Hewlett Packard Enterprise

Living Progress Report

2022

A message from our CEO

I have always believed in the resiliency of our global community and the inherent goodness of humanity. Despite ongoing macroeconomic and geopolitical challenges around the globe, I maintain my optimism and confidence in a bright future ahead, underpinned by HPE's team members and technology.

IT has continued its rapid expansion as the world digitizes almost everything everywhere. This year, AI has emphatically emerged as a technology with seemingly limitless boundaries. It will become increasingly important to ensure that responsible actors use AI to achieve real benefits for society, while minimizing its environmental impacts. Fortunately, HPE's purpose—to advance the way people live and work—paired with its culture, is imbued with the notion that our very reason for being is to develop technology that helps our customers tackle society's biggest challenges.

Unlocking the value of data

One of the challenges facing our clients is the tension between the natural desire to deliver world-changing insights using the power of data and advanced technologies – and the need to do so in a manner that is mindful of the environmental and societal impacts of those efforts. In fact, there are circumstances where we help clients solve sustainability issues sustainably, demonstrating that the environmental impact of technology cannot be measured solely by its footprint, as such efforts often result in enduring environmental benefits that far outweigh the initial energy consumption.

We are proud to be deploying groundbreaking technology for public and private organizations worldwide, transforming what they can achieve and accelerating the pace of discovery. Applied across vital sectors, our technology significantly enhances their powers of analysis and invention. For example, Frontier, the world's first verified exascale supercomputer, the fastest,[1] and one of the most energy-efficient[2] supercomputers in the world, will allow the Department of Energy's Oak Ridge National Laboratory to make groundbreaking progress on challenges once deemed unsolvable. In the renewable energy sector, HPE is helping Carnegie Clean Energy test and optimize its HPE Cray supercomputer-designed ocean buoy system through AI reinforcement learning that captures wave energy providing zero-carbon energy.

These are just a few of the numerous examples that demonstrate the power our technology delivers to sustainably accelerate solutions to intractable sustainability challenges.

[1] top500.org/news/ornls-exaflop-machine-frontier-keeps-top-spot-new-competitor-leonardo-breaks-the-top10/

[2] top500.org/lists/green500/2022/11/

A message from our CEO

The path to net-zero is vital to HPE and our customers

Like our customers, we believe that combatting climate change is a moral imperative and one of the greatest market opportunities of our age. As such, it is our obligation to help our customers reach their own ambitious net-zero commitments, as we simultaneously work to reduce greenhouse gas emissions across our own value chain and build climate resilience into our business.

Such efforts are so central to our business, and we have transformed our offerings and business models to become the provider of choice for customers whose digital-transformation efforts are focused on reducing the environmental impact of their IT needs. Indeed, HPE GreenLake, our edge-to-cloud platform, delivers our entire portfolio as a service, thereby reducing energy, waste, and cost, without sacrificing performance or security.

The climate transition demands collective action across our entire value chain, and I am resolute in my commitment to ensure that HPE plays a central role in showcasing the attainability of net-zero emissions through our portfolio and actions.

Adding value by valuing people

Of course, none of the progress outlined in this report would be possible without our 58,600 global team members who are defining the leading-edge of our industry. HPE must continue to attract and retain top talent with diverse knowledge and capabilities. HPE has set bold diversity targets, recognizing that nothing we do is possible without the right talent bringing diverse backgrounds and ideas to fuel innovation.

I am incredibly proud of the culture we have created at HPE, prioritizing inclusion, appreciation, and connectedness, and valuing the unique contributions of each team member. We benefit from high employee retention and affinity with our values, with 92% of team members saying that diverse perspectives are celebrated and individuals from diverse backgrounds can thrive at HPE. Beyond our own workforce, we are also investing in the diverse innovators, leaders, and next

generation of talent that will propel our company and industry forward. I truly believe that who we are as a company – shown through our culture and values – remains a key differentiator for us as an employer.

In conclusion

From the beginning, Bill Hewlett and Dave Packard instilled a commitment to corporate citizenship into the DNA of this company. I often reflect on the pride that our contributions and progress would invoke in them. Yet, I know our founders would implore us to continue our push to do more to mobilize our talent and engineering to create a better future.

The human and environmental challenges we face today present us with unprecedented opportunities for innovation. I am incredibly fortunate to have the backing of a talented global team who share this vision. We are ideally placed to mine the value buried in data and unlock the incalculable potential of AI with the most responsible and sustainable IT solutions available.

I have asked each team member to make our sustainable business strategy a priority, and I have linked environmental and social performance to the compensation of our leadership team. This report showcases our achievements in 2022, and I look forward with great anticipation to what we will achieve in 2023 with HPE's unique fusion of sustainability and technology.

Regards,

Antonio Neri
President and Chief Executive Officer

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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. HPE aims to be fully transparent in meeting investor requests for ESG information. We maintain leadership through transparent disclosures, active collaboration with ESG rating agencies, and gold-standard performance. We actively seek improvement opportunities related to our disclosures. Living Progress is our business strategy for delivering sustainable value for all our stakeholders. These efforts are inextricably linked to our corporate strategy and purpose, which is to advance the way people live and work.

Reporting scope and boundaries

This report covers HPE's fiscal year 2022 (November 1, 2021–October 31, 2022). All references to years are to HPE's fiscal year, unless otherwise stated. All the information in the report is current as of the date of initial publication. The report has not been updated to reflect any changes that may have occurred after such date, including any changes to HPE's business or strategy. This report covers all HPE operations but does not include joint ventures. All references to dollars are to U.S. dollars. This report provides qualitative and quantitative information detailing our approach and fiscal year updates across our nonfinancial material issues which differ from the context of our SEC filings.

Data are rounded to reflect the appropriate level of certainty. Additional data can be found in our 2022 Data Summary.

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 (2021) 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 2022 Data Summary.

ⓘ **Complete 2022 fiscal year data, ESG indices, and statement of assurance can be found in the separate 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.

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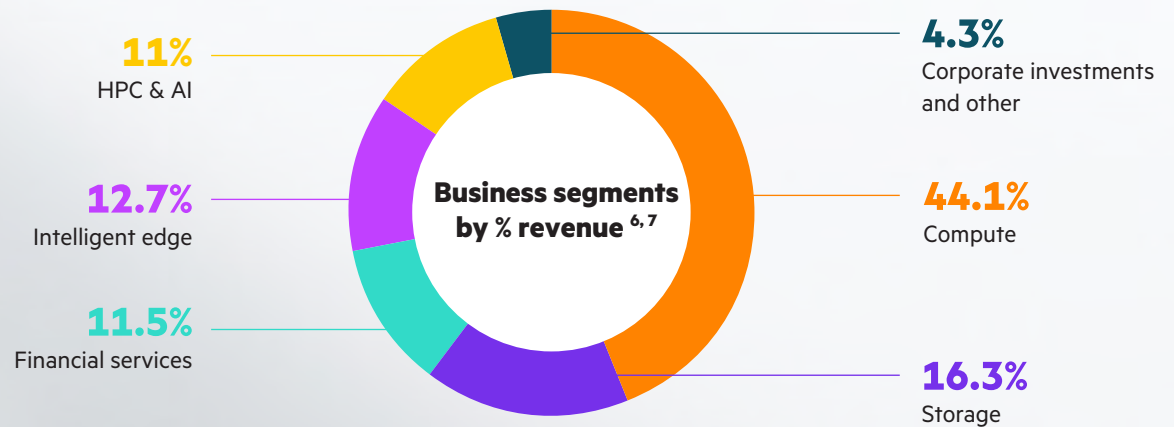
About Hewlett Packard Enterprise

We believe technology's greatest promise lies in its potential for positive change. Our company has always been an engine of innovation, and our approximately 58,600 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.

~58,600[4]
global team members

~21,200
in the Americas

~14,100
in Europe, the Middle East, and Africa

~23,400
in Asia Pacific and Japan

$28.5 billion
net revenue in 2022[5]

67%
of which was generated outside the United States

Business segments by % revenue [6, 7]

11%
HPC & AI

12.7%
Intelligent edge

11.5%
Financial services

4.3%
Corporate investments and other

44.1%
Compute

16.3%
Storage

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[4] Excluding employees of HPE subsidiary, CDS, a separate legal entity providing true multi-vendor service capability for HPE customers. 60,200 employees provided in our Annual Report and Proxy Statement includes CDS employees.

[5] HPE consolidated net revenue excludes inter-segment net revenue.

[6] Business segments by % of revenue includes inter-segment net revenue.

[7] Segments do not add up to total due to rounding.

Our approach to ESG

As we advance our business objectives, we also remain focused on purpose-driven environmental, social, and governance (ESG) initiatives and incorporate them directly into HPE's business strategy. With our vision of a climate-resilient and digitally inclusive world, we are committed to developing 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 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 and pursue 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.

Our ESG reporting to third parties helps us build trust and accountability with our stakeholders. We report each year to leading ratings organizations including CDP, Dow Jones Sustainability Index, MSCI,[8] EcoVadis, Morningstar Sustainalytics, and others.

Sustainability Award
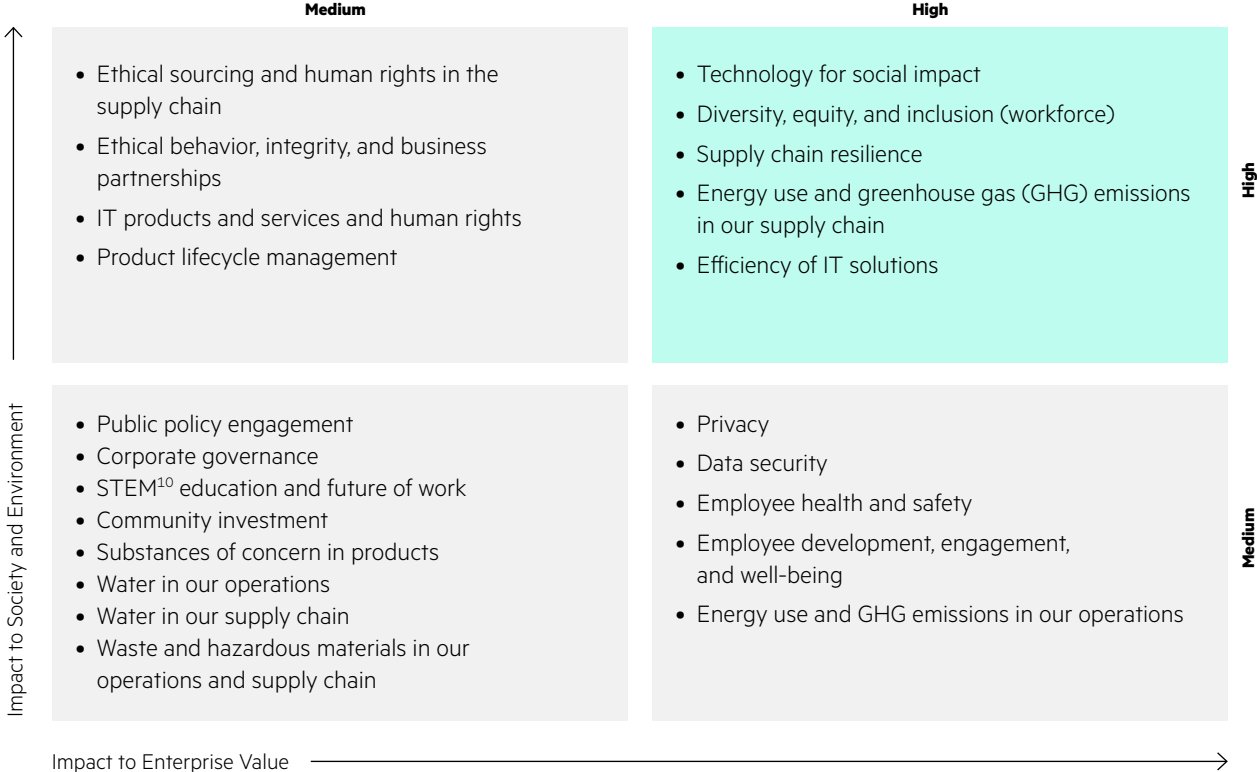Silver Class 2022
S&P Global

CDP
A LIST
2022
WATER

JUST
AMERICA'S MOST COMPANIES

#1 IN COMPUTER SERVICES
CNBC 2023

MSCI
ESG RATINGS
CCC | B | BB | BBB | A | AA | **AAA**

PLATINUM Top 1%
2022
ecovadis
Sustainability Rating

FTSE4Good

Our priority issues

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. Our process is overseen by our Board's Nominating, Governance, and Social Responsibility (NGSR) Committee. We completed our most recent third-party assessment in February 2022 which included interviews with key external stakeholders such as investors, suppliers, and customers. This assessment took into account the evolution of our business, changes in the global corporate sustainability reporting landscape, evolving investor and stakeholder ESG information needs, and the continuing evolution of best-practice techniques informed by organizations such as the Global Reporting Index (GRI) and the SASB Standards. As a result, our latest assessment adopts a "double materiality" definition. Although this has resulted in significant changes to the placement of issues within our matrix since previous assessments, the issues themselves remain overwhelmingly consistent. The issues in the following chart meet the threshold for this report 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 matrix[9]

Impact to Society and Environment →

Medium

- Ethical sourcing and human rights in the supply chain
- Ethical behavior, integrity, and business partnerships
- IT products and services and human rights
- Product lifecycle management

High

- Technology for social impact
- Diversity, equity, and inclusion (workforce)
- Supply chain resilience
- Energy use and greenhouse gas (GHG) emissions in our supply chain
- Efficiency of IT solutions

High (right axis)

- Public policy engagement
- Corporate governance
- STEM[10] education and future of work
- Community investment
- Substances of concern in products
- Water in our operations
- Water in our supply chain
- Waste and hazardous materials in our operations and supply chain

- Privacy
- Data security
- Employee health and safety
- Employee development, engagement, and well-being
- Energy use and GHG emissions in our operations

Medium (right axis)

Impact to Enterprise Value →

[9] Definitions of the issues in this chart can be found in the Appendices.
[10] Science, technology, engineering, and mathematics.

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Stakeholder engagement

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.

Investors and shareholders

We engage and keep our investors and shareholders informed through quarterly earnings calls, disclosures through our 10-K, proxies and other U.S. Securities Exchange Commission (SEC) filings, and meetings with securities analysts. In 2022, we actively engaged with investors via our third annual ESG focused investor webcast, hosted in partnership with Barclays, and as a key theme of the HPE Board Outreach Program. We also extended meeting invitations to holders of approximately 50% of our stock. 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.

Regulators and policymakers

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

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. Our Sustainability and Compliance team directly responded to over 3,000 enquiries in 2022 while our direct customer briefings on sustainability-related topics contributed to approximately $1.3 billion in net revenue, a more than 400% increase over 2018.

Team members

We engage with our team members through our Listening Sessions, annual Voice of the Workforce survey, regular performance reviews, and My Success Plan, a platform where team members and people leaders can discuss performance, career aspirations, and more.

Suppliers

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

Communities

We reach out to local communities through various methods including direct contact, press releases, blogs, and social media posts. Additionally, we provide support through corporate giving, team member donations, and volunteerism. We take a proactive approach to soliciting the thoughts and perspectives of key stakeholders throughout the year. This involves formal and informal mechanisms and direct interactions our team members have in the communities where they live and work.

Sustainable development goals

Our ESG strategy and partnerships align with the United Nations' Sustainable Development Goals (SDGs) to address objectives that are mutually beneficial to society and to our business. We take a focused approach to prioritize action toward the SDGs and targets with significant risks and opportunities to our business, considering both where our company can have the greatest contribution and how these actions can create new forms of customer value. This is fundamental to ensuring our long-term financial success, building the skilled talent to succeed in a data-first world, and ensuring that HPE remains competitive in a low-carbon economy. We report progress toward the SDGs in our annual UN Global Compact report. In 2022, we participated in the Early Adopter Program for the enhanced Communication on Progress of the UN Global Compact.

SDG	Relevant targets[11]	Issue referenced in this report
5 GENDER EQUALITY	• 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. 42 • Team member development, engagement, and well-being: p. 47
7 AFFORDABLE AND CLEAN ENERGY	• 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. 36 • Energy use and GHG emissions in our supply chain: p. 32 • Public policy engagement: p. 81
8 DECENT WORK AND ECONOMIC GROWTH	• 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. 68 • Team member health and safety: p. 52 • Public policy engagement: p. 81
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• 9.4: Upgrade infrastructure and retrofit industries to make them sustainable.	• Technology for social impact: p. 12 and 23 • Public policy engagement: p. 81 • Efficiency of IT solutions: p. 23
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	• Product lifecycle management: p. 26 • Efficiency of IT solutions: p. 23
13 CLIMATE ACTION	• 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. 23 • Public policy engagement: p. 81

[11] A list of relevant GRI indicators mapped to the SDGs can also be found in the Standards Index, page 43 of the Data Summary.

ESG targets

Topic	Goal	Progress to date %	% completion toward target
Accelerating net-zero	Source 50% of renewable electricity in our operations by 2025 (toward 100% by 2030)	Sourced 52% renewable electricity in our operations	**Achieved** 100%
	Achieve net-zero GHG emissions across the value chain by 2040: • Reduce absolute Scope 1 and 2 GHG emissions by 70% by 2030 from a 2020 base year • Reduce absolute Scope 3[12] GHG emissions by 42% by 2030 from a 2020 base year • Reduce absolute Scope 1, 2, and 3 GHG emissions by 90% by 2040 from a 2020 base year	• Reduced our Scope 1 and 2 emissions by 21% • Increased Scope 3 emissions[13] by 5%, despite a 25% increase in purchased goods and services due to business growth • Increased our absolute Scope 1, 2, and 3 emissions by 9%, proportional with product revenue growth	**On track** 31%
	Divert 90% of non-hazardous waste from landfill each year	Achieved a diversion rate of 90%	**Achieved** 100%
	80% of production suppliers, by spend, will set their own science-based targets (SBTs) by 2030	39% had set Scope 1 and 2 targets and 41% committed to set SBTs within two years[14]	**On track** 49%
Investing in people	Increase representation of women and ethnically diverse talent by at least 1 percentage point year-over-year	Representation of women and ethnically diverse talent increased by 0.31 percentage point and 1.27 percentage point, respectively	**Partially achieved**
	Increase representation of women in executive[15] roles by at least 1 percentage point year-over-year	Representation of women in executive roles increased by 1.51 percentage point YoY	**Achieved** 100%
	One-third of executives[16] will be women by 2027	26.15% of executives are women	**On track** 79%
	Double number of Black and Hispanic executives[17] by 2027 compared to 2020	Representation of Black executives increased by 40% from 2020 Representation of Hispanic executives increased by 3% from 2020	**On track** 18%
	45% of all volunteering will be skills-based	45% 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 8% of U.S. sales with small enterprises and business owned by diverse groups	**Achieved** 100%

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

[13] With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2021.

[14] 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.

[15,16,17] For this target executives are defined as director level and above.

Topic	Goal	Progress to date %	% completion toward target
Operating with integrity	100% completion of Standards of Business Conduct (SBC) training by active HPE team members	99.9% of HPE team members completed the SBC training	**Achieved** ▬▬ **100%**
	100% of major suppliers[18] committed to the Employer Pays Principle	*Progress on our target will be reported starting from FY2023*	▬▬
	100% of major HPE suppliers train their workers on human rights by 2030	*Progress on our target will be reported starting from FY2023*	▬▬
	100% of HPE tier one and two suppliers have effective grievance processes by 2030	*Progress on our target will be reported starting from FY2023*	▬▬
	99% completion of annual Cybersecurity Awareness training by active HPE team members	98% of active HPE team members completed the annual Cybersecurity Awareness Training	**Not achieved** ▬▬ **98%**

[18] We define major suppliers as those accounting for 95% of spend.

Creating value for our customers

As the rate of growth of global IT continues to accelerate, so too does its impact. Our customers are responding to stakeholder demand for substantial sustainability performance by committing significant budgetary resources to innovation in their products and operations, including their IT estate. HPE is here to be their sustainable IT partner of choice, working one-on-one with customers to help them improve the efficiency and sustainability of their IT.

Our key to transforming customers' IT estates is HPE GreenLake edge-to-cloud platform, tailored to the needs of individual organizations. In 2022, we prototyped a new Project Sustainability Dashboard as part of the HPE GreenLake platform. This cloud-based solution helps our customers to establish the baseline for their IT energy usage and reduce energy consumption and carbon emissions across their IT estates.

The Dashboard leverages cloud technology and smart sensors to collect information about energy consumption, emissions, and resource utilization for a company's IT resources and auxiliary equipment. Using AI and advanced analytics, this data is transformed into actionable opportunities for efficiency improvement.

HPE's sustainability track record differentiates us in the marketplace, with proven results of **approximately $1.3 billion in net revenue contributed by our customer sustainability engagements in 2022, a more than 400% increase over 2018.**

→ For more information, see Efficiency of IT Solutions.

Advania's long-standing partnership with HPE and their in-depth expertise on climate impact from their products is crucial for us as it enables our team to develop and provide our customers with credible and easy-to-use models for carbon calculations.

Helena Nordin, Head of Corporate Responsibility,
Clas Roeck Hansen, Chief Technical Officer

Advania

Innovating for the future

Innovation is rooted in our culture, inherent to our success, and always top-of-mind. That's why, in 2022, we invested $2 billion in research and development (R&D). Our efforts are focused on designing and developing products, services, and solutions that anticipate customers' changing needs and desires and emerging technological trends. We expect to have significant R&D expenditures in the future to support the design and development of innovative, high-quality products, services, and solutions to maintain and enhance our competitive position. From advanced modeling to building the world's fastest supercomputer, to cybersecurity and resilience, we are ceaseless innovators. To protect our R&D investment, in 2022, HPE obtained over 830 patents—including those focused on power consumption management, reducing stranded power capacity, and power-aware allocation—and we filed more than 770 additional patent applications.

Case study

Accelerating tech's contribution to climate solutions

In 2021, we co-launched the Low-Carbon Patent Pledge to provide easy and free access to patents for low-carbon and energy-saving innovations. The Pledge was launched to enable the creation of new technologies that can address the climate emergency. It aims to remove barriers to innovation and facilitate greater collaboration among those developing climate-related technologies. In 2022, six additional companies joined the pledge, including Lenovo, Panasonic, and UPS, bringing the total number of signatories to 12 and patents to 564, covering 13 countries. In 2023, we intend to roll out a new feature of the pledge that will enable users to request enhanced access to patents, including licensing scope and coverage.

Case study

Optimizing manufacturing with energy savings through supercomputing

The production of melt-blown nonwoven fabric, a key material for making face masks and respirators, among other items, is highly energy-intensive—making energy a major contributor to manufacturing cost. In response to the spike in demand for these products during the COVID-19 pandemic, 3M and researchers from Argonne National Laboratory teamed up to optimize the melt-blowing process.

Using the computing resources at the Argonne Leadership Computing Facility, including the HPE Cray supercomputer, the team used machine learning to develop models that predicted outcomes without running large numbers of simulations—accelerating the research process. Artificial intelligence was used to suggest the next optimal simulation, allowing them to improve the accuracy of models at a low cost. Through the research, they identified ways to cut energy consumption by up to 20% in the production of melt-blown nonwovens, significantly reducing costs and carbon emissions while improving the development of new materials.

Case study

Meeting growing data needs within your existing footprint

Data growth has far outpaced the capacity that traditional IT architecture can manage. To meet expanding data needs, customers rely on service providers for cloud-based architecture that can quickly adapt to these demands. However, with that expansion comes higher energy use. We designed the new HPE ProLiant RL300 Gen11 (RL300) to be cloud-native without adding to the user's carbon footprint. The server's Arm®-based processors use far less energy than traditional CPUs, while delivering unprecedented performance.

Empowering customers

As the world applies IT to almost every human activity, the need for sustainability skills and tools in our customer IT teams is becoming increasingly urgent. Such specialized skills at the intersection of IT and sustainability may not be readily available to our customers, which is where HPE can help. At HPE, we possess the capabilities to assist our customers in building a comprehensive, sustainable IT strategy from the edge to the cloud—and we help educate their IT teams to deliver the most sustainable solutions. HPE Edge-to-Cloud Adoption Framework offers more than 250 capabilities to help our customers transform to a modern sustainable IT operating model. Customized support to IT teams is provided by our consulting services to help identify their organization's needs, analyze current IT systems, and design efficient, sustainable solutions.

Our support is provided through HPE Advisory and Professional Services offering customers a portfolio of energy efficiency and sustainability services aimed at minimizing the energy, water, and carbon footprint across the entire lifecycle. Our advisory support to customers includes sustainable planning and design, modular and performance optimized data centers, operational management, and resource monitoring solutions.

Further information is provided in our series of white papers, available free-of-charge, to guide customers to develop their own IT strategy. Our Sustainable IT Strategy Workbook, provides a step-by-step primer for developing a sustainable IT strategy—from securing approval from senior leaders to purchasing technology. This can be used in conjunction with our Sustainable IT purchasing guidelines that outline general principles for developing sustainable procurement criteria, based on environmental and ethical considerations.

We intend to update our sustainable IT strategy educational materials in 2023 to incorporate new learnings and address recent trends.

To read more about the steps we take to streamline our technology's carbon impact, visit Efficiency of IT Solutions.

Case study

Customer engagement for a tailored IT strategy

In 2022, HPE presented "How to Implement a Sustainable IT Strategy" at the Atea Sustainability Forum Conference in Stockholm, sharing strategies from our sustainable IT workbook. After the session, HPE worked one-on-one with several attendees, many of whom represented small- and medium-sized businesses, to provide tailored advice at no cost. Attendees said that before the session, they felt unsure of where to start. The feedback was overwhelmingly positive from both businesses with and without an existing IT strategy.

Helping customers tackle global challenges, efficiently

From enabling advanced modeling to building the world's fastest supercomputer, we are deploying efficient technology solutions to support public and private organizations around the globe as they take on the world's most pressing challenges.

Case study

High-performance computing catches a wave

To date, our oceans have been a source of untapped clean energy. "The amount of energy landing on our shores is about five times what we consume," according to Carnegie Clean Energy's CEO, Jonathan Fievez. Carnegie's technology deploys submerged buoys that capture and store energy as waves pass over them, leaving minimal environmental impact. Carnegie used an HPE Cray supercomputer at Pawsey Supercomputing Centre to design these buoys, and are now working with HPE using AI reinforcement learning to test and optimize its renewable ocean energy output. Reinforcement learning allows the buoys to learn from each wave and extract more energy from the next, helping make this new source of zero-carbon energy a reality.

Case study

Enabling business growth through accelerated migration

Worldline is Europe's largest (and the world's fourth largest) payment provider, with operations in over 40 countries. The COVID-19 pandemic has had an enormous impact on the finance and banking sector with significant fluctuations in demand and revenue. Over this period, online purchasing has grown dramatically, resulting in an even greater reliance on secure global payment transactions. Worldline needed to quickly and efficiently scale up its offering.

HPE GreenLake platform can scale up and down as business demand fluctuates so that Worldline can manage the growth in demand which will significantly improve the performance of the payment platform. The platform delivers the cloud experience through a pay-per-use model while also meeting compliance and regulatory requirements. By leveraging HPE GreenLake flexible as-a-service model and HPE Financial Services' asset renewal program funding approximately 25% of the platform refresh, Worldline achieved this significant upgrade with no up-front investment, while minimizing e-waste as assets are decommissioned.

Case study

Digital moonshot for Earth

One of the biggest challenges we face stemming from climate change is its unpredictability. The Earth's biodiverse systems are highly complex and interdependent, making planning for climate change impacts difficult. HPE joined a consortium of institutions as the only U.S.-based entity to support the European Union's Destination Earth moonshot project to create "digital twins" of Earth. Digital twins are sophisticated computer simulations of Earth that can model various climate change scenarios to better guide resilience and adaptation planning. Destination Earth's project is powered by HPE LUMI supercomputer that runs on 100% carbon-neutral hydroelectricity, enabling climate experts to make better predictions about the effects of human activity. The first two digital twins will focus on extreme natural disasters and climate change adaptation, with future twins to focus on oceans, biodiversity, and migration.

Case study

The world's fastest computer for the world's biggest challenges

The Frontier supercomputer, built by HPE for our customer the U.S. Department of Energy and Oak Ridge National Laboratory (ORNL), will enable ground-breaking research on the toughest societal and environmental challenges. At the time of this report's publication, Frontier is the world's fastest supercomputer – the first verified exascale supercomputer according to the Top500. The system's 74 cabinets can solve more than 1 quintillion calculations per second (an exascale) — a feat that would take Earth's 7.7 billion humans over four years to do together. And it's not just fast — it's also energy efficient. Frontier topped the June 2022 Green500 list of the world's most energy efficient supercomputers. The system will enable Oak Ridge to make progress on problems like cancer and disease diagnosis and prognosis, drug discovery, renewable energy development, and new materials innovation to create safer and more sustainable products.

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.

We are committed to accelerating a zero-carbon future, from curbing energy and IT waste through innovative and efficient products, services, and business models to bringing new renewable sources to the grid, partnering with suppliers to reduce their emissions, and investing in lower-emissions shipping options.

In this section

Environment strategy

Our environmental strategy, focused on minimizing our footprint and enabling transformative efficiency gains, is underpinned by ambitious goals.

We partner with our customers, suppliers, and peers to reduce our environmental footprint and invest in strategies that minimize climate-related disruptions to our business. We are committed to driving innovation that supports the transition toward a low-carbon and equitable economy.

As a technology company, we understand that our biggest impact on the climate crisis can be achieved by enabling our customers to reduce their environmental footprints. By partnering with customers across sectors, we can apply next-generation technologies to tackle significant environmental challenges faster than we ever thought possible.

→ Our climate and environmental data can be found on pages 7–16 of our 2022 Data Summary.

Climate strategy and targets

In 2022, we accelerated our net-zero target 10 years, from 2050 to 2040, building on reductions already achieved ahead of schedule under our previous GHG reduction targets. We are proud to be among the first two global IT companies with a net-zero target of 2040 and interim targets approved by the new Net Zero Standard of the Science Based Targets initiative (SBTi).[19]

In order to achieve our suite of targets, we focus on areas with the highest emissions and greatest opportunity for reductions. We defined a hierarchy of investment to reduce emissions across our value chain, stated in our Climate Policy, keeping carbon offsets as a last-mile approach for the emissions that cannot be otherwise abated.

As of 2022, we had no carbon offsets in our energy portfolio and we are committed to limiting future offsets to high-quality carbon removal.

Announced in 2022, our roadmap to net-zero outlines our comprehensive plans to reduce our carbon footprint with a new set of science-based targets (SBTs)—in line with a 1.5°C climate scenario.[20] The roadmap defines levers we prioritize to deliver on our near- and long-term targets.

Our 2022 progress against our net-zero roadmap

Scope	Key levers to achieve targets	2022 progress highlights
Operations (Scope 1 and Scope 2)	Source 100% renewable energy by 2030	• Procured 52% renewable electricity • Signed a 52,000+ MWh PPA • Kick-started our on-site cogeneration plant in Puerto Rico
	Transition own fleet to electric vehicles	• Set new target and defined roadmap to convert 100% of our fleet to EVs by 2035 • Deployed 159 new EVs on the road
	Improve building energy efficiency and utilize low-emission fuels	• Implemented energy-saving measures across more than 100 offices
Scope 3	Delivering sustainable solutions to our customers	• Embedded sustainability in HPE service offerings • Hosted customer-facing sessions presenting sustainable IT strategies • Prototyped Project Sustainability Dashboard • Offered our entire portfolio as a service
	Leading transformation in the supply chain	• Partnered with production suppliers to implement on-site renewable energy sources • 39% of our top suppliers, by spend, have set Scope 1 and 2 Science-based Targets within their operations
	Optimizing logistics	• Transitioned to EVs for final mile delivery in selected regions • Developed the Logistics Roadmap
Scope 1, 2, and 3	Support policies to green the grid	• Advanced policies through CEBA, RE100, and ITI • Became members of US DoE Better Climate Challenge and European Green Deal Coalition • Contributed to the Chairperson's Insight into Climate Action

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[19] Science Based Targets initiative as of October 2022.

[20] HPE net-zero targets are validated by the Science Based Targets 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.

Accountability for climate goals

We hold our leaders accountable for making progress toward our sustainability goals and equip them with the skills and knowledge to do so.

In 2022, we unveiled a new compensation metric that ties a portion of variable pay for the members of our Executive Committee to management of carbon emissions across our value chain. Alongside this, we launched our first-ever climate training that was completed by 96% of our leaders— vice president and above. This training, available to all employees, built upon a similar environmental sustainability training completed by the entire HPE board of directors in 2021. Read more about our ESG oversight.

> We were one of the first companies in the IT industry to set supply chain SBTs in 2015, have our net-zero targets approved by the SBTi, and disclose climate risks in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD).

2022 progress toward our science-based targets

Our journey to net-zero begins with reducing emissions within our own control, primarily through energy reduction and the transition to clean energy.

In just two years, HPE's operational (Scope 1 and 2) emissions decreased 21% from our 2020 baseline. To achieve this, HPE surpassed its 2025 target of sourcing 50% renewable electricity three years ahead of schedule.

The improved demand environment in 2021 and 2022 resulted in a 5% increase against our near-term Scope 3 target baseline, with product revenue increasing by 9% in the same timeframe. This year, however, we flattened these emissions increases despite a 2.6% increase in net revenue (5.1% on a constant currency basis), and our overall Scope 3 emissions remained constant year-over-year.

Improving the accuracy of our Scope 3 emissions is one of the biggest challenges and opportunities for enabling greater emissions reductions. We're working diligently to reduce the emissions of our suppliers and from downstream use of our products, however, because reporting models rely heavily on averages and revenue allocations which mute the progress we can demonstrate and insights we can draw, HPE must continue to enhance our measurement and methodologies year-over-year for greater precision and granularity. HPE also participates in numerous working groups seeking to improve tools and methodologies for product life cycle assessments and to standardize reporting.

Near-term targets (2030)

- 21% reduction in absolute Scope 1 and 2 emissions[21] from a 2020 baseline, on track to meet our target reduction of 70% by 2030
- 5% increase in absolute Scope 3[22] emissions from a 2020 baseline, despite a 25% increase in purchased goods and services due to business growth

2020 — Scope 1 & 2 — reduce **70%** — **2030** Scope 1 & 2

Scope 3 — reduce **42%** — Scope 3

Long-term target (2040)

- 9% increase in absolute Scope 1, 2, and 3 emissions from a 2020 baseline, proportional with product revenue growth

2020 — Scope 1 & 2 — reduce **90%** — **2040** Scope 1 & 2

Scope 3 — reduce **90%** — Scope 3

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

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

Environmental footprint

Given that nearly two-thirds of our GHG emissions are generated from customer use of our solutions—and 87% 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 2022, HPE's carbon intensity (across its entire value chain) decreased by 2% from 2021. We continue to focus on decoupling business growth from emissions, transforming our offerings and business model in an effort to reduce the environmental impacts of our customers' growing IT needs.

The data behind our carbon and water footprints, as well as our global energy-water nexus footprint can be found in our 2022 Data Summary.

Our global carbon footprint 2022

Percentage of total carbon footprint		Category
Operations **4%**	0%	Transportation Fleet
	0%	Commercial Air Travel
	2%	Employee Commuting
	2%	Facilities
Supply chain **32%**	0.5%	Upstream Energy Production
	1%	Capital Goods
	3%	Transport
	28%	Purchased Goods and Services
Products and solutions **64%**	63%	Product Use
	0.5%	Product End of Life
	0%	Buildings Leased to Others
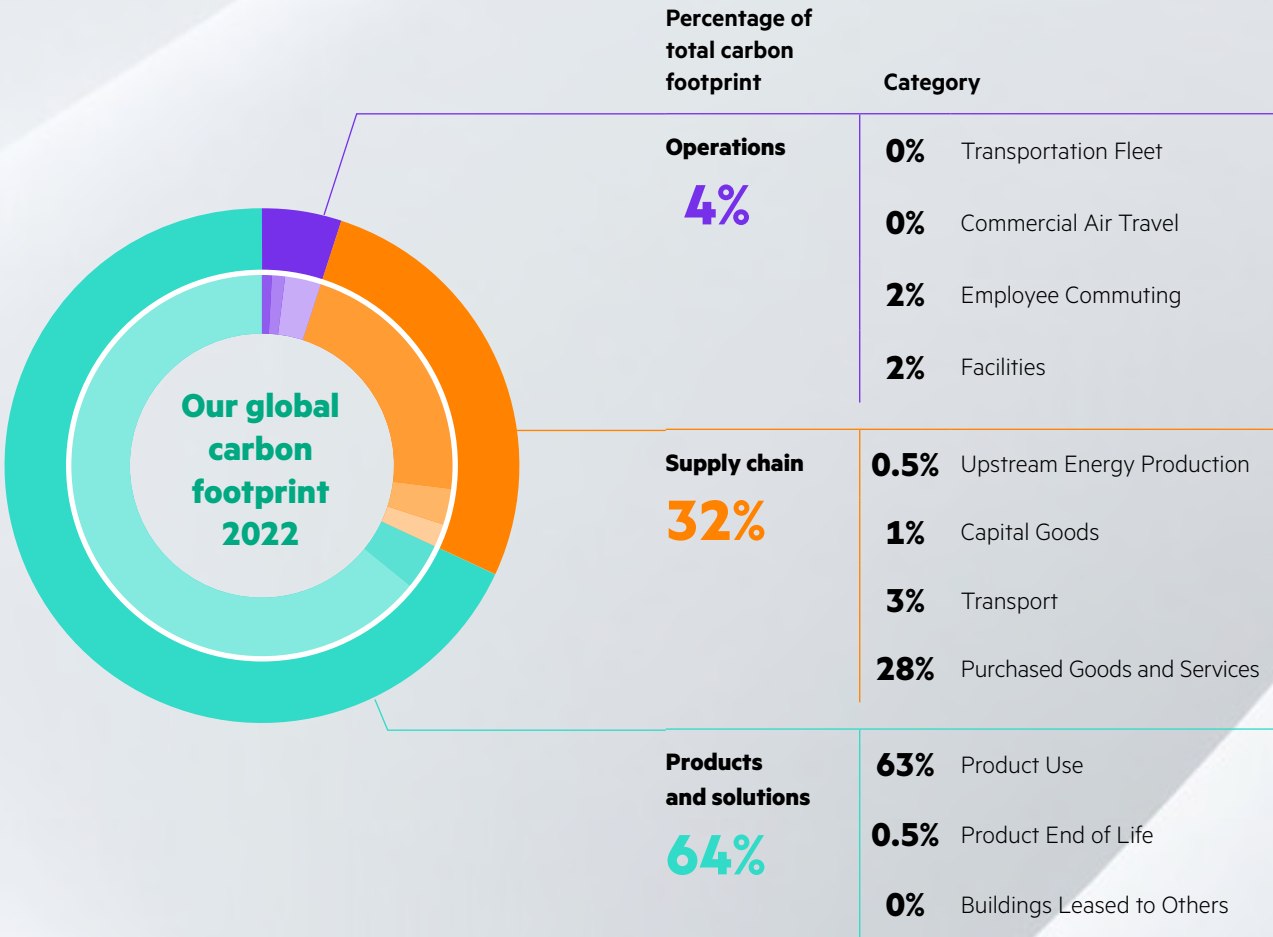
Advocacy and collaboration

Decarbonizing the electricity grid is a significant part of achieving a net-zero future, requiring transformative policy changes that increase investment in and access to clean energy. HPE advances these policies through a wide range of alliances and partner organizations that support climate science and policies, including the Clean Energy Buyers Association—of which we are a board member—RE100, and the Information Technology Industry Council. In 2022, we joined the Amazon Climate Pledge, the U.S. Department of Energy's Better Climate Challenge, and the European Green Digital Coalition. Learn more about our advocacy work in the Public Policy section.

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.

Managing environmental risks

HPE's ability to anticipate, prepare for, and respond to environmental expectations or standards could impact our ability to win customers, attract and retain talent, and comply with regulatory and market access barriers. We actively monitor these risks through our Enterprise Risk Management (ERM) program.

Further, HPE discloses climate-related risks and opportunities in alignment with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and regularly updates this assessment based on the latest climate science. 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 2020 TCFD Analysis, recognizing the clear and present danger to the continuity of our operations and success of our business. Full disclosures from our

TCFD analysis can be found in our TCFD index. We plan to conduct our new assessment in 2023.

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.

Efficiency of IT solutions

The rapid digitization of industries in today's age has led to increased productivity, business model innovation, and cost savings. This also brings greater environmental impact—and HPE is here to offer our customers sustainable IT solutions that address this challenge.

Businesses are increasingly seeking ways to improve the efficiency and resilience of their operations, while also reducing their environmental impact in order to meet ambitious climate goals. According to Accenture research, companies that combine digital and sustainable transformation are 2.5 times more likely to be among the strongest-performing companies.[23]

By continuously improving the efficiency of our technologies, we are able to help both ourselves and our customers achieve their greenhouse gas (GHG) reduction targets. More than 80% of an enterprise IT product's carbon footprint typically comes from the customer use phase.[24] The remainder is primarily "embodied carbon"—emissions from manufacturing and transportation that happen upstream. For HPE's total carbon footprint, nearly two-thirds of emissions are attributable to the customer use of our solutions. The most substantial impact HPE can have on the climate crisis is to enable customers to reduce carbon emissions related to their IT infrastructures, and apply those technologies to transform carbon-intensive industries. HPE engages with customers directly and provides numerous resources about the efficiency and composition of our products to enable customers to make informed procurement decisions.

Advancing efficiency of IT solutions

Our holistic IT efficiency framework gives our customers a pathway to minimize their environmental footprint, optimize their performance, and reduce their costs:

- **Equipment efficiency**
  Getting the most value out of the IT infrastructure while balancing capacity and workload needs

- **Energy efficiency**
  Getting the most performance per watt through improved power management

- **Resource efficiency**
  Reducing the ancillary resources required for efficient operation

- **Software efficiency**
  Resolving hidden inefficiencies by replacing and upgrading outdated software

Four HPE systems made the top 10 on the June 2022 Green500 list of the world's most energy efficient supercomputers— including number 1 for Frontier. In total, 96 HPE systems made the list.

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[23] The European double up, strengthen competitiveness, Accenture, January 2021.
[24] HPE own estimations based on products carbon footprints.

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Equipment efficiency

Many companies have more IT infrastructure than they need. We help customers balance the need for IT capacity to meet maximum workloads while reducing waste by removing unused or under-utilized equipment.

One key solution to addressing this dilemma is to virtualize a portion of the customer's IT portfolio using our edge-to-cloud platform, HPE GreenLake, which offers consumption-based solutions delivered as a service. HPE GreenLake enables customers to flexibly scale their IT equipment, providing cost, energy and environmental savings. Customers that transition to HPE GreenLake from traditional CAPEX models can achieve a 33% reduction in energy costs and 30% savings in total cost of ownership over a five-year period. These savings increase when a customer transitions existing infrastructure. HPE GreenLake also enables customers to decommission unused infrastructure, reducing maintenance costs and the risks associated with unutilized hardware. Through HPE Financial Services (HPEFS), we also offer secure upcycling and recycling services for retired assets to reduce waste.

Energy efficiency

Typical corporate IT infrastructure refresh cycles are based on depreciation periods of five to eight years. However, product efficiency improves significantly year-over-year, meaning companies are often wasting energy on outdated technology. Research shows that 40% of corporate servers are over five years old and consume 66% of data center power, yet only perform 7% of all work.[25] We help customers upgrade components

of the overall system on a two-to-three-year basis to take advantage of energy efficiency upgrades. We also assess for idle consumption and thermal output and integrate power monitoring and management tools to optimize for energy use.

Resource efficiency

Beyond hardware and software, IT systems also require ancillary resources for support, like energy, backup systems, cooling, and more. By considering the IT system as a whole, we identify and eliminate waste of these ancillary resources. A 2022 commissioned study by Forrester[26] found that a company's total cost of ownership of IT infrastructure can be reduced by 45% by eliminating the need for overprovisioning. We achieve this by optimizing how infrastructure is physically laid out and configured in the space, specifying efficient cooling and power systems to reduce energy and water use, and introducing the use of monitoring tools to track power and water efficiency.

Software efficiency

As companies shift to cloud computing, inefficiencies can occur when outdated software is run on updated platforms. Software efficiency requires replacing or upgrading outdated applications to integrate effectively with hardware. One recent survey found that 70% of business applications are not written to run in the cloud.[27] These inefficiencies can be addressed by provisioning the latest software that leverages hardware advances and utilizes new technologies like AI, machine learning, and automation.

Product carbon footprints

An important part of helping customers abate their carbon footprint is providing them with a quantification of the GHG emissions from their IT assets. We create product carbon footprints (PCFs) totaling the product's lifecycle emissions for our selected compute products and publish them on our website. We calculate the emissions associated with the extraction, production, and transportation of our products using the Product Attribute to Impact Algorithm (PAIA), a streamlined lifecycle analysis (LCA) tool developed by MIT for IT products. The PCF identifies the stages where environmental impact is the highest, helping manufacturers target interventions that can mitigate impact. While PCF data sheets are not designed to compare different results from different suppliers, they do provide quantitative data that customers can use to evaluate and report on their carbon footprint. In addition to the standard configuration footprints published on our website, we provided more than 880 PCFs directly to customers in 2022.

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[25] Beyond PUE: Tackling IT's wasted terawatts, Uptime Institute, 2020.

[26] Conway, C. & Carey, I. (May 2022). The Total Economic Impact™ Of HPE GreenLake. Retrieved from: hpe.com/psnow/doc/a00047694ENW?from=app&section=search&isFutureVersion=true.

[27] IDC 1Q22 Cloud Pulse survey, July 2022.
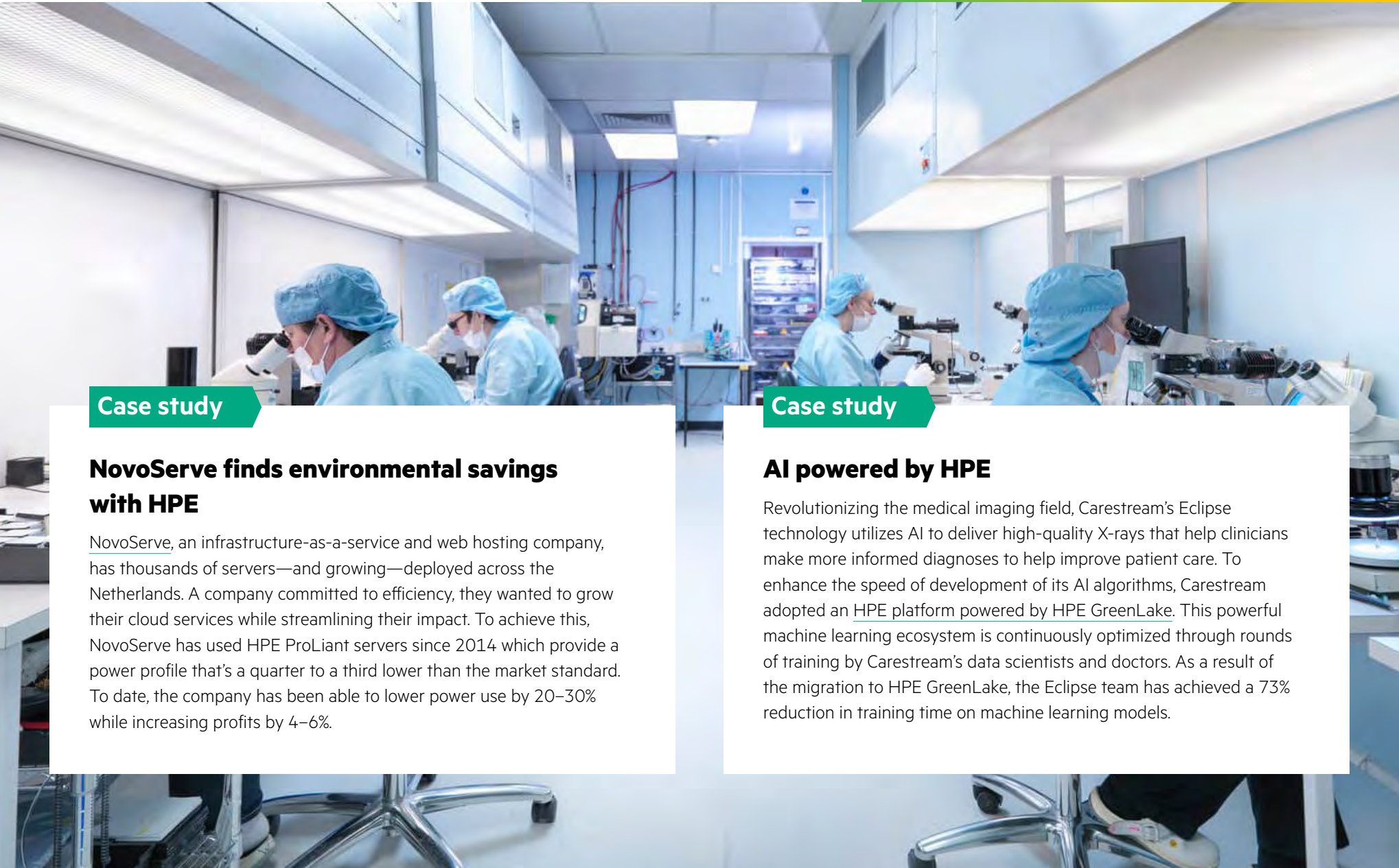
Case study

NovoServe finds environmental savings with HPE

NovoServe, an infrastructure-as-a-service and web hosting company, has thousands of servers—and growing—deployed across the Netherlands. A company committed to efficiency, they wanted to grow their cloud services while streamlining their impact. To achieve this, NovoServe has used HPE ProLiant servers since 2014 which provide a power profile that's a quarter to a third lower than the market standard. To date, the company has been able to lower power use by 20–30% while increasing profits by 4–6%.

Case study

AI powered by HPE

Revolutionizing the medical imaging field, Carestream's Eclipse technology utilizes AI to deliver high-quality X-rays that help clinicians make more informed diagnoses to help improve patient care. To enhance the speed of development of its AI algorithms, Carestream adopted an HPE platform powered by HPE GreenLake. This powerful machine learning ecosystem is continuously optimized through rounds of training by Carestream's data scientists and doctors. As a result of the migration to HPE GreenLake, the Eclipse team has achieved a 73% reduction in training time on machine learning models.

Product lifecycle management

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, we offer our entire portfolio as a service which multiplies these benefits by eliminating unnecessary infrastructure and promotes more circular and responsible IT management practices.

→ Our product lifecycle management-related data can be found on pages 3–5 of our 2022 Data Summary.

Product design

Around 80% of a product's environmental impact is determined during the design stage.[28] At HPE, we assist our customers in prolonging the useful life of our products by employing modular designs and easy disassembly, which allows for repairs, upgrades, remanufacturing, or refurbishment. We prioritize increasing the recyclability of our products right from the design phase, and we estimate that, on average, more than 90% of the materials used in HPE products are recyclable.[29]

Extending asset life

By applying circular principles to innovation, HPE is enabling customers to do more with less by designing efficiencies and longevity into our products. We offer customers multiple ways to extend the life of their assets including easing reparability and offering options to purchase refurbished equipment, upcycle their equipment for reuse, and much more.

Many HPE products can be repaired directly by the customer, helping to extend the product's working life, improving product utilization, reducing downtime, and lowering the cost of ownership. To support customers and repair service providers, HPE offers repair information and the spare parts needed through the HPE Parts Store. When parts are returned to HPE, we can remanufacture them up to three times. In 2022, around 1,000 repair vendors worldwide were authorized to deliver HPE branded support services to HPE customers in more than 150 countries.

Over the past 3 years:

- Over **3.1 million** personal computers, **2.4 million** servers and compute assets, and close to **800,000** storage devices were returned to active use through HPEFS programs

- Over **$1.1 billion** was infused back into customer budgets with HPE Asset Upcycling Services and HPE Accelerated Migration solutions

Product eco-labels and market standards

Our products have obtained eco-labels, providing third-party verification of a product's environmental attributes, from global eco-labeling entities, such as the Electronic Product Environmental Assessment Tool (EPEAT), ENERGY STAR®, 80 PLUS, the China State Environmental Protection Agency (SEPA), the China Energy Conservation Program (CECP), and TCO Certified. Our servers were the first in the IT industry to receive the TCO Certified designation with eight of our server families currently certified. In addition, we provide IT ECO Declarations that provide voluntary environmental information for specific IT products or product families in an industry-standard format. In January 2023, we updated power source efficiency for storage and server products which will help us meet updated ENERGY STAR requirements set to launch at the end 2023.

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[28] European Commission, n.d., Sustainable Product Policy, viewed 1 March 2023.

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

We further help customers engage in the circular economy through:

- **HPE GreenLake**, our as-a-service platform, can reduce the environmental impact of IT by enabling customers to flexibly scale their IT to meet their needs, improving utilization levels and reducing overprovisioning. This results in associated energy and material savings from less equipment, running more efficiently. In addition to operational efficiencies, an as-a-service model helps to drive our circular economy approach by ensuring that retired IT assets can be refurbished for another useful life. Read more about HPE GreenLake in Efficiency of IT Solutions.

- **HPE Accelerated Migration** enables customers to transition their existing, owned IT assets into a flexible, usage payment model, such as HPE GreenLake.

- **HPE Renew** offers HPE remanufactured products that undergo a comprehensive testing process, fully restoring them to HPE-certified standards and full warranty. Customers buying HPE Renew can combine new and HPE Renew products within the same configuration to optimize their savings up to 15% compared to new products.[30]

- **HPE Certified Pre-owned**, an option to purchase custom-configured certified pre-owned HPE equipment that undergoes authentication and receives firmware and security updates. Customers benefit from reduced cost and avoided environmental impacts from upstream manufacturing and extraction of raw materials (embodied carbon).

- **HPE Asset Upcycling** takes back and refurbishes or recycles retired IT infrastructure from customers, regardless of brand, allowing customers to reclaim value from asset upcycling.

HPE Certified Pre-owned and HPE Asset Upcycling customers are eligible to receive a custom Circular Economy Report, detailing estimated emissions, energy, and waste savings. In 2022, access to HPE Circular Economy Reports was extended to Channel Partners[31] and made available in seven new languages.

FY22 Circular Economy Report aggregated environmental savings[32, 33, 34]

257,290 MT
CO_2e saved

This equals to the average annual CO_2e emissions of
55,900 passenger cars

957,630 MWh
energy saved

This equals to the average annual energy consumption of
22,980 households

12,280 MT
waste kept from landfills

To store this at home, you would need
416,500 moving boxes

[30] Based on HPE internal list price.

[31] Channel Partners are trusted HPE partners who sell, manage, integrate, support, and deliver HPE solutions.

[32] For HPE Asset Upcycling and Certified Pre-owned customers only.

[33] Aggregated data based on data calculated for customers' circular economy reports issued in the fiscal year 2022.

[34] Conversion data based on internal HPE calculations, June 2021.

End-of-use

Product refurbishment reduces environmental impact by keeping products in use for longer—reducing resource expenditure on new products—and by reducing electronic waste sent to landfill. When reuse is not an option, we assist customers with end-of-use recycling of HPE devices. We collect and transport equipment to an authorized sorting and waste facility, managing the entire logistics and recycling chain in 63 countries. Our two HPE Technology Renewal Centers (TRCs) represent the largest IT manufacturer refurbishing facilities in the world. In combination with a global network of trusted partners, our TRCs process, refurbish, and return to use millions of technology assets every year.

To ensure global coverage, our network of approximately 80 trusted partner processing locations were authorized to deliver HPE-branded support services[35] to HPE customers in more than 50 countries. Roughly 82% of the 3.6 million technology assets that were processed at our TRCs and with trusted partners in 2022 were refurbished for a second life. During the process, we ensured that more than 1 billion GB of data was securely overwritten from data-bearing devices.

We use in-country third-party hardware recycling vendors to avoid exporting electronic waste. Further, our Export of Electronic Waste to Developing Countries Policy prohibits the export of electronic waste from developed countries to developing countries. Third-party hardware recycling partners must adhere to our Hardware Recycling Standards and Hardware Reuse Standards and commit to regular audits performed by an independent auditing firm. In 2022, 17 hardware recycling (three new, 14 repeat) and 17 hardware reuse (four new, 13 repeat) facilities were audited across 14 countries. Learn more about hardware recycling vendor audits in our 2022 Data Summary.

Case study

Expanding our recycling reach

HPE partnered with the Australia New Zealand Recycling Platform (ANZRP) to expand our three recycling sites in Australia to more than 200 e-waste collection networks across the country. The expansion enables us to recycle electronics closer to their source and reduce transport distances and costs. The move has enabled us to reduce our carbon footprint by 10 MT of CO_2e every year.

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

Packaging design

We aim to improve the reusability and recyclability of our packaging without impacting safety during shipping. We set a goal to reduce the size of our box portfolio by 70% by 2022 compared to a first-quarter 2020 baseline. In 2022, we achieved a 51% reduction, falling short of our target. Recognizing the challenges associated with minimizing our box portfolio, we've adjusted our target to 60% for 2023 against a first-quarter 2021 baseline, seeking to exceed 2022 performance.

HPE develops innovative designs to reduce our packaging carbon footprint. In 2022, compared to a 2021 baseline, we reduced:

- Packaging for memory products by 45%

- Packaging for two types of hard drives by 39% and 28% respectively

- Our box portfolio with 18.4% deactivations

- Gen11 1U and 2U plastic packaging by 80% and corrugated packaging by 30%

In 2022, we set new goals for compute and storage products and for material optimization:

- Increase recycled content worldwide in polyethylene foam cushioning by a minimum of 30% and in corrugated boxes by a minimum of 45% by 2024 versus a 2022 baseline.

- Reduce packaging scrap by 25% by the end of 2023 versus a 2022 baseline.

> HPE was awarded a **2022 Singapore Packaging Star Award** in the Commercial Transportation and Protection category for our new memory packaging. The packaging yielded annual reductions of **720 metric tons CO_2e** and **$780,000** in material costs. The packaging material has estimated average of 25% recycled content, with a goal to achieve 30% in 2023.

Substances of concern

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

To ensure market access across the globe, and to identify and eliminate substances of concern, we draw on leading authoritative eco-labels such as TCO Certified, EPEAT, SEPA, and criteria promoted by public procurement agencies globally. TCO Certified utilizes the GreenScreen® for Safer Chemicals tool to identify chemicals of high concern and identifies safer alternatives. In selecting materials, we refer to the TCO Certified Accepted Substance List to choose safer alternatives for specific substances and remain compliant with our certification. Moreover, we have an in-house Authorized GreenScreen Practitioner, enabling us to conduct these analyses internally as required.

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.

> In 2022, we added TCO Certified standards for substances of concern to our GSE as optional requirements.

- 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 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.

We support industry-wide action on substances of concern through participation in nongovernmental organization and industry associations, such as the EPEAT Technical Committee, which promotes responsible performance in the electronics supply chain.

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

Keeping pace with evolving regulations

We report all required substances to the European Chemicals Agency (ECHA) Substances of Concern in Products (SCIP) database. Companies introducing products into the European market are required to disclose information about any Substances of Very High Concern (SVHC) above a certain concentration in their products and must disclose to the SCIP database to help with end-of-life management. To meet ECHA SCIP declaration requirements and other compliance needs, as well as customer queries, HPE has developed an internal searchable database of all chemicals in our products, showing which specific parts contain the searched-for chemical.

RoHS

We comply with all material restriction legislation, including the EU's Restriction of Hazardous Substances (RoHS) legislation for virtually all new HPE-branded products at least six months ahead of the legal compliance date, both inside and outside the EU. This means our new products do not contain lead, mercury, cadmium, hexavalent chromium, polybrominated diphenyl ethers (PBDE), among other RoHS-restricted substances. We are currently adapting products containing materials with RoHS exemptions that are set to expire in the next two years. We are also developing a tool in-house to help our suppliers manage RoHS declaration requests more efficiently. See our website for more about our compliance with RoHS.

Lot 9

We continue to adhere to the EU's eco-design Lot 9 regulation which specifies energy and materials requirements for servers and storage products. Visit our website for our full list of Lot 9 declarations.

REACH

We comply with the EU's REACH regulations which govern all substances present in products and used in making those products. We are developing an in-house tool to provide a more granular level of detail regarding REACH-regulated substances used in the manufacture of our products and components.

Case study

Assessing our products for PFAS

The U.S., E.U., and Canada are currently considering new regulations to limit or ban the use of per- and polyfluoroalkyl substances (PFAS) in manufactured or imported goods. HPE proactively conducted a study on the presence of PFAS in nine different common server components finding nothing above trace amounts.

Environmental impacts of our supply chain

Achieving our net-zero goal is a collaborative effort that demands close cooperation with our manufacturers and suppliers. To this end, we work hand-in-hand with the top 95% of our supply chain manufacturing spend to improve their management of greenhouse gas emissions, water, and waste.

→ Our supply chain environmental performance data can be found on page 14 of our 2022 Data Summary.

Since the emissions from our supply chain comprise nearly 1/3 of our overall carbon footprint, we make it a key focus area for our reduction initiatives.

As part of our Scope 3 emissions reduction target, we are focusing on reducing our production suppliers' own Scope 1 and Scope 2 emissions. In 2021,[36] production suppliers' emissions[37] increased by 2% over 2020, primarily due to increased demand and spend with our production suppliers.[38] We also partner with our logistics service providers to reduce emissions related to product transport.

We ask our hardware production suppliers, logistics service providers, and select indirect suppliers to report their emissions annually via CDP to track their progress; however our current calculation methodology for emissions from purchased goods and services (Scope 3, category 1) is partially revenue-based and is not reflective of emissions reduction efforts in our supply chain. As such, category 1 reported emissions have increased year-over-year due to product demand shifts during the pandemic. We continue to improve our modeling and measurement in order to better reflect supplier progress.

> We placed in the **Top 3 of Deutsche Telekom's "Green Future Best Practices Awards"** for our supply chain engagement on climate and data transparency, and we received **CDP's annual Supplier Engagement Award** for the 10th time.

[36] With the exception of product transport supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2021.

[37] Production supplier Scope 1 and Scope 2 emissions.

[38] Production suppliers' emissions rely on spend-based calculations.

Partnering with suppliers

In order to minimize our upstream emissions, we rely on data transparency and close partnerships with our production suppliers. As of 2022, 39% of our top suppliers, by spend, have set science-based emissions reduction targets (SBTs) within their operations—an increase of 14 percentage points compared to 2021. This puts us on track to meet our 2030 goal of 80% of our production suppliers by spend setting SBTs within their operations. By helping them understand the impact of their operations, we can identify and address carbon hotspots within our supply chain. We work with our top suppliers to align on data needs, model and set SBTs, and collectively tackle industry-specific challenges in driving down carbon emissions. Additionally, 65% of production suppliers[39] have set waste reduction targets.

In 2022, we continued our rollout of the Optera platform. This software offers a customizable dashboard that provides suppliers with streamlined accounting of their GHG emissions, modeled SBTs, peer performance for comparison, and the ability to track progress toward their publicly stated emissions reduction goals. The software also helps our suppliers visualize their emissions and track compliance with HPE's data reporting and verification requirements. In 2023, we intend to extend our supplier SBTs engagement goal to include the 81st–99th percentile of our suppliers, and roll out the Optera platform at no cost to the top 99% of our suppliers by direct spend.

Energy use in suppliers' operations is a key focus for emissions reduction. We are working directly with our top-spend manufacturing partners to help them implement renewable energy projects at their manufacturing locations within the next two years. We plan to roll out similar initiatives in the Americas and the Asia, Pacific, and Japan regions in the next year.

We also help our top suppliers connect with renewable energy resources through the Clean Energy Buyers Association (CEBA). CEBA provides HPE and our suppliers with renewable energy resources and information through webinars, industry conferences, trainings, and supplier roadmaps.

[39] Supplier data based on percent of spend.

Addressing water use in our supply chain

Water management is an important component of our suppliers' environmental performance and is tracked within our Supplier Social and Environmental Responsibility (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.

We calculate the water-energy nexus for each of our suppliers based on their annual energy use, as reported through their CDP Climate questionnaire. Our water-energy nexus data can be found on page 10 of our 2022 Data Summary.

As of 2022, 56% of our production suppliers have water-reduction targets.[40]

Ensuring supplier accountability

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

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

disclose their climate data to CDP with third-party verification aligned to CDP standards and criteria.

In 2022, we carried out direct engagements related to environmental targets with 50% of our top suppliers by spend.

Read more about our supplier due diligence and our supply chain responsibility program in the Human Rights section.

We awarded our **2022 Logistics Sustainability Partner of the Year Award** to DB Schenker. The award recognizes a logistics service provider that demonstrates a high level of commitment to more sustainable operations, including publishing emissions reduction goals, demonstrating data-driven year-over-year improvement, and collaborating with HPE on emissions reductions initiatives.

Improving transportation logistics

Logistics constitute a relatively small but strategically important portion of our Scope 3 emissions. While it is pivotal to our business to reduce our carbon footprint, we must also deliver and receive shipments safely and on time. To address our logistics emissions, we are developing a Logistics Sustainability Roadmap targeting the sustainability measures HPE and our Logistics Service Providers (LSPs) can take over the next two-plus years. We have identified and are progressing towards three potential avenues to institute reductions:

- **Modal shifts**—Transitioning from air transport to lower-emissions modes such as ocean and ground.

- **Clean fuels**—Exploring cleaner fuels such as hydrogen.

- **Optimization**—Seeking ways to use software to improve logistics efficiency including route optimization and ensuring full truckloads.

In 2022, our emissions from logistics increased by 6% year-over-year. As we have been working with our partners to increase data availability, this increase is partially attributed to a higher number of LSPs reporting emissions performance as well as increased reliance we've had on airfreight over the past year. Progress has been slower than expected largely due to limitations within the ocean transport market. As ocean shipping becomes more available, we anticipate greater reductions in our logistics emissions. In the interim, we are pursuing alternative short-term strategies including green lanes, environmentally friendly shipping corridors, and the use of low-emissions vehicles.

We're also working to decarbonize logistics across industries through participation in industry associations including the U.S. Environmental Protection Agency (EPA) SmartWay program, the Global Logistics Emissions Council (GLEC), the Sustainable Freight Buyers Association (SFBA), and the Sustainable Air Freight Alliance (SAFA).

Case study

Using EVs for final mile delivery in Singapore and Slovakia

In November 2022, RichLand Logistics, an LSP for HPE based in Southeast Asia, started delivering its final mile deliveries in Singapore via electric truck. Use of the new EV truck, with approximately 30 shipments per month is expected to save roughly 240 MTCO$_2$e every year. We also continue to use EVs for final mile delivery in Slovakia.

Our operational footprint

Even though our operational emissions comprise a small share of our overall carbon footprint, we are determined to eliminate the emissions over which we have direct control. We continue to push ourselves forward by improving upon our performance.

→ Our energy, emissions, waste, water, and other environmental data can be found on pages 10–13 of our 2022 Data Summary.

We have set a science-based target to reduce Scope 1 and 2 emissions 70% by 2030 from a 2020 baseline. Toward reducing our operational GHG emissions, in 2022 we focused on renewable energy procurement and transitioning our fleet to electric vehicles, in line with our net-zero roadmap.

Procuring renewable energy

In 2022, we surpassed our 2025 target of sourcing 50% renewable electricity in our operations, and we continue to progress against our long-term target of 100% by 2030, taking a hybrid approach. We use on-site and off-site power purchase agreements (PPAs), green tariff programs, green contracts, and, where necessary, bundled and unbundled renewable energy certificates (RECs). In the longer term, we are investing in owned and leased renewable assets to provide us with a predictable clean energy source and to support the wider economic transition to renewable energy.

As part of our long-term approach, we signed a 10-year agreement with a new solar farm to procure renewable energy covering 100% of the energy consumption of our global headquarters in Houston, Texas. The project became operational in June 2022 and is projected to provide an average of 52,000 MWh of clean energy every year—equivalent to the annual electricity used by 4,300 homes.[41]

52%
of our electricity was renewable in 2022.
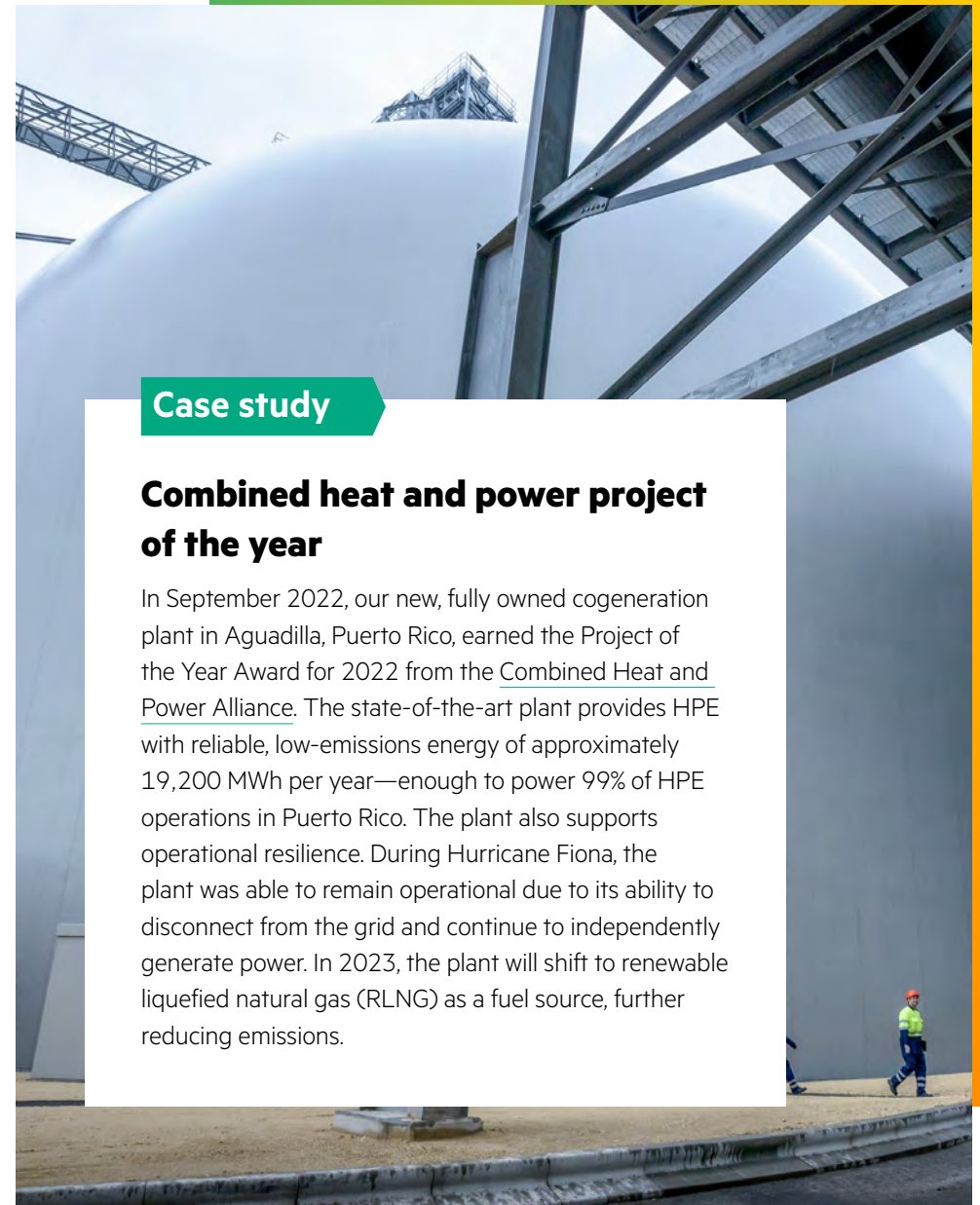
> **Case study**

Combined heat and power project of the year

In September 2022, our new, fully owned cogeneration plant in Aguadilla, Puerto Rico, earned the Project of the Year Award for 2022 from the Combined Heat and Power Alliance. The state-of-the-art plant provides HPE with reliable, low-emissions energy of approximately 19,200 MWh per year—enough to power 99% of HPE operations in Puerto Rico. The plant also supports operational resilience. During Hurricane Fiona, the plant was able to remain operational due to its ability to disconnect from the grid and continue to independently generate power. In 2023, the plant will shift to renewable liquefied natural gas (RLNG) as a fuel source, further reducing emissions.

Improving building energy efficiency

HPE has a long-standing office energy efficiency program. In 2022, we focused on energy-saving measures across more than 100 offices. More than 2,000 action items were implemented in the areas of operations and maintenance, heating and cooling, lighting, and occupant behavior. These actions included the improvement of operational and maintenance procedures, careful management of the lightning, enabling power management functions for the office equipment, and setting back thermostats after working hours.

Adopting electric vehicles

In 2022, we announced a new target of converting 100% of our fleet[42] to electric vehicles (EVs) by 2035. Our program focuses on markets that had mature infrastructure and multiple EV options available. As of end of 2022, we had over 150 EVs on the road, with more than 60 additional vehicles to be deployed in 2023. Ongoing supply chain challenges in the automotive industry have slowed our progress, but we look forward to advancing toward this goal as the supply of ultra-low-emissions vehicles and the availability of charging infrastructure improves in the coming years. 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 (3% of our water footprint), we track and reduce the use of this critical, shared resource. The vast majority of our operational water footprint is comprised of indirect water withdrawal related to the electricity consumed by our operations, known as the water-energy nexus. We are aligning our renewable energy and water strategies using guidance from the World Resources Institute.

> For the third year in a row, we received an A score from the CDP for our disclosures and approach to water stewardship and management.

Case study

Turning wastewater into fertilizer

Our facilities in Guadalajara, Mexico follow circular economy principles through an on-site wastewater treatment plant that creates fertilizer.

The wastewater goes through a biological process which results in the generation of fully mixed, activated sludge. This sludge can be recycled and used on soil in the planting process. The plant can treat an average volume of 180 liters per minute, and in 2022, the site treated and recycled a total of 8,648 m³ of wastewater.

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[42] Including our owned and leased vehicles.

In 2022, we withdrew 1.28 million cubic meters of water, a 9% increase from the previous year due to team members return to the office. 14% of these water withdrawals occurred in extremely high and high water-stressed regions. To limit these impacts, we prioritize water management projects at sites in water-stressed regions and use robust, data-driven assessments to identify projects that bring the greatest benefit to high water-stressed communities. We implement water conservation measures on a site-by-site basis, such as installing low flow taps. At several sites, we have implemented larger water management projects, including installing rainwater harvesting systems to water green spaces and on-site wastewater treatment facilities. For example, we capture and reuse rainwater for landscaping and gardening in our Mexico City site. The rainwater collection cistern can capture and store 800 m³ of water. In 2022, the system captured 2,330 m³ of water that then was reused for garden irrigation throughout the year. As a result, the site reuses an average of 194 m³ of rainwater every month.

→ Our water data can be found on page 13 of our 2022 Data Summary.

Reducing waste in our operations

In 2022, we diverted 90% of our non-hazardous operational waste from landfill[43] by increasing our recycling efforts, meeting our annual goal. We generated 5,142 metric tons of non-hazardous waste, a 6% reduction from the previous year. We primarily achieved this through the closure of one of our Houston, Texas locations, and continued remote working. We plan to maintain our 90% target as team members return to the offices. To achieve that, all new hires receive training on waste management best practices.

To support our 90% diversion target and to ensure we prioritize actions at the top of the waste hierarchy, we set a new recycling target. As of 2023, we aim to achieve a 77% recycling rate in our operations.

We generate a small amount of hazardous waste, including batteries, amounting to 1.1% of our total waste. Our Global Hazardous Waste Program oversees our process of identifying, recording, storing, transporting, and treating hazardous waste. Hazardous waste is treated and disposed of at an off-site disposal facility in adherence with regulatory requirements.

HPE non-hazardous waste streams from operations

	Percentage of total waste	Metric tons
Recycled	79.95%	4,111.42
Incinerated with and without energy recovery[44]	12.05%	619.39
Landfilled	7.95%	409.05
Waste otherwise disposed	0.05%	2.32
Total	**100%**	**5,142.18**
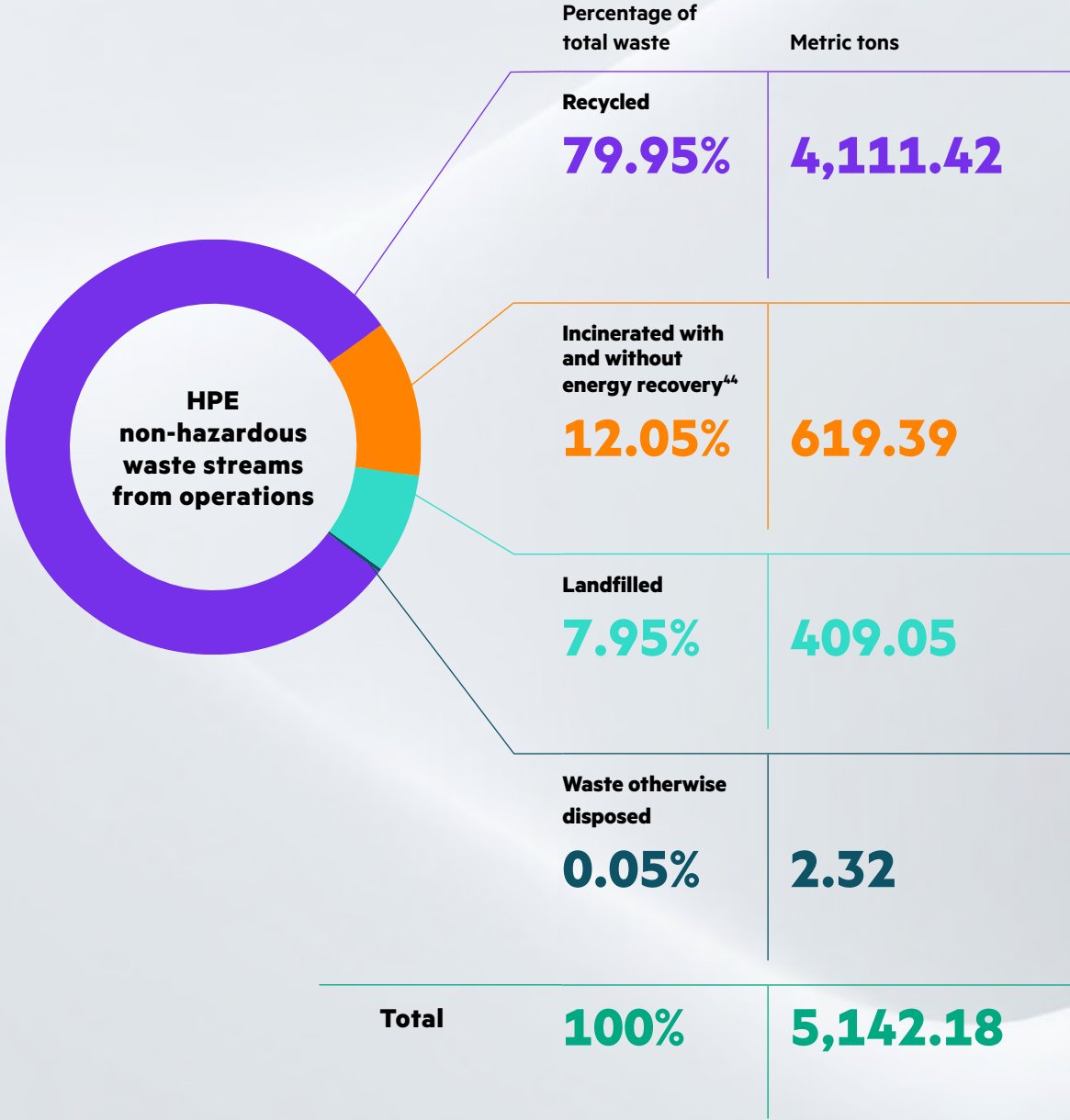
[43] HPE categorizes recycled waste and waste-to-energy as diverted waste.

[44] Of which 508.73 metric tons were incinerated with energy recovery.

Investing in people

Our approximately 58,600 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 rewards programs, and our work environment.

In this section

40	**42**	**47**	**52**	**54**
Social impact strategy	Diversity, equity, and inclusion	Team member development, engagement, and well-being	Team member health and safety	Community investment

Social impact strategy

HPE harnesses its strengths—cutting-edge technology, talented personnel, and resources—to generate the greatest beneficial impact for society. We prioritize addressing systemic barriers that adversely affect underserved communities wherever feasible.

In 2022, we unveiled our new social impact strategy, which embodies our mission to enhance the way people live and work. The Living Progress Strategy Council oversaw the development of our social impact strategy, and its implementation will be a collaborative endeavor spanning all of HPE.

Our strategy is designed to facilitate positive change by aligning community needs with the values of our team members. We have identified three areas where HPE can make a meaningful contribution and provide support:

• Healthcare
• Community resiliency
• Diversity, equity, and inclusion and human rights

Our initiatives are aimed at accelerating innovation, extending the benefits of the digital economy to individuals and communities, and promoting a just society.

Social impact has historically been challenging to quantify across all industries, and we have experienced this as well at HPE due to uncertainty around meaningful metrics and insufficient data validating how issues affect the company and our communities. With the rollout of our social strategy, we will work to continually refine our approach and metrics related to social initiatives. We continually consult with internal and external stakeholders to maximize the impact of our efforts, and, in 2023, we'll continue to prioritize core areas that support key beneficiaries and drive meaningful outcomes.

We drive change in the following areas:	Healthcare	Community resiliency	Diversity, equity, and inclusion and human rights
To achieve the following outcomes:	Innovators are enabled to develop and accelerate solutions that improve lives and livelihoods	Individuals and communities are equipped to benefit from the digital economy and evolving society	Our company and industry contribute to a just and fair society
Leveraging HPE's:	Technology	Talent	Resources

Elevating our communities

Small- and medium-sized businesses (SMBs), particularly those from underserved communities, often struggle to compete with larger peers due to the costs required to attain and implement emerging technologies. HPE partnered with the University of Washington Foster School of Business and their students to help underserved SMB owners access technology and technical training needed to grow and scale their businesses. This work promotes diversity, equity, and inclusion; advances the digital economy and democratizes benefits from it; and improves livelihoods.

Our team members train students, often from the same communities as the SMBs, and assist them in developing technology transformation and implementation plans that facilitate operational improvements and business growth for SMBs. The students gain valuable real-world experience and the SMBs gain a roadmap and the resources to integrate technology into their operations and expand their business capacity. Since the inception of this partnership, we have mentored more than 50 students and helped 24 SMBs in the U.S. scale their business through access to technology.

HPE received the University of Washington Impact Award recognizing businesses and civic leaders committed to diversity, equity, and inclusion in business, and who have made a substantial impact in growing businesses in underserved communities and accelerating students' careers.

Diversity, equity, and inclusion

We embrace the principles of diversity, equity, and inclusion within and beyond our walls. With a shared sense of belonging, our people leaders and team members bring a breadth of perspectives, ideas, and experiences to their work, fueling innovation and driving transformational change across our company and the IT industry.

→ Our Board and team member demographics and talent lifecycle metrics data can be found on pages 17–22 of our 2022 Data Summary.

A skilled and diverse[45] workforce is crucial in today's highly competitive business environment. Fostering an engaged community of team members from a wide array of backgrounds helps us adapt quickly and stay at the forefront of our fast-paced industry.

Our diversity, equity, and inclusion (DEI) strategy creates accountability, transparency, and an unconditionally inclusive culture where unique contributions are recognized, valued, and rewarded. A diverse and inclusive workplace requires the deliberate cultivation of inclusive behaviors and ally-ship, and we encourage team members to use their unique perspectives to innovate and deliver for our customers. Through our strategic pillars we design interventions at key inflection points within the talent lifecycle to enable equitable outcomes.

Three key pillars of our global DEI strategy

Equity

We believe in bold moves

Lead data-driven analysis at key inflection points during the HPE talent lifecycle

Advancement

We believe in accelerating what's next

Accelerate the development and progression of our underrepresented team members across HPE by creating experiences and pathways to opportunities across the enterprise

Inclusion

We believe in being a force for good

Enable a workplace where team members feel respected, a sense of belonging, and are valued for bringing differing perspectives, ideas, and experiences to fuel innovation and drive transformational change across HPE

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

Driving an equitable workplace

Promoting equity within HPE

HPE is a more dynamic and effective workplace when our workforce reflects the communities in which we operate. We track representation across the company and use this data to inform strategies that drive equity within HPE. Each quarter, our Board reviews our progress toward achieving our aspirational representation goals.

Our aspirational representation goals[46]

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

	FY21	FY22 Target	FY22 Progress	Status
Global women executive[47] representation	24.64%	25.64%	26.15%	✔
Global women overall representation	32.78%	33.78%	33.09%	✖
U.S. ethnicity overall representation	30.83%	31.83%	32.1%	✔

Moonshot executive[48] representation goals

We aim to increase the representation of women and Black and Hispanic diverse talent in our executive population by 2027.

FY27 Target	FY22 Progress
Black and Hispanic executive headcounts will **double** as compared to 2020	• Black executive population has increased by 40% • Hispanic executive population has increased by 3%
Our executive population will be **one third** women	• Representation of women in executive roles increased to 26.15%

[46] All employee demographic data refers to fiscal year.

[47,48] Defined as director level and above.

To get insight beyond workforce representation and to understand the extent that DEI principles are embedded in company culture, we developed a DEI Index to gauge the extent to which our team members feel respected and valued for bringing differing perspectives, ideas, and experiences to their work to fuel innovation across HPE.

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., UK, and India—as well as underrepresented ethnicities in the U.S.—earn, on average, $1 for every $1 earned by male team members. 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.

In early 2023, we launched an in-depth, voluntary, and confidential self-identification program, Count Me In, in the U.S. and Puerto Rico, allowing team members to provide more specificity into their racial and ethnic backgrounds. We use the data to identify and to better understand outcomes across various demographics, tailor our programs and benefits, and stay ahead of emerging demographic trends within our workforce.

Building an equitable STEM pipeline

To build the innovative workforce needed to compete globally, we're using our resources and expertise to develop a diverse pipeline of STEM talent. In addition to expanding our partnerships with Historically Black Colleges and Universities (HBCUs), in 2021, we began sponsoring scholarships. Through the Executive Leadership Council (ELC), we educate Black students about careers in STEM, skills for interviewing, best practices for researching jobs, and HPE culture. This scholarship will be renewed annually until 2026 and will reach a total of 50 Black students over its five-year course. Learn more on how HPE promotes equity in STEM education.

Advancing DEI across the talent lifecycle

We craft DEI integrated programming aimed at each stage of the talent lifecycle—from recruitment to development of senior people leaders—that will enable us to attract and retain top diverse talent.

We are committed to promoting equitable hiring outcomes throughout our recruitment process by tapping diverse networks and candidate pools, listing clear, job-relevant criteria, and using data to better understand hiring outcomes across various demographics. Additionally, our people leaders and interviewers receive training and resources, including a structured interview process and interview guides with questions aligned to critical, role-based competencies for greater consistency, reliability, and objectivity.

Equitable outcomes are critical indicators of our DEI initiatives. At pivotal moments throughout the year, such as before performance reviews, and during talent assessments, we equip people leaders with bias disrupters which are evidence-based tweaks to process, practices, and systems to disrupt the transmission of implicit bias in practices like hiring, interviewing, performance reviews, promotions, compensation, etc. Examples include using clear and specific performance criteria directly related to job requirements during performance reviews. In 2022, 36.3% of total U.S. promotions were earned by ethnically diverse team members, which is over 4 percentage points higher than overall representation.[49]

Our Executive Committee (EC) Sponsorship program pairs high potential underrepresented directors with an EC member who provides access, visibility, and sponsorship with the goal to increase the diversity of the VP talent pipeline. This sets underrepresented talent on a trajectory for career advancement, builds our pipeline of diverse leaders, and promotes team member retention by demonstrating our investment in their career growth. In 2022, 75% of our EC Sponsorship program participants self-identified as women.

HPE also hosts development programs to advance diverse talent. For example, we partnered with Out Leadership to provide talent development programs to inspire and develop future leaders from within our LGBTQ+ community, and we offer our Ready Now Program, an immersive, hands-on experience that accelerates readiness and amplifies access to Board Directorship opportunities outside HPE for top female senior executives. We also provide external development opportunities for our people leaders, including:

- **Executive Leadership Council (ELC)**
  Black VPs participate in a week-long C-suite development program and mid-level managers attend a two-day symposium to network and grow their inclusive leadership skills.

- **HITEC**
  Director-and-above talent from Hispanic backgrounds enroll in the Emerging Executive Program preparing them to progress into a C-level role.

- **McKinsey**
  Top talent VPs are submitted to the Executive Leadership Program to train to face real-world challenges through workshops, cohort collaboration, and executive coaching.

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[49] All employee demographic refers to fiscal year.

Enabling equitable outcomes through inclusion

Upholding an inclusive culture is a responsibility shared by everyone at HPE and a vital part of fostering innovation and collaboration.

Making voices heard through listening sessions

It is pivotal that our leadership is engaged in making HPE an inclusive workplace. In 2022, our CEO, Antonio Neri, and other executives participated in six Listening Sessions with diverse and underrepresented team members from across HPE. These sessions promote open dialogue between team members and leadership, grant insight into the efficacy of DEI initiatives, and help identify priorities for further support.

Fostering inclusion

To help ensure that all team members share a foundation for understanding and implementing DEI, we offer Inclusion for All, a voluntary course grounded in behavioral sciences and tailored to nuances present in different regions. As of 2022, 75% of our organization completed Inclusion for All training which has been added to the HPE onboarding experience and People Leader Ongoing Inclusion Curriculum. Additionally, 78% of people leaders have taken Inclusive Leadership training.

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. Our Open Door Policy encourages dialogue across all levels of the company, creating an environment for earnest communication—from providing constructive feedback to the airing of grievances.

Creating community with resources groups

Our eight Resource Groups (RGs) and their 140+ chapters bring together team members of shared backgrounds and interests. In 2022, RGs coordinated over 350 events including global signature events,[50] keynotes, panel discussions, mentoring, networking opportunities, and outreach programs. In 2022, we restructured our RGs to a standardized model to help them operate consistently and efficiently. This ensures their impacts are meaningful, enterprise-wide, and aligned with our global DEI strategy.

DEI oversight

We hold our leaders accountable for ensuring our values permeate throughout the business. 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.

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

Our CDEIO reports directly to our 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).

In 2022, our initiatives and practices earned HPE recognition on rankings such as:

- Seramount's 2022 Best Companies for Multicultural Women

- Disability Equality Index's Best Place to Work for Disability Inclusion

- Bloomberg 2022 Gender-Equality Index

- Human Rights Campaign Foundation's Best Places to Work for LGBTQ+ Equality

- Seramount's 2022 100 Best Companies

- 2023 Military Friendly Employers

- Germany's Women Career Index (FKi)

- Inspiring Achievements for Diversity, Equity, and Inclusion award by the Council of Women in Business in Bulgaria

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

Supporting diverse suppliers

Our responsibility to promote diversity, equity, and inclusion extends across our value chain. By increasing investment with diverse suppliers,[51] we enhance the economies of underserved communities and improve the resiliency of our supply chain. Through our Supplier Diversity program, we help diverse suppliers develop their business, mitigate risk, and achieve compliance.

→ See page 28 of our 2022 Data Summary for supplier diversity data.

We engage diverse suppliers through procurement, subcontracting, and non-profit support. In 2022, the HPE Foundation sponsored a grant for Centro Community Partners. This non-profit provides diverse micro-businesses with an easy-to-use software application that assists with planning, accessing capital, and establishing a business strategy, among other services. With the app, diverse suppliers can better manage and grow their business to become more competitive in the marketplace.

Each year, we aim to direct 8% of U.S. spending to diverse suppliers—a goal we achieved in 2022, with $167 million spent. We partner closely with our Global Procurement team to maximize opportunities for indirect spending in top areas

such as contingent labor, marketing, human resources, training, and construction. We also support our diverse partners who resell HPE goods and services by recommending them for additional subcontracting work with our customers. In 2022, HPE recognized $64M in our new Tier 2 reporting program requesting diverse spend data from our top prime suppliers.[52] This reporting increases transparency and builds collaborative partnerships, showcasing the collective power of our commercial impact to foster a more inclusive economy.

Diverse suppliers receive additional opportunities to engage with our business through our Supplier Diversity Champions and Mentor Protégé programs and at industry events. In 2022, we invited several diverse suppliers to present for the opportunity to win additional or new business. We also held collaborative conversations to share challenges and explore opportunities for employing more diverse suppliers across HPE. At industry events in 2022, we facilitated one-on-one matchmaking between HPE team members and diverse suppliers, presented advice for winning business with HPE, and mentored suppliers on building websites and developing business plans.

Since 2021, we have collected data from our top suppliers to understand how they engage with diverse suppliers in their

own supply chains. This year, we established supplier diversity reporting compliance for the tier one suppliers that receive the majority of our spend. We set baselines so we can measure our progress on data transparency and diversity. Best practice sharing strengthens our partnerships with these suppliers, and we continue to gain insight into how our spend with them translates to further spending with diverse suppliers in their network.

In 2022, HPE was:

- Named a 2022 Top Global Champion for Supplier Diversity and Inclusion

- A finalist for WRMSDC Nomination for Top Supplier Diversity Leader of the Year

- Recipient of the U.S. Veterans Supplier Diversity Award.

[51] Diverse suppliers are businesses that are majority owned by women, minorities, veterans, disabled, LGBTQIA+, and other diverse designations.

[52] Our top prime suppliers are defined as top spend indirect procurement suppliers, who are able to provide credible data under our Tier 2 reporting program.

Team member development, engagement, and well-being

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.

→ Our talent lifecycle metrics data can be found on pages 23–24 of our 2022 Data Summary.

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.

Our programs, campaigns, and community events cultivate a sense of belonging. We designated 800+ culture ambassadors who drive engagement with company culture and develop culture at the site level. In 2022, we hosted our inaugural Culture Connect Session, a panel attended by over 2,000 participants, featuring our Chief People Officer, that focused on destigmatizing failure and channeling it into learning opportunities. Going forward, these sessions will take place quarterly.

We value team member feedback, which informs our strategic planning and initiatives. In 2022, our annual Voice of the Workforce (VoW) survey engagement score was 83%—only one percentage point below our all-time high score last year and marking 12 percentage points of growth over the last four years. The survey revealed that more than 84% of respondents would recommend HPE as a great place to work and 88% say they are proud to work for HPE.

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

> Almost **92%** of respondents to our 2022 VoW survey feel that HPE creates an environment where diverse perspectives are valued and people of diverse backgrounds can succeed. **91%** of respondents indicated they are comfortable being themselves at work. Strong engagement scores across demographic groups reinforce our confidence in these findings.
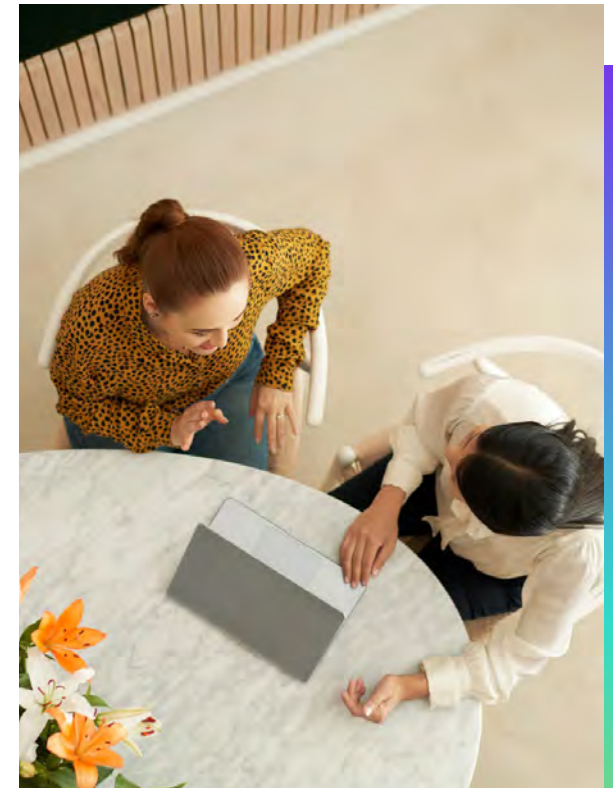
## Recruiting and retaining diverse, skilled talent

In today's highly competitive business environment, attracting and developing top talent is key to remaining a leader in our industry. Our human capital strategy is fully integrated with our business strategy and starts by communicating a clear purpose, acquiring a diverse workforce, integrating them into HPE's inclusive culture, optimizing performance and holding people accountable, and engaging, developing, and advancing talent to drive continued success.

In 2022, we modernized our recruitment experience to streamline applications and engage candidates with personalized job recommendations and content. Prospective team members can now apply quickly to positions for which they are best suited, cutting application time in half.

We also revamped our university recruiting model to standardize how we attract, assess, interview, and evaluate applicants. The new program resulted in nearly 34% growth in graduate hires over 2021. We plan to expand the program globally in 2023.

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

Our retention strategy focuses on retaining at least 95% of our top talent. We create an environment where team members can perform career-defining work while providing exploration and development opportunities. In 2022, we introduced career development and internal mobility capabilities to support professional advancement. Our AI- and machine learning-driven platform, Career Hub, matches a team member's skills with opportunities within HPE, including mentorship, open roles, and curated resources to promote skills-based learning.
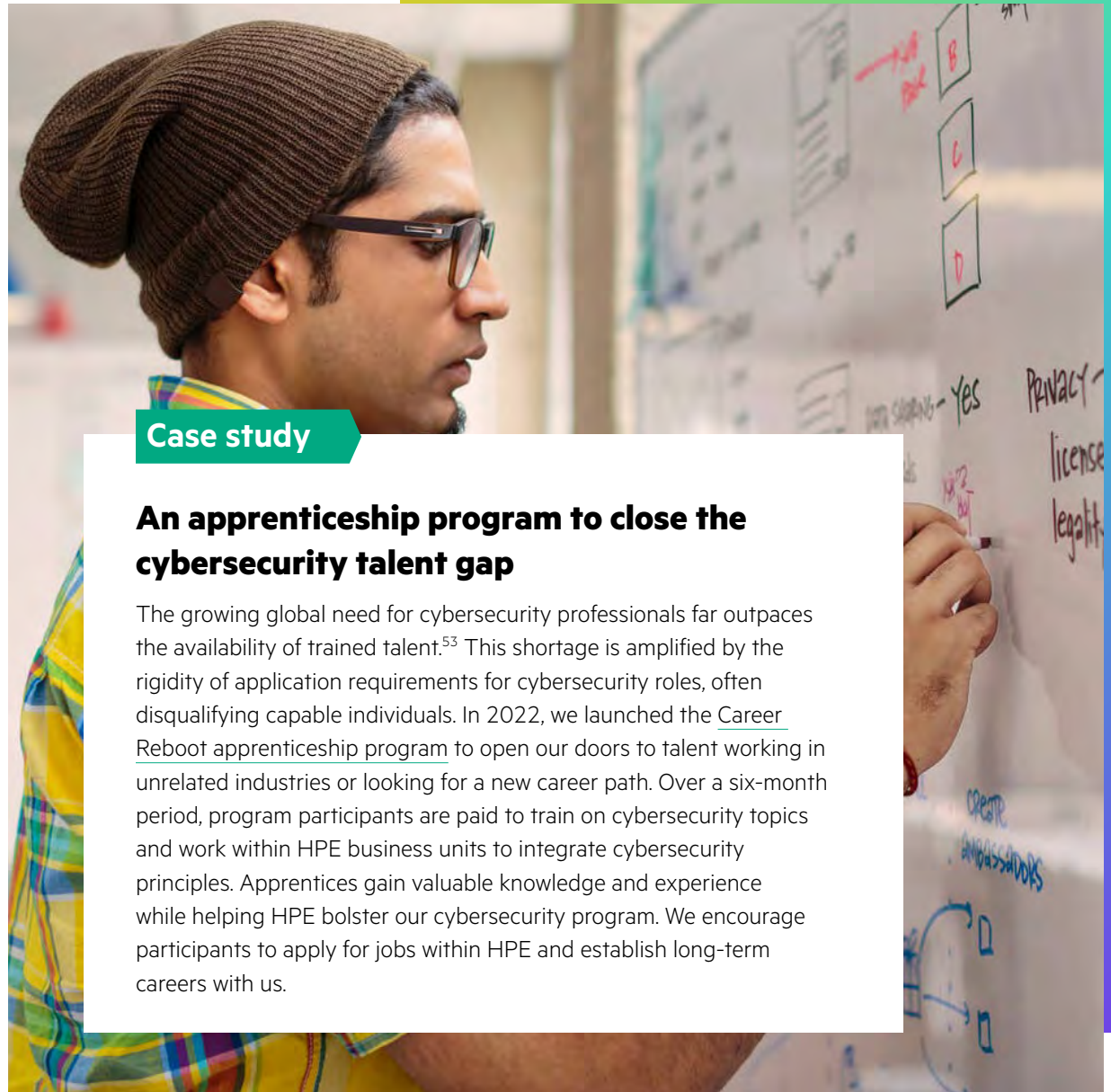
Case study

An apprenticeship program to close the cybersecurity talent gap

The growing global need for cybersecurity professionals far outpaces the availability of trained talent.[53] This shortage is amplified by the rigidity of application requirements for cybersecurity roles, often disqualifying capable individuals. In 2022, we launched the Career Reboot apprenticeship program to open our doors to talent working in unrelated industries or looking for a new career path. Over a six-month period, program participants are paid to train on cybersecurity topics and work within HPE business units to integrate cybersecurity principles. Apprentices gain valuable knowledge and experience while helping HPE bolster our cybersecurity program. We encourage participants to apply for jobs within HPE and establish long-term careers with us.

In 2022, internal hiring increased to 39%,[54] seven percentage points growth over 2021. In 2022, both recruitment and retention were affected by the "Great Resignation," a lingering impact of the COVID-19 pandemic. While our voluntary turnover rate rose to 9.26% in 2022, from 6.9% in 2021, we remained below the industry average of 10.8%.[55]

Tailored career development

The dynamism of our industry and company enables team members to build new skills that help them grow in their current roles or transition to new roles—meeting their career goals 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 EC members. Open conversations and regular reviews form the foundation of our career development. In addition to a formal talent review process, people leaders meet quarterly with their team members to conduct My Success Plan (MSP) conversations. We updated the MSP program in 2022 to provide people leaders

with training and "how to" guides on maximizing team member potential and enabling them for career advancement at HPE.

Our Bold Goals program enables team members to set personal goals and people leaders to set performance goals for their team. Our annual VoW survey found that 91% of respondents believe their career goals can be met at HPE and 94% feel their direct leader encourages their career growth and mobility.

Enhancing the experience of our technical talent is a priority at HPE. We established a roadmap to modernize our Technical Career Path (TCP) in 2023 and make it more market competitive and relevant to our business. We are building skills models and clear career pathways to help us standardize hiring and advancement. The new TCP provides role-based learning recommendations and supports career conversations. These improvements allow for more internal mobility in technical roles and provide additional transparency on the requirements for attaining roles across technical functions.

Entry level

We offer internships and apprenticeships, preparing early-career talent for roles at HPE and in the greater STEM industry.

People leaders

We provide tailored training on topics such as management style, driving team engagement, fostering an inclusive team, and more.

We support team member professional growth at all levels through a variety of training and development resources

Individual contributors

We help expand and improve careers through opportunities like stretch assignments, mentoring, gigs, networking, and training.

VPs and above

We offer trainings to VPs and senior VPs to deepen their understanding of HPE's strategy, maximize team member performance, and advance our strategic priorities.

[54] Of active regular employees (10/31/2022).

[55] Based on Mercer Comptryx data for Global Tech Companies market view.

We facilitate ongoing learning and development to cultivate the next generation of HPE leaders and help team members achieve their professional goals. In 2022, we began a multi-year transition to a new team member education platform, Workday Learning. Through the power of AI, team members receive personalized education plans and course recommendations based on their skills and development goals. In our first year of the transition, 86% of active team members completed at least one non-mandatory training course. Overall, our team members completed over 665,000[56] online and instructor-led courses across a broad range of categories including leadership; diversity, equity, and inclusion; professional skills; and technology, with an average of almost 14 learning hours[57] per team member. In 2022, we invested a total of $15.8 million[58] in learning and development.

We also offer external learning resources and opportunities to team members. Through ExecOnline, business units can sponsor team members to take short courses through top business schools like Stanford, Columbia, and Yale.

We recognize the value of extended learning and also acknowledge the financial stresses that come with returning to school. Our Employee Development Grant program provides tuition assistance for team members pursuing higher education, including bachelor's, master's, and doctoral degrees. In 2022, we expanded the program to include technical certifications. Roughly 460 team members received Employee Development Grants, worth a collective $1.1 million, in 2022.

Compensation and benefits

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

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

Through our Wellness Fridays, team members get off work early one Friday per month as a way to promote work-life balance. In 2022, we added an additional Friday off for Team Member Appreciation Day. Starting in 2023, we will transition Wellness Fridays to be four full days off per year.

Read more about our benefits and retiree benefits toolkit for U.S.-based team members and our global benefits.

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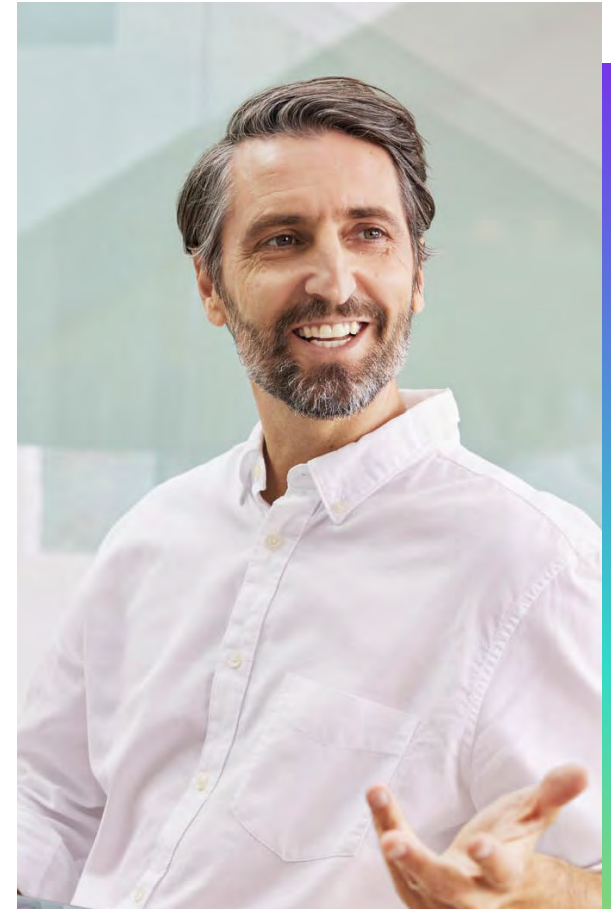
[56] Including mandatory training. Team members completed over 295,000 non-mandatory trainings.

[57] Including mandatory training. Average learning hours for non-mandatory training per team member was 11.5.

[58] In 2022, we changed our calculation methodology for determining investment in learning and development, which is a major cause behind the $8.3 million year-over-year increase.

Supporting team member well-being

Supporting well-being is a crucial part of managing people, maximizing their potential, and helping them feel fulfilled. In April 2022, we expanded our HPE Global Wellness program to include a community well-being pillar. We now help our team members lead enriching personal lives across four areas:

- **Physical health** to improve and maintain a healthy body. Our twice-annual Global Wellness Challenges encourage team members to get physically active. We also provide fitness classes, medical exams, and cancer screenings.

- **Financial health** to address financial concerns and reach personal financial goals. We provide guidance on topics including budgeting, debt management, and savings.

- **Mental and emotional health** to manage stress, anxiety, and relationships. All team members can access a no-cost subscription to the meditation app, Headspace. We work to end the stigma around mental health by regularly hosting mental wellness campaigns and through quarterly episodes of our podcast Straight Talk for Real Life.

- **Community well-being** to develop positive relationships at work and in life. Since 2022, we have facilitated global relationship development through our Mystery Coffee series, which connects team members from around the globe for virtual one-on-one coffee breaks.

Our Employee Assistance program offers counseling, childcare referrals, financial coaching, critical incident support for regions affected by natural disasters,

professional support for behavioral and emotional health, and more. Specific service offerings vary by country but are available to HPE team members and their immediate families around the world. In 2022, we rolled out Included Health, a concierge service that helps U.S.-based team members navigate their healthcare plans.

Work-life balance plays a critical role in well-being. We offer a hybrid work model and support team members through a variety of initiatives, including a free tutoring program for children doing remote learning from home,[59] wellness videos, and an ergonomics website. We also encourage working hour flexibility, allowing team members to adapt their schedules around their personal lives and responsibilities, providing autonomy around the time that team members are at work.

Our approach to supporting well-being changes in response to team member feedback, and, in 2022, 96% of respondents to our VoW survey feel they are given the flexibility to manage their work and personal needs.

[59] Available in the U.S. only.

Team member health and safety

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

→ Our health and safety data can be found on page 25 of our 2022 Data Summary.

Promoting a safe and healthy workforce

We work to promote an injury-free workplace through our holistic Environmental, Health, and Safety (EHS) program, which provides the tools and resources our team members need to maintain a safe work environment by following our EHS Policy. To stay up to date on environmental issues affecting our industry, we engage with a variety of stakeholders and routinely report to regulatory agencies.

Our EHS risk reporting tool provides visibility into site-specific risks and how they are being addressed. It enables us to track regulations and compliance mechanisms across our global sites. We use a third-party consultant to provide ongoing global regulatory updates for the countries where we operate.

Achieving high standards for health and safety requires the participation of all team members. Through trainings, we encourage and support team member engagement with our policies and industry best practices. In 2022, team members participated in more than 88 different training courses tailored to job roles, with topics including forklift operation, data center safety awareness, spill response, and hazardous waste management. Our Introduction to EHS course is mandatory for all new hires as part of their onboarding experience.

In 2022, our lost time incident rate (LTIR) remained consistent at 0.01 and our recordable incident rate (RIR) increased to 0.05—below the industry average of 0.1[60] for RIR.

In addition to mitigating workplace hazards, we support team member health and safety by taking strides to minimize the transmission of seasonal illnesses. For example, programs like our flu shot clinics in select regions help protect our team members from sickness. We continued to monitor COVID-19 trends, and, in 2022, all in-person work restrictions were lifted.

Ensuring compliance

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

→ Data on our ISO certifications can be found on page 26 of the 2022 Data Summary.

To stay aligned with ever-evolving health and safety regulations, we commission third-party global- and country-level consultants to audit our policies, global standards, and facilities in addition to our internal audits. We also employ third-party auditors to evaluate our site-level compliance with ISO standards 14001 and 45001. In 2022, sites in Colombia, Puerto Rico, South Africa, Spain, and the U.S. were assessed through 12 audits, achieving a 100% pass rate. We also performed internal ISO audits at seven facilities in 2022. All audits were successfully completed without any major non-conformances. In 2022, our ISO 14001 EMS Certificate was renewed following a series of environmental audits that confirmed the efficacy of our program.

[60] U.S. Bureau of Labor Statistics, as of December 2022.

Our response to the war in Ukraine

As a global company, we have a responsibility to use our resources and influence to denounce injustices and support those affected by them. Following the unprecedented events affecting Ukraine, we began the process of making an orderly exit from Russia and Belarus. We remain committed to ensuring that our employees and former employees are treated with the utmost respect and compassion. HPE provided relocation assistance for Ukrainian contingent workers and their family members, and we continue to provide support to people impacted by the crisis.

Support for employees in the region

The safety of our HPE community is paramount, so we acted quickly to aid affected team members and contingent workers. While we have no legal entity in Ukraine, we did have a wholly owned entity in Russia that we are transitioning out of service. HPE team members and contingent workers in affected countries received additional paid leave to lessen the burden of financial- and work-related stresses. Team members in selected Eastern and Central European countries also received extra volunteer time off to aid in humanitarian relief efforts. Although no HPE employees were based in Ukraine, we supported our contingent workers there by establishing an expatriate program to support their families' relocation to safer areas in neighboring countries.

Support for refugees

The effects of the war in Ukraine are far-reaching, and significant resources are needed to support relief efforts. Spurred by the passion of HPE team members, we opened an office in Poland to a nonprofit responding to the crisis, giving them a home base in which to operate.

To give all HPE team members the opportunity to show their support and amplify their impact, we established two 2:1 matching campaigns aimed at aiding relief efforts:

- Our global nonprofit campaign provides funding to international organizations that are on the ground in the region, distributing aid in the form of food, supplies, and medical support. Over 3,300 team members donated through the global campaign, sending $873,000[61] to Save the Children, International Rescue Committee, and the International Committee of the Red Cross.

- Through our local nonprofit campaign, more than 400 HPE team members supplied over $71,000 in funding to four local organizations who assist displaced refugees.

Additionally, the HPE Foundation donated over $65,000 to supply food and other resources to refugees in Poland and Slovakia.

[61] Including user donations, matching campaigns, and rewards.

Community investment

Contributing positively to our communities has always been integral to the culture of HPE and remains a vital aspect of our social impact strategy. By utilizing our strengths, skills, technology, and resources, we provide invaluable support to community organizations and encourage our team members to utilize their passion and expertise in serving others.

→ Our community investment metrics can be found on page 27 of our 2022 Data Summary.

Accelerating solutions that improve lives

HPE Accelerating Impact

HPE Accelerating Impact is committed to supporting organizations that utilize technology to address some of the world's most pressing challenges. We provide funding to non-profit organizations tackling issues such as climate change, equitable healthcare, and human rights. Furthermore, we support organizations that have underrepresented founders. In 2022, HPE Accelerating Impact supported technology nonprofits, of which 63% were led by women, and 53% had leaders identifying as underrepresented.[62]

Desired outcome	Healthcare	Areas of focus	
		Community resiliency	**Diversity, equity, and inclusion and human rights**
Innovators are enabled to develop and accelerate solutions that improve lives and livelihoods	• HPE Accelerating Impact	• HPE Accelerating Impact	• HPE Accelerating Impact • HPE Gives
Individuals and communities are equipped to benefit from the digital economy and evolving society		• HPE STEM initiatives • Digital inclusion initiatives	• HPE Gives • Digital inclusion initiatives • HPE STEM initiatives
Our company and industry contribute to a just and fair society	• HPE Gives	• HPE Gives • Disaster relief partnerships and climate resilience	• HPE Gives • Digital inclusion initiatives

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

Through HPE Accelerating Impact, team members are directly involved in the way we allocate philanthropic capital. The HPE Foundation gives each team member a $25 credit to allot to any of the 30 nonprofits we support. Additional credits can be won through incentives and drawings. HPE Accelerating Impact recipients in 2022 included:

- **Climate Cabinet:** Analyzes climate data to support the development of climate policy.

- **Learning Equality:** Creates an offline platform of educational materials to close the equity gap in access to quality schooling.

- **Intelehealth:** Uses a low-bandwidth telehealth platform to connect healthcare workers with remote communities.

- **WattTime:** Leverages AI and machine learning to connect smart thermostats, electric vehicles, and buildings to renewable energy sources.

- **Ersilia:** Builds open-source AI models that help scientists in low-income countries develop treatments and perform locally relevant disease research.

Since the program's inception in 2019, HPE Accelerating Impact has directed over $5 million to technology nonprofits, positively benefitting more than 360 million people.

32,000+
team members donated a combined $1.4 million to technology nonprofits through HPE Accelerating Impact in 2022.

Equipping communities to benefit from the digital economy

HPE STEM initiatives

Enhancing access to STEM education promotes equity, spurs innovation, and establishes a strong pipeline of candidates for roles at HPE. Through our portfolio of STEM initiatives, we aim to inspire and empower the next generation of STEM professionals.

As the founding member of Curated Pathways to Innovation (CPI), the HPE Foundation increases representation of girls and minorities in STEM fields. We invest in and work with CPI to upgrade their AI-enabled learning platform and improve gamifications—encouraging students to continue learning and increase their interest in STEM. In 2022, we provided $100,000 in funding to CPI and plan to expand the partnership in 2023.

We also organize STEM skill-building events for young people. HPE Houston's Women's Network Resource Group runs a Girls Tech Camp that helps girls see their potential and inspires them to pursue careers in technology. In 2022, 38 participants developed technical skills, learned from women in the industry, and engaged with fun, hands-on activities. HPE also organizes annual computer programming competitions for high school students. This year, nearly 700 students from almost 100 different schools attended our U.S.-based events. We also held events in Taiwan and India.

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

In 2022, we also promoted equity in STEM education through our involvement with:

- **Technovation**, educating women and girls in underserved communities to use technology, innovation, and artificial intelligence to address local social and environmental challenges. Our investment enabled Technovation to reach an additional 345 participants.

- **NACME**, supporting professional and career development for high achieving, underrepresented college students pursuing degrees in engineering and computer science.

- **AnitaB.org**, training woman and non-binary technologists and the companies that employ them to drive equity in STEM.

We recognize the importance of a digitally inclusive society to economic and social development, and we take action to foster digital inclusion. Learn more about our work in the Public Policy section.

Contributing to a just and fair society

HPE Gives

HPE Gives, our global giving and volunteering program, empowers team members to support the communities in which they live and work. Participation with the program takes many forms, ranging from mentoring to monetary donations to volunteering. In 2022, our team members volunteered, on average, 24 hours each.

We created a network of HPE Gives Champions who represent their region and help us understand the individual needs of each community. These 80+ champions work with HPE team members and community stakeholders to align our giving and volunteering campaigns with relevant areas of focus for their region.

Skills-based volunteering

Forty-five percent[63] of team member volunteering was skills-based in 2022, achieving our goal. In 2023, we will again work toward achieving 45% skills-based volunteering and plan to offer more pro-bono and skills-based opportunities to drive progress toward this goal.

Our team members possess unique skill sets and we encourage them to leverage them when volunteering to maximize the value of their contribution. In 2022, HPE team members donated their expertise to programs including:

- **Micro-mentoring:** Through our partnership with the nonprofit Fast Forward, team members were matched with social impact technology entrepreneurs for virtual speed-mentoring sessions. Matches were made based on the needs of each startup, and HPE team members provided guidance on topics such as communications, management, and technical support.

- **MapSwipe:** HPE team members contributed to an open-source mobile app that creates maps to aid in disaster response. In early 2023, over 150 team members donated nearly 200 hours to MapSwipe at an event for We Are HPE Day.

- **Sophie Hayes Foundation:** In collaboration with the Sophie Hayes Foundation, members of our Women in Security resource group crafted a cybersecurity training module to educate and empower survivors of human trafficking, preparing them to reenter the workforce and establish a fulfilling career.

Giving through matches and grants

HPE also gives back to communities through matching campaigns and grants. In 2022, HPE Gives achieved record high monetary donations.

> In 2022, more than **16%**[64] of team members participated in HPE Gives. We achieved a record high of **$9.9 million** donated, an increase of 18% year-over-year, with the average donation amounting to $365.

HPE matches team member donations to the eligible organizations of their choice up to $5,000. We also establish special campaigns in response to world events. In 2022, 2:1 matching campaigns raised over $1 million in support of causes such as racial justice and equity and relief for the war in Ukraine.

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[63] In 2022, 2,080 team members participated in skills-based volunteering—logging a total of 57,816 skills-based volunteering hours, with an average of 27.8 hours per team member that participated.

[64] Out of 70,357 team members eligible to participate in HPE Gives in FY22. Eligible team members include full, part time, and temporary employees throughout the year.

HPE Foundation support for disaster relief

The HPE Foundation provides resources that prepare vulnerable communities for unexpected events and aids in the wake of a disaster.

In 2022, natural disasters had devastating impacts across the United States and its territories. During the year, team members contributed nearly $86,000 to disaster relief matching campaigns, including for Midwest and Southern U.S. tornadoes, Hurricane Fiona in Puerto Rico, and Hurricane Ian in Florida.

On a global scale, a significant portion of our disaster relief efforts in 2022 were directed to people affected by the war in Ukraine.

The HPE Foundation has long supported the American Red Cross (ARC) in its mission to provide aid following disasters. In 2022, we donated $250,000 to the ARC Disaster Responder Program which helps the organization proactively prepare resources to respond when a disaster occurs.

In 2023, we will further connect our social impact and climate strategies, applying our technologies and resources to help address systemic challenges related to climate change and environmental justice.

Case study

Streamlining healthcare to save lives

The American Red Cross supplies 40% of donated blood in the United States, but the organization is currently facing its most significant blood shortage in over a decade. Through a year-long, pro-bono project, HPE team members volunteered their skills to support the development of a blood management system that ensures blood donated to the ARC is well organized and quickly available for deployment where it's needed. Read more about skills-based volunteering.

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

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 of ESG

The HPE Board of Directors (Board) oversees our governance structure and ethical practices. The Board also guides our ESG strategy, performance targets, public disclosures, and related policies.

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

→ For more details regarding HPE's corporate governance practices and ESG-related policies, see our Proxy Statement and the HPE Policies and Standards.

Board independence and diversity

At the end of 2022, our Board included 12 directors with a broad range of knowledge, skills, and expertise. Antonio Neri, HPE President and CEO, serves alongside 11 members designated as independent directors under HPE and NYSE standards. In addition, each member of the Audit Committee

and Human Resources and Compensation (HRC) Committee meets the heightened independence standards required for such committee members.

Our Board is among the most diverse in our industry. As of 2022, 42% of our board members were women and 17% were ethnically diverse. Diversity remains a key focus of our director selection process as we aim to ensure the right mix of representation, skills, expertise, and perspectives. In 2022, we updated our Corporate Governance Guidelines to specify that the Nominating, Governance, and Social Responsibility (NGSR) Committee must consider potential director nominees' ability to contribute to the diversity of backgrounds and experiences represented on the HPE board.

→ See page 15 our 2022 Data Summary for more detailed Board diversity statistics.

Board engagement

Through our Board Outreach Program, directors regularly engage with investors and other global stakeholders on ESG-related topics such as climate change; diversity, equity, and inclusion (DEI); talent recruitment and retention; and business continuity and resiliency. The chair of the Board, Patricia Russo, also participates in the Community of

Chairpersons of the World Economic Forum and engages in exchanges on the topic of climate oversight.

ESG governance

Our CEO, Board, and NGSR Committee oversee ESG topics that include supply chain responsibility, human capital management, climate risk, and diversity, equity, and inclusion. This oversight also extends to ensuring that we operate in a responsible manner.

The HPE Executive Council, including our Chief Operating Officer and CEO, directly oversees the company's ESG strategy. Our full Board and the NGSR Committee regularly discuss ESG issues and review progress against the company's ESG objectives and targets.

We incorporate relevant ESG matters into the agendas of various Board committees to help ensure a more holistic approach. In 2022, we updated the charter of our Audit Committee to specify that its members are responsible for reviewing and overseeing ESG risks as part of our Enterprise Risk Management strategy. We also enhanced the full Board's oversight of ESG risks, strategy, and disclosures.

HPE Board Committee oversight of ESG

Audit Committee

- Oversees ESG risks as part of Enterprise Risk Management
- Reviews ESG disclosures in Securities and Exchange Commission filings

Human Resources and Compensation Committee

- Oversees corporate culture and team member relations topics (e.g., diversity and inclusion initiatives, social justice activities)
- Oversees compensation philosophy, including integration of ESG-related factors.

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 HPE's Political Action Committee
- Evaluates progress made toward ESG targets
- Oversees government and public policy engagement

In 2021, all Board members completed an internal training course to enhance their knowledge on ESG topics, including climate change. As a result, as of 2022, **50%** of HPE Board members self-identify to possess experience in environmental and/or social aspects of ESG, and **83%** to possess experience in governance aspects.[65]

Executive compensation tied to ESG performance

To hold our leaders accountable, ESG-related performance targets are embedded within the annual incentive program for our executive committee. In 2022, we added environmental metrics to our Management by Objectives (MBO) modifier, which also includes goals related to employee engagement scores, the retention of top talent, and diverse representation among teams and leadership. The MBO modifier can increase or decrease the overall award payout by 20%.

As part of these efforts, in 2022, the MBO modifier was linked, in part, to completion of a custom HPE climate training by our leaders—vice presidents and above—96% of whom completed this training as of end of fiscal year 2022. In 2023, all HPE executive committee members will be expected to set climate-related performance targets for their organizational unit as a part of their compensation criteria.

[65] Based on HPE Board of Directors Skills and qualifications matrix published in HPE 2023 Proxy Statement.

HPE Living Progress Strategy Council

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

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

- **Evaluates** our ESG focus areas and priorities

- **Monitors** our ESG reporting standards and targets, including those related to climate and supply chain responsibility

- **Provides** support across the organization for ESG objectives and commitments

- **Oversees** communication of our ESG strategy to internal and external stakeholders

- **Reviews** and endorses our nonfinancial materiality assessment

- **Regularly briefs** the Board on ESG topics—covering risks, opportunities, impacts, and strategies

- **Oversees** our preparations to meet emerging ESG disclosure regulations such as the EU Corporate Sustainability Reporting Directive and the U.S. Securities and Exchange Commission's proposed climate rule

Living Progress governance structure

Risk management

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

Additional oversight is shared across Board committees as follows:

- **NGSR Committee:** Risks associated with sustainability, human rights, and corporate governance
- **Audit Committee:** Risks related to cybersecurity governance
- **HRC Committee:** Risks related to human capital management, including diversity and gender programs, compensation policies and practices, and executive succession planning

Although climate risk has been managed within our ERM program for several years, in 2023, we will extend the ERM program's scope to encompass a broader range of ESG issues

that consider emerging regulatory requirements, Board experience, and market opportunities.

→ For more details, see our Proxy Statement, Form 10-K, and our TCFD analysis.

Ensuring business continuity and resilience

We continually hone our business continuity strategies and practices to increase HPE's agility and support our digital transformation objectives. Global supply chain disruptions, mounting geopolitical instability in select regions, and other challenges in 2022 required even greater agility from our business. In response, HPE increased its focus on developing and testing strategies that can mitigate impacts on our resilience and close any gaps in the company's approach.

Under our global Business Continuity Management (BCM) Policy, leaders across HPE business units and global functions develop and regularly test appropriate plans for maintaining the uptime of critical processes, operations, and facilities. We prepared for many regional or local disaster scenarios and will

continue planning additional responses to potential incidents. Our approach also includes offering annual training for BCM leads on issues such as cybersecurity and global trade.

In 2022, we added a Business Continuity Plan Approver course to the HPE training portfolio. The new module is designed to help team members better understand the approver role and provide them with additional resources for ensuring business continuity plans are ready for action prior to approval.

We also added a climate-specific question to our supplier business continuity assessment questionnaire. This tool serves as a critical mechanism for HPE to gauge suppliers' overall preparedness to maintain critical business operations.

> **6,700+** team members completed our Global Resilience Awareness course in 2022.

Tax transparency

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

Ethical behavior

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

Anti-corruption program and policy

We do not tolerate corrupt behavior and strive to fully comply with anti-corruption laws in countries where we do business. Through our anti-corruption 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, which is reviewed annually.

- Tools and training for our workforce and our third-party vendors/suppliers, including mandatory annual anti-corruption training for all non-contingent employees.

- Analysis of business and program data to mitigate emerging anti-corruption risks.

- Process controls to review higher-risk transactions and to screen-third-party partners.

- Due diligence in mergers and acquisitions, including integration of newly acquired companies.

- Support and advice from specialized anti-corruption attorneys and other compliance professionals.

- A robust, systematic process for investigating and addressing potential concerns.

- A dedicated anti-corruption audit program, which conducted 16 audits in 2022.

In 2022, Ethisphere Institute named HPE one of the World's Most Ethical Companies for the fourth consecutive year.
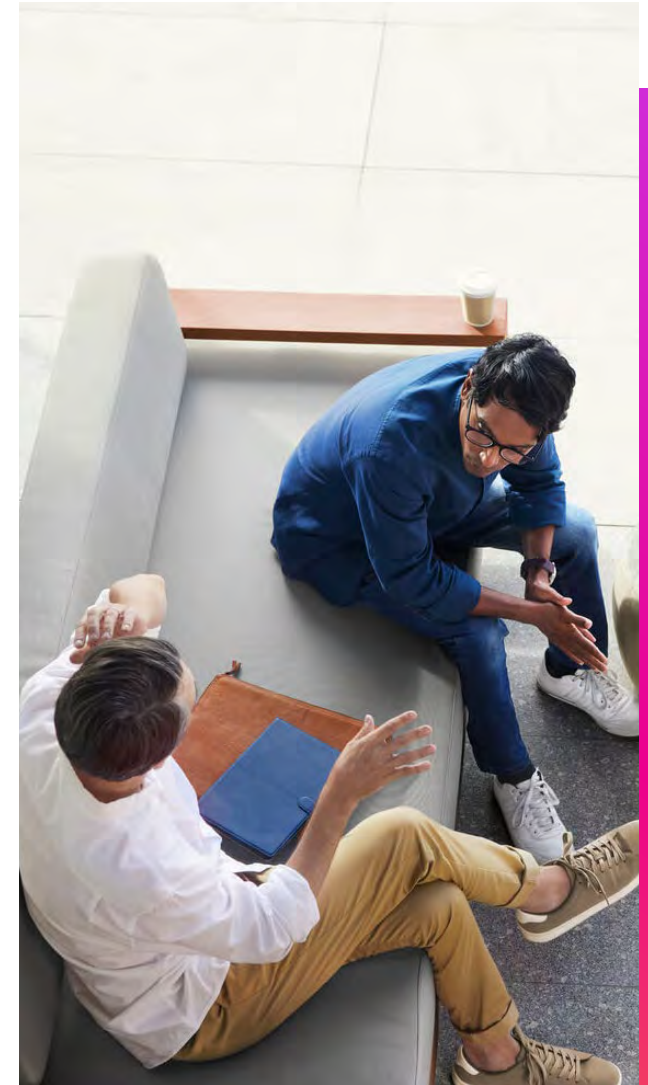
Ethics and compliance program

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

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

For each report, we take the following actions:

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

We track the nature of ethics and compliance items reported to us each year. In 2022, most of the reported issues involved labor law and misuse of assets.

→ More details are available on page 28 of our 2022 Data Summary.

Ethics & Compliance governance structure
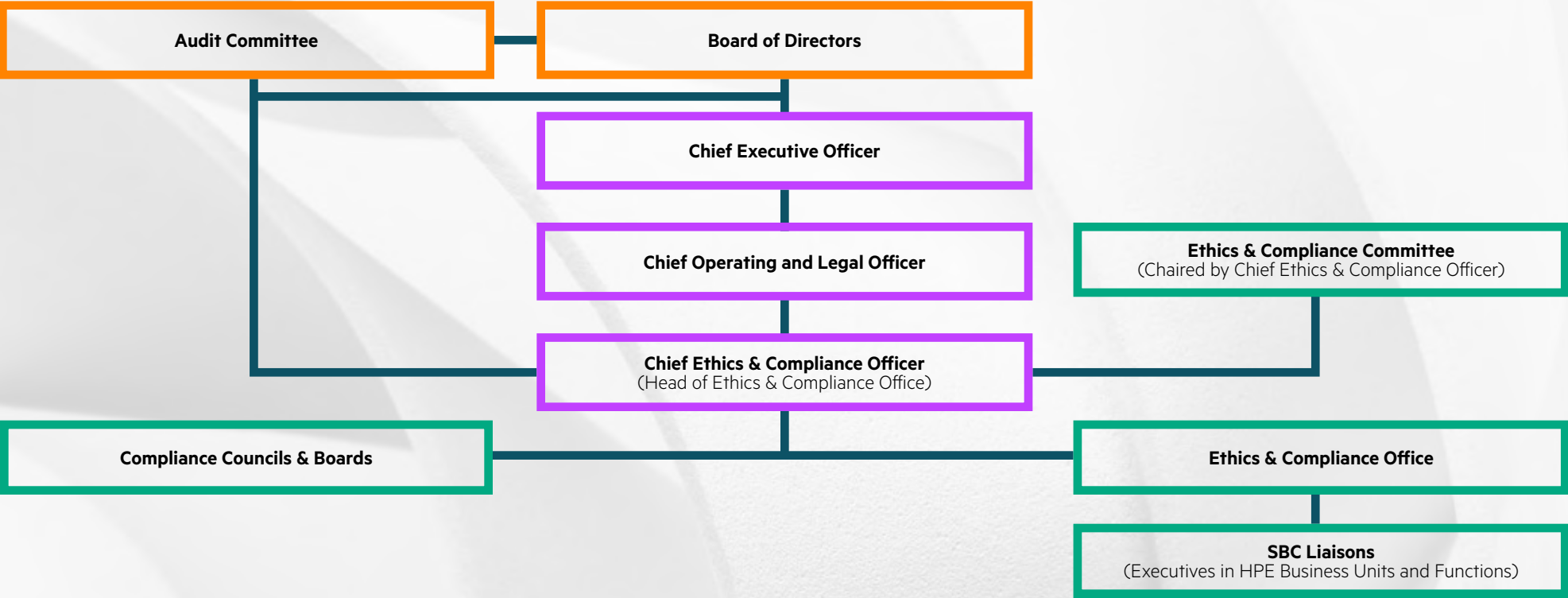
Ethics training and engagement

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

- Requiring all non-contingent team members to complete SBC training through 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 2022, 99.9% of active team members completed the annual SBC training.

- Providing annual ethics training for all Board members.

- Highlighting prevalent risks and sharing real-life examples of misconduct at HPE via quarterly emails to team members.

- Maintaining a Slack channel focused on ethics and compliance, where team members can ask questions, find resources, and engage in discussions.

- Strengthening our culture of ethical conduct by connecting senior members of the Ethics and Compliance Office with HPE business leaders via executive presentations.

- Communicating regularly with team members through email, videos, and training sessions.

Human rights

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

→ See pages 29–40 of our 2022 Data Summary for supplier SER performance, audit, and responsible sourcing data.

Overseeing and engaging on human rights

Our Board provides ultimate oversight of human rights-related risks as part of our broader ESG-strategy, policies, and public disclosures. Board members on the Audit Committee and the NGRS Committee oversee companywide efforts to monitor and enforce compliance with our human rights standards. HPE senior executives also participate in various forums dedicated to advancing human-rights principles throughout our industry and communities. More information regarding

HPE's oversight and management of human rights risks can be found in our Proxy Statement.

All newly hired HPE team members receive training on our global human rights policies and practices. We also provide targeted training for specific business groups and teams that are involved in activities with recognized human-rights implications. In 2022, we increased and formalized our human rights and environmental sustainability training for our sourcing teams and now include quarterly updates and refreshers.

→ Read more about HPE's participation in human rights–focused organizations and forums.

2,600

team members received human rights training in 2022.

Our dedication to human rights and ethical practices earned notable awards and recognition in 2022, including:

- First-place ranking among information and communications technology companies in the World Benchmarking Alliance's Corporate Human Rights Benchmark

- Named one of the World's Most Ethical Companies by Ethisphere for the fourth consecutive year

- First-place ranking on 2022–23 KnowTheChain ICT Benchmark

Our salient human rights risks

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

In 2022, we worked with an external evaluator on our latest companywide Human Rights Impact Assessment (HRIA). We regularly perform HRIAs to better understand our risks, engage with internal and external stakeholders, identify potential gaps in our due diligence, and update our management strategy and processes. Like our previous assessment in 2019, our latest HRIA yielded six salient human rights risks. Four of these remained unchanged, while two—"Diversity, equity, and inclusion (DEI)" and "Clean, healthy, and sustainable environment"— were updated.

1. Responsible use of HPE technology.

This includes taking steps to ensure that our products are not deployed for unethical purposes or in ways that compromise basic human rights

2. Responsible product development.

This includes our processes for identifying potential new products that could jeopardize human rights and working with our product engineers to mitigate any risks

3. Modern slavery and decent work.

Our actions in this area include prohibiting any forms of child or forced labor as well as actively monitoring and enforcing standards that ensure reasonable working conditions at HPE's operations and those of our suppliers

4. Responsible sourcing of materials.

This encompasses our actions to ensure that the materials used to manufacture HPE products do not come from sources associated with human-rights offenses

5. Diversity, equity, and inclusion.

We factor the company's DEI values and supporting initiatives into our broader human-rights risk management efforts, with an increased focus on equity

6. Clean, healthy, and sustainable environment.

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

Beyond reconfirming our risks and priorities, we incorporated the latest companywide HRIA findings into an updated strategic roadmap for advancing human rights. Key elements include:

- Advancing our human rights due diligence (HRDD) sales screening processes to adapt to our as-a-service transformation.

- Engaging our sales partners on human rights to build awareness and capabilities.

- Advancing awareness and risk mitigation approaches to demonstrate our Ethical AI Principles.

- Exploring living wage approaches with suppliers and expanding our efforts to promote and protect women, children, and migrants.

We continuously monitor these human rights risks and perform thorough due diligence to avoid complicity in human rights violations. In 2022, HPE conducted 72 HRIAs focused on specific geographic regions, products, and business activities—such as sales, partnerships, acquisitions, and investments. We use the findings from these targeted HRIAs to help strengthen our monitoring, compliance, and due diligence.

100%
HRIAs in which internal and external business partners agreed to our human rights recommendations.

Human rights by design

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

Following the 2021 publication of our AI Ethics and Principles, we have continued ingraining the principles across our product development, partnerships, and internal business operations. We offer AI Ethics training to all HPE team members, and we provide AI ethics guidance to our customers and sales partners.

Additional steps in 2022 included improvements on the company's AI intake process and launching partner screening. We also restructured our AI working group with sub-committees focused on ways to further operationalize the AI Ethical Principles.

More broadly, we conduct formal processes to identify and assess sales opportunities that may pose a high risk to human rights. Our processes extend to potential acquisitions, investments, technology partnerships, and changes in the company's operating environments. We also worked with an independent consultancy in 2022 to research and publish "Sales Partners and Human Rights Due Diligence in the Technology Sector," a best-practices guide for addressing potential adverse human-rights impacts.

Human rights policies and standards

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

Human rights in our supply chain

Protecting and elevating the rights of workers is a core tenet of our approach to supply chain responsibility (SCR). HPE's Supplier Code of Conduct includes specific requirements for the protection of human rights as well as public disclosure of greenhouse gas emissions and reduction targets by our tier one suppliers.

We work most closely with tier one supply partners, including strategic component suppliers and those that are involved in final product assembly, through our SCR program. We also work with suppliers beyond our tier one and, in 2022, continued to expand our SCR interactions with a larger segment of HPE's indirect suppliers.

Upholding rights of marginalized individuals

We do not tolerate human rights abuses in our operations and value chain and are committed to protecting vulnerable groups that could be impacted by technology.

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 Commitment to Respect the Rights of Marginalized Groups, published in 2022, summarizes HPE's multi-faceted collaboration with advocates for those identified as being most at risk of harmful impacts. It also lays out key steps that we are committed to taking along a journey of continuous improvement in how HPE and our partners support individuals' rights and help them thrive in a more inclusive culture.

In line with this commitment, we published an extensive update to our Migrant Worker Standard, which articulates HPE's minimum requirements for the appropriate and ethical recruitment, employment, management, and support of migrant workers by suppliers doing business with our company. For example, our standard upholds the Employer Pays Principle that workers should not pay fees to obtain a job. Further steps are outlined in our annual Modern Slavery Transparency Statement.

Supply chain social responsibility targets

100%
of HPE suppliers[66] committed to Employer Pays Principle by 2030

100%
of major HPE suppliers[67] train their workers on human rights by 2030

100%
of HPE supplier sites (tiers one and two) have effective grievance processes by 2030

We followed up on our June 2022 launch of these targets by developing an internal roadmap to guide our work with suppliers in achieving each objective. Components of our roadmap include actively communicating these targets to suppliers, providing specific training, building these topics into regular business discussions and metrics, and supporting their efforts to adopt best practices in each of the target areas. We are tracking data related to these targets and will issue a progress update in 2023.

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[66] 98% spend coverage.

[67] 95% spend coverage.

Support for living wages

HPE continues to look for opportunities to implement a living wage in the electronics sector. We helped launch and actively participate in the Responsible Business Alliance (RBA) Living Wage Taskforce. In 2022, we included a living wage requirement as part of the new contract with our largest indirect supplier.

Empowering workers to raise concerns

In addition to assessing the nature and effectiveness of suppliers' grievance channels, we provide a variety of anonymous channels through which anyone can raise an ethical concern, including workers in our supply chain. In 2022, HPE reached more than 235,000 workers through our monitoring programs and consulted 316 workers through RBA Voices and in-person specialty assessments required by HPE.

Supplier assessments and audits

We require our suppliers with identified risk factors to engage in annual monitoring and biannual independent audits to assess compliance with the Supplier Code of Conduct.[68] Also, we compile quarterly scorecards on our tier one suppliers' performance, including how they measure against our social and environmental responsibility (SER) criteria. These scorecards help guide HPE purchasing decisions and are discussed in annual reviews between the company's sourcing teams and our suppliers. We work closely with internal sourcing teams day-to-day, and we formalized annual training on SER and responsible purchasing practices, along with quarterly refreshers and updates.

→ More details about our audit performance can be found on pages 29–38 of our 2022 Data Summary.

In addition, we require tier one suppliers to ensure that their supply partners—comprising our tier two suppliers and lower—comply with our Supplier Code of Conduct and follow our SER requirements. During 2022, 216 representatives from our direct suppliers (representing approximately 68% of the total suppliers) attended supplier training. We also train HPE team members on human trafficking awareness in the supply chain and other relevant topics year-round.

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

We also revised and relaunched our indirect supplier assessment program in 2022, with more robust measures for assessing and assigning risk to specific suppliers based on location, nature of work, likelihood of excessive working hours, forced labor indicators, and other factors. Additional refinements included standardizing our assessment tools and providing greater opportunities to partner with our highest-risk indirect suppliers on capability-building activities.

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

Responsible sourcing of minerals

We expanded the scope and approach of our Responsible Minerals Program in 2022 to help ensure we are directly and effectively addressing the root causes of human-rights issues that stem from conflict minerals.

As part of this broader approach, we added cobalt as a mineral of concern alongside the 3TG metals—tin, tantalum, tungsten, and gold—that have long been associated with Conflict Affected and High-Risk Areas (CAHRAs) such as the Democratic Republic of Congo (DRC) and adjoining countries. Although manufacturing of most HPE products involves little to no cobalt, we recognize and support the UN and other standards bodies in focusing greater attention on the risks associated with cobalt sourcing.

> In 2022, 99% of smelters and refiners reported by our suppliers made progress toward DRC conflict-free status.

HPE participates in the Public-Private Alliance for Responsible Minerals Trade, which supports collaborative 3TG initiatives in the DRC region with peer companies and the U.S. government. We also work independently and with peers across the technology industry to better understand evolving social and economic challenges tied to minerals sourcing. As a member of the Responsible Minerals Initiative, we further support a range of public and private efforts to improve living conditions for people in CAHRAs, including:

- KEMET Corporation's Friends of Kisengo organization, a nonprofit dedicated to enhancing people's lives in the DRC through infrastructure, health, education, and environmental development.

- RMI's Audit Fund for Participating Smelters and the Upstream Due Diligence Fund, which support smelters and refiners with the costs of audits and mine-level assessments.

- RMI-Pact Vocational Training Partnership, which provides vocational skills training for at-risk youth in DRC cobalt mining communities.

In addition, we continue to participate in the Minerals Grievance Platform. HPE helped launch this online system for reporting, tracking, and managing critical incidents linked to mineral supply chains. Our involvement in the platform will grow in 2023 as we consider including other priority minerals and geographies in our risk assessments.

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.[69, 70]

We designed our program to align with the internationally recognized OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs. HPE identifies and prioritizes risks and impacts in its supply chain in alignment with the OECD guidance, including with respect to smelter and refiner due diligence. Our overall approach to supply chain due diligence is set out in HPE Supply Chain Responsibility: Our Approach.

[69] "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.

[70] Our progress toward DRC conflict-free status is based on the number (as of the 2022 Cut-Off Date of March 31, 2023) 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.

Data security

We deliver comprehensive cybersecurity for HPE's operations protecting enterprise data, IT infrastructures, and workloads against rapidly evolving threats in increasingly distributed computing environments.

Cybersecurity and digital risk management strategy

As our customers move more of their data-driven workloads to the HPE GreenLake platform, they expect the same level of security for those workloads as we bring to our own internal systems. In 2022, we added broader and stronger protections to our edge-to-cloud platform and to the chain of trust—stretching from the components in our supply chain to the complete set of operations in customers' execution environments.

We are continually working to ensure that HPE products and services comply with the Executive Order on Improving the Nation's Cybersecurity. Issued in May 2021, this order outlines a range of actions for the U.S. government and private-sector technology providers to implement stronger cybersecurity information sharing, protections, and responsiveness.

We continually refine our security practices, policies, and procedures to meet new industry standards and to address the evolving threat landscape. In 2022, we further reinforced a companywide data security commitment with strategic focus areas set by our Chief Security Officer (CSO), which include:

- **Implementing a new global security operating model to support HPE's edge-to-cloud transformation.** We expanded the role of our CSO to go beyond securing HPE's own operations to also protecting customer data where it resides in our as-a-service environment. We also added a new Chief Information Security Officer dedicated to cloud security.

- **Evolving our security risk management and integrated analytics capabilities to provide stronger decision support.** We continued to develop our risk models and incorporate metrics to help yield clearer insights on current and potential threats associated with HPE and customer data.

- **Ensuring that HPE as-a-service transformation activities conform to our security requirements.** We created tighter cohesion between enterprise security operations, cloud services, and physical security. We also deepened our ongoing security compliance and monitoring to better protect customers.

- **Expanding our global security presence.** We prepared to open a third HPE Security Operations Center (SOC) in Bengaluru, India, alongside current SOCs in Galway, Ireland, and Houston, Texas, to enhance our 24/7 monitoring and response capabilities.

- **Strengthening cyber hygiene across the company.** We deployed additional security controls for greater visibility and enhanced network threat prevention.
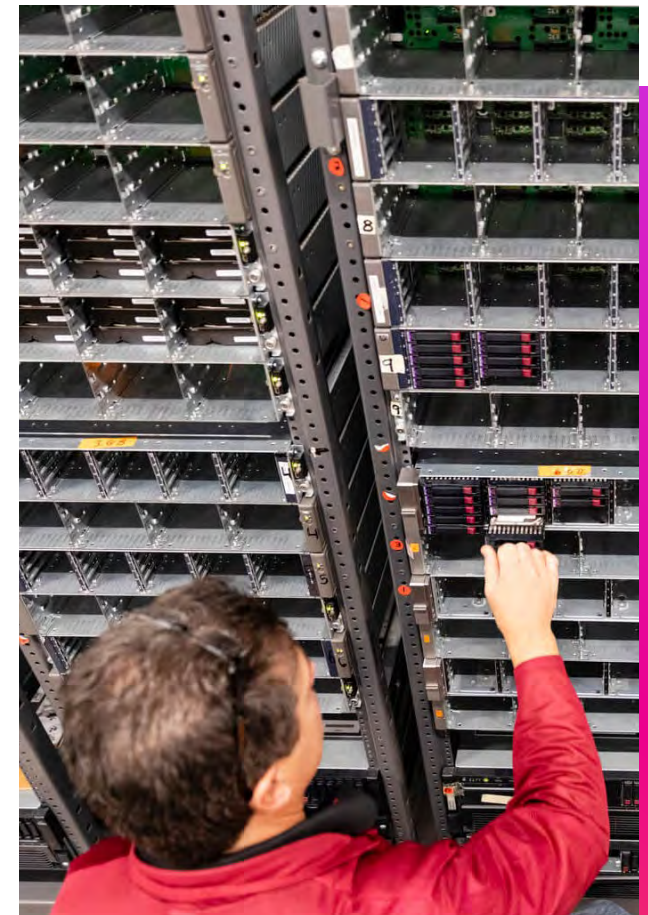
Ensuring customers' security and resilience

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

Embedded security technologies in HPE GreenLake, our edge-to-cloud platform that offers consumption-based solutions delivered entirely as a service, automatically attest to the security of a customer's data infrastructure. In addition, HPE GreenLake Management Services provide customers with optional value-added offerings including security monitoring, privileged access management, vulnerability management, security hardening, and compliance management.

HPE GreenLake security shared responsibility model

Introduced in June 2022, the HPE GreenLake Security Shared Responsibility Model defines the roles that our company, our customers, and their colocation providers each play in safeguarding a hybrid cloud environment and the data within it. It underscores HPE's responsibility for securing the enterprise while ensuring customers remain in control of how they use and share their own data.

Within the HPE GreenLake platform environment:

- HPE is fully responsible for the security of the cloud platform and the cloud experience.

- The customer or its colocation provider is responsible for physical security of the data center.

- Security of the actual data in the hybrid cloud remains the customer's responsibility. While HPE provides many tools to help customers secure their data, we do not gain access to the data itself or control how our customers choose to share it.

Accelerating cyber resilience

We take a "zero trust" approach to security architecture that centers on using identity as one of the key principles for protecting data in an organization. With zero trust, we assume that there is a breach and never trust a user or device by default. Instead, we verify all access requests.

Zero trust principles are applied across many infrastructure products and HPE GreenLake services. We also use them when designing customer security architectures to help support a cyber resilient enterprise.

Security certifications

HPE's security services align with National Institute of Standards and Technology (NIST) 800-53 controls and the NIST Secure Software Development Framework. We are certified to the ISO 27001 security standard in select locations across the globe and are also expanding our Systems and Organizational Controls 2 certification to meet customer demands.

Data security in our supply chain

Many cyber criminals have shifted from targeting individual servers in an enterprise to attacking hardware, software, and services that are used broadly across industries. This has intensified customer scrutiny of where IT components come from and how they are developed.

The HPE Trusted Supply Chain initiative guards against threats that arise from counterfeit hardware, malicious firmware, and other vulnerabilities through security practices that 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.

- Using certificate-based identity and configuration attestation.

- Verifying the origins and authenticity of all components used in our products.

- Implementing blockchain security frameworks and testing methodologies to further secure our supply chain.

The **HPE Cybersecurity team** investigated an average of **180 security alerts** per day in 2022, compared with 60 per day in 2021. This increase stemmed from our improved security controls.

Strengthening HPE data security

We take a proactive and preventative approach to securing the data and IT infrastructure within HPE. Our networks are built to withstand a growing volume and variety of threats, including cyberattacks, extreme weather conditions, and unexpected demands. HPE's Global SOCs provide 24/7 incident response coverage, and we regularly report significant security incidents to our Board of Directors.

A key part of our risk management efforts is the prioritization and differentiation of security for HPE's critical assets based on how a breach would impact the business. Third-party experts also conduct strategic assessments of our security program and recommend ways to fortify operations.

Safe remote work for team members

For many companies, protecting data, systems, and applications in remote work locations is the new normal. We create a secure work-from-home experience for our team members by continually enhancing defenses against malware, phishing scams, network attacks, and other intrusions. Our work-from-home security policy reinforces sound practices and strong awareness.

Training and incident reporting

All team members are required to do annual cybersecurity awareness training. In 2022, 98% of team members completed the course[71] and approximately 8,500 developers

→ Find out more in HPE 2023 Cybersecurity Report.

and architects went through additional application security training. In addition, we engage team members throughout the year through Slack and time-based events. For Security Awareness Month in October, we offered online courses and gamified learning experiences covering a range of security topics, as well as webcasts with guest speakers.

In 2022, we established HPE's Cybersecurity Center of Excellence to connect cyber experts across HPE and to fuel collaboration behind our vision of an open and secure edge-to-cloud platform. This organization also manages engagement with customers, sharing ideas and information in the spirit of partnership.

Industry collaboration on data security

In 2022, we continued collaborating with NIST on certificate-based identity, configuration attestation, and hardening of the software supply chain. HPE is also a member of:

- The Trusted Computing Group, a not-for-profit organization formed to develop, define, and promote open, vendor-neutral standards in support of a hardware-based root of trust for computing platforms.

- The Cloud Security Alliance, which focuses on developing and building awareness of best practices for protecting assets in the cloud.

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[71] The demonstrable completion rate of 98% is 1 percentage point lower than our annual target due to reporting platform changes at the end of the training window, which resulted in a lower completion score than the actual score. The actual completion rate is expected to be slightly higher than the number provided in this report.

Data privacy

As a global edge-to-cloud company, we recognize that data protection is one of our greatest responsibilities. Our meticulous privacy governance practices and multilayered internal accountability measures keep us at the forefront of safeguarding personal data and individual privacy.

→ Our privacy-related data can be found on page 42 of our 2022 Data Summary.

Privacy by design

Our business success is contingent on our ability to garner trust from our customers and align our data privacy protection with advancing company goals. Our privacy-by-design approach applies to the collection, storage, processing, transfer, and use of personal data throughout HPE business practices, products, and services. This helps us quickly identify and mitigate business risks while gaining valuable insights from the information we capture.

Much of our work in 2022 remained focused on supporting HPE's digital transformation and data analytics practices with initiatives to further improve our data governance and hygiene. In late 2022, we moved to a new platform for assessing data subject rights, data mapping, and records of processing. As part of this change, we are implementing a revised Privacy Impact Assessment (PIA) questionnaire to further streamline our assessment workflow.

We regularly hone our assessment framework to ensure it incorporates privacy risks that may arise from HPE's development and use of AI.

Data privacy protection is a key aspect of operationalizing our AI Ethics and Principles. In 2022, we introduced three new subcommittees within our AI Ethics Working Group aligned to our business: product development, partnerships, and process in evaluating the use of third-party AI to support HPE operations.

Policies and governance

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

In 2022, we updated our employment contract templates with required notifications related to monitoring of team members' data. We also updated our data protection service agreements with customers.

Our policies detail the choices individuals can make and rights they can exercise in relation to their personal data. We maintain additional tools and documented processes for responding to data subject rights requests in accordance with applicable country laws.

Compliance with privacy laws

Our commitment to respect individuals' privacy and protect their personal data requires us to diligently address privacy-related legislative and regulatory changes in the countries where we operate. We completed our preparations for the California Privacy Rights Act, which amended the California Consumer Privacy Act (CCPA) and added new, additional privacy protections. We also took similar measures for a new privacy law in Virginia. We continued preparing for new and evolving data privacy laws in China, India, Saudi Arabia, and elsewhere in the Middle East as well as in the U.S. We also completed our annual certification to the Asia Pacific Economic Cooperation (APEC) Cross-Border Privacy Rules System to support transfers between APEC countries.

Data protection audits

We routinely audit our privacy and information governance programs and business operations to ensure compliance. For example, HPE underwent a third-party Health Insurance Portability and Accountability Act (HIPAA) privacy and security compliance audit in 2022. In addition, our Internal Audit and Ethics and Compliance Office teams regularly evaluate our governance, risk management, and controls.

Data privacy 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. Our Human Resources and Payroll team members are required to complete additional privacy training every two years. In 2022, we also provided specialized privacy training to our team members in Germany.

Privacy across our supply chain

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

Public policy

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

Enabling a digital transformation

Coordination between public and private entities is critical to maximizing the power of data and technology in ways that benefit society. We support cloud-smart and multi-cloud policies that accelerate digital transformation in the public sector and empower governments to become more responsive and adaptive.

As-a-service cloud solutions

The digital modernization of the public sector is key to delivering more efficient and citizen-centric government services. Throughout 2022, we worked with municipal and state governments on their hybrid- and multi-cloud strategies, as-a-service solutions, and other digital transformation objectives. Our efforts also included helping government decision-makers recognize and address data sovereignty and citizen privacy issues.

Many of these public-sector digital transformation projects employ the HPE GreenLake. For example, we worked with the Yuma County, Arizona, government to build a hybrid cloud environment to improve the county's budget forecasting, resource allocation, and capacity planning. The platform enables Yuma County officials to more efficiently support and deliver services such as healthcare, public safety, transit, and housing.

Tackling global challenges with high-performance computing

We advocate for supercomputing capabilities that will help governments and other organizations efficiently solve some of the world's most demanding computational problems while also enabling important scientific breakthroughs. For instance, in 2022, we supported several pieces of U.S. legislation which prioritized resources for environment-focused artificial intelligence (AI) and high-performance computing projects such as:

- $190 million for the National Oceanic and Atmospheric Agency supercomputer program for weather and climate modeling and $163 million for Department of Energy (DOE) supercomputing to support research in energy efficiency, renewable energy, climate and weather, and other areas.

- More than $20 billion in future authorizations through the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act of 2022, including $6.5 billion for the U.S. DOE Advanced Scientific Computing Research for supercomputing that will support energy, environment, climate, and other sustainability research areas.

We also partnered with the DOE to provide Oak Ridge National Laboratory with the world's first verified exascale supercomputer, Frontier, enabling them to make progress on problems that were once deemed unsolvable.

In 2022, HPE established a Global Center of Excellence (CoE) in AI and Data in Madrid, Spain, to cultivate expertise in AI and data-first modernization services. Team members at the new CoE will help organizations around the world apply AI, data, and advanced analytics to address challenges in innovative, ethical, and secure ways. The CoE will collaborate with the HPE AI Ethics Working Group to ensure responsible AI development and use.

Collaborating on climate policy

Our public policy initiatives and partnerships are key tools in advancing our climate strategy. We leverage our leadership to push for the standardization and regulation of systems and infrastructure that are critical to enabling the transition to a low-carbon future, such as decarbonizing the energy grid upon which we, our suppliers, and customers rely.

We mobilize behind these causes through industry and advocacy organizations, including as a board member of the Clean Energy Buyers Association, and as members of RE100 and the Information Technology Industry Council. In 2022, we became members of the U.S. DOE's Better Climate Challenge and joined the European Green Deal Coalition (EGDC). The EGDC aims to harness and extend the potential of digital solutions to help reduce GHG emissions across all sectors. We are among 36 EGDC member companies that have committed to reduce their operational GHG emissions by at least 55% by 2030 and to become net-zero by 2040.

HPE leaders also lent our expertise and voice to initiatives driving more concerted public-private collaboration such as:

- Continued engagement with standard-setters and policymakers shaping climate and ESG disclosures through groups such as WEF, ITI, Digital Europe, and more.

- Contributed to The Chairperson's Insight into Climate Action, an April 2022 briefing paper published by WEF that highlighted key issues for company boards of directors as they tackle the risks posed by climate change.

- Signed the WEF Alliance of CEO Climate Leaders' open letter to worldwide government officials ahead of COP27, the 2022 United Nations Framework Convention on Climate Change.

Strengthening digital inclusion

We partner with organizations in support of public policies that broaden access to digital connectivity, which is crucial in fostering greater economic empowerment and enabling communities to thrive in a digital world. In addition, we partner with governments to deliver programs that expand access to connectivity, and the essential services they provide, in underserved communities.

In 2022, HPE joined the 1 Billion Lives Challenge, an initiative of the EDISON Alliance that seeks to benefit at least 1 billion people worldwide by 2025 through affordable and accessible digital solutions for health, education, and finance. **Our commitments include:**

- Treating an additional 4 million patients in India over the next three years through HPE eHealth Centers, our digital healthcare solution that offers remote diagnoses free of charge in underserved communities.

- Signing a Memorandum of Understanding (MOU) with Smart Africa in 2022 to pilot a decentralized cloud federation with select Smart Africa Member States. The proof-of-concept is intended to deliver targeted, country-specific cloud services designed to address the needs of different industry sectors, including agriculture, smart city, education, energy, finance, and health.

- Continuing to support the opening of the entire 6 GHz band for unlicensed use.

- Advocating for additional funding to support the Broadband Equity, Access, and Deployment Program offered through the National Telecommunications and Information Administration.

Partnering for impact

We channel our influence to help build greater cooperation and momentum behind technology-driven answers to regional and global policy challenges. In 2022:

- We convened European governmental decision-makers at our 7th Public Sector Transformation Conference with the theme of "Cloud & Data Policies for a Successful, Resilient, & Agile Europe." Speakers from HPE, other technology providers, and various public-sector organizations across the European Union explored the importance of trust, data sovereignty, interoperability, and mandatory cloud switching in maximizing the extraction of value from data.

- We contributed to the new World Economic Forum (WEF) Digital Transition Framework, which provides a blueprint for governments and private-sector organizations to collaborate on digital transformation in a responsible way.

- As part of the WEF Global Future Council on Agile Governance, we contributed to a white paper titled Regulatory Technology for the 21st Century, which provides policy makers with a roadmap on how to start implementing these types of beneficial solutions without upending existing legislation.

- We contributed to the January 2022 Quantum Computing Principles report published by the WEF Quantum Executive Network. These principles are intended to guide governments and businesses on the development of responsible quantum computing governance models.

The convergence of supercomputing

LUMI, one of the pan-European pre-exascale supercomputers, is a prime example of how HPE combines supercomputing with circular economy practices. The supercomputer, based in Finland, is ranked as the fastest and greenest supercomputer in Europe and third fastest and greenest globally. Powered 100% by hydroelectricity, LUMI's circular model ensures waste heat powers 20% of the city of Kajaani's district heating. Based on a consortium of 10 EU Member States, LUMI is a strategic asset that offers researchers across the EU a world class tool for understanding complex phenomena such as climate change and serves as a platform for international research cooperation, development of AI, and quantum.

Mitigating supply chain risks

Today's digital economy and the ubiquity of digital devices, combined with events such as the COVID-19 pandemic and war in Ukraine, have led to unprecedented demands on, and disruptions to, the global supply chain. As our reliance on digital devices grow, so too does the need for increased resiliency in the Information and Communications Technology (ICT) supply chain. We support policies which seek to boost ICT supply chain resiliency by adding overall global capacity and rebalancing supply across all nodes. Our actions in 2022 included backing the CHIPS and Science Act, which promotes increased semiconductor innovation and manufacturing in the United States. In 2022, we were also a member of the Semiconductors in America Coalition, which further advanced these efforts. As policymakers seek to attract ICT manufacturing to increase capacity, we encourage a focus on policies and efforts that train and develop a skilled labor pool, address cost competitiveness, and facilitate access to

clean technologies and renewable energy to minimize the environmental footprint of additional manufacturing.

We also engage in discussions concerning regional or global developments that could impact HPE operations and team members in various parts of the world.

U.S. political contributions

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

→ See page 42 in our 2022 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 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.

In early 2023, we launched a new Political Engagement and Advocacy webpage. The site provides an overview of our work with trade associations, our lobbying efforts, and the HPE PAC activities.
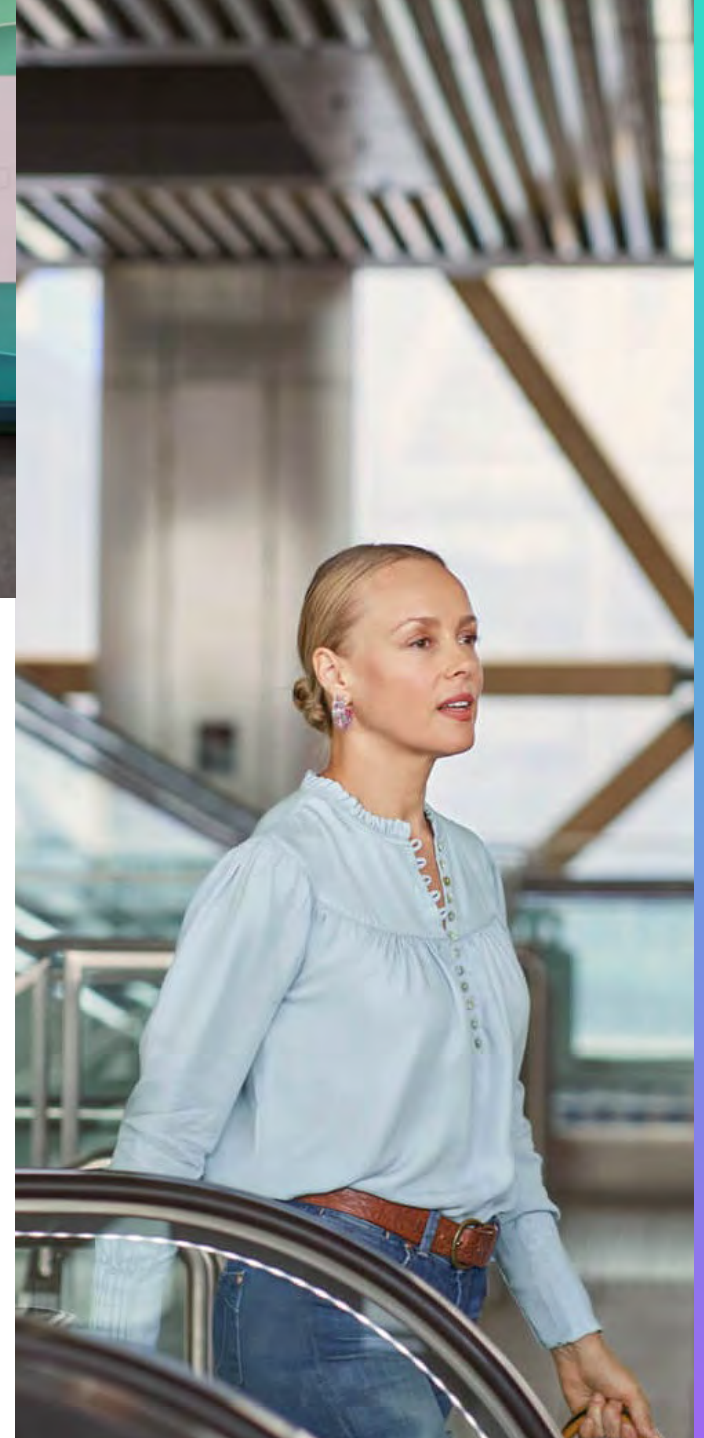
Appendices

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 2022; 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	• American Chamber of Commerce • Australia Information Industry Association • Bloomberg New Energy Finance • Business for Social Responsibility CDP • China Environmental United Certification Center • China National Institute of Standardization • China Quality Certification Center • Clean Energy Buyers Association • Confederation of Indian Industry • DEFRA 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 • Resolve—Public-Private Alliance for Responsible Minerals Trade • Responsible Business Alliance (Environmental Sustainability Working Group) • Step Up Declaration • Sustainable Air Freight Alliance • Sustainable Brands • Taipei Computer Association • Taiwan Institute for Sustainable Energy • TCO Certified • techUK • The Climate Group • The Green Grid • United States Information Technology Office • Uptime Institute • US Environmental Protection Agency SmartWay • We Mean Business Coalition • World Resources Institute
Investing in people	• AfroTech • American Red Cross Disaster Responder Program • Catalyst • CareerVillage • Coqual • Corporate Community Relations Consortium • Curated Pathways to Innovation • DisabilityIN • Disney Veterans Institute • Executive Leadership Council • Fast Forward • Global Dialogue Foundation • Greater Houston Partnership • Hiring our Heroes • Hitec • International Association for Volunteer Effort • McKinsey & Company (Connected Leaders Academy)	• Military Spouse Employment Partnership • National Action Council for Minorities in Engineering • National Center for Women in Information Technology • Natural Resource Defense Council • Out & Equal • Out Leadership • Points of Light • Seramount Diversity Best Practices • Silicon Valley Community Foundation • Simmons • Stanford Women's Leadership • Tanenbaum Center for Interreligious Understanding • Tech for Good • University of Houston • University of Wisconsin-Eau Claire • Valuable 500
Operating ethically and responsibly	• Association of Certified E-Discovery Specialists • Association of Intelligent Information Management • Association of Records Managers and Administrators • Business for Social Responsibility • Business Network on Civic Freedoms and Human Rights Defenders • Centre for Information Policy Leadership • Corporate Eco-Forum • Ethisphere • Institute of Certified Records Managers • International Association of Privacy Professionals	• Leadership Group for Responsible Recruitment • North West Practitioner's Data Protection Group • OECD Expert Group on AI and Risk • 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 • Carbon Disclosure Project (CDP)	• EcoVadis • United Nations Global Compact

Policies and standards

Accessibility, human rights, and labor practices

Accessibility Policy

HPE Supply Chain Foreign Migrant Worker Standard

HPE Global Human Rights Policy

Open Door Policy

Corporate governance

Corporate Governance Guidelines

HPE Tax Policy

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 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

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

Material issue	Covered in section(s)	Definition
High impact to society and environment, high impact to HPE's enterprise value		
Technology for social impact	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 our supply chain	Environmental impacts of our supply chain	Enabling our suppliers to adopt energy efficiency and GHG emissions reduction activities in their operations.
Efficiency of IT solutions	Efficiency of IT solutions	Providing IT services, products, and solutions and engaging with customers to solve customer business challenges, alongside providing sustainability benefits. In particular, increasing the energy efficiency of HPE products and enabling customers to reduce their energy and water use.
Medium impact to society and environment, high impact to HPE's enterprise value		
Privacy	Data privacy	Upholding the right to privacy and protecting personal data from unwanted parties. This includes the management of requests for private or personal information from government or law enforcement agencies to determine their legitimacy and comply with local, regional, and national laws and standards.
Data security	Data security	Protecting information managed by HPE and customers from unwanted parties and unauthorized access, such as security threats and cyberattacks—including data collection, use, processing, storage, transfer, sharing, and end-of-life disposal. Managing reliable information networks—including those that support critical infrastructure and public goods—to reduce and rapidly respond to systemic risks and disruptions.
Employee health and safety	Team member health and safety	Creating a healthy, safe, and secure working environment for all HPE employees.
Employee development, engagement, and well-being	Team member development, engagement, and well-being	Promoting rapid professional growth and matching employee skills to future business needs in the ever-evolving technology industry. Fostering employee engagement and open communication. This includes effectively managing the negative impacts of workforce reductions and relocations.
Energy use and GHG emissions in our operations	Our operational footprint	Improving energy efficiency and using renewable energy sources to reduce GHG emissions in our operations, including buildings, employee travel, and transportation logistics.

Material issue	Covered in section(s)	Definition
High impact to society and environment, medium impact to HPE's enterprise value		
Ethical sourcing and human rights in the supply chain	Human rights; Ethical sourcing	Maintaining and elevating ethical standards in the supply chain, including services and manufacturing supply chains, which maintain labor standards in working hours and conditions, wages and benefits, wage changes, labor shortages, and humane treatment of workers employed. Includes achievement of fair and beneficial outcomes for supply chain participants, especially workers and communities. Also encompasses elimination of slavery and forced labor in HPE's supply chain and managing negative social and environmental impacts associated with sourcing and extraction of raw materials, such as rare earth elements, precious metals, and conflict minerals.
Ethical behavior, integrity, and business partnerships	Corporate governance and ethical behavior	Promoting high standards of ethics and eliminating corruption, extortion, and bribery (e.g., price fixing, abuse of monopoly positions, predatory pricing, etc.) in employee, business partner, joint venture, and customer relationships. This includes efforts to ensure the marketing and communication of products and services is honest, transparent, and fair, as well as HPE's fulfillment of taxation responsibilities to the economies in which the company operates.
IT products and services and human rights	Human rights; 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	Product lifecycle management	Managing the impacts of HPE products and services through their entire lifecycle, including production of raw materials, engineering, design, manufacturing, use, and end-of-life options. Contributing to a more circular economy.
Medium impact to society and environment, medium impact to HPE's enterprise value		
Public policy engagement	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.

Resources

HPE reports and online content

HPE 2022 Living Progress Data Summary

HPE 2022 Annual Report on Form 10-K

HPE 2023 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:

• 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.