
LIVING PROGRESS DATA SUMMARY

2018



Hewlett Packard
Enterprise

INTRODUCTION

The 2018 Living Progress Data Summary is designed primarily to meet the information needs of analysts and contains performance data on our most [material issues](#). Selected data and an explanation of trends and management approach can be found in our [2018 Living Progress Report](#).

BUSINESS CHANGES

On April 1, 2017 and September 1, 2017, we spun off our Enterprise Services and Software businesses, respectively. 2015 and 2016 data associated with our goals was restated in 2017 to reflect these spin-offs. The recalculations removed emissions from HP Inc., DXC, and Micro Focus, but included emissions from acquisitions.

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

Assurance

In accordance with attestation standards established by the American Institute of Certified Public Accountants, including AT-C sections 105 and 210, external assurance provider Ernst & Young LLP (EY) performed an independent review of a selected number of key performance indicators in this Summary. Please see the scope of EY's work [here](#).

COMPANY PROFILE

In 2018, our net revenue was \$30.85 billion, approximately 67% of which was generated outside of the United States. We fulfilled taxation responsibilities in every location of operation and contributed net income taxes of \$538 million.

ECONOMIC IMPACT OF HPE OPERATIONS¹

	2018
Net revenue (\$ million)	\$30,852
Profit (\$ million)	\$9,292
Net cash provided by operating activities (\$ million)	\$2,964
Net revenue from outside the United States	67%
Income taxes paid, net of refunds (\$ million)	\$538
Net revenue by segment (\$ million)	
Hybrid IT	\$25,033
Intelligent Edge	\$2,929
Financial Services	\$3,671
Corporate Investments	-\$1

¹ All data in this table is from HPE's [2018 10-K](#).

Navigation



This symbol, found throughout this report, is a hyperlink to the [2018 Living Progress Report](#) where you can find further in-depth information.

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OUR DATA

DESIGN FOR ENVIRONMENT

See [Product lifecycle management](#) 

DESIGN FOR ENVIRONMENT


	2017	2018
Number of environmental product stewards, program managers, and advocates	33	47

ECO-LABELS ACROSS HPE PRODUCT PORTFOLIO

Product group	% of eligible product lines with ENERGY STAR® configurations	% of eligible product line on EPEAT registry	% of eligible product lines with CECEP configurations	% of eligible product lines with CHINA SEPA configurations	% of new products with IT Eco Declarations ²
Servers	67%	100%	98.6%	99.8%	100%
Storage	60%	N/A	N/A	N/A	100%
Networking	0%	N/A	N/A	N/A	100%

² IT Eco Declarations are not generated for individual parts and accessories. Nor do IT Eco Declarations include “proactive” declarations for company products acquired by HPE. For such products, we retroactively create the declarations.

PRODUCT RETURN, REUSE, AND RECYCLING

See [Product lifecycle management](#) 

PRODUCT RETURN, REUSE, AND RECYCLE

	2017	2018
Number of countries and territories with HPC return & recycling programs	64	60
Total reuse and recycling combined (metric tons, approximate)	23,341	22,447
Reuse	16,525	14,932
Recycling	6,816	7,515
Total recycling, by region (metric tons)		
Americas	4,001	4,038
Europe, Middle East, and Africa	2,381	2,944
Asia Pacific and Japan	434	533

MATERIALS AND PACKAGING

See [Product lifecycle management](#)

See [Substances of concern](#)

See [Environment](#)

PACKAGING ENVIRONMENTAL AND COST BENEFITS

as a result of innovations by HPE and its suppliers

	2017	2018
CO ₂ e emissions avoided (metric tons)	1,627	2,045
Packaging material reduced, year-over-year (metric tons)	285	278
Recycled material used (metric tons)	537	629
Recycled wood packaging material used (metric tons)	190	164
Recycled cushion material used (metric tons)	633	673
Financial savings ³	\$320,000	\$230,000

³ Financial savings due to shipping optimization, recyclable wood packaging material, reuse of materials, EPE recycle foam initiatives, and use of airbags in packaging throughout the fiscal year.

MATERIAL COMPOSITION AND RECYCLABILITY OF TYPICAL HPE PRODUCTS⁴

Device ⁵	Total weight of product (g)	Material composition (%)							Recyclable content (%)
		Metal	Recyclable plastics	Non-recyclable plastics	Wires/cables	Glass	Printed circuit assemblies	Other ⁶	
HPE DL380 Gen10 Server	18,679	68.38%	5.71%	0.26%	0.88%	0%	23.41%	0.69%	98.5%
HPE StoreServ 8000	17,972	68.77%	0%	9.99%	0%	0%	20.08%	1.13%	90.0%
HPE Aruba 3800 Switch	7,106	68.19%	1.33%	0.11%	0.91%	0%	27.08%	2.29%	96.1%
HPE Supermicro SuperServer	14,880	67.43%	2.86%	0.30%	1.49%	0%	25.23%	0.06%	95.5%
BL460c Gen9	4,539	54.43%	5.13%	0.04%	0%	0%	39.76%	0.55%	99.8%
XL190r Node Gen10	5,503	69.96%	0.90%	0%	0.90%	0%	28.16%	0%	99.4%

⁴ Based on Recyclability Assessment Tool (RAT) calculations leveraging EPEAT methodology.

⁵ RATs were completed for base models. HPE products are highly customizable/configurable and results could vary based on configuration.

⁶ Includes rubber, cork, and other materials not included in the other categories.

ENVIRONMENTAL FOOTPRINT PROGRESS TOWARD CLIMATE GOALS

Climate goals

We set strategic goals to minimize our environmental footprint across our entire value chain—not just our direct operations. These targets are approved by the [Science Based Target initiative](#) and are aligned with climate science to limit global average temperature rise to 1.5°C in order to substantially reduce the risks and effects of climate change.

In 2017 we surpassed our operational greenhouse gas (GHG) goal to reduce emissions by 25% by 2025. In 2018, HPE set a new goal to reduce our operational GHG emissions by 55% by 2025 compared to 2016 levels. To meet this goal, we will continue to invest in renewable energy, with a goal to source 100% of total operational electricity consumption from renewable sources in the long term.

As of 2018, HPE is on track to meet all its climate goals.

By 2025, Reduce operational GHG emissions by 55% compared to 2016 levels ⁷	On Track
In 2018, We reduced our emissions by 37% from 2016 levels	
By 2025, Source 50% of total electricity consumption in our operations from renewables	On Track
In 2018, We sourced 37% of our operational electricity from renewables	
By 2025, Increase the energy performance of our product portfolio 30 times compared to 2015 levels	On Track
In 2018, We increased the energy performance of our product portfolio 1.6 ⁸ times from a 2015 baseline	
By 2025, Reduce absolute manufacturing-related GHG emissions in our supply chain by 15% compared to 2016 levels ⁷	On Track
In 2017, ⁹ We reduced emissions by 1% compared to 2016 levels	
By 2025, Enable 80% of our production suppliers (by spend) to set science-based targets	On Track
In 2017, 13% of our suppliers have set science-based targets ¹⁰	

⁷ In FY18, HPE recalibrated this GHG emission target and reset the baseline to 2016 to align with the first year of complete data for the company.

⁸ Significant increases in energy performance occur when new product generations are introduced. In 2018, HPE focused on increasing customer use of the latest generation products, Gen10, which were introduced in 2017.

⁹ With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2017.

¹⁰ Targets to reduce GHG emissions are considered “science-based” if they are in line with the latest climate science to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. Supplier targets may or may not be approved by the Science Based Target initiative (SBTi), which champions science-based target setting and independently assesses companies’ targets. Supplier targets and stated commitments are based upon suppliers’ reporting to CDP.

Carbon footprint

In our first year reporting against our new 55% operational GHG emission reduction target, we reduced emissions by 37%. A combination of initiatives contributed to this reduction, including continued commitment to building efficiencies, and an increase in our renewable electricity sourcing, which grew to 37% in 2018.

Currently, 94% of our emissions are in the upstream and downstream portions of our value chain (Scope 3).

See [Environment](#) 

CARBON FOOTPRINT (SCOPES 1, 2, AND 3)

	2016	2017	2018
GHG emissions (Scopes 1, 2, and 3) (metric CO₂e)¹¹	9,890,373	12,605,123	10,291,513
Operational GHG emissions (Scope 1 and Scope 2 market-based method)	434,780	361,980	272,215
% reduction to 2016 baseline ^{12, 13}	-	-17%	-37%
Scope 1 ¹⁴	37,300	77,303	67,657
Scope 2 (market-based method)	397,480	284,677	204,558
Scope 2 (location-based method)	500,998	391,122	335,361
GHG emissions intensity (metric tons CO ₂ e/\$ million of net revenue)	14	13	9
Scope 3 ¹⁵	9,455,594	12,243,143	10,019,298

OPERATIONS EMISSIONS BY REGION (SCOPE 1 AND SCOPE 2) (METRIC TONS CO₂e)¹⁶

	2016	2017	2018
Scope 1 and Scope 2 (market-based)	434,780	361,980	272,215
Americas	219,824	175,067	119,026
Europe, Middle East, and Africa	36,082	52,091	49,315
Asia Pacific and Japan	178,874	134,823	103,875
Scope 1	37,300	77,303	67,657
Americas	20,718	39,758	32,098
Europe, Middle East, and Africa	15,473	35,641	33,337
Asia Pacific and Japan	1,110	1,904	2,223
Scope 2 (market-based)	397,480	284,677	204,558
Americas	199,106	135,309	86,928
Europe, Middle East, and Africa	20,609	16,449	15,978
Asia Pacific and Japan	177,764	132,919	101,652
Scope 2 (location-based)	500,998	391,122	335,361
Americas	270,213	221,468	188,956
Europe, Middle East, and Africa	52,142	36,735	29,759
Asia Pacific and Japan	178,644	132,919	116,646

¹¹ The increase in emissions from 2016 to 2017 is primarily due to a change in methodology of our Scope 3 calculations.

¹² In FY18, HPE recalibrated this GHG emission target and reset the baseline to 2016 to align with the first year of complete data for the company.

¹³ HPE's operational emissions and 55% reduction are calculated with the Scope 2 market-based method.

¹⁴ The increase in Scope 1 emissions from 2016 to 2017 is primarily because HPE retained the majority of the corporate fleet after the spins-offs.

¹⁵ HPE's 2017 spin-offs and acquisitions did not have a significant impact on our Scope 3 emissions; as a result, the 2016 data has not been restated.

¹⁶ Some segments do not add up to total due to rounding.

Carbon footprint (cont.)

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

	2016	2017	2018
Scope 1	37,300	77,303	67,657
Natural gas	14,116	10,582	14,506
Diesel/gas/oil ¹⁸	473	697	955
Transportation fleet	22,711	64,648	52,134
Refrigerants (hydrofluorocarbons HFCs)	-	1,376	62
Perfluorocarbons (PFCs) ¹⁹	-	-	-
Scope 2 (market-based)	397,480	284,677	204,558
Purchased electricity for operations	394,199	283,068	204,550
District cooling (purchased) for operations	3,281	1,610	8
Scope 2 (location-based)	500,998	391,122	335,361
Purchased electricity for operations	497,718	389,512	335,353
District cooling (purchased) for operations	3,281	1,610	8

GHG EMISSIONS SCOPE 3 (METRIC TONS CO₂e)

	2016 ²⁰	2017	2018
Scope 3 emissions by category	9,455,594	12,243,143	10,019,298
Purchased goods and services	1,544,000	2,694,662	2,272,300
Capital goods	230,000	88,074	90,083
Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	275,000	187,286	93,746
Upstream transportation and distribution	380,594	423,759	318,186
Waste generated in operations	-	14,368	1,290
Business travel	137,000	62,503 ²¹	68,553
Employee commuting	677,000	225,829	247,936
Upstream leased assets	N/A	N/A	N/A
Downstream transportation and distribution	N/A	413,419	323,853
Processing of sold products	N/A	N/A	N/A
Use of sold products	6,155,000	8,053,293	6,577,305
End-of-life treatment of solid products	29,000	38,639	26,047
Downstream leased assets	28,000	41,312	0
Franchises	N/A	N/A	N/A
Investments	N/A	N/A	N/A

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

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

¹⁹ Data is based on the calendar year.

²⁰ 2016 Scope 3 emissions include data from DXC and Micro Focus.

²¹ 2017 business travel includes emissions from air and rail travel as well as rental cars. Due to data limitations, 2017 Scope 3 emissions for business travel do not take into account HPE's acquisitions that occurred during the fiscal year. Additionally, data from DXC and Micro Focus were removed from the air and rail travel calculations, however were unable to be removed from the car rental data.

Water footprint

The majority of our global water footprint can be attributed to the electricity associated with the use of our products (66%) and the energy needs of our supply chain (27%).

See [Environment](#)

WATER FOOTPRINT

	2017	2018
HPE water footprint (cubic meters)²²	57,934,001	76,499,953
Water withdrawal in HPE operations	2,228,986	2,039,327
Water withdrawal associated with the generation of electricity used in HPE operations	3,556,404	3,107,278
Water withdrawn by HPE suppliers in their operations ²³	4,837,554	5,208,799
Water withdrawal associated with the generation of electricity used by HPE suppliers	14,627,463	15,834,607
Water withdrawal associated with the generation of electricity used in HPE products	32,683,594	50,309,943

²² The increase in HPE's water footprint from 2017 to 2018 is primarily due to a change in boundaries for our calculations to align with the Scope 3 carbon footprint for products. 2017 product use data includes only servers and storage, whereas 2018 data includes modeling for all parts and components.

²³ This metric reports the amount of water withdrawn by HPE's multi-tier supply chain, and not the amount withdrawn by first-tier suppliers as reported in our supply chain environmental impact.

Operations

We decreased our operational energy use in 2018 through multiple tactics to reduce on-site electricity consumption, such as: participating in local demand-response programs; investing in LED lighting, submeters, and smart building technologies; right-sizing office buildings based on the number of employees at a given location; and ensuring that all building retrofits meet LEED Silver certification.

In 2018, 37% of our electricity was sourced from renewables, moving us closer toward our goal to source 50% renewable electricity in our operations by 2025.

See [Environment](#)

OPERATIONS²⁴

	2016	2017	2018
Energy use (MWh) ²⁵	1,079,481	891,537	782,151
Energy intensity (MWh/\$ million of net revenue)	36	31	25
Direct energy use in operations²⁶ (corresponds to Scope 1 emissions) (MWh)	82,572	63,890	84,902
Natural gas (MWh)	77,889	58,386	80,008
Diesel/LPG (MWh)	1,874	2,598	3,893
Electricity (generated on-site) (MWh)	2,810	2,905	1,001
Renewable (generated on-site) (MWh)	2,810	2,521	938
Diesel/gas/oil/LPG (MWh)	-	384	63
Indirect energy use (corresponds to Scope 2 emissions) (MWh)	996,909	827,647	697,250
Electricity sources from nonrenewable energy (MWh)	785,779	619,824	441,817
Electricity sourced from renewable energy (MWh)	192,885	198,869	255,417
Voluntary purchases of renewable energy credits (RECs)	110,929	131,841	170,267
Voluntary purchase of utility-provided renewable energy	81,956	67,028	85,150
District cooling and heating (purchased) (MWh)	18,244	8,955	15
Electricity sourced from renewables (percentage of total)	20%	25%	37%

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

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

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

Operations (cont.)

In 2018, electricity sourced from renewable energy in the Asia, Pacific, and Japan (APJ) region increased significantly following HPE opening a 45 GWh off-site solar farm in India.

While air pollutants are not a substantial part of our overall footprint, we are expanding how we track and report emissions beyond legal requirements. Air pollutant emissions reported are from emergency generators at 116 locations globally, with higher 2017 numbers resulting from the impacts of Hurricane Maria on our Puerto Rico site.

See [Environment](#) 

ENERGY USE (BY REGION)

		AMS	EMEA	APJ
2016	Electricity (purchased and on-site) (MWh)	567,024	172,060	242,389
	Electricity sourced from renewable energy (MWh)	114,197	80,163	1,335
	District cooling and heating (purchased) (MWh)	-	-	18,244
	Scope 2 emissions (market-based) (metric tons CO ₂ e)	199,106	20,609	177,764
2017	Electricity (purchased and on-site) (MWh)	523,765	101,835	195,998
	Electricity sourced from renewable energy (MWh)	136,424	64,657	309
	District cooling and heating (purchased) (MWh)	-	-	8,955
	Scope 2 emissions (market-based) (metric tons CO ₂ e)	135,309	16,449	132,919
2018	Electricity (purchased and on-site) (MWh)	418,428	99,479	180,328
	Electricity sourced from renewable energy (MWh)	175,401	59,271	21,683
	District cooling and heating (purchased) (MWh)	-	-	15
	Scope 2 emissions (market-based) (metric tons CO ₂ e)	86,928	15,978	101,652

OZONE DEPLETION

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

²⁷ Includes data from DXC and Micro Focus.

AIR POLLUTANTS

	2017	2018
Nitrous Oxide (NO _x)	150.57	123.72
Sulfur Dioxide (SO ₂)	48.71	40.19
Particulate Matter (PM ₁₀)	4.71	3.84
Carbonate Oxide (CO)	35.12	28.26
Volatile Organic Compounds (VOC)	4.78	3.91

Operations (cont.)

Our operations withdrew 2,039,327 million cubic meters of water in 2018, a decrease of 9% from the previous year. This trend is primarily due to our continued commitment toward highly efficient buildings, both in terms of electricity use and water consumption.

In 2018, we exceeded our annual waste diversion target of 83%, achieving a 7% increase from the prior year. We saw a slight increase in our hazardous waste generation, mainly due to two of our sites needing large battery replacements.

See [Environment](#) 

WATER²⁸

	2016	2017	2018
Water withdrawal, by region (cubic meters)	2,626,556	2,228,986	2,039,327
Americas	1,566,000	1,305,926	1,267,302
Europe, Middle East, and Africa	273,006	224,688	263,447
Asia Pacific and Japan	787,550	698,372	508,578
Water withdrawal, by source (cubic meters)	2,626,556	2,228,986	2,039,327
Municipal water	2,617,404	2,140,396	1,962,210
Rainwater	872	7,534	4,330
Tanker water	8,280	81,056	72,787
Reused treated sewage treatment plant water ²⁹	4,774	29,806	42,965

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

²⁹ Water used for landscaping and flushing toilets.

WASTE

	2016	2017	2018
Nonhazardous waste (metric tons)	42,900	13,200	13,208
Americas	24,700	7,100	6,712
Europe, Middle East, and Africa	7,700	2,000	1,507
Asia Pacific and Japan	10,500	4,200	4,989
Nonhazardous waste landfill diversion rate (percentage of total produced)	84.2%	83%	90%
Americas	81.7%	78%	88%
Europe, Middle East, and Africa	91.5%	95%	83%
Asia Pacific and Japan	84.7%	87%	94%
Hazardous waste (metric tons)	341	109	113
Americas	253	88	80
Europe, Middle East, and Africa	58	6	3
Asia Pacific and Japan	31	16	30

Supply chain environmental impact

In 2017, HPE established two supply chain emission reduction goals to achieve by 2025, compared to 2016.³⁰ We will enable 80% of our production suppliers (by spend) to set their own science-based emission reduction targets (SBTs), with the overall goal of reducing manufacturing-related GHG emissions (on an absolute basis) in our supply chain by 15%.

In our first year reporting progress toward our new manufacturing-related GHG emission target, we are pleased to announce that our production suppliers cumulatively decreased their Scope 1 and Scope 2 emissions in 2017, relative to 2016. This downward trend is due to increased capability-building with our suppliers.

As of 2017, 13% of our production suppliers have set Scope 1 and 2 emission reduction targets that align with climate-science.

With the exception of product transport, supplier data is reported on a one-year lag.

See [Environment](#) 

SUPPLIER ENVIRONMENTAL PERFORMANCE³¹

	2016	2017	
Suppliers (by spend) who have a sustainability report based on Global Reporting Initiative (GRI) Protocol	65%	73%	
Third-party verification of GHG emissions in line with CDP verification ³²	-	41%	
Production supplier GHG emissions³³			
% Reduction from 2016 baseline	-	1%	
Production supplier Scope 1 and Scope 2 emissions (metric tons CO ₂ e)	807,398	800,428	
Production suppliers with science-based Scope 1 and Scope 2 targets³⁴			
Production suppliers with Scope 1 and 2 targets that track with climate-science	-	9%	
Production suppliers with SBTi-approved targets	-	2%	
Production suppliers committed to set SBTs within two years			
Production suppliers stating their commitment to set SBTs	-	58%	
Production suppliers with commitment to the SBTi to set SBTs	-	9%	
Production supplier water withdrawal³⁵			
Production supplier water withdrawal for use (cubic meters)	9,969,149	9,672,099	
Production suppliers with water withdrawal-related goals (% of spend)	62%	64%	
Production supplier waste generation³⁶			
Production supplier nonhazardous waste generation (metric tons)	45,669	37,232	
Production supplier hazardous waste generation (metric tons)	15,535	16,517	
Production suppliers with waste-related goals (% of spend)	61%	60%	
Estimated total GHG emissions from product transport³⁷ (metric tons CO₂e)			
	2016	2017	2018
Road (includes rail)	36,422	60,534	20,977
Ocean	13,532	8,884	7,590
Air	330,639	354,341	289,619

³⁰ In FY18, HPE recalibrated this GHG emission target and reset the baseline to 2016 to align with the first year of complete data for the company.

³¹ With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2017.

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

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

³⁴ Targets to reduce GHG emissions are considered "science-based" if they are in line with the latest climate science to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. Supplier targets may or may not be approved by the **Science Based Target initiative** (SBTi), which champions science-based target setting and independently assesses companies' targets. Supplier targets and stated commitments are based upon suppliers' reporting to CDP.

³⁵ This metric reports the amount of water withdrawn by our first-tier suppliers for manufacturing, materials, and components, not the amount consumed by our multi-tier supply chain as reported in our water footprint. Withdrawal is estimated based on suppliers' reported water withdrawal and their dollar volume of HPE business compared to their total revenue. Data collected represents 71% and 79% of supplier spend for 2016 and 2017 respectively, and is extrapolated to 100% of first-tier production suppliers. This can change based on shift in spend and better data management.

³⁶ Waste metrics are estimated based on suppliers' reported waste data and their dollar volume of HPE business compared to their total revenue. Data collected for hazardous waste represents 66% and 69% of supplier spend for 2016 and 2017 respectively, and is extrapolated to 100% of first-tier production suppliers. Data for non-hazardous waste represents 66% and 69% of supplier spend for 2016 and 2017 respectively, and is extrapolated to 100% of first-tier production suppliers.

³⁷ The data reported represents the transportation emissions from suppliers that receive 98% of total spend in 2018, 94% in 2017, and 92% in 2016.

EMPLOYEES

At the close of 2018, we employed approximately 60,000 employees worldwide. Women made up 32% of our employees and 24% of our management workforce. During this same period, our lost workday rate case was 0.05, a rate well below industry standards.

HPE supports the freedom of association of our employees. We comply with all applicable laws concerning employees' rights to join labor unions or engage in other protected, concerted activity. Employees are represented by works councils, unions, or covered by a collective bargaining agreement in about 45% of the countries in which HPE operates. In total, HPE has relationships with 36 unions worldwide, with collective bargaining agreements covering 33% of employees.

See [Inclusion and diversity](#)


See [Employee development and engagement](#)

EMPLOYEE DEMOGRAPHICS (2018)

	Men	Men (%)	Women	Women (%)	Total ³⁸
Employees (regular full-time and part-time) by region and gender	42,061	68.12%	19,682	31.88%	61,743
Americas	15,860	70.06%	6,778	29.4%	22,638
Asia Pacific and Japan	15,076	68.61%	6,896	31.39%	21,972
Europe, Middle East, and Africa	11,125	64.93%	6,008	35.07%	17,133
Employees (regular full-time) by employment type and gender					
Executives	315	79.75%	80	20.25%	395
Directors	1,131	78.65%	307	21.35%	1,438
Managers	3,583	75.24%	1,179	24.76%	4,762
Professionals	33,471	69.23%	14,875	30.77%	48,346
Other	2,914	50.03%	2,910	49.97%	5,824
Employee (regular part-time) by employment type and gender					
Executives	1	100.00%	0	0.00%	1
Directors	2	100.00%	0	0.00%	2
Managers	2	100.00%	0	0.00%	2
Professionals	161	67.65%	77	32.35%	238
Other	481	65.44%	254	34.56%	735
World workforce by age group					
30 and under					19.60%
31-50					56.35%
51 and over					23.59%
Age not listed					0.46%
Employee voluntary turnover rate					9.5%
Employees covered by collective bargaining agreements					33%

³⁸ The total may not equal the sum of the segments because the gender of some employees is uncategorized.

EMPLOYEES (cont.)

See [Inclusion and diversity](#) 

EMPLOYEE DIVERSITY

	2017	2018
Women employees (% of total)	31.73%	31.84%
Americas	29.30%	29.94%
Asia Pacific and Japan	32.59%	31.39%
Europe, Middle East, and Africa	34.08%	35.07%
Women managers (% of total management workforce)	24.85%	23.86%
Americas	26.44%	24.71%
Asia Pacific and Japan	19.29%	18.76%
Europe, Middle East, and Africa	27.87%	27.11%
Senior ranking positions held by women (Director level and above) (% of total top management positions)	20.73%	21.07%
Americas	22.43%	22.84%
Asia Pacific and Japan	16.27%	12.93%
Europe, Middle East, and Africa	18.66%	20.50%
Global new hires, by gender³⁹ (% of total)	98.95%	99.65%
Female	34.81%	31.96%
Male	64.15%	67.69%
U.S. new hires, by ethnicity⁴⁰ (% of total)	99.98%	94.21%
White	46.88%	50.90%
All minorities	33.92%	32.36%
Black	11.39%	6.28%
Hispanic	4.12%	6.08%
Asian	14.83%	21.85%
Native American	0.29%	0.39%

³⁹ Sum of "Female" and "Male" for 2018 does not equal 100% due to a small number of new hires who did not declare a gender.

⁴⁰ Sum of "White" and "All minorities" does not equal 100%, and the sum of "Black," "Hispanic," "Asian," and "Native American" does not equal the total for "All minorities" because some people do not declare or do not fall into these categories. For this table, those who did not declare were not included in the analysis nor placed into a default classification. For more details, see HPE's 2018 [EEO-1 Report](#).

EMPLOYEES (cont.)

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

HEALTH AND SAFETY

	2016	2017	2018
Lost workday case rate⁴¹ (number)	.05	.04	.05
Americas	.05	.07	.07
Europe, Middle East, and Africa	.11	.05	.04
Asia Pacific and Japan	.005	.01	.02
Recordable incidence rate⁴² (number)	.12	.12	.12
Americas	.20	.21	.23
Europe, Middle East, and Africa	.16	.14	.08
Asia Pacific and Japan	.005	.02	.03
Leading causes of lost workdays (percentage)⁴³			
Slips, trips, and falls	55%	36%	43%
Struck by/against/cut by	6%	17%	18%
Caught in/between	2%	7%	3%
Ergonomics: office environment	6%	7%	3%
Ergonomics: materials handling	12%	5%	7%
Automobile accidents	14%	5%	21%
Other ⁴⁴	5%	23%	3%
Leading causes of all recordable incidents (percentage)⁴⁵			
Slips, trips, and falls	47%	38%	36%
Struck by/against/cut by	10%	14%	19%
Ergonomics: materials handling	11%	13%	10%
Ergonomics: office environment	12%	8%	4%
Automobile accidents	12%	8%	11%
Caught in/between	2%	6%	7%
Overexertion	2%	2%	7%
Other ⁴⁵	4%	12%	6%

⁴¹ Lost workday case rate is the number of work-related injuries that result in time away from work per 100 employees working a full year. Rates are calculated using Occupational Safety and Health Administration (OSHA) definitions for recordability around the world and using OSHA calculation methodologies.

⁴² Recordable incident rate is the number of all work-related lost-time and no-lost-time cases requiring more than first aid per 100 employees working a full year. Rates are calculated using OSHA definitions for recordability around the world and using OSHA calculation methodologies.

⁴³ Some years may not add to 100% due to rounding.

⁴⁴ "Other" category includes lost workdays cases including those related to stress, exertion not related to materials handling, manufacturing ergonomics, and assault.

⁴⁵ "Other" category includes lost workdays cases including those related to stress, non-chemical burns, manufacturing ergonomics, exertion not related to materials handling, and assault.

SOCIAL INVESTMENT

HPE's commitment to service remained steadfast in 2018. Despite a smaller employee base, the total number of volunteer hours increased slightly and employee contributions saw only a small decrease. A remarkable 44% of volunteer time was skills-based, with employees leveraging their unique strengths through board service and pro bono services.

See [Corporate philanthropy](#)

SOCIAL IMPACT

	2017	2018
Social investment (\$ million)⁴⁶	\$17.6	\$15.3
Cash	\$10.9 ⁴⁷	\$8.4
Product donations ⁴⁸	\$0.9	\$0.6
Volunteering ⁴⁹	\$5.8	\$6.3
Number of employees who took part in volunteering activities	6,466	4,891
Number of hours of volunteer time	181,073	181,555
% of volunteer time that was skills-based	43%	44%
Employee participation in HPE Gives (number of employees)⁵⁰	10,157	7,252
Contributions to HPE Gives (\$ million)	\$5.8	\$5.4
Employee contributions	\$2.8	\$2.5
HPE Foundation matching	\$2.4	\$2.2
Rewards redeemed	\$0.3	\$0.6
Employee-Directed Grants	\$0.4	\$0.2
Disaster Relief	\$1.9	\$0.3 ⁵¹

⁴⁶ Social investments include all grants made to nonprofit organizations from HPE and HPE Foundation, plus the valuation of employee volunteer hours. Data excludes contributions to HPE Foundation and employee donations but includes HPE's matching contributions and contributions from HPE Foundation to other organizations. Some segments do not add up to total due to rounding.

⁴⁷ Figure adjusted from previous reporting due to FY17 payment reallocation to FY16 totals.

⁴⁸ Product donations are valued at the internet list price. This is the price a customer would have paid to purchase the equipment through HPE direct sales channel on the internet at the time the grant was processed.

⁴⁹ Hourly rate based on type of volunteering: \$150/hour for pro bono (CECP); \$24.69/hour for all other volunteering (Independent Sector).

⁵⁰ Number of employees who have donated, requested a match, tracked volunteer hours, or redeemed volunteer rewards via the HPE Gives platform.

⁵¹ Disaster relief in FY18 decreased compared to FY17 due to a decline in the occurrence and severity of disasters affecting communities where HPE employees live and work.


SUPPLIER DIVERSITY

See [Inclusion and diversity](#)

SUPPLIER DIVERSITY

	2017	2018
HPE's spend with U.S. diverse suppliers		
Small businesses (\$ billion)	\$1.3	\$1.1
Minority-owned businesses (\$ million)	\$173	\$134
Women-owned businesses (\$ million)	\$190	\$123
Veteran-owned businesses, service-disabled veteran-owned businesses, HUBZone businesses, and others (\$ million)	\$85	\$20
Total amount spent by HPE on diverse suppliers (\$ billion)	\$1.4B	\$1.3B

ETHICS

See [Corporate governance and ethical behavior](#) 

CORPORATE ETHICS HIGHLIGHTS

	Total
Percentage of active employees who completed annual SBC training	99.9%
Anti-corruption audits	18

BREACHES OF ETHICAL BEHAVIOR

Items reported to the HPE global Standards of Business Conduct team or other compliance functions in 2018.

	2018
Labor Law/HR	40%
Misuse of assets	22%
Conflicts of interest	8%
Anti-corruption ⁵²	7%
Reporting	5%
Fraud	4%
Workplace security and theft	3%
Confidentiality	3%
Gray marketing/channel	3%
Failure to make ethical decisions	3%
Competition	2%

⁵² The anti-corruption category is broadly defined and includes allegations of commercial bribery, kickbacks, and certain Global Business Amenities Policy violations, as well as alleged corruption related to foreign public officials.

SUPPLY CHAIN RESPONSIBILITY

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

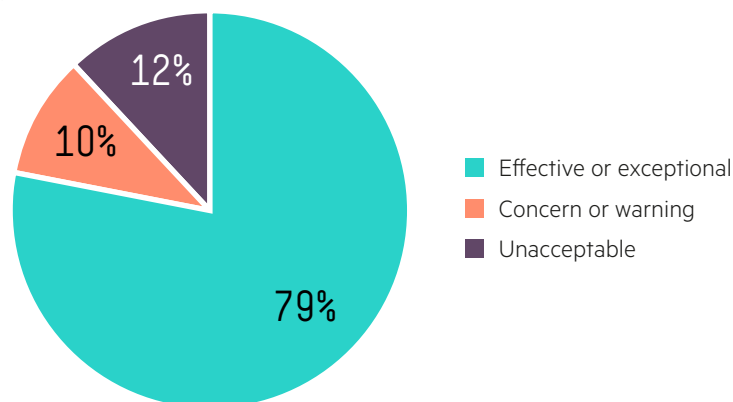
To help drive continual social and environmental responsibility (SER) improvement amongst suppliers, we made scoring on our SER scorecard more stringent. Even with these changes, 79% of suppliers were in our effective or exceptional category.

See [Ethical sourcing](#)

Supply chain responsibility dashboard

SER SCORECARD DISTRIBUTION, 2018⁵³

(percentage of total)



⁵³ Distribution includes top 95% of spend for our final assembly and strategic commodity supplier sites. Total does not add up to 100% due to rounding.

SOCIAL KEY PERFORMANCE INDICATORS

SCR dashboard

	2017	2018
Suppliers' employees working less than 60 hours per week on average ⁵⁴ (percentage)	97%	96%
Suppliers' employees receiving at least one day of rest each seven-day workweek (percentage)	99%	98%
Suppliers in China with student workers representing 20% or less of total employees (percentage)	100%	100%
Critical findings related to the ILO Declaration on Fundamental Principles and Rights at Work: freedom of association; freedom from forced, bonded, or indentured labor; from child labor; or from discrimination	4	2
Critical findings related to occupational safety, emergency preparedness, or industrial hygiene ⁵⁵	0	7
Critical findings related to disclosure of information	0	1
SER audits and assessments conducted (cumulative)⁵⁶	189	292
Total audits (cumulative)	169	269
Full audits (cumulative)	96	157
Follow-up audits (cumulative)	73	112
Assessments and allegation investigations (cumulative)	20	23
Number of suppliers audited (total, cumulative)	83	127
Number of supplier facilities audited (total, cumulative)	145	231

⁵⁴ Based on workers at final assembly, and selected commodity sites participating, and selected commodity sites participating in the HPE KPI program and audit results. Suppliers are included in the KPI program based on business risk, country risk, and identified nonconformances.


⁵⁵ 2018 marked the first year suppliers were assessed against recently updated industry standards that imposed more stringent requirements for emergency exit doors.

⁵⁶ Cumulative figures reflect totals from 2016 to indicated year.

Performance monitoring

In 2018, we arranged 103 audits and assessments with suppliers. In cases of major nonconformance, suppliers are required to implement a corrective action plan, which is verified with a follow-up audit. In cases where critical issues are uncovered, we require swift action, including the development of a corrective action plan, and we downgrade the supplier on our SER scorecard.

We require key suppliers to provide additional information on their SER performance through our KPI program.

See [Ethical sourcing](#) 

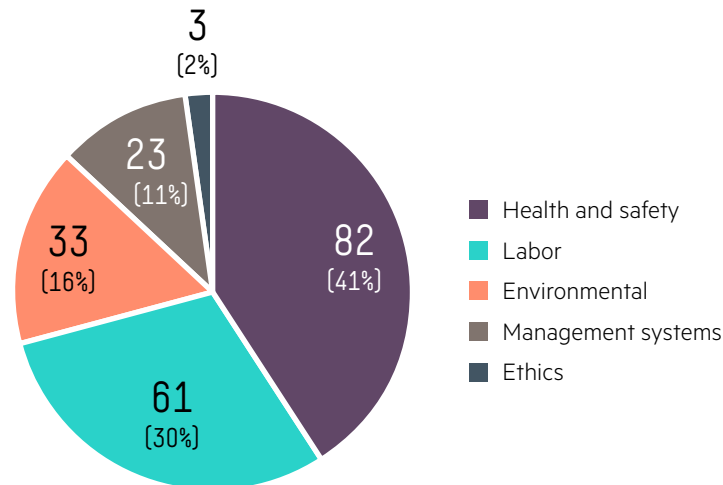
SER AUDITS AND ASSESSMENTS CONDUCTED BY REGION, 2018⁵⁷

	Greater China	Asia Pacific	Americas	Europe
Onboarding assessments for new suppliers	0	0	0	0
Vulnerable worker group (student and foreign worker) assessments	0	3	0	0
Allegation investigations	0	0	0	0
Full audits: complete appraisal of the five sections of the HPE Supplier Code of Conduct, covering labor, health and safety, the environment, ethics, and management systems	33	23	5	0
Follow-up audits: to address any major nonconformances found in an earlier full audit	28	9	1	1

⁵⁷ Data reflects fiscal year 2018 audit reports received as of January 31, 2019

MAJOR NONCONFORMANCES

by section of HPE Supplier Code of Conduct, 2018⁵⁸ (%)



⁵⁸ Data excludes minor nonconformances that do not indicate a systemic problem but typically represent an isolated finding. Data is from audits; data from assessments is not included. Each provision of the RBA audit protocol includes a number of audit questions, each with a potential for no finding, minor nonconformance, major nonconformance, or priority nonconformance. HPE identifies the most significant nonconformance found in each provision and aggregates the major and priority nonconformances across all audits to determine the distribution of major and priority nonconformance by RBA category. Percentages were rounded to add to 100%.

Health and safety

Health and safety findings represented 41% of all major nonconformances in 2018.

EMERGENCY PREPAREDNESS

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

OCCUPATIONAL SAFETY

Nonconformances with respect to occupational safety related to appropriate Personal Protective Equipment (PPE) that was not consistently and correctly used where required to control safety hazards and worker exposure. Suppliers were required to complete corrective actions for identified issues.

SANITATION, FOOD, AND HOUSING

Nonconformances related to sanitation, food, and housing primarily consisted of lack of all required health & safety licenses, permits, registrations and certificates related to food, sanitation, and housing in place, and inadequate and ineffective processes established to ensure permits and licenses are up-to-date at all times, in addition to canteens or cafeterias that were not clean, well maintained, and/or managed in compliance with local health regulations. Suppliers were required to complete corrective actions for identified issues.

HEALTH AND SAFETY, GLOBAL

Rates of major nonconformances of sites audited (%), 2018

Occupational safety	31%
Emergency preparedness	46%
Occupational injury and illness	18%
Industrial hygiene	10%
Physically demanding work	2%
Machine safeguarding	0%
Sanitation, food, and housing	26%
Health and safety communication	2%

HEALTH AND SAFETY, REGIONAL

Major nonconformances of sites audited, 2018

	Greater China	Asia Pacific	Americas	Europe
Occupational safety	12	5	2	0
Emergency preparedness	17	8	3	0
Occupational injury and illness	6	4	1	0
Industrial hygiene	4	1	1	0
Physically demanding work	1	0	0	0
Machine safeguarding	0	0	0	0
Food, sanitation, and housing	14	2	0	0
Health and safety communication	0	0	1	0

Labor

Labor-related findings represented 30% of all major nonconformances in 2018. In response to these findings we continue to use targeted capability-building programs and training with suppliers to achieve conformance with HPE and legal requirements. We implement and track improvement through corrective action plans, and encourage industry-level attention and action through our full membership status with the Responsible Business Alliance (RBA).⁵⁹

WORKING HOURS

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

In 2018, an average of 96% of workers at supplier sites in the KPI program worked less than 60 hours per week, compared to 97% in 2017. On average, 98% of workers at supplier sites received at least one day of rest in every seven-day period, compared to 99% in 2017. We are expanding the reach of our working hours assessments to include more small and high-risk suppliers, and we will continue to work with suppliers to raise standards by:

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

⁵⁹ Formerly the Electric Industry Citizenship Coalition (EICC)

WAGES AND BENEFITS

In 2018, wage-related nonconformances largely occurred in China. The most common issue concerned deductions or withholdings not being calculated correctly and submitted to the appropriate government agency within the local law time frame.

FREELY CHOSEN EMPLOYMENT MANAGEMENT SYSTEMS






In 2018, we continued to undertake stringent due diligence within our supply chain to uncover risks—including through additional specialized assessments against our Foreign Migrant Worker Standard. As a result of this continued level of scrutiny, we identified two critical findings, including: payment of excessive recruitment fees; and requirement for workers to lodge deposits at the outset of employment.

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

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

LABOR, GLOBAL

Rates of major nonconformances of sites audited (%), 2018

Freely chosen employment management systems		16%
Young worker protection management systems		5%
Working hours		52%
Wages and benefits		25%
Humane treatment		0%
Nondiscrimination management systems		2%
Freedom of association		0%

LABOR, REGIONAL

Major nonconformances of sites audited, 2018

	Greater China	Asia Pacific	Americas	Europe
Freely chosen employment management systems	8	1	1	0
Young worker protection management systems	3	0	0	0
Working hours	27	4	1	0
Wages and benefits	14	1	0	0
Humane treatment	0	0	0	0
Nondiscrimination management systems	0	1	0	0
Freedom of association	0	0	0	0

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


In 2018, in response to audit findings, we provided on-site capability-building to enhance supplier management systems with respect to foreign migrant workers. In 2019, we will continue to focus our efforts on ensuring that suppliers fully understand our requirements and are proactively working to meet them.

Environmental

Environmental findings represented 16% of all major nonconformances in 2018.







HAZARDOUS SUBSTANCES

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

See [Environment](#) 

ENVIRONMENTAL, GLOBAL

Rates of major nonconformances of sites audited (%), 2018

Environmental permits and reporting		8%
Pollution prevention and resource reduction		0%
Hazardous substances		20%
Wastewater and solid waste		3%
Air emissions		11%
Materials restrictions		0%
Storm water management		10%
Energy consumption and GHG emissions		2%

ENVIRONMENTAL, REGIONAL

Major nonconformances of sites audited, 2018

	Greater China	Asia Pacific	Americas	Europe
Environmental permits and reporting	4	1	0	0
Pollution prevention and resource reduction	0	0	0	0
Hazardous substances	8	2	2	0
Wastewater and solid waste	2	0	0	0
Air emissions	5	2	0	0
Materials restrictions	0	0	0	0
Storm water management	4	2	0	0
Energy consumption and GHG emissions	0	1	0	0

Management systems


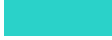










Findings relating to management systems represented 11% of all major nonconformances in 2018.

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

Our SER scorecard contains a management system component. This enables suppliers to demonstrate integration of SER issues within their own management systems, and to take proactive ownership of key risks.

MANAGEMENT SYSTEMS, GLOBAL

Rates of major nonconformances of sites audited (%), 2018

Company commitment		0%
Management accountability and responsibility		7%
Legal and customer requirements		3%
Risk assessment and risk management		2%
Improvement objectives		2%
Training		0%
Communication		0%
Worker feedback and participation		0%
Audits and assessments		3%
Corrective action process		2%
Documentation and records		2%
Supplier responsibility		18%

MANAGEMENT SYSTEMS, REGIONAL

Major nonconformances of sites audited, 2018

	Greater China	Asia Pacific	Americas	Europe
Company commitment	0	0	0	0
Management accountability and responsibility	3	1	0	0
Legal and customer requirements	0	1	1	0
Risk assessment and risk management	0	1	0	0
Improvement objectives	0	1	0	0
Training	0	0	0	0
Communication	0	0	0	0
Worker feedback and participation	0	0	0	0
Audits and assessments	1	1	0	0
Corrective action process	1	0	0	0
Documentation and records	0	1	0	0
Supplier responsibility	7	1	3	0

Ethics

Ethics-related findings represented 2% of all major nonconformances in 2018.

ETHICS, GLOBAL

Rates of major nonconformances of sites audited (%), 2018

Business integrity	0%
No improper advantage	0%
Disclosure of information	3%
Intellectual property	0%
Fair business, advertising, and competition	0%
Protection of identity and nonretaliation	2%
Privacy	0%
Responsible sourcing of minerals	0%

ETHICS, REGIONAL

Major nonconformances of sites audited, 2018

	Greater China	Asia Pacific	Americas	Europe
Business integrity	0	0	0	0
No improper advantage	0	0	0	0
Disclosure of information	2	0	0	0
Intellectual property	0	0	0	0
Fair business, advertising, and competition	0	0	0	0
Protection of identity and nonretaliation	1	0	0	0
Privacy	0	0	0	0
Responsible sourcing of minerals	0	0	0	0

CONFLICT MINERALS

In May 2019, we filed our annual Conflict Minerals Report with the SEC. HPE identified smelters and refiners⁶⁰ on the list set out in HPE's [Conflict Minerals Report](#) by surveying suppliers between January 1, 2018 and December 31, 2018. The suppliers surveyed contributed material, components, or manufacturing to products containing 3TG. Each smelter and refiner reported was identified in at least one of the Conflict Minerals Reporting Templates⁶¹ received from a supplier.

We received acceptable responses 3TG direct suppliers estimated to represent more than 98% of our 2018 spend with this group. These suppliers reported 302 total 3TG smelters and refiners in 2018, of which 94%⁶² are either:

- Conformant with the Responsible Minerals Initiative's (RMI)⁶³ Responsible Minerals Assurance Program (RMAP)⁶⁴
- RMAP active⁶⁵
- Reasonably believed by HPE to exclusively source conflict minerals from recycled or scrap sources, or from outside Covered Countries⁶⁶

Only 6% (18) of the supplier-reported 3TG facilities are facilities for which we have limited or no information on the sourcing of necessary conflict minerals (both because they are not yet participating in an independent assessment program and because we found no information giving us reason to believe they were sourcing from outside the Covered Countries or exclusively from recycled or scrap sources).

PROGRESS TOWARD DRC CONFLICT FREE⁶⁷

	Total ⁶⁸ (number)	Progress toward DRC Conflict Free ⁶⁹ (number)	Percentage
Tin	78	76	97%
Tantalum	40	40	100%
Tungsten	42	41	98%
Gold	142	127	89%
Total	302	284	94%

STATUS OF ALL SUPPLIER-REPORTED 3TG SMELTERS AND REFINERS⁷⁰

	Number or percentage (see individual data points)
Conformant ⁷¹	249
Conformant ⁷² (percentage of total)	82%
Active ⁷³	8
Active ⁷³ (percentage of total)	3%
Not yet participating	45
Not yet participating (percentage of total)	15%
Total	302

See [Ethical sourcing](#) 

⁶⁰ This reference to smelters and refiners includes recyclers and scrap processors in the 3TG supply chain.

⁶¹ Refers to the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template.

⁶² Based on due diligence and reasonable country of origin inquiry.

⁶³ Founded by the Responsible Business Alliance, the Responsible Minerals Initiative (RMI), formerly the Conflict Free Sourcing Initiative (CFSI), has grown into one of the most utilized and respected resources for companies from a range of industries addressing responsible 3TG challenges in their supply chain.

⁶⁴ The Responsible Minerals Assurance Program (RMAP), formerly the Conflict-Free Smelter Program (CFSP), is an RMI program that uses an independent third-party audit of smelter and refiner management systems and sourcing practices to validate conformance with RMAP protocols and current global standards. The audit employs a risk-based approach to validate smelters' company-level management processes for responsible mineral procurement.

⁶⁵ RMI defines "active" as smelter or refiner facilities that are engaged in RMAP but not yet conformant.

⁶⁶ The Democratic Republic of the Congo (DRC) or an adjoining country.

⁶⁷ "DRC conflict free" as defined in the U.S. Securities and Exchange Commission's conflict minerals rule to mean products that do not contain conflict minerals that directly or indirectly finance or benefit armed groups in the DRC or an adjoining country.

⁶⁸ Number of 3TG smelters and refiners by metal reported to HPE.

⁶⁹ Number of 3TG smelters and refiners by metal reported to HPE that were either conformant with RMAP or in process of becoming conformant, and/or that we reasonably believe exclusively source conflict minerals from recycled or scrap sources from outside of the covered countries (as of April 5, 2019).

⁷⁰ Includes recyclers and scrap processors in the 3TG supply chain.

⁷¹ Smelters and refiners conformant with the following assessment programs: RMAP, Responsible Jewellery Council's (RJC) Chain-of-Custody Certification Program, or the London Bullion Market Association's (LBMA) Responsible Gold Programme.

⁷² Percentage of smelters and refiners conformant with any of the following assessment programs: RMAP, Responsible Jewellery Council's (RJC) Chain-of-Custody Certification Program, or the London Bullion Market Association's (LBMA) Responsible Gold Programme.

⁷³ In process includes facilities that are RMAP active and/or that we reasonably believe exclusively source conflict minerals from recycled or scrap sources or from outside of the Covered Countries.

POLITICAL CONTRIBUTIONS

See [Public policy engagement](#) 

GOVERNMENT RELATIONS CONTRIBUTIONS⁷⁴

	2016	2017	2018
Contributions to U.S. federal, state, and local candidates, political memberships/sponsorships, and other ballot measure campaigns ⁷⁵	\$913,775	\$444,000	\$501,700

⁷⁴ Data are calendar year.

⁷⁵ Includes minimal operating expenditures.

PRIVACY

See [Privacy](#) 

SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA⁷⁶

	2016	2017	2018
Substantiated complaints from outside parties (including customers)	1	6	0
Substantiated complaints from regulatory or other official bodies	0	3	0

⁷⁶ Breaches of customer privacy cover any nonconformance with existing legal regulations and voluntary standards regarding the protection of customer privacy related to data for which HPE is the data controller. Substantiated complaints are written statements by regulatory or similar official bodies addressed to HPE that identify breaches of customer privacy, or complaints lodged with HPE that have been recognized as legitimate by HPE.

ASSURANCE

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors and Management
of Hewlett Packard Enterprise

We have reviewed the schedule of sustainability performance indicators (the "Subject Matter") included in Appendix A and as presented in Hewlett Packard Enterprise's ("HPE") Living Progress Report (the "Report") for the year ended October 31, 2018, unless otherwise stated, in accordance with the criteria also set forth in Appendix A (the "Criteria"). We did not review the narrative sections of the Report, except where they incorporated the Subject Matter. HPE's management is responsible for the Subject Matter included in Appendix A and as also presented in the Report, in accordance with the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. Those standards require that

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

In performing our review, we have also complied with the independence and other ethical requirements set forth in the Code of Professional Conduct and applied the Statements on Quality Control Standards established by the AICPA.

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

Based on our review, we are not aware of any material modifications that should be made to the schedule of sustainability performance indicators included in Appendix A for the year ended October 31, 2018, unless otherwise stated, in order for it to be in accordance with the Criteria.

Ernst + Young LLP

May 31, 2019
San Jose, CA



APPENDIX A – HPE SCHEDULE OF SUSTAINABILITY PERFORMANCE INDICATORS

Indicator name	Unit	Reported value ⁷⁷	Criteria
Scope 1 greenhouse gas (“GHG”) emissions ⁷⁸	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	67,657	World Resources Institute (“WRI”) / World Business Council for Sustainable Development’s (“WBCSD”) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and HPE’s Carbon Accounting Manual
Scope 2 GHG emissions (location-based-method) ⁷⁸	tCO ₂ e	335,361	
Scope 2 GHG emissions (market-based-method) ⁷⁸	tCO ₂ e	204,558	
Scope 3 GHG emissions ^{78,79}	tCO ₂ e	Category 1: 2,272,300 Category 4: 318,186 Category 5: 1,290 Category 11: 6,577,305	WRI/WBCSD’s The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and HPE’s Carbon Accounting Manual
Scope 1 energy consumption ⁸⁰	MWh	84,902	Global Reporting Initiative (“GRI”) Standard 302 and HPE management definitions disclosed in the FY18 Living Progress Report (LPR)
Scope 2 energy consumption	MWh	697,250	
Renewable energy consumption (voluntary purchases of RECs)	MWh	170,267	
Water withdrawals	Cubic meters	2,039,327	GRI Standard 303 and HPE management definitions disclosed in the 2018 LPR ⁸¹
Conflict mineral disclosure	N/A – Qualitative assertion	Hewlett Packard Enterprise identified the smelters and refiners on the list ⁸² set out in Hewlett Packard Enterprise’s Conflict Minerals Report by surveying suppliers between January 1, 2018 and December 31, 2018. The suppliers surveyed contribute material, components or manufacturing to products containing 3TG. Each smelter and refiner reported was identified in at least one of the Conflict Minerals Reporting Templates received from a supplier.	HPE management definitions disclosed in the 2018 LPR
Supply chain social and environmental responsibility (SER) audit results	Number of SER audits conducted	Full Audits: 61 Follow-up (F/U) audits: 39 Total audits: 100	HPE management definitions disclosed in the 2018 LPR and RBA’s Code of Conduct requirements for 3rd party audits
	Distribution of major and priority nonconformances by RBA Category ⁸³	Labor: 30%; Health and safety: 41%; Environmental: 16%; Management system: 11%; Ethics: 2%	
	Number of supplier audits performed per region ⁸⁴	China: Full audits: 33; F/U audits: 28; Total audits: 61	
		EMEA: Full audits: 0; F/U audits: 1; Total audits: 1 APJ: Full audits: 23; F/U audits: 9; Total audits: 32 Americas: Full audits: 5; F/U audits: 1; Total audits: 6	

⁷⁷ All indicators are reported for the year ended October 31, 2018 except as otherwise indicated.

⁷⁸ Refer to the Carbon Accounting Manual for details on GHG Scope 1, 2 and 3 calculation methodologies, available at: [h20195.www2.hpe.com/V2/GetDocument.aspx?docname=4AA6-6241ENW](https://www2.hpe.com/V2/GetDocument.aspx?docname=4AA6-6241ENW)

⁷⁹ Assurance for Scope 3 GHG emissions was limited to Category 1: Purchased Goods and Services, Category 4: Upstream transportation and distribution Category 5: Waste generated in operations and Category 11: Use of Sold Products.

⁸⁰ Fuel consumption from HPE’s transportation fleet is not included within the Scope 1 energy consumption figure.

⁸¹ Water withdrawals for HPE operations includes municipal water, tanker water and rainwater. Sewage treatment plant (STP) water is not included within the scope of HPE’s water withdrawals and is reported as a separate line item in the fiscal year 2018 Living Progress Report.

⁸² The Conflict Minerals Report, which includes the smelter and refiner list, is available at: [h20195.www2.hpe.com/V2/GetDocument.aspx?docname=A00016059ENW](https://www2.hpe.com/V2/GetDocument.aspx?docname=A00016059ENW)

⁸³ Includes full audits only; RBA stands for Responsible Business Alliance. Each provision of the RBA audit protocol includes a number of audit questions, each with a potential for no finding, risk of nonconformance, minor nonconformance, major nonconformance or priority nonconformance. HPE identifies the most significant nonconformance found in each provision and aggregates the major and priority nonconformances across all audits to determine the distribution of major and priority nonconformances by RBA Category.

⁸⁴ Regions include: China, APJ (Asia Pacific and Japan), EMEA (Europe, Middle East, and Africa), and the Americas (North, Central, and South America).

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

RESOURCES

HPE REPORTS AND ONLINE CONTENT

[HPE 2018 Living Progress Report](#)

[HPE 2018 10-K Report](#)

[HPE 2019 Proxy Statement](#)

[HPE Investor Relations](#)

[HPE Carbon Accounting Manual](#)

[HPE Water Accounting Manual](#)

[HPE ESG Rankings and Awards](#)

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