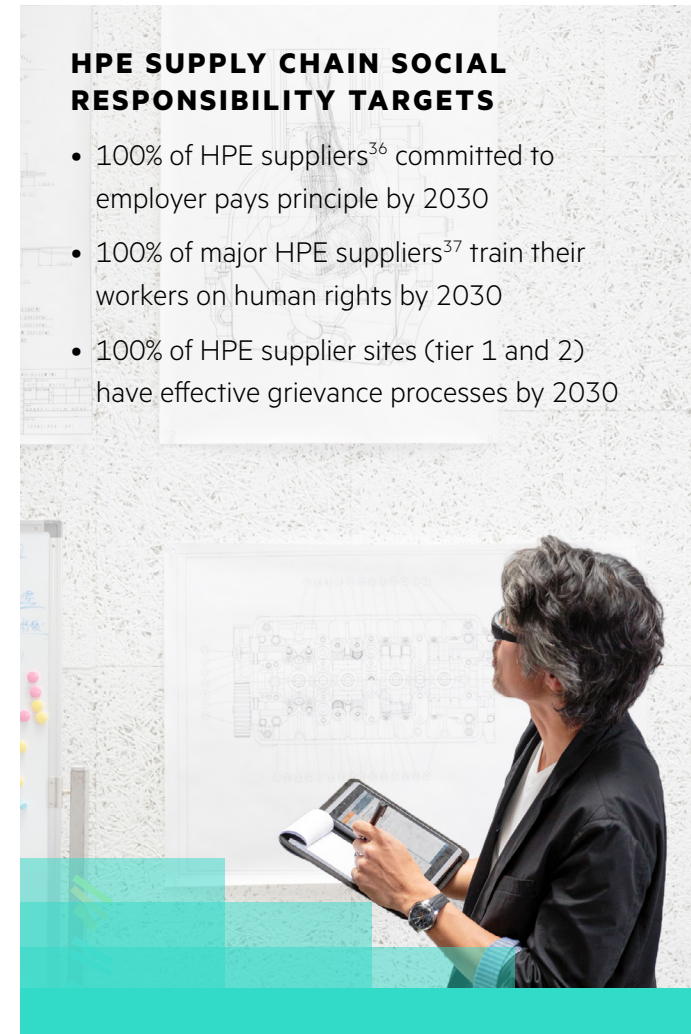
- For the fourth consecutive year, HPE made financial contributions to KEMET Corporation's Friends of Kisengo organization, a nonprofit dedicated to improving people's lives in the DRC through infrastructure, health, education, and environmental development. This donation contributes to the costs of childhood education in the Kisengo tantalum-mining community for 1,500 children.
- We continue to donate to RMI's Audit Fund for Participating Smelters and the [Upstream Due Diligence Fund](#) to support smelters and refiners with the costs of audits and mine-level assessments.
- In 2021, HPE began financially supporting the [RMI-Pact Vocational Training Partnership](#) located in cobalt mining communities in the DRC. The program provides vocational skills for at risk youth to provide an alternative to mining and break the cycle of poverty for recipients and their families.

Although we do not prohibit our suppliers from sourcing from CAHRAs so as not to cause economic or humanitarian impacts associated with an embargo, we strive to improve the transparency of mineral sourcing within our supply chain and achieve DRC conflict-free sourcing.^{34,35} We designed our program to align with the internationally recognized OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs. HPE's processes for identifying and prioritizing risks and impacts in its supply chain, including with respect to smelter and refiner due diligence, in alignment with OECD Guidance is set for in [HPE Supply Chain Responsibility: Our Approach](#) and our annual [HPE Conflict Minerals Disclosure](#).

Information regarding HPE's management of [Inclusion and Diversity](#) and [Water Use](#) issues can be found in the respective sections of the Living Progress Report. We align our strategies for both programmatic areas with the UN Sustainable Development Goals and our commitment to the UNGPs.

HPE SUPPLY CHAIN SOCIAL RESPONSIBILITY TARGETS

- 100% of HPE suppliers³⁶ committed to employer pays principle by 2030
- 100% of major HPE suppliers³⁷ train their workers on human rights by 2030
- 100% of HPE supplier sites (tier 1 and 2) have effective grievance processes by 2030



³⁴ "DRC conflict-free" as defined in the U.S. Securities and Exchange Commission's conflict minerals rule are products that do not contain conflict minerals that directly or indirectly finance or benefit armed groups in the DRC or an adjoining country. Conflict minerals from recycled or scrap sources are considered DRC conflict free.

³⁵ Our progress toward DRC conflict-free status is based on the number (as of the 2021 Cut-Off Date of March 17, 2022) of all supplier-reported 3TG facilities that were either RMAP-conformant or active, and/or that we reasonably believe exclusively source conflict minerals from recycled or scrap sources or from outside of the Covered Countries.

³⁶ 98% spend coverage

³⁷ Defined as top 95% by spend

SUPPLIER DUE DILIGENCE

Through our well-established [Supply Chain Responsibility \(SCR\) approach](#), we protect and elevate workers, communities, and the environment throughout our supply chain. We take a risk-based approach, working primarily with our top tier suppliers with whom we have a direct contractual relationship, including final assembly and strategic component suppliers. These considerations inform how we select, onboard, and manage relationships with our supply chain partners.

The [HPE Supplier Code of Conduct](#) is based on the [Responsible Business Alliance \(RBA\) Code of Conduct](#) and includes additional HPE standards and expectations for supplier operations. In 2021, we updated our code to align with, and go beyond, the RBA's [Code of Conduct 7.0](#), which includes a new requirement—co-drafted by HPE—to publicly disclose company-wide greenhouse gas (GHG) emissions targets and GHG emissions inventory.

We require that our suppliers with identified risk engage in annual monitoring and an independent audit every other year against our [Supplier Code of Conduct](#).³⁸ Suppliers' Social and Environmental Responsibility (SER) performance indicators are included quarterly in our supplier scorecard, which informs HPE purchasing decisions, and are discussed in annual reviews between HPE sourcing teams

and our suppliers. In addition, we require our top tier one suppliers to ensure that their suppliers (our tier two and beyond) adhere to our Supplier Code of Conduct and follow our SER requirements. In 2021, 313 representatives from our direct suppliers (covering nearly two-thirds of our suppliers) attended supplier training, with an additional 568 participants attending from our extended supply chain. We also provide human trafficking awareness modules for our own team members through our virtual training catalog—Accelerating U—and through targeted training and awareness activities throughout the year.

As the COVID pandemic continued into 2021, we leveraged remote third-party audits through the RBA and continued to promote our [Supplier Guidance on Social Responsibility and COVID-19](#), supporting our suppliers to implement best practices. Our monitoring relies heavily on workers raising concerns, and independent third-party audits to assess for compliance. In addition to assessing the nature and effectiveness of suppliers' grievance channels, HPE provides a [variety of anonymous channels](#) through which anyone can raise an ethical concern, including workers in our supply chain. In 2021, HPE reached 139,710 workers through our monitoring programs and consulted 2,418 workers through [RBA Voices](#) and in-person specialty assessments required by HPE.

See "Reducing the Environmental Impacts of Our Supply Chain" on [page 28](#) for details on our efforts to reduce the environmental impacts of our supply chain.

See page 26 of our [2021 Data Summary](#) for supplier SER performance and audit data.

LOOKING AHEAD

In 2022, we look to continue our work of assessing risk further down our supply chain by carrying out additional assessments at high-risk sites beyond our tier one suppliers, and have introduced more robust monitoring and support for our indirect suppliers (suppliers providing goods and services that support our internal operations). In addition, we plan to apply a vulnerable group lens to our external stakeholder third-party assessments and are piloting techniques for monitoring HPE product use in regions of concern to ensure products are not being used to violate human rights. We are developing a critical response process should we identify cases of product misuse, applying learnings from a similar process we run in our supply chain. We are also tracking emerging human rights due diligence regulations and guidance coming out of the U.S. and Europe, and continuing to improve all aspects of our programs, with a focus on improving our human rights disclosure and transparency.

³⁸ For audits on RBA member facilities and their suppliers' facilities, independent third-party specialists trained in social and environmental auditing carry out the audits, using the RBA Validated Audit Process.

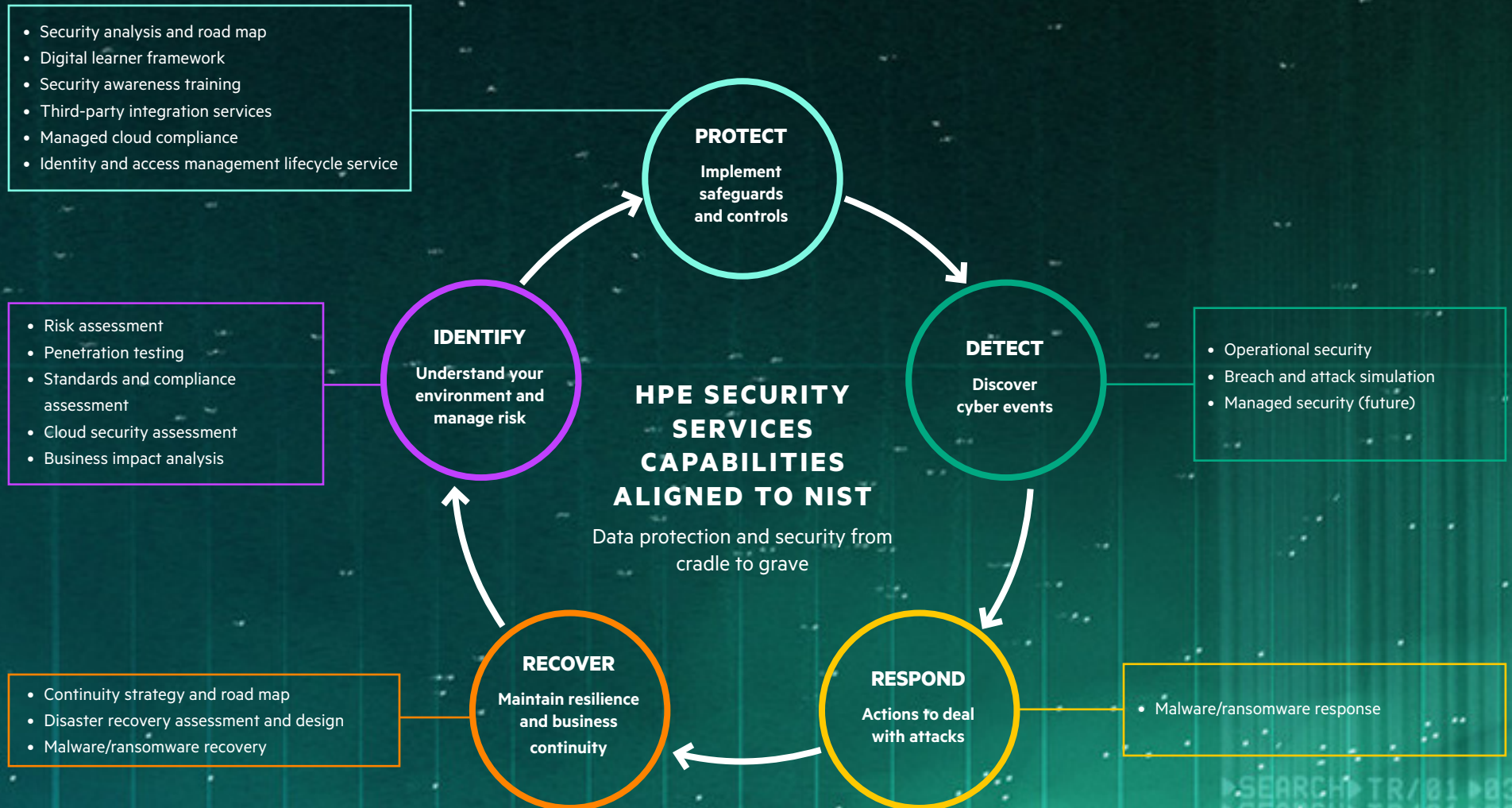
Threats to data, infrastructure, operating environments, and applications grow in number and complexity every year. Cybercrime is expected to reach \$10.5 trillion by 2025, with a business falling victim to a ransomware attacks every 11 seconds.³⁹ HPE's proactive, layered approach to cybersecurity protects our company and our customers.

ENSURING DATA SECURITY AND RESILIENCE FOR OUR CUSTOMERS

We ensure our customers' data security from cradle to grave by creating a chain of trust. We secure data through the lifecycle, from the lowest levels of silicon, to the workloads and data that reside on our infrastructure to the safe decommissioning, refurbishing, and recycling of assets.

We employ independent, third-party penetration testing and analysis that goes beyond standard industry methods to test our solutions against real-world threats and attack scenarios our customers are likely to face. We then use internal and external risk-based auditing to validate and improve our offerings. Our security services align with National Institute of Security and Technology (NIST) 800-53 controls. In 2021, we collaborated with NIST in the areas of certificate-based identity, configuration attestation and hardening of the software supply chain.

³⁹ Cybersecurity Ventures, Top 5 Cybersecurity Facts, Figures, Predictions, and Statistics For 2020 To 2021, March 2020.



Our Silicon Root of Trust, which gives our servers an immutable fingerprint that prevents malicious code from corrupting firmware, continues to be unique in the industry. We remain the only company offering Commercial National Security Algorithm Suite (CNSA), the most advanced encryption for server platforms.

HPE GreenLake Management Services offers our customers security monitoring, privileged access management, vulnerability management, security hardening, and compliance management, all governed by an Account Security Officer (ASO). To expand our as-a-service security solutions, in 2021, we acquired **Zerto**, an industry leader in cloud data management and protection. Zerto's technologies will help us move our storage business into a **cloud-native, software-defined data services business**. In 2021, we introduced **Project Aurora**, which extends our secure root of trust and verification processes to deliver cloud-native, zero trust security to our edge-to-cloud architecture.

Project Aurora will join our suite of secure solutions, such as:

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

The Silicon Root of Trust and Aruba Policy Enforcement Firewall received special designation in the inaugural year of the Cyber Catalyst by MarshSM program, which enables customers that adopt designated technologies to be considered for enhanced terms and conditions on cyber insurance policies. We were the first manufacturer of industry-standard servers to have the designation.

Network resilience is critical to our customers' business continuity, particularly as more work has become remote and digital. Our networks are built to withstand a growing volume and variety of threats including cyberattacks, extreme weather conditions, and unexpected demands. Aruba and HPE Pointnext Services combine best-of-breed technologies and industry-leading expertise to deliver secure, remote connectivity that helps organizations enable seamless, secure access across their workforce. In addition, HPE InfoSight, our cloud-based Automated Infrastructure Operations (AIOps) platform, eliminates unexpected downtime and automatically predicts and resolves 86% of infrastructure problems before they become an issue. HPE Nimble Storage, with HPE InfoSight, has proven availability of 99.9999% across its installed base to ensure no interruptions to data.⁴⁰

ENSURING DATA SECURITY THROUGHOUT OUR SUPPLY CHAIN

We diligently protect the security of our supply chain from threats hacks, counterfeit hardware, and malicious firmware and malware through our HPE Trusted Supply Chain initiative. Our practices include:

- Using only suppliers that have been thoroughly vetted for strong security protocols.
- Implementing third-party evaluations for products at a higher risk of security threats. Evaluations include inspection of electronic parts, component traceability, and material control processes.
- Using certificate-based identity and configuration attestation and hardening the software supply chain.

In addition, we are the only large-scale server manufacturer to offer an option with a U.S. country of origin—servers that are completed in the U.S. and with substantial value being added in the U.S., including our HPE ProLiant DL380 server.⁴¹



⁴⁰ [Predict and Prevent Downtime with AIOps](#), HPE, June 2021

⁴¹ [Based on source from InfusionPoints](#)

We continue to advance state-of-the-art data security across our industry through our [Hewlett Packard Pathfinder](#) program, which invests in category-leading startups. HPE investments include disruptive security companies including [Dragos](#), [SafeBreach](#), and [StackRox](#) (acquired by Red Hat® in 2021).

ENSURING OUR OWN DATA SECURITY

We use the same high standards and best practices for our own data and infrastructure that we use for our customers. We have 24/7 incident response coverage and report significant security incidents annually to our Board of Directors. With our preventative approach to cybersecurity, we continuously strive for zero incidents.

Our approach includes:

- Create a risk model based on business intelligence and threat intelligence.
- Identify critical assets to drive prioritization and differentiation of security protection based on likely impact to business.
- Conduct strategic assessments of our security program, via third parties, to mature our cybersecurity operating model.
- Create cohesion between Fusion Center (Cyber Defense Center) and Physical Security monitoring and insight sharing.
- Increase emphasis on proactive and preventative processes to identify vulnerabilities and threats.
- Improve cyber hygiene and outcomes across the company and amongst employees.
- Conduct continuous evaluation and modernization of systems and tools.

Safe Remote Work for Team Members

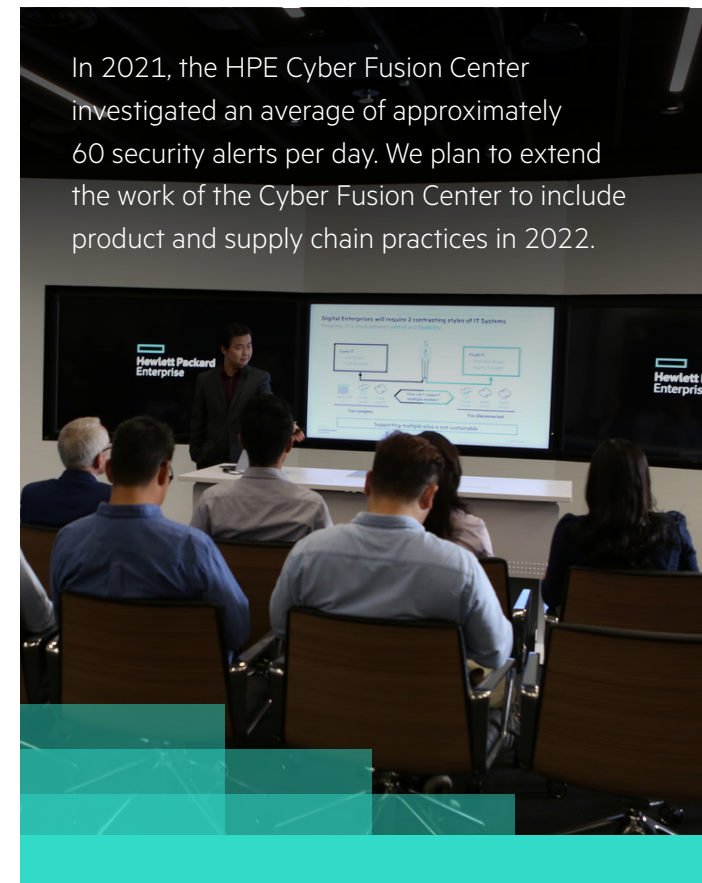
In 2021, we put in place additional security technology to extend our enterprise capabilities to our team members working remotely. We rolled out improved anti-virus, web browsing, and email protection tools. In addition, we created a work-from-home security policy and provided additional awareness and training for our remote team members, covering topics such as protecting home Wi-Fi networks, using VPN, and secure web conferencing.

Training and Incident Reporting

All HPE team members are required to complete mandatory annual security training and regular simulated phishing exercises keep email security top of mind among our workforce. All of our 8,000-plus developers are required to take application security training, and many are required to take additional specialized security training based on their role. HPE team member awareness and training efforts have reduced social engineering attacks and increased incident reporting.

HPE team members have access to our internal security organization's website, which prominently displays information on how to contact us in case of an incident, and our #ask-security Slack channel through which they can interact with security experts. In 2021, the HPE Security Fusion Center investigated an average of approximately 60 security alerts per day. We plan to extend the work of the Center to include product and supply chain practices in 2022.

In 2021, the HPE Cyber Fusion Center investigated an average of approximately 60 security alerts per day. We plan to extend the work of the Cyber Fusion Center to include product and supply chain practices in 2022.



Protecting personal data and individuals' privacy is imperative, and we aim to be at the forefront. We have robust privacy governance and a suite of internal accountability measures to ensure compliant and responsible use of personal data.

See page 37 of our [2021 Data Summary](#) for privacy-related data.

International data transfers from Europe and the United Kingdom (UK) were in focus in 2021. We worked on addressing the implications of the Court of Justice of the European Union (EU) ruling in the Schrems II case on EU data transfers related to our services and internal operations. As part of our continued support for the [Binding Corporate Rules](#) transfer mechanism, we applied to the UK Information Commissioner for re-approval of our Binding Corporate Rules following Brexit to enable UK data flows. Outside Europe, we completed our annual certification to the [Asia Pacific Economic Cooperation \(APEC\) Cross-Border Privacy Rules System](#) certification to support transfers between APEC countries. We also prepared for China's first comprehensive privacy legislation, the Personal Information Protection Law, which went into effect in November 2021.

In 2021, we had zero substantiated complaints regarding breaches of customer privacy or losses of customer personal data.

Looking ahead, we are preparing for the California Privacy Rights Act and other U.S. state privacy laws due to come into effect in 2023. In addition, we are monitoring and preparing for changes in the Middle East and India as they adopt their first comprehensive data protection laws.

Finally, we are focused on supporting HPE's digital transformation and data analytics practices with initiatives to improve our data governance and hygiene.

POLICIES AND GOVERNANCE

Responsible for our global privacy program, the HPE Privacy Office works in close partnership with HPE Global Security to review privacy risks and elevate concerns to the Board of Directors. Our [Global Privacy Policy](#) outlines the general privacy and data-protection principles we follow. The Employee Privacy Policy and [HPE Privacy Statement](#) (available in more than 20 languages) inform employees, customers and partners about our privacy practices and explain what personal data we collect, use, disclose, and transfer. The policies detail the choices individuals can make and rights they can exercise in relation to their personal data. We have tools and documented processes for responding to data subject rights requests in accordance with applicable country laws.

DATA PROTECTION AUDITS

We continue to audit our privacy and information governance programs and business operations to ensure compliance. HPE's Internal Audit and Ethics and Compliance Office audit teams evaluate our governance, risk management, and controls and ensure remediation actions are completed. We conducted four audits in 2021, an audit of our Global Marketing function, two country audits, and our Binding Corporate Rules for Processor.

TRAINING

We educate all team members on privacy and security through our mandatory annual Standards of Business Conduct training, which consistently has a completion rate above 99%, and other privacy training modules. In addition, Human Resources (HR) and Payroll team members are required to complete privacy training every 24 months to retain access to our HR systems. Additional privacy training may be provided to other teams, as needed.

ENSURING PRIVACY ACROSS OUR SUPPLY CHAIN

To ensure data privacy and security across our supply chain, we conduct due diligence on suppliers and obtain specific contractual commitments to ensure data is protected and used appropriately. In 2021, we updated our privacy terms to include the EU's new Standard Contractual Clauses for data transfers between EU and non-EU countries.

ENSURING PRIVACY FOR OUR CUSTOMERS AND EMPLOYEES

Our Privacy Impact and Compliance Assessment (PICA) tool helps us integrate privacy protection and a privacy-by-design approach into our business practices, products, and services. In 2021, we adapted the assessments to give additional consideration to the privacy risks from the development and use of artificial intelligence (AI), and we ensure high risk cases are referred to the AI Ethics Working Group for review.

In 2021, we launched our [AI Ethical Principles](#) in three main areas of our business: product development, partnerships, and the internal use of third-party AI to support business operations. In addition, we began conducting risk assessments for AI solutions that pose a risk to the rights and freedoms of individuals. Find out more on [page 59](#).



We work with governments, public sector customers, and other stakeholders around the world on issues that will help our customers, our employees, and our company thrive in a data-first world. Our public policy priorities help to advance both our business interests and our environmental, social, and governance (ESG) strategies.

SUPPORTING PUBLIC SECTOR DIGITAL TRANSFORMATION

Data value creation will be the crucial source of economic and societal progress in the coming decades, with the majority of data being processed in a decentralized manner. For public sector entities, the agility, security, and efficiency offered by hybrid cloud environments will enable them to better serve their citizens and accelerate economic growth. Yet, many public sector organizations have been slow to pursue a “cloud-smart⁴²” digital transformation due to barriers related to legacy infrastructure, digital skills, and procurement processes and policies such as outdated “public cloud first” initiatives.

As a trusted advisor for governments in their digital transformation journeys, HPE advises on cloud strategy and the benefits of hybrid cloud solutions and updated procurement models. By way of example, we:

- Advocated for the UK public sector to consciously adopt hybrid solutions in order to meet ever-evolving public needs. We published a manifesto presenting our plans and key themes that could provide better outcomes for the UK’s digital future.
- Brought together European public sector decision-makers at our **6th Public Sector Transformation Conference** to explore the critical role of cloud and data policies in the recovery plan for the EU economy post-pandemic.
- Participated in U.S. state-level forums on cloud deployment options, advocating for modernization while preserving maximum flexibility for agencies and how they spend taxpayer dollars.

- Remain an active member of the World Economic Forum’s Global Future Council in Agile Governance, which convenes public and private sector leaders to advocate for agile regulatory processes that allow governments and society to seize the potential of emerging technologies and overcome often-burdensome procurement processes.

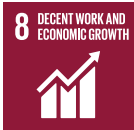
Consumption-based models for digital infrastructure are effectively bringing the cloud to public sector data centers, combining the flexibility of cloud with the control of on-premises systems to help governments achieve their data sovereignty. HPE is already working with dozens of organizations across Europe to help them prepare for decentralized data infrastructures such as **Gaia-X**, a European project to build a federated and secure data infrastructure for member states. Looking beyond Europe, these cloud and data policies have the potential to transform economies to be more data-driven, and to realize the socioeconomic benefits of this data, by providing more open and independent models for hybrid cloud.

⁴² A “cloud-smart” approach focuses on adopting cloud effectively opposed to “cloud first,” which deploys the technology by any means possible.

ADVANCING THE SUSTAINABLE DEVELOPMENT GOALS

Our public policy initiatives and public sector partnerships align with the United Nation's Sustainable Development Goals (SDGs) [page 10](#) to address objectives that are mutually beneficial to society and to our business. In 2021, key areas of focus included:

Building a Diverse and Skilled Workforce



Building the skilled and innovative workforce needed for our business, and our communities, to thrive depends on promoting education and economic empowerment. In 2021, we joined twelve peers, including Adobe, Siemens and Oracle®, in signing a letter of support to U.S. House of Representatives for the Institutional Grants for New Infrastructure, Technology and Education for HBCU Excellence Act, also known as the IGNITE HBCU Excellence Act. We urged elected officials to boost investments to HBCUs through passage of the Act so campuses could renovate, modernize, and construct new facilities.

HPE and our CEO publicly supported the Dream Act, providing a pathway to citizenship for young undocumented people living in the U.S., and publicly advocated for the Equality Act to ensure protections for LGBTQ+ people across key areas of life including workplace rights.

Accelerating the Low-Carbon Transition



Supercomputers speed time to insight in large-scale modeling, simulation, artificial intelligence and analytics workloads—reaping the benefits of data to tackle complex societal issues such as climate change.



Our high-performance computing (HPC) technologies are being used by government agencies around the world to help find solutions

to a range of challenges, from predicting extreme weather events to discovering new sources of renewable energy. We continue to call publicly for increased funding, greater coordination, and longer-term planning around HPC.

In 2021, we:

- Began work on a [supercomputer for the National Center for Atmospheric Research](#) to improve predictions of wildfires, hurricanes, and solar storms.
- Collaborated with the [U.S. Department of Energy's National Renewable Energy Laboratory](#) to accelerate the discovery of renewable power.
- Began building a new supercomputer [to improve France's energy security](#), reducing the need to import fuels and conserving the nation's natural resources.

We lend our voice and influence to drive science-backed climate legislation across the globe. In 2021, we were signatories to open letters to [G20 leaders](#) and the [G7](#) urging net-zero commitments. We also joined our peers to urge the Biden Administration to [set a federal climate target](#) and to accelerate carbon-free [federal electricity procurement](#). Most recently, HPE joined the U.S. Department of Energy's Better Climate Challenge, a national public-private partnership working to advance decarbonization and energy efficiency in the U.S. industrial sector. Our CEO speaks publicly about the role of technology in curbing climate change, for instance, during COP26 and at the [2021 Conference of Paris](#), and he continues to co-chair the Tech for Environment Group of French president Macron's Tech for Good global initiative.

Promoting Connectivity and Digital Inclusion



To address global digital inequality, we believe industry and government must improve connectivity to give every organization and individual easy and secure access to the technology they need, and must advance digital transformation through forward-looking public policy and innovation.

We advocate globally for public policy that supports national strategies to secure 5G and next-generation wireless communications. In particular, we promote policies supporting 5G transmission via open and interoperable solutions like virtualized radio access networks (vRAN). We work with standards bodies and 5G organizations advocating for these solutions, including the Open RAN Policy Coalition (ORPC), Alliance for Telecommunications Industry Solutions, GSM Association, and European Telecommunications Standards Institute (ETSI).

Globally we are expanding access to Wi-Fi in the 6 GHz band which will provide a significant boost for Wi-Fi-based innovation, including augmented reality, virtual reality, the Internet of Things (IoT), and low-latency applications. In India, we are supporting an effort to establish public Wi-Fi networks across the country. We continue to partner with the India government on [Digital Village](#), as part of our plan to invest \$500 million in India by 2023. As of 2021, we have deployed 33 digital villages across the country featuring a range of services like HPE Digital Classroom, HPE eHealth Center, and free public Wi-Fi provided by Aruba.

We also recognize the importance of building skills in emerging technologies. HPE has several Centers of Excellence around the world putting our technologies to use by incubating startups or training students. Local initiatives range from deploying [IoT-based solutions to improve farmers' yields](#), to training underprivileged technology students to develop [applications that will improve access to healthcare](#), to [creating new jobs](#) in strategic geographies with highly-skilled workers.

U.S. POLITICAL CONTRIBUTIONS

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

See page 37 in our [2021 Data Summary](#) for political contributions data.

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

We [publicly disclose](#) the candidates, groups and Sections 527 organizations that receive HPE PAC contributions. As we engage in the political process, we ensure that our actions are ethical, legal, transparent, and align with the [HPE Standards of Business Conduct](#).





APPENDICES

IN THIS SECTION

List of Partnerships
and Memberships

Issue Definitions

Policies and Standards

Resources

Memberships and partnerships

HPE partners with industry and peer groups to advance global sustainability agendas and achieve objectives critical to our business success. The following table lists the key memberships, affiliations, and working groups with whom HPE actively engaged in 2021; however, this is not exhaustive of all HPE partnerships.

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

Reporting Theme	Organizations	
Accelerating net-zero	Australia Information Industry Association American Chamber of Commerce Basel Convention Bloomberg New Energy Finance Business for Social Responsibility China Environmental United Certification Center China National Institute of Standardization China Quality Certification Center DEFRA E-Sustainability Alliance Digital Europe Engineering Entrepreneurship Steering Council at Texas A&M University Global Electronics Council Global Logistics Emissions Council Information, Communication and Telecom Southeast Asia Information Technology Industry Council ITI Asia Pacific Environmental and Sustainability Committee	Manufacturer Association of Information Technology Clean Energy Buyers Alliance Resolve—Public-Private Alliance for Responsible Minerals Trade Sustainable Air Freight Alliance Step Up Declaration Sustainable Brands Taiwan Institute for Sustainable Energy Taipei Computer Association TCO Certified techUK The Climate Group The Green Grid Uptime Institute US Environmental Protection Agency SmartWay United States Information Technology Office We Mean Business Coalition World Resources Institute
Investing in people	American Red Cross Disaster Responder Program Association of Corporate Citizenship Professionals Corporate Community Relations Consortium Curated Pathways to Innovation Fast Forward Greater Houston Partnership International Association for Volunteer Effort Natural Resource Defense Council NetHope Points of Light Silicon Valley Community Foundation University of Houston	University of Wisconsin-Eau Claire Catalyst Coqual Hiring our Heroes McKinsey & Company (Connected Leaders Academy) Military Spouse Employment Partnership National Action Council for Minorities in Engineering National Center for Women in Information Technology Seramount Diversity Best Practices Stanford Women's Leadership Tanenbaum Center for Interreligious Understanding Valuable 500
Operating ethically and responsibly	Association of Certified E-Discovery Specialists Association of Intelligent Information Management Association of Records Managers and Administrators Business & Human Rights Resource Centre (KnowTheChain) Business for Social Responsibility Centre for Information Policy Leadership Corporate Eco-Forum Ethisphere Institute of Certified Records Managers	International Association of Privacy Professionals Leadership Group for Responsible Recruitment North West Practitioner's Data Protection Group Responsible Business Alliance Responsible Business Alliance (Responsible Labor Initiative, Responsible Minerals Initiative) Thames Valley Data Protection Group UN B-Tech Community of Practice (B-Tech CoP) World Economic Forum
Our Approach	Article One: Roundtable on Human Rights and AI CDP	EcoVadis United Nations Global Compact

POLICIES AND STANDARDS

ACCELERATING
NET-ZERO

INVESTING
IN PEOPLE

OPERATING
WITH INTEGRITY

ACCESSIBILITY, HUMAN RIGHTS, AND LABOR PRACTICES

[Accessibility Policy](#)

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

[HPE Global Human Rights Policy](#)

[Open Door Policy](#)

CORPORATE GOVERNANCE

[Corporate Governance Guidelines](#)

[HPE Tax Policy](#)

DIVERSITY

[Harassment-Free Work Environment Policy](#)

[Nondiscrimination Policy](#)

[Equal Opportunity Policy](#)

ENVIRONMENT

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

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

[HPE Vendor Requirements for Hardware Recycling](#)

[HPE General Specification for the Environment](#)

[HPE European WEEE Compliance](#)

[HPE Sustainable Procurement Framework](#)

[HPE Climate Policy](#)

[HPE Water Policy](#)

ETHICS, ANTI-CORRUPTION, AND PRIVACY

[Anti-Corruption Policy](#)

[Contingent Worker Code of Conduct](#)

[Global Business Amenities Policy](#)

[Partner Code of Conduct](#)

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

[Political Contributions Policy](#)

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

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

[HPE Global Privacy Policy](#)

SUPPLY CHAIN

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

[HPE Supplier Code of Conduct](#)

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

[HPE Supplier SER Requirements](#)

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

ISSUE DEFINITIONS

ACCELERATING
NET-ZERO

INVESTING
IN PEOPLE

OPERATING
WITH INTEGRITY

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

MATERIAL ISSUE	COVERED IN SECTION(S)	DEFINITION
HIGH IMPACT TO SOCIETY AND ENVIRONMENT, HIGH IMPACT TO HPE'S ENTERPRISE VALUE		
Technology for social impact	Creating Value for Shareholders and Customers; Public Policy	Providing IT solutions that improve access to health, finance, food, government services, education, information, and markets. This includes efforts to promote digital inclusion and close the “digital divide” by increasing access to affordable, low-impact, locally appropriate technology for people of all ages, abilities, regions, and income groups.
Diversity, equity, and inclusion (workforce)	Diversity, Equity, and Inclusion	Ensuring that the HPE workforce reflects our global business and customers and establishing a culture that fosters equity and inclusion.
Supply chain resilience	Environmental Impacts of Our Supply Chain; Ethical Sourcing	This includes management of the risk and potential exposure to supply chain shocks, whether from natural resource constraints, extreme and unpredictable weather events related to climate change, pandemics or geographic-specific considerations.
Energy use and GHG emissions in the supply chain	Environmental Impacts of Our Supply Chain	Enabling our suppliers to adopt energy efficiency and GHG emissions reduction activities in their operations.
Efficiency of IT solutions	IT Efficiency	Providing IT services, products, and solutions and engaging with customers to solve customer business challenges, alongside providing sustainability benefits. In particular, increasing the energy efficiency of HPE products and enabling customers to reduce their energy and water use.

MATERIAL ISSUE	COVERED IN SECTION(S)	DEFINITION
LOW IMPACT TO SOCIETY AND ENVIRONMENT, HIGH IMPACT TO HPE'S ENTERPRISE VALUE		
Privacy	Data Privacy	Upholding the right to privacy and protecting personal data from unwanted parties. This includes the management of requests for private or personal information from government or law enforcement agencies to determine their legitimacy and comply with local, regional, and national laws and standards.
Data security	Data Security	Protecting information managed by HPE and customers from unwanted parties and unauthorized access, such as security threats and cyberattacks—including data collection, use, processing, storage, transfer, sharing, and end-of-life disposal. Managing reliable information networks—including those that support critical infrastructure and public goods—to reduce and rapidly respond to systemic risks and disruptions.
Employee health and safety	Team Member Health and Safety	Creating a healthy, safe, and secure working environment for all HPE employees.
Employee development, engagement, and well-being	Team Member Development, Engagement, and Well-Being	Promoting rapid professional growth and matching employee skills to future business needs in the ever-evolving technology industry. Fostering employee engagement and open communication. This includes effectively managing the negative impacts of workforce reductions and relocations.
Energy use and GHG emissions in our operations	Our Operational Footprint	Improving energy efficiency and using renewable energy sources to reduce GHG emissions in our operations, including buildings, employee travel, and transportation logistics.
HIGH IMPACT TO SOCIETY AND ENVIRONMENT, LOW IMPACT TO HPE'S ENTERPRISE VALUE		
Ethical sourcing and human rights in the supply chain	Human Rights; Ethical Sourcing	Maintaining and elevating ethical standards in the supply chain, including services and manufacturing supply chains, which maintain labor standards in working hours and conditions, wages and benefits, wage changes, labor shortages, and humane treatment of workers employed. Includes achievement of fair and beneficial outcomes for supply chain participants, especially workers and communities. Also encompasses elimination of slavery and forced labor in HPE's supply chain and managing negative social and environmental impacts associated with sourcing and extraction of raw materials, such as rare earth elements, precious metals and conflict minerals.
Ethical behavior, integrity, and business partnerships	Corporate Governance and Ethical Behavior	Promoting high standards of ethics and eliminating corruption, extortion, and bribery (e.g., price fixing, abuse of monopoly positions, predatory pricing, etc.) in employee, business partner, joint venture, and customer relationships. This includes efforts to ensure the marketing and communication of products and services is honest, transparent, and fair, as well as HPE's fulfillment of taxation responsibilities to the economies in which the company operates.
IT products and services and human rights	Human Rights; Public Policy	Preventing the use of HPE products and services by individuals, groups, or entities that are restricted, or who may use IT to infringe on human rights. Protecting the right to freedom of expression and avoid limiting access to expression.
Product lifecycle management	Productive Lifecycle Management	Managing the impacts of HPE products and services through their entire lifecycle, including production of raw materials, engineering, design, manufacturing, use, and end-of-life options. Contributing to a more circular economy.

MATERIAL ISSUE	COVERED IN SECTION(S)	DEFINITION
LOW IMPACT TO SOCIETY AND ENVIRONMENT, LOW IMPACT TO HPE'S ENTERPRISE VALUE		
Public policy engagement	Public Policy	Influencing public policy development through direct engagement and multi-stakeholder associations or initiatives. Responsible and ethical public policy engagement, including lobbying and contributions to governments and institutions of political influence (e.g., Super PACs).
Corporate governance	Corporate Governance and Ethical Behavior; Our Approach to ESG	Improving diversity of HPE's board structure, as well as its independent oversight of the company, governance of sustainability, the role of CEO/chairperson and execution compensation. Also includes providing clear and comparable business and sustainability information on products, operations, and the supply chain in an accessible manner.
STEM education and future of work	Diversity, Equity, and Inclusion; Community Investment	Preparing the workforce of the future with science and technology skills that enable people to thrive in an increasingly digital world.
Community investment	Community Investment	This includes efforts by HPE employees to volunteer in their local communities or provide monetary contributions to qualified organizations. Monetary and product contributions to qualifying organizations, such as in response to natural disasters.
Substances of concern in products	Substances of Concern	Designing and developing products and solutions that use alternatives to materials and substances of concern to human health and the environment.
Water in our operations	Our Operational Footprint	Responsible use / stewardship of water across HPE's operations.
Water in our supply chain	Environmental Impacts of Our Supply Chain	Responsible use / stewardship of water across HPE's supply chain.
Waste and hazardous materials in our operations and supply chain	Our Operational Footprint; Environmental Impacts of Our Supply Chain	Managing and disposing of hazardous and nonhazardous waste responsibly across operations and the supply chain. Excludes products, which are covered in the "Product lifecycle management" issue.



HPE REPORTS AND ONLINE CONTENT

[HPE 2021 Living Progress Data Summary](#)

[HPE 2021 Annual Report on Form 10-K](#)

[HPE 2022 Proxy Statement](#)

[HPE Investor Relations](#)

[HPE Carbon Accounting Manual](#)

[HPE Water Accounting Manual](#)

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

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

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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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