

DATA SUMMARY

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Hewlett Packard
Enterprise

INTRODUCTION

The 2019 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 [2019 Living Progress Report](#) .

BUSINESS CHANGES

In fiscal 2019, we made three primary strategic acquisitions: Cray, BlueData, and MapR. 2019 data includes these acquisitions, unless otherwise stated. HPE will recalculate historic data (2016-2018) that is associated with our 2025 climate goals in the next reporting cycle.

Unless otherwise stated, data and activity reported relates to our fiscal year, ending October 31, 2019.

Assurance

In accordance with attestation standards established by the American Institute of Certified Public Accountants, external assurance provider SCS Global Services performed an independent review of a selected number of key performance indicators in this Summary. See the scope of SCS's work [here](#).

COMPANY PROFILE

In 2019, our net revenue was \$29.1 billion, approximately 67% of which was generated outside of the U.S. We fulfilled taxation responsibilities in every location of operation and contributed net income taxes of \$518 million.

ECONOMIC IMPACT OF HPE OPERATIONS¹

	2019
Net revenue (\$ million)	\$29,135
Profit (\$ million)	\$9,493
Net cash provided by operating activities (\$ million)	\$3,997
Net revenue from outside the United States	67%
Income taxes paid, net of refunds (\$ million)	\$518
Net revenue by segment (\$ million)	
Hybrid IT	\$22,825
Intelligent Edge	\$2,837
Financial Services	\$3,581
Corporate Investments	\$507

¹ All data in this table is from HPE 2019 10-K Report.

Navigation



This symbol, found throughout this report, is a hyperlink to the [2019 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

	2018	2019
Number of environmental product stewards, program managers, and advocates	47	57

ECO-LABELS ACROSS HPE PRODUCT PORTFOLIO

Product group	% of eligible product lines with ENERGY STAR® configurations	% of eligible product lines on EPEAT registry	% of eligible product lines with CECP configurations	% of eligible product lines with CHINA SEPA configurations	% of new products with IT Eco Declarations ²
Servers	45%	45%	98.8%	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

	2018	2019
Number of countries and territories with HPC return and recycling programs	60	58
Total reuse and recycling combined (metric tons, approximate)	22,447	25,936
Reuse	14,932	19,631
Recycling	7,515	6,305
Total recycling, by region (metric tons)		
Americas	4,038	3,821
Europe, Middle East, and Africa	2,944	1,705
Asia Pacific and Japan	533	779

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

	2018	2019
CO ₂ e emissions avoided (metric tons)	2,045	1,784
Packaging material reduced (metric tons)	278	216
Recycled material used (metric tons)	629	508
Recycled wood packaging material used (metric tons)	164	108
Recycled cushion material used (metric tons)	673	410
Financial savings from materials innovations ³	\$230,000	\$219,000
Financial savings from design innovations ⁴		\$878,919

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 fiscal year 2019.

⁴ Financial savings due to packaging redesign and innovation from different regions.

MATERIAL COMPOSITION AND RECYCLABILITY OF TYPICAL HPE PRODUCTS⁵

Device	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	64.38%	5.71%	0.26%	0.88%	0%	23.41%	0.69%	98.50%
HPE StoreServ 8000	17,972	68.77%	0%	9.99%	0%	0%	20.08%	1.13%	90%
HPE Primera Storage A650	75,189	63.95%	28.21%	0.25%	0.24%	0%	28.21%	3.08%	91.70%
Aruba 3800 Switch	7,106	68.19%	1.30%	0.11%	0.91%	0%	27.08%	2.29%	96.10%
HPE Synergy 480 Gen10	7,299	55.20%	3.90%	0%	0%	0%	25.80%	1.78%	98%
HPE ProLiant XL190r Gen10 Server	5,503	69.96%	0.90%	0%	0.90%	0%	28.16%	0%	99.40%

⁵ Based on Recyclability Assessment Tool (RAT) calculations 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 FOOTPRINT⁷

Climate goals

Our strategic goals help minimize our environmental footprint across our entire value chain, ensuring we focus on those areas where our impact is greatest.

HPE was the first IT company to set science-based targets (SBTs) to reduce greenhouse gas (GHG) emissions across the value chain, including our operations and supply chain. Our climate goals are approved by the Science Based Target initiative and align with the recommendations of the internationally recognized Paris Climate Agreement to limit global average temperature rise to well below 2°C from pre-industrial levels in order to substantially reduce the risks and effects of climate change.

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

In 2019, HPE set a new target to reduce absolute emissions from our transportation logistics by 35% by 2025, relative to 2016.

As of 2019, HPE is still on track to meet all its climate targets.

PROGRESS TOWARD 2025 CLIMATE GOALS

By 2025: Reduce absolute manufacturing-related GHG emissions in our supply chain by 15% compared to 2016 levels	On Track
In 2018 ⁸ : We reduced emissions by 2% compared to 2016 levels	
By 2025: Enable 80% of our production suppliers (by spend) to set science-based targets	On Track
In 2018 ⁹ : 22% of our manufacturing suppliers (by spend) set science-based targets ¹⁰	
By 2025: Minimize operational GHG emissions by 55% compared to 2016 levels	On Track
In 2019: We reduced our emissions by 47% from 2016 levels	
By 2025: Source 50% of total electricity consumption in our operations from renewables	On Track
In 2019: We sourced 41% of our operational electricity from renewables	
By 2025: Reduce absolute emissions from transportation logistics by 35% compared to 2016 levels	On Track
In 2019: We reduced emissions by 29% compared to 2016 levels	
By 2025: Increase the energy performance of our product portfolio 30X compared to 2015 levels	On Track
In 2019: We increased the energy performance of our product portfolio 3X from 2015 levels ¹¹	

⁷ Operational environmental data does not account for Cray acquisition as data integration is still underway. Cray data will be included in the next reporting cycle and FY19 data will be recalculated to account for the appropriate changes.

⁸ With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2018.

⁹ With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2018.

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.

¹¹ Significant increases in energy performance occur when new product generations are introduced.

Carbon footprint

In 2019, HPE emitted a total of 8,294,324 metric tons of CO₂e. We reduced GHG emissions from our direct operations by 47% compared to 2016 levels.

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

See [Environment](#) 

CARBON FOOTPRINT (SCOPE 1, 2, AND 3)¹²

	2016	2017	2018	2019
GHG emissions (Scopes 1, 2, and 3) (metric CO₂e)	9,895,921	12,609,795	10,296,014	8,294,324
Operational GHG emissions (Scope 1 and Scope 2 market-based method)	440,327	366,652	276,716	234,527
% reduction to 2016 ¹³ baseline ¹⁴	-	-17%	-37%	-47%
Scope 1 ¹⁵	42,847	81,975	72,157	57,509
Scope 2 (market-based method)	397,480	284,677	204,558	177,018
Scope 2 (location-based method)	500,998	391,122	335,361	313,002
GHG emissions intensity (metric tons CO ₂ e/\$ million of net revenue)	14	13	9	8
Scope 3 ¹⁶	9,455,594	12,243,143	10,019,298	8,059,797

OPERATIONS EMISSION BY REGION (SCOPE 1 AND SCOPE 2) (METRIC TONS CO₂e)^{17, 18}

	2016	2017	2018	2019
Scope 1 and Scope 2 (market-based)	440,327	366,652	276,716	234,527
Americas	222,975	177,173	120,774	104,926
Europe, Middle East, and Africa	37,576	53,602	50,907	46,473
Asia Pacific and Japan	179,777	135,877	105,035	83,128
Scope 1	42,847	81,975	72,157	57,509
Americas	23,869	41,864	33,846	26,137
Europe, Middle East, and Africa	16,966	37,153	34,929	29,140
Asia Pacific and Japan	2,012	2,958	3,383	2,232
Scope 2 (market-based)	397,480	284,677	204,558	177,018
Americas	199,106	135,309	86,928	78,789
Europe, Middle East, and Africa	20,609	16,449	15,978	17,333
Asia Pacific and Japan	177,764	132,919	101,652	80,896
Scope 2 (location-based)	500,998	391,122	335,361	313,002
Americas	270,213	221,468	188,956	175,638
Europe, Middle East, and Africa	52,142	36,735	29,759	27,956
Asia Pacific and Japan	178,644	132,919	116,646	109,408

¹² Updated methodology applied to estimate fugitive emissions from refrigerants in FY19, FY16-FY18 data rebaselined, which accounts for the change from previous reporting.

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

¹⁴ 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.

¹⁵ 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.

¹⁶ 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.

¹⁷ Updated methodology applied to estimate fugitive emissions from refrigerants in FY19, FY16-FY18 data rebaselined, which accounts for the change from previous reporting.

¹⁸ Some segments do not add up to total due to rounding.

Carbon footprint (cont.)

OPERATIONS EMISSIONS BY TYPE (SCOPE 1 AND 2) (METRIC TONS CO₂e)^{19, 20}

	2016	2017	2018	2019
Scope 1	42,847	81,975	72,157	57,509
Natural gas	14,116	10,582	14,506	10,743
Diesel/gas/oil ²¹	473	697	955	651
Transportation fleet	22,711	64,648	52,134	42,315
Refrigerants (hydrofluorocarbons HFCs)	5,547	6,048	4,562	3,800
Perfluorocarbons (PFCs) ²²	-	-	-	-
Scope 2 (market-based)	397,480	284,677	204,558	177,018
Purchased electricity for operations	394,199	283,068	204,550	177,017
District cooling (purchased) for operations	3,281	1,610	8	1
Scope 2 (location-based)	500,998	391,122	335,361	313,002
Purchased electricity for operations	497,718	389,512	335,353	313,001
District cooling (purchased) for operations	3,281	1,610	8	1

GHG EMISSIONS SCOPE 3 (METRIC TONS CO₂e)²³

	2016 ²⁴	2017	2018	2019
Scope 3 emissions by category	9,455,594	12,243,143	10,019,298	8,059,797
Purchased goods and services	1,544,000	2,694,662	2,272,300	2,072,642
Capital goods	230,000	88,074	90,083	120,736
Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	275,000	187,286	93,746	96,115
Upstream transportation and distribution	380,594	423,759	318,186	274,753
Waste generated in operations	-	14,368	1,290	1,146
Business travel	137,000	62,503 ²⁵	68,553	69,521
Employee commuting	677,000	225,829	247,936	237,643
Upstream leased assets	N/A	N/A	N/A	N/A
Downstream transportation and distribution ²⁶	385,791	436,124	323,580	275,446
Processing of sold products	N/A	N/A	N/A	N/A
Use of sold products	6,155,000	8,053,293	6,577,305	4,889,462
End-of-life treatment of solid products	29,000	38,639	26,047	22,333
Downstream leased assets	28,000	41,312	0	0
Franchises	N/A	N/A	N/A	N/A
Investments	N/A	N/A	N/A	N/A

¹⁹ Updated methodology applied to estimate fugitive emissions from refrigerants in FY19, FY16-FY18 data rebaselined, which accounts for the change from previous reporting.

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

²¹ HPE does not estimate or extrapolate diesel use for nonreporting sites.

²² Data is based on the calendar year.

²³ Some segments do not add up to total due to rounding.

²⁴ 2016 Scope 3 emissions include data from DXC and Micro Focus.

²⁵ 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.

²⁶ Data for FY16-FY18 updated from last reporting cycling due to updates we received from our transportation logistics providers.

Water footprint

The majority of our global water footprint can be attributed to the electricity associated with the use of our products (95%) and the energy needs of our operations (5%), including the consumption related to power generation and infrastructure cooling.

See [Environment](#) 

WATER FOOTPRINT²⁷

	2017	2018	2019
HPE water footprint (cubic meters)	11,016,394,185	15,556,374,506	14,168,840,019
Water withdrawal in HPE operations	2,228,986	2,039,327	1,728,260
Water withdrawal associated with the generation of electricity used in HPE operations	808,864,716	731,592,844	689,823,114
Water consumption associated with the generation of electricity used in HPE operations	2,722,740	2,410,914	2,246,396
Water withdrawn by HPE suppliers in their operations ²⁸	4,837,554	5,208,799	4,881,478
Water withdrawal associated with the generation of electricity used by HPE suppliers	14,627,463	15,834,607	14,820,613
Water withdrawal associated with the generation of electricity used in HPE products	10,185,835,466	14,801,698,929	13,457,586,553
Water consumption associated with the generation of electricity used in HPE products	46,285,675	43,139,838	33,304,672

Operations

We decreased our operational energy use in 2019 through multiple tactics to reduce on-site electricity consumption. HPE conducted 15 operational projects that reduced energy demand by 6,222 MWH, which yielded savings of approximately \$752,000.

In 2019, 41% of our electricity was sourced from renewables.

See [Environment](#) 

OPERATIONS²⁹

	2016	2017	2018	2019
Energy use (MWh) ^{30, 31}	1,079,481	891,537	782,151	723,119
Energy intensity (MWh/\$ million of net revenue)	36	31	25	25
Direct energy use in operations³¹ (corresponds to Scope 1 emissions) (MWh)	82,572	63,890	84,902	62,493
Natural gas (MWh)	77,889	58,386	80,008	59,278
Diesel/LPG (MWh)	1,874	2,598	3,893	2,711
Electricity (generated on-site) (MWh)	2,810	2,905	1,001	504
Renewable (generated on-site) (MWh)	2,810	2,521	938	494
Diesel/gas/oil/LPG (MWh)	-	384	63	11
Indirect energy use (corresponds to Scope 2 emissions) (MWh)	996,909	827,647	697,250	660,626
Electricity sources from nonrenewable energy (MWh)	785,779	619,824	441,817	392,850
Electricity sourced from renewable energy (MWh)	192,885	198,869	255,417	267,773
Voluntary purchases of renewable energy credits (RECs)	110,929	131,841	170,267	201,140
Voluntary purchase of utility-provided renewable energy	81,956	67,028	85,150	66,633
District cooling and heating (purchased) (MWh)	18,244	8,955	15	3
Electricity sourced from renewables (percentage of total)	20%	25%	37%	41%

²⁷ In FY19, HPE updated its water-energy nexus calculations to be aligned with the most recent WRI protocol guidance report. The WRI released its new Guidance for Calculating Water Use in Embedded in Purchased Electricity in February 2020. HPE has applied the new guidance to calculate our water withdrawal data for Operations and Product Use. We will apply the new guidance to water withdrawal associated with our Supply Chain in our next reporting cycle. Updates were also made to FY17 and FY18 water-energy nexus categories, which accounts for the discrepancies in what was previously reported.

²⁸ 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.

²⁹ Some segments do not add up to total due to rounding.

³⁰ Includes both direct and indirect energy use, which are the source of Scope 1 and Scope 2 emissions, respectively.

³¹ Data does not include fuel consumption from HPE's transportation fleet.

Operations (cont.)

As of 2019, HPE is sourcing 67% of our total renewable electricity from the Americas, 19% from Europe, Middle East, and Africa (EMEA), and 14% from Asia Pacific and Japan (APJ).

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
2019	Electricity (purchased and on-site) (MWh)	396,901	94,605	169,621
	Electricity sourced from renewable energy (MWh)	178,668	50,872	38,726
	District cooling and heating (purchased) (MWh)	-	-	3
	Scope 2 emissions (market-based) (metric tons CO ₂ e)	78,789	17,333	80,896

OZONE DEPLETION

	2016 ³²	2017	2018	2019
Ozone depletion potential of estimated emissions (kg of CFC-11 equivalent)	134	3.6	4.01	15.91
Americas	129	3.6	3.91	15.91
Europe, Middle East, and Africa	0	0	0.1	0
Asia Pacific and Japan	5	0	0	0

³² Includes data from DXC and Micro Focus.

AIR POLLUTANTS

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

Operations (cont.)

Our operations withdrew 1.7 million cubic meters of water in 2019, a decrease of 18% from the previous year.

In 2019, HPE increased our waste diversion target from 83% to 87%. We generated a total of 8,257 metric tons of waste and diverted 87% from landfill. While our year-over-year diversion rate decreased by 3% compared to 2018, so did overall waste generation.

See [Environment](#) 

WATER³³

	2016	2017	2018	2019
Water withdrawal, by region (cubic meters)	2,626,556	2,228,986	2,039,327	1,728,260
Americas	1,566,000	1,305,926	1,267,302	1,094,944
Europe, Middle East, and Africa	273,006	224,688	263,447	225,288
Asia Pacific and Japan	787,550	698,372	508,578	408,028
Water withdrawal, by source (cubic meters)	2,626,556	2,228,986	2,039,327	1,728,260
Municipal water	2,617,404	2,140,396	1,962,210	1,642,048
Rainwater	872	7,534	4,330	5,295
Tanker water	8,280	81,056	72,787	80,918
Reused treated sewage treatment plant water³⁴	4,774	29,806	42,965	50,890

³³ Some segments do not add up to total due to rounding.

³⁴ Water used for landscaping and flushing toilets.

WASTE

	2016	2017	2018	2019
Nonhazardous waste (metric tons)	42,900	13,200	13,208	8,193
Americas	24,700	7,100	6,712	4,623
Europe, Middle East, and Africa	7,700	2,000	1,507	2,767
Asia Pacific and Japan	10,500	4,200	4,989	803
Nonhazardous waste landfill diversion rate (percentage of total produced)	84.2%	83%	90%	87%
Americas	81.7%	78%	88%	83%
Europe, Middle East, and Africa	91.5%	95%	83%	95%
Asia Pacific and Japan	84.7%	87%	94%	86%
Hazardous waste (metric tons)	341	109	113	63
Americas	253	88	80	48
Europe, Middle East, and Africa	58	6	3	1
Asia Pacific and Japan	31	16	30	15

Supply chain environmental impact

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

Continuing our downward trend in manufacturing-related GHG emissions, our production suppliers decreased their Scope 1 and Scope 2 emissions in 2018. With a decrease in intensity of our top tier suppliers and increased capability building and 1-on-1 engagements, we progressed toward our 15% absolute reduction target. We made a great leap in progress toward our engagement goal, with 22% of our suppliers, by spend, setting science-based targets within their operations. Suppliers who previously committed to setting science-based targets followed through on their commitments and a new wave of suppliers are making commitments and setting targets in the years ahead.

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

See [Environment](#) 

SUPPLIER ENVIRONMENTAL PERFORMANCE³⁵

	2016	2017	2018	
Suppliers (by spend) who have a sustainability report based on Global Reporting Initiative (GRI) Protocol	65%	73%	88%	
Third-party verification of GHG emissions in line with CDP verification ³⁶	-	41%	65%	
Production supplier GHG emissions³⁷				
% Reduction from 2016 baseline	-	1%	2%	
Production supplier Scope 1 and Scope 2 emissions (metric tons CO ₂ e)	807,398	800,428	788,042	
Production suppliers with science-based Scope 1 and Scope 2 targets³⁸	-	11%	22%	
Production suppliers with Scope 1 and 2 targets that track with climate-science	-	9%	15%	
Production suppliers with SBTi-approved targets	-	2%	7%	
Production suppliers committed to set SBTs within two years	-	67%	55%	
Production suppliers stating their commitment to set SBTs	-	58%	49%	
Production suppliers with commitment to the SBTi to set SBTs		9%	6%	
Production supplier water withdrawal³⁹				
Production suppliers with water withdrawal-related goals (% of spend)	62%	64%	39% ⁴⁰	
Production supplier waste generation⁴¹				
Production suppliers with waste-related goals (% of spend)	61%	60%	41%	
	2016	2017	2018	2019
Estimated total GHG emissions from product transport⁴² (metric tons CO₂e)⁴³	385,791	436,124	323,580	274,753
Road (includes rail)	36,422	60,534	20,977	17,665
Ocean	12,873	8,884	7,590	4,124
Air	336,496	336,706	295,013	252,963

⁴² The data reported represents the transportation emissions from suppliers that receive 98% of total spend in 2018, 94% in 2017, and 92% in 2016.

⁴³ Data for FY16–FY18 updated from last reporting cycling due to updates we received from our transportation logistics providers.

³⁵ With the exception of product transport, supplier data is reported as a one-year lag. Therefore, the most recent data available is from 2018.

³⁶ Introduced Supplier CDP verification of GHG emissions in 2016, 2017 first year of available data.

³⁷ 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.

³⁸ 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.

³⁹ 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.


⁴⁰ HPE reviews supplier goal setting for water and waste based on long-term commitment and measurement from an established baseline. Through our review this year, we excluded goals that covered a period of 12 months or less, thereby decreasing the overall percentage, by spend, of suppliers counted under these categories.


⁴¹ 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.

EMPLOYEES

At the close of 2019, we employed approximately 60,000 people worldwide. Women made up 31.6% of our workforce and 22.4% of our management workforce. During this same period, our lost workday rate case was 0.05, a rate well below industry standards. HPE's employee retention increased year-over-year, as voluntary turnover fell from 9.5% in 2018 to just 7.0% in 2019.

HPE supports the freedom of association of our team members. We comply with all applicable laws concerning team members' rights to join labor unions or engage in other protected, concerted activity. Team members are represented by works councils, unions, or covered by a collective bargaining agreement in about 58% of the countries in which HPE operates. In total, HPE has relationships with 38 unions worldwide, with collective bargaining agreements covering 37% of our workforce.

See [Inclusion and diversity](#) 

See [Employee development, engagement, and well-being](#) 


EMPLOYEE DEMOGRAPHICS

Active employees, 2019

	Men	Men (%)	Women	Women (%)	Total ⁴⁴
Employees (regular full-time and part-time) by region and gender	41,181	68.38%	19,002	31.55%	60,228
Americas	15,822	70.06%	6,749	29.89%	22,583
Asia Pacific and Japan	15,314	68.47%	7,033	31.44%	22,367
Europe, Middle East, and Africa	10,045	65.75%	5,220	34.17%	15,278
Employees (regular full-time) by employment type and gender					
Executives	318	79.10%	84	20.90%	402
Directors	1,120	77.24%	330	22.76%	1,450
Managers	3,472	75.01%	1,157	24.99%	4,629
Professionals	33,484	70.05%	14,275	29.87%	47,798
Other	2,661	49.50%	2,709	50.39%	5,376
Employee (regular part-time) by employment type and gender					
Executives	0	0.00%	0	0.00%	0
Directors	0	0.00%	2	100.00%	2
Managers	4	22.22%	14	77.78%	18
Professionals	107	22.06%	378	77.94%	485
Other	15	22.06%	53	77.94%	68
World workforce by age group					
30 and under					18.52%
31-50					56.83%
51 and over					24.18%
Age not listed					0.37%
Employee voluntary turnover					7%
Employees covered by collective bargaining agreements					37%

⁴⁴ 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

	2018	2019
Women employees (% of total)	31.16%	31.55%
Americas	29.80%	29.89%
Asia Pacific and Japan	30.89%	31.44%
Europe, Middle East, and Africa	33.58%	34.17%
Women managers (% of total management workforce)	23.47%	24.41%
Americas	24.50%	25.54%
Asia Pacific and Japan	18.31%	19.85%
Europe, Middle East, and Africa	26.79%	26.95%
Senior ranking positions held by women (Director level and above) (% of total top management positions)	21.09%	22.44%
Americas	22.81%	24.49%
Asia Pacific and Japan	13.04%	14.88%
Europe, Middle East, and Africa	20.50%	20.53%
U.S. Employees, by ethnicity (% of total)		
White	69.14%	67.85%
All minorities	30.86%	32.15%
Black	5.62%	5.49%
Hispanic	6.33%	6.52%
Asian	16.93%	17.99%
Native American	0.37%	0.35%
Global new hires, by gender⁴⁵ (% of total)		
Female	32.17%	35.72%
Male	67.60%	64.18%
U.S. new hires, by ethnicity⁴⁶ (% of total)		
White	57.64%	57.80%
All minorities	42.36%	42.20%
Black	7.09%	6.09%
Hispanic	6.87%	7.60%
Asian	24.58%	25.10%
Native American	0.44%	0.22%

⁴⁵ Sum of "Female" and "Male" for 2019 does not equal 100% due to a small number of new hires who did not declare a gender.

⁴⁶ 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.

EMPLOYEES (cont.)

See [Employee health and safety](#) 

HEALTH AND SAFETY

	2017	2018	2019
Lost workday case rate⁴⁷ (number)	.04	.05	.05
Americas	.07	.07	.04
Europe, Middle East, and Africa	.05	.04	.08
Asia Pacific and Japan	.01	.02	.03
Recordable incidence rate⁴⁸ (number)	.12	.12	.11
Americas	.21	.23	.18
Europe, Middle East, and Africa	.14	.08	.12
Asia Pacific and Japan	.02	.03	.04
Leading causes of lost workdays (percentage)⁴⁹			
Slips, trips, and falls	36%	43%	48%
Struck by/against/cut by	17%	18%	7%
Caught in/between	7%	3%	3%
Ergonomics: office environment	7%	3%	3%
Ergonomics: materials handling	5%	7%	3%
Automobile accidents	5%	21%	17%
Overexertion	2%	0%	10%
Other ⁵⁰	21%	3%	7%
Leading causes of all recordable incidents (percentage)⁵¹			
Slips, trips, and falls	38%	36%	42%
Struck by/against/cut by	14%	19%	14%
Ergonomics: materials handling	13%	10%	9%
Ergonomics: office environment	8%	4%	6%
Automobile accidents	8%	11%	13%
Caught in/between	6%	7%	3%
Overexertion	2%	7%	9%
Other ⁵²	12%	6%	3%

⁴⁷ 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.

⁴⁸ Recordable incidence rate is the number of all work-related lost-time and no-lost-time cases requiring more than first aid per 100 employees working a full year. Rates are calculated using OSHA definitions for recordability around the world and using OSHA calculation methodologies.

⁴⁹ Some years may not add to 100% due to rounding.

⁵⁰ "Other" category includes lost workdays cases, including those related to stress, exertion not related to materials handling, manufacturing ergonomics, and assault.

⁵¹ Some years may not add to 100% due to rounding.

⁵² "Other" category includes lost workdays cases, including those related to stress, exertion not related to materials handling, manufacturing ergonomics, and assault.

SOCIAL IMPACT

Employee participation in HPE Gives is up 109% year-over-year, with \$11.5 million in monetary donations and more than 13,850 employees volunteering in 2019. The top-five causes most supported by our workforce include: Education with \$6.28 million in contributions; Human Services with \$2.79 million; International, Foreign Affairs, and National Security with \$2.01 million; Voluntary Health Organizations and Medical Disciplines with \$1.65 million; and Health-General and Rehabilitative with \$1.53 million in contributions.

See [Community investment](#) 

SOCIAL IMPACT

	2018	2019
Social investment (\$ million) ⁵³	\$15.3	\$21.9
Cash	\$8.4	\$11.5
Product donations ⁵⁴	\$0.6	\$0.7
Volunteering ⁵⁵	\$6.3	\$9.8
Number of employees who took part in volunteering activities	4,891	13,850 ⁵⁶
Number of hours of volunteer time	181,155	264,602 ⁵⁷
% of volunteer time that was skills-based	44%	32%
Employee participation in HPE Gives (number of employees) ⁵⁸	7,252	16,579
Contributions to HPE Gives (\$ million)	\$5.4	\$7.0
Employee contributions	\$2.5	\$3.2
HPE Foundation matching	\$2.2	\$3.0
Volunteer rewards redeemed	\$0.6	\$7
Employee Directed Grants	\$0.2	\$0.1
Disaster Relief	\$0.3	\$0.7

⁵³ Social investments include all grants made to nonprofit organizations from HPE and the HPE Foundation, plus the valuation of employee volunteer hours. Data excludes contributions to the HPE Foundation and employee donations but include HPE's matching contributions and contributions from the HPE Foundation to other organizations. Some segments do not add up to total due to rounding.

⁵⁴ 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.

⁵⁵ Hourly rate based on type of volunteering: \$195/hour for pro bono (CECP); \$25.43/hour for all other volunteering (Independent Sector).


⁵⁶ Global Day of Service led to a spike in number of employees participating in volunteering.

⁵⁷ Global Day of Service led to a spike in volunteer hours.

⁵⁸ Number of employees who have donated, requested a match, tracked volunteer hours, or redeemed volunteer rewards via the HPE Gives platform.

SUPPLIER DIVERSITY

Although diverse supplier spending decreased, in line with a 33% reduction in overall HPE supply chain spend, the percentage of spend toward diverse suppliers remained consistent year-over-year. Nearly \$1 billion was spent with diverse suppliers, including 28% of U.S. sales spent with small businesses.


See [Inclusion and diversity](#) 

SUPPLIER DIVERSITY

	2018	2019
HPE's spend with U.S. diverse suppliers		
Small businesses (\$ million)	\$1,100	\$713
Minority-owned businesses (\$ million)	\$134	\$94
Women-owned businesses (\$ million)	\$123	\$109
Veteran-owned businesses, service-disabled veteran-owned businesses, HUBZone businesses, and others (\$ million)	\$20	\$23
Total amount spent by HPE on diverse suppliers (\$ million)	\$1,300	\$939 ⁵⁹

⁵⁹ Decrease in diverse supplier spend resulted from decrease in overall supply chain spend year-over-year.

ETHICS

See [Corporate governance and ethical behavior](#) 

CORPORATE ETHICS HIGHLIGHTS

	Total
Percent of active team members who completed annual SBC training	99.9%
Anti-corruption audits ⁶⁰	15

⁶⁰ Includes internal and external audits.

BREACHES OF ETHICAL BEHAVIOR

Items reported to HPE global Standards of Business Conduct team or other compliance functions in 2019⁶¹

	2019
Labor Law/HR	38.6%
Misuse of assets	29.3%
Conflicts of interest	10.8%
Reporting	5.6%
Anti-corruption ⁶²	5.2%
Fraud	3.2%
Workplace security and theft	2.8%
Confidentiality	2.0%
Competition	0.8%
Theft	0.8%
Gray marketing/channel	0.4%
Failure to make ethical decisions	0.4%

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

⁶² The anti-corruption category is broadly defined and includes allegations of commercial or public sector bribery, kickbacks, and certain Global Business Amenities Policy violations.

SUPPLY CHAIN RESPONSIBILITY

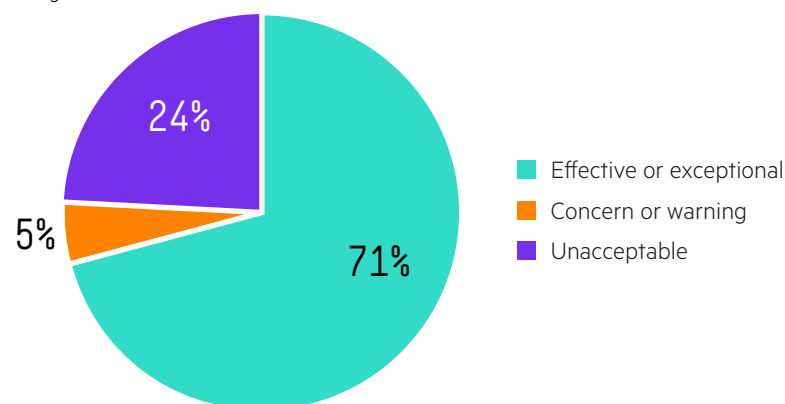
Supplier Social and Environmental Responsibility (SER) performance is factored into our procurement decisions through our supplier business scorecard. Throughout the year, we evaluate our suppliers on their SER management systems, labor, responsible sourcing of minerals, materials compliance, and environmental programs, among other topic areas. We work directly with our suppliers to rate their SER programs through our audit assurance program. These evaluations are shared with both HPE and supplier partner leadership. Through these engagements, suppliers are able to create corrective actions plans to address and improve their performance. In the last few years, we have worked to continually improve the criteria against which we evaluate our suppliers, adding more stringent requirements for climate change program implementation and responsible minerals sourcing. We continue to work directly with our suppliers to keep or move them into the effective or exceptional category, with 71% of our suppliers in this category in 2019.

See [Ethical sourcing](#)

Supply chain responsibility dashboard

SER SCORECARD DISTRIBUTION, 2019⁶³

(percentage of total)



⁶³ Distribution includes final assembly, contract manufacturers, original equipment manufacturers, and strategic commodity supplier sites within HPE's top 95% of supplier spend.

SOCIAL KEY PERFORMANCE INDICATORS

SCR dashboard

	2017	2018	2019
Suppliers' employees working less than 60 hours per week on average ⁶⁴ (percentage)	97%	96%	96%
Suppliers' employees receiving at least one day of rest each seven-day workweek (percentage)	99%	98%	99%
Suppliers in China with student workers representing 20% or less of total employees (percentage)	100%	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	6
Critical findings related to occupational safety, emergency preparedness, or industrial hygiene	0	7	4
Critical findings related to disclosure of information	0	1	1
SER audits and assessments conducted (cumulative)⁶⁵	189	292	366
Total audits (cumulative)	169	269	337
Full audits (cumulative)	96	157	194
Follow-up audits (cumulative)	73	112	143
Assessments and allegation investigations (cumulative)	20	23	29
Number of suppliers audited (total, cumulative)	83	127	161
Number of supplier facilities audited (total, cumulative)	145	231	293

⁶⁴ Based on workers at final assembly, and selected commodity sites participating in the HPE KPI program and audit results. Suppliers are included in the KPI program based on business risk, country risk, and identified nonconformances.

⁶⁵ Cumulative figures reflect totals from 2017 to indicated year.

Performance monitoring

In 2019, we estimate that 133,622 workers were touched by our supply chain audit assurance and improvement program, through which we arranged 68 audits and six specialized assessments and investigations with suppliers. When a major nonconformance is identified, suppliers are required to implement a corrective action plan, which is verified with a follow-up audit. In cases where a critical issue is uncovered, we require swift action, including the development of a corrective action plan, and we downgrade the supplier on our SER scorecard.

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

See [Ethical sourcing](#) 

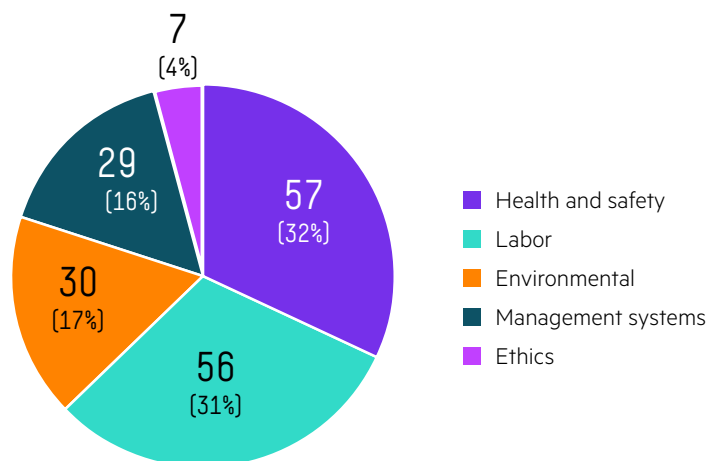
SER AUDITS AND ASSESSMENTS CONDUCTED BY REGION, 2019⁶⁶

	Greater China	Asia Pacific	Americas	Europe
Vulnerable worker group (student and foreign worker) assessments	0	3	0	0
Allegation investigations	1	0	0	0
Specialized assessments	2	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	23	10	3	1
Follow-up audits: To address any major nonconformances found in an earlier full audit	24	5	2	0

⁶⁶ Data reflects fiscal year 2019 audit reports received as of January 31, 2020.

MAJOR NONCONFORMANCES

by section of HPE Supplier Code of Conduct, 2019 (%)⁶⁷



⁶⁷ Data excludes minor nonconformances that do not indicate a systemic problem but typically represent an isolated finding. Data is from full audits; data from assessments is not included. Each provision of the RBA audit protocol includes a number of audit questions, each with a potential for no finding, minor nonconformance, major nonconformance, or priority nonconformance. HPE identifies the most significant nonconformance found in each provision and aggregates the major and priority nonconformances across all audits to determine the distribution of major and priority nonconformances by RBA category. Percentages were rounded to add to 100%.

Health and safety

Health and safety findings represented 32% of all major nonconformances in 2019.

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 workplace health and safety risks to pregnant women and nursing women, such as providing reasonable accommodations for nursing mothers.⁶⁸ Suppliers were required to complete corrective actions for identified issues.

OCCUPATIONAL INJURY AND ILLNESS

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

HEALTH AND SAFETY, GLOBAL

Rates of major nonconformances of sites audited (%), 2019

Occupational safety	43%
Emergency preparedness	43%
Occupational injury and illness	27%
Industrial hygiene	14%
Physically demanding work	3%
Machine safeguarding	3%
Sanitation, food, and housing	22%
Health and safety communication	0%

HEALTH AND SAFETY, REGIONAL

Major nonconformances of sites audited, 2019

	Greater China	Asia Pacific	Americas	Europe
Occupational safety	10	4	1	1
Emergency preparedness	11	3	1	1
Occupational injury and illness	7	2	0	1
Industrial hygiene	4	1	0	0
Physically demanding work	0	0	1	0
Machine safeguarding	1	0	0	0
Food, sanitation, and housing	5	3	0	0
Health and safety communication	0	0	0	0

Labor

Labor-related findings represented 31% of all major nonconformances in 2019. In response to these findings we continue to use targeted capability-building programs and trainings with suppliers to achieve conformance with HPE and legal requirements. We implement and track improvement through corrective action plans, and encourage industry-level attention and action through our membership status with the Responsible Business Alliance (RBA).⁶⁹

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 2019, an average of 96% of workers at supplier sites in the KPI program worked less than 60 hours per week, consistent in comparison to 2018. On average, 99% of workers at supplier sites received at least one day of rest in every seven-day period, compared to 98% in 2018. We are expanding the reach of our working hours assessments to include more small and high-risk suppliers, and 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 and support them in establishing robust working hours monitoring systems

⁶⁸ In 2019, the Responsible Business Alliance strengthened the Code of Conduct, version 6.0 to include reasonable accommodations for nursing mothers.

⁶⁹ Formerly the Electronic Industry Citizenship Coalition (EICC).

WAGES AND BENEFITS

In 2019, 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.




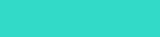



FREELY CHOSEN EMPLOYMENT MANAGEMENT SYSTEMS

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

In 2019, 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 six critical findings, including payment of excessive recruitment fees, retention of worker documents and related issues, verbal harassment and unfair treatment by management of workers, and hours and shifts worked by students in violation of HPE policies and standards.

LABOR, GLOBAL

Rates of major nonconformances of sites audited (%), 2019

Freely chosen employment management systems		24%
Young worker protection management systems		3%
Working hours		73%
Wages and benefits		41%
Humane treatment		3%
Nondiscrimination management systems		5%
Freedom of association		3%

LABOR, REGIONAL

Major nonconformances of sites audited, 2019

	Greater China	Asia Pacific	Americas	Europe
Freely chosen employment management systems	7	2	0	0
Young worker protection management systems	0	1	0	0
Working hours	23	2	2	0
Wages and benefits	14	1	0	0
Humane treatment	1	0	0	0
Nondiscrimination management systems	1	1	0	0
Freedom of association	0	1	0	0

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.

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 2019, in response to audit findings, we provided on-site capability building to enhance supplier management systems with respect to foreign migrant workers. In 2020, we will continue to focus our efforts on ensuring that suppliers fully understand our requirements and are proactively working to meet them.

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

Environmental

Environmental findings represented 17% of all major nonconformances in 2019.







See [Environment](#) 

HAZARDOUS SUBSTANCES

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

ENVIRONMENTAL, GLOBAL

Rates of major nonconformances of sites audited (%), 2019

Environmental permits and reporting		14%
Pollution prevention and resource reduction		3%
Hazardous substances		35%
Wastewater and solid waste		0%
Air emissions		14%
Materials restrictions		0%
Storm water management		14%
Energy consumption and GHG emissions		3%

ENVIRONMENTAL, REGIONAL

Major nonconformances of sites audited, 2019

	Greater China	Asia Pacific	Americas	Europe
Environmental permits and reporting	5	0	0	0
Pollution prevention and resource reduction	0	0	0	1
Hazardous substances	9	3	1	0
Wastewater and solid waste	0	0	0	0
Air emissions	2	3	0	0
Materials restrictions	0	0	0	0
Storm water management	3	2	0	0
Energy consumption and GHG emissions	0	1	0	0

Management systems













Findings related to management systems represented 16% of all major nonconformances in 2019.

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

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

MANAGEMENT SYSTEMS, GLOBAL

Rates of major nonconformances of sites audited (%), 2019

Company commitment		3%
Management accountability and responsibility		8%
Legal and customer requirements		8%
Risk assessment and risk management		5%
Improvement objectives		5%
Training		3%
Communication		8%
Worker feedback and participation		3%
Audits and assessments		8%
Corrective action process		3%
Documentation and records		0%
Supplier responsibility		24%

MANAGEMENT SYSTEMS, REGIONAL

Major nonconformances of sites audited, 2019

	Greater China	Asia Pacific	Americas	Europe
Company commitment	0	1	0	0
Management accountability and responsibility	2	1	0	0
Legal and customer requirements	2	1	0	0
Risk assessment and risk management	1	1	0	0
Improvement objectives	1	1	0	0
Training	1	0	0	0
Communication	1	2	0	0
Worker feedback and participation	0	1	0	0
Audits and assessments	3	0	0	0
Corrective action process	1	0	0	0
Documentation and records	0	0	0	0
Supplier responsibility	7	2	0	0

Ethics

Ethics-related findings represented 4% of all major nonconformances in 2019.

ETHICS, GLOBAL

Rates of major nonconformances of sites audited (%), 2019

Business integrity	3%
No improper advantage	3%
Disclosure of information	3%
Intellectual property	0%
Fair business, advertising, and competition	3%
Protection of identity and nonretaliation	3%
Privacy	0%
Responsible sourcing of minerals	5%

ETHICS, REGIONAL

Major nonconformances of sites audited, 2019

	Greater China	Asia Pacific	Americas	Europe
Business integrity	0	1	0	0
No improper advantage	0	1	0	0
Disclosure of information	0	1	0	0
Intellectual property	0	0	0	0
Fair business, advertising, and competition	0	1	0	0
Protection of identity and nonretaliation	0	1	0	0
Privacy	0	0	0	0
Responsible sourcing of minerals ⁷⁰	0	1	0	1

⁷⁰ The nonconformances associated with the responsible sourcing of minerals related to lack of policy statements, not that conflict minerals finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo.

RESPONSIBLE SOURCING OF MINERALS

In May 2020, we filed our annual [Conflict Minerals Report](#) with the SEC. HPE identified smelter and refiners⁷¹ on the list set out in the HPE Conflict Minerals Report by surveying suppliers between January 1, 2019 and December 31, 2019. The suppliers surveyed contributed material, components, or manufacturing to products containing tin, tantalum, tungsten, or gold (3TG). Each smelter and refiner reported was identified in at least one of the Conflict Minerals Reporting Templates⁷² received from a supplier.

We received acceptable responses from 3TG direct suppliers estimated to represent more than 99% of our 2019 spend with this group. These suppliers reported 283 total 3TG smelters and refiners in 2019, of which 95%⁷³ are either:

- Conformant with the Responsible Minerals Initiative's (RMI)⁷⁴ Responsible Minerals Assurance Process (RMAP) or another OECD-aligned independent assessment program⁷⁵
- RMAP active⁷⁶
- Reasonably believed by HPE to exclusively source conflict minerals from recycled or scrap sources, or from outside Covered Countries⁷⁷

Only 5% (13) of the supplier-reported 3TG facilities are facilities for which we have limited or no information on the sourcing of necessary

PROGRESS TOWARD DRC CONFLICT FREE⁷⁸

	Total (number) ⁷⁹	Progress toward DRC conflict free (number) ⁸⁰	Percentage
Tin	55	52	95%
Tantalum	38	38	100%
Tungsten	45	44	98%
Gold	145	136	94%
Total	283	270	95%

STATUS OF ALL SUPPLIER-REPORTED 3TG SMELTERS AND REFINERS⁸¹

	Number or percentage (see individual data points)
Conformant ⁸²	232
Conformant ⁸³ (percentage of total)	82%
Active ⁸⁴	38
Active (percentage of total) ⁸⁴	13%
Not yet participating	13
Not yet participating (percentage of total)	5%
Total	283

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).

See [Ethical sourcing](#) 

⁷¹ This reference to smelters and refiners includes recyclers and scrap processors in the 3TG supply chain.

⁷² Refers to the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template.

⁷³ Based on due diligence and reasonable country of origin inquiry.

⁷⁴ 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.

⁷⁵ The Responsible Minerals Assurance Process (RMAP) 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. RMAP has a cross-recognition policy with other OECD-aligned independent assessment programs in order to reduce audit duplication and support the implementation of the OECD Due Diligence Guidance. Currently these include the Responsible Jewellery Coalition's ("RJC") Chain-of-Custody and Code of Practices Program, and the London Bullion Market Association's ("LBMA") Responsible Gold Programme.

⁷⁶ RMI defines "active" as smelter or refiner facilities that are engaged in RMAP and progressing toward an audit but not yet conformant.

⁷⁷ The Democratic Republic of the Congo (DRC) or an adjoining country.

⁷⁸ "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. Conflict minerals from recycled or scrap sources are considered DRC conflict free.

⁷⁹ Number of 3TG smelters and refiners by metal reported to HPE.

⁸⁰ Number of 3TG smelters and refiners by metal reported to HPE that were either conformant with RMAP or in process of becoming conformant, and/or that we reasonably believe exclusively source conflict minerals from recycled or scrap sources, or to source conflict minerals from outside the Covered Countries (as of March 20, 2020).

⁸¹ Includes recyclers and scrap processors in the 3TG supply chain.

⁸² Smelters and refiners conformant with the following assessment programs: RMAP, Responsible Jewellery Council's (RJC) Chain-of-Custody and Code of Practices Program, or the London Bullion Market Association's (LBMA) Responsible Gold Programme.

⁸³ Percentage of smelters and refiners conformant with any of the following assessment programs: RMAP, Responsible Jewellery Council's (RJC) Chain-of-Custody and Code of Practices Program, or the London Bullion Market Association's (LBMA) Responsible Gold Programme.

⁸⁴ Active includes facilities that are RMAP active and/or that we reasonably believe exclusively source conflict minerals from recycled or scrap sources, or from outside of the Covered Countries.

POLITICAL CONTRIBUTIONS

See [Public policy engagement](#) 

GOVERNMENT RELATIONS CONTRIBUTIONS⁸⁵

	2017	2018	2019
Contributions to U.S. federal, state, and local candidates, political memberships/sponsorships, and other ballot measure campaigns ⁸⁶	\$444,000	\$501,700	\$316,900
U.S. lobbying expenses allocated to trade association membership dues and outside consultants	\$2,668,910	\$2,287,153	\$2,305,536

⁸⁵ Data are calendar year.

⁸⁶ Includes minimal operating expenditures.

PRIVACY

See [Privacy](#) 

SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA⁸⁷

	2017	2018	2019
Substantiated complaints from outside parties (including customers)	6	0	0
Substantiated complaints from regulatory or other official bodies	3	0	0

⁸⁷ 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 ASSURANCE STATEMENT

To Hewlett Packard Enterprise Company (HPE) Stakeholders

Hewlett Packard Enterprise Company (HPE) 2019 Living Progress Report has been prepared by the management of HPE who retain responsibility for its content. SCS Global Services' (SCS) responsibility was to carry out a limited level of assurance on the indicators specified in Appendix 1.

Scope

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

Summary of Work Performed

SCS' Assurance Team undertook the following summarized activities:

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

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

Limitations

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

Conclusions

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

Independence

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

Declaration

Tavio Benetti

Tavio Benetti, Lead Verifier
SCS Global Services,
Emeryville, California
May 14, 2020



APPENDIX 1 – ASSURANCE INDICATORS

Indicator name	Unit	Reported value				Criteria
Scope 1 Greenhouse Gas (“GHG”) Emissions	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	57,509				World Resources Institute (“WRI”) / World Business Council for Sustainable Development’s (“WBCSD”) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard; ISO 14064-3: 2006 Specification with guidance for the validation and verification of GHG assertions; HPE’s Carbon Accounting Manual
Scope 2 GHG Emissions (Location-Based)	tCO ₂ e	313,002				
Scope 2 GHG Emissions (Market-Based)	tCO ₂ e	177,018				
Scope 3 GHG Emissions	tCO ₂ e	Category 1: 2,072,642 Category 4: 274,753	Category 5: 1,146 Category 11: 4,889,462			
Scope 1 Energy ⁸⁸	MWh	62,493				
Scope 2 Energy	MWh	660,626				HPE’s Water Accounting Manual
Water Withdrawals	M ³	1,728,260				
Energy/Water Nexus – Withdrawals	M ³	689,823,114				
Energy/Water Nexus – Consumption	M ³	2,246,396				World Resources Institute (“WRI”): Guidance for Calculating Water Use in Purchased Electricity
Conflict Minerals Disclosure	Qualitative Assertion	HPE identified smelter and refiners on the list set out in the HPE Conflict Minerals Report by surveying suppliers between January 1, 2019 and December 31, 2019. The suppliers surveyed contributed material, components, or manufacturing to products containing tin, tantalum, tungsten, or gold (3TG). Each smelter and refinery reported was identified in at least one of the Conflict Minerals Reporting Templates received from a supplier.				Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT) Completion Guide – Corresponding to CMRT Revision 5.0; HPE Conflict Minerals Program Guide Book; Conflict Minerals Supplier Distribution List (SDL)
Supply Chain Social and Environmental Responsibility (SER) Audit Results	Number of SER audits conducted	Total: 74 Initial: 37 Closure: 31 Special assessments: 6				RBA Code of Conduct V6; RBA Validated Assessment Program (VAP) Operations Manual Revision 6.1.0 – January 2020; HPE’s Code of Conduct.
	Distribution of major and priority nonconformance by RBA Category	Topic	Number		% of total	
		Health and safety	57		32%	
		Labor	56		31%	
		Environmental	30		17%	
Management systems	29		16%			
Ethics	7		4%			
Number of supplier audits performed per region	Region	Full audits	Follow up audits	Specialized assessments		
	Greater China	23	24	2		
	Asia Pacific	10	5	0		
	Americas	3	2	0		
	Europe	1	0	0		

⁸⁸ Note that Scope 1 Energy total omits energy usage pertaining to HPE Fleet vehicles which comprise a material percentage of Scope 1 GHG Emission.

RESOURCES

HPE REPORTS AND ONLINE CONTENT

[HPE 2019 Living Progress Report](#)

[HPE Annual 10-K Report](#)

[HPE Proxy Statement](#)

[HPE Investor Relations](#)

[HPE Carbon Accounting Manual](#)

[HPE Water Accounting Manual](#)

EXTERNAL RATINGS

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

[CDP](#)

[Dow Jones Sustainability Index](#)

FEEDBACK

We welcome feedback on any aspect of our Living Progress reporting and performance. Contact us [here](#).

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