



Our data

Carbon footprint

Due to significant changes to our business, we recalculated our Scope 1 and 2 greenhouse gas (GHG) emissions for the years 2015 and 2016. As part of this recalculation, we removed emissions from HP Inc., DXC, and Micro Focus, but included emissions from acquisitions.

This recalculation allows us to report progress toward our operation's emissions reduction goal, which reflects our current business and accurately compare year-over-year trends.

In 2017, we reduced our operational GHG emissions 32% compared to 2015, surpassing our goal, of 25% by 2025. A combination of initiatives contributed to our early achievement of this goal, including an aggressive consolidation of facilities and space optimization over a three-year period, a continued commitment to LEED Silver buildings, and an increase in our renewable electricity sourcing, which grew to 25% in 2017, up from 12% in 2015.

CARBON FOOTPRINT (SCOPES 1, 2, AND 3)

	2015	2016	2017
GHG emissions (Scopes 1, 2, and 3) (tonnes CO₂e)⁴	-	9,887,352	12,589,211
Operational GHG emissions (Scope 1 and Scope 2 market-based method)	509,771	431,758	346,068
% reduction to 2015 baseline ⁵	-	-15%	-32%
Scope 1 ⁶	51,116	37,130	77,178
Scope 2 (market-based method)	458,654	394,629	268,890
Scope 2 (location-based method)	462,886	451,652	376,275
GHG emissions intensity (tonnes CO ₂ e/\$ million of net revenue)	16	14	12
Scope 3 GHG emissions ⁷	-	9,455,594	12,243,143

OPERATIONS EMISSIONS BY REGION (SCOPE 1 AND SCOPE 2) (TONNES CO₂e)

	2015	2016	2017
Scope 1 and Scope 2 (market-based)	509,771	431,758	346,068
Americas	294,208	219,350	157,828
Europe, Middle East, and Africa	40,635	36,082	52,661
Asia Pacific and Japan	174,928	176,327	135,579
Scope 1	51,116	37,130	77,178
Americas	30,379	20,547	39,861
Europe, Middle East, and Africa	19,146	15,473	35,413
Asia Pacific and Japan	1,591	1,110	1,904
Scope 2 (market-based)	458,654	394,629	268,890
Americas	263,829	198,802	117,967
Europe, Middle East, and Africa	21,489	20,609	17,248
Asia Pacific and Japan	173,337	175,217	133,675
Scope 2 (location-based)	462,886	451,652	376,275
Americas	264,580	254,946	204,699
Europe, Middle East, and Africa	21,489	20,609	37,893
Asia Pacific and Japan	176,817	176,098	133,683

OPERATIONS EMISSIONS BY TYPE (SCOPE 1 AND 2) (TONNES CO₂e)

	2015	2016	2017
Scope 1	51,116	37,130	77,178
Natural gas	19,302	13,946	10,582
Diesel/gas/oil ⁸	1,317	473	697
Transportation fleet	30,498	22,711	64,648
Refrigerants (hydrofluorocarbons HFCs)	-	-	1,252
Perfluorocarbons (PFCs) ⁹	-	-	-

⁴ The increase in emissions from 2016 to 2017 is primarily due to a change in methodology of our Scope 3 calculations.

⁵ HPE's operational emissions and 25% reduction are calculated with the Scope 2 market-based method.

⁶ The increase in Scope 1 emissions from 2016 to 2017 is primarily because HPE retained the majority of the corporate fleet after the spin offs.

⁷ 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.

⁸ Hewlett-Packard Company does not estimate or extrapolate diesel use for nonreporting sites.

⁹ Data is based on the calendar year.

Carbon footprint

Our new business structure shifted an even larger portion of our environmental impact outside of our own operations. Currently, 95% of our emissions are in the upstream and downstream portions of our value chain (Scope 3).

In 2017, we improved the methodology, and accuracy, of our Scope 3 calculations by performing simplified lifecycle assessments for 100% of our products and components. This update expanded the scope of products we included in our assessment, leading to an overall increase in Scope 3 emissions being reported in 2017.

[Our environmental footprint](#) 

OPERATIONS EMISSIONS BY TYPE (SCOPE 1 AND 2) (TONNES CO₂e)

	2015	2016	2017
Scope 2 (market-based)	458,654	394,629	268,890
Purchased electricity for operations	455,006	391,348	267,280
District cooling (purchased) for operations	3,649	3,281	1,610
Scope 2 (location-based)	462,886	451,652	376,275
Purchased electricity for operations	459,237	448,372	374,666
District cooling (purchased) for operations	3,649	3,281	1,610

GHG EMISSIONS SCOPE 3 (TONNES CO₂e)

	2016 ¹⁰	2017
Scope 3 emissions by category	9,455,594	12,243,143
Purchased goods and services	1,544,000	2,694,662
Capital goods	230,000	88,074
Fuel- and energy-related activities (not included in scope 1 or scope 2)	275,000	187,286
Upstream transportation and distribution	380,594	423,759
Waste generated in operations	-	14,368
Business travel ¹¹	137,000	62,503
Employee commuting	677,000	225,829
Upstream leased assets	N/A	N/A
Downstream transportation and distribution	N/A	413,419
Processing of sold products	N/A	N/A
Use of sold products	6,155,000	8,053,293
End-of-life treatment of sold products	29,000	38,639
Downstream leased assets	28,000	41,312
Franchises	N/A	N/A
Investments	N/A	N/A

¹⁰ 2016 Scope 3 emissions include data from DXC and Micro Focus.

¹¹ 2017 business travel includes emissions from air and rail travel as well as rental cars.

Water footprint

The majority of our global water footprint can be attributed to the electricity associated with the use of our products (56%) and the energy needs of our supply chain (34%).

[Our environmental footprint](#) 

WATER FOOTPRINT

	2017
HPE water footprint (cubic meters)	57,963,520
Water consumption in HPE operations	2,258,504
Water consumption associated with the generation of electricity used in HPE operations	3,556,404
Water consumed by HPE suppliers in their operations ¹²	4,837,554
Water consumption associated with the generation of electricity used by HPE suppliers	14,627,463
Water consumption associated with the generation of electricity used in HPE products	32,683,594

¹² This metric reports the amount of water consumed 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 2017 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 2017, 25% of our electricity was sourced from renewables, moving us closer toward our goal to source 50% renewable electricity in our operations by 2025.

[Our environmental footprint](#) 

OPERATIONS

	2015	2016	2017
Energy use (MWh)¹³	1,176,501	1,069,566	861,920
Energy intensity (MWh/\$ million of net revenue)	38	35	30
Direct energy use in operations¹⁴ (corresponds to Scope 1 emissions) (MWh)	111,709	78,823	63,890
Natural gas (MWh)	106,502	76,949	58,386
Diesel/LPG (MWh)	3,714	1,874	2,598
Electricity (generated on-site) (MWh)¹⁵	1,493	-	2,905
Renewable (generated on-site) (MWh)	-	-	2,521
Diesel/gas/oil/LPG (MWh)	1,493	-	384
Indirect energy use (corresponds to Scope 2 emissions) (MWh)	1,064,792	990,744	798,030
Electricity sources from nonrenewable energy (MWh)	914,174	776,856	590,207
Electricity sourced from renewable energy (MWh)	130,327	195,643	198,869
Voluntary purchases of renewable energy credits (RECs)	5,648	110,929	131,841
Voluntary purchase of utility-provided renewable energy	124,678	84,715	67,028
District cooling and heating (purchased) (MWh)	20,291	18,244	8,955
Electricity sourced from renewables (percentage of total)	12%	20%	25%

¹³ Includes both direct and indirect energy use, which are the source of Scope 1 and Scope 2 emissions, respectively.

¹⁴ Data does not include fuel consumption from HPE's transportation fleet.

¹⁵ Operational electricity sourced from renewables in 2015 was 130,326 MWh, composing 12% of total electricity use.

ENERGY USE (BY REGION)

	Americas	Europe, Middle East, and Africa	Asia Pacific and Japan
2015			
Electricity (purchased and on-site) (MWh)	596,607	209,654	239,734
Electricity sourced from renewable energy (MWh)	8,727	117,201	4,399
District cooling and heating (purchased) (MWh)	-	-	20,291
Scope 2 emissions (market-based) (tonnes CO ₂ e)	263,829	21,489	173,337
2016			
Electricity (purchased and on-site) (MWh)	563,504	172,009	236,986
Electricity sourced from renewable energy (MWh)	114,197	80,111	1,335
District cooling and heating (purchased) (MWh)	-	-	18,244
Scope 2 emissions (market-based) (tonnes CO ₂ e)	198,802	20,609	175,217
2017			
Electricity (purchased and on-site) (MWh)	489,112	105,568	197,302
Electricity sourced from renewable energy (MWh)	136,424	64,657	309
District cooling and heating (purchased) (MWh)	-	-	8,955
Scope 2 emissions (market-based) (tonnes CO ₂ e)	117,967	17,248	133,675

Operations

Our operations consumed 2.3 million cubic meters of water in 2017, a decrease of 12% 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 2017, we achieved our annual target of an 83% diversion rate, a 1.2% decrease from the year before. We also saw a significant decrease in our hazardous waste generation of 68%. These decreasing trends are a result of the spin-offs that occurred in 2017.

[Our environmental footprint](#) 

OZONE DEPLETION

	2016 ¹⁶	2017
Ozone depletion potential of estimated emissions (kg of CFC-11 equivalent)	134	3.6
Americas	129	3.6
Europe, Middle East, and Africa	0	0
Asia Pacific and Japan	5	0

WATER

	2016	2017
Water consumption, by region (cubic meters)	2,561,154	2,258,504
Americas	1,532,650	1,330,820
Europe, Middle East, and Africa	273,006	223,350
Asia Pacific and Japan	755,498	704,334
Water consumption, by source (cubic meters)	2,561,154	2,258,504
Municipal water	2,552,002	2,249,538
Rainwater	872	1,268
Tanker water	8,280	7,698
Reused treated sewage treatment plant water¹⁷	4,774	29,806

WASTE

	2016	2017
Nonhazardous waste (tonnes)	42,900	13,200
Americas	24,700	7,100
Europe, Middle East, and Africa	7,700	2,000
Asia Pacific and Japan	10,500	4,200
Nonhazardous waste landfill diversion rate (percentage of total produced)	84.2%	83%
Americas	81.7%	78%
Europe, Middle East, and Africa	91.5%	95%
Asia Pacific and Japan	84.7%	87%
Hazardous waste (tonnes)	341	109
Americas	253	88
Europe, Middle East, and Africa	58	6
Asia Pacific and Japan	31	16

¹⁶ Includes data from DXC and Micro Focus.

¹⁷ Water used for landscaping and flushing toilets.

Supply chain environment impact

In 2017, HPE established two supply chain emissions reduction goals to achieve by 2025, compared to 2015. We will enable 80% of our manufacturing suppliers (by spend) to set their own science-based emissions reduction targets, with the overall goal of reducing manufacturing-related GHG emissions (on an absolute basis) in our supply chain by 15%.

[Our environmental footprint](#) 

SUPPLIER ENVIRONMENTAL PERFORMANCE¹⁸

	2015 ¹⁹	2016	2017
Production supplier GHG emissions²⁰			
Production supplier Scope 1 and Scope 2 emissions (tonnes CO ₂ e)	1,000,000	747,698	-
Production suppliers participating in our SBT capability-building program	-	88%	-
Estimated total GHG emissions from product transport (tonnes CO₂e)²¹			
Road (includes rail)	-	36,422	60,534
Ocean	-	13,532	8,884
Air	-	330,639	354,341
Nonproduction supplier GHG emissions²²			
Nonproduction supplier Scope 1 and Scope 2 emissions (tonnes CO ₂ e)	900,000	xx,x	-
Production supplier water withdrawal^{23,24}			
Production supplier water withdrawal for use (cubic meters)	12,780,997	9,894,323	-
Production suppliers with water withdrawal-related goals (% of spend)	73%	74%	-
Production supplier waste generation²⁵			
Production supplier nonhazardous waste generation (tonnes)	33,776	28,572	-
Production supplier hazardous waste generation (tonnes)	22,844	18,338	-
Production suppliers with waste-related goals (% of spend)	63%	67%	-

¹⁸ With the exception of product transport, supplier data is reported on a one-year lag. Therefore, the most recent data available is from 2016. Although HPE was not established as a separate company until the end of 2015, the data shown here represents only HPE's portion of supplier environmental impact.

¹⁹ Trends based on 2015 data do not present an accurate reflection of performance. We are refining our data collection and analysis and expect 2017 data to be robust.

²⁰ 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 supplier spend and is extrapolated to 100% of first-tier production suppliers.

²¹ The data reported represents the transportation emissions from suppliers that receive 94% of total spend in 2017, and 92% of total spend in 2016. Total spend includes Warehousing and Brokerage operations in addition to transportation services.

²² Emissions are estimated based on suppliers' reported emissions and their dollar volume of HPE business compared to their total revenue. Data collected represented X% of supplier spend and is extrapolated to 100% of first-tier nonproduction suppliers.

²³ With the exception of product transport, supplier data is reported on a one-year lag. Therefore, the most recent data available is from 2016. Although HPE was not established as a separate company


until the end of 2015, the data shown here represents only HPE's portion of supplier environmental impact.

²⁴ 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 75% and 73% of supplier spend for 2015 and 2016 respectively, and is extrapolated to 100% of first-tier production suppliers.

²⁵ Waste metrics are estimated based on suppliers' reported waste data and their dollar volume of HPE business compared to their total revenue. Data collected represents 63% and 60% of supplier spend for 2015 and 2016 respectively, and is extrapolated to 100% of first-tier production suppliers.

Employees

At the close of 2017, we employed 66,141 employees worldwide. In 2017, nearly 35% of our new hires were female, a 9% increase from the previous year. During this same period, we improved our lost workday case rate by 20%.²⁶

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

EMPLOYEE DEMOGRAPHICS (2017)

	Men	Men (%)	Women	Women (%)	Total ²⁷
Employees (regular full-time and part-time) by region and gender					
Americas	17,997	70.68%	7,460	29.30%	25,461
Asia Pacific and Japan	15,071	67.24%	7,304	32.59%	22,413
Europe, Middle East, and Africa	12,014	65.17%	6,225	34.08%	18,267
Employees not categorized by region	0		0		0
Other	0		0		0
Total	45,082	68.16%	20,989	31.73%	66,141
Employees (regular full-time) by employment type and gender					
Executives	357	81.14%	83	18.86%	440
Directors	1,257	78.76%	339	21.24%	1,596
Managers	4,013	75.15%	1,327	24.85%	5,340
Professionals	34,879	69.00%	15,629	30.92%	50,552
Other	4,576	55.72%	3,611	43.97%	8,213
Employees (regular part-time) by employment type and gender					
Executives	0	0	0	0	0
Directors	2	28.57%	5	71.43%	7
Managers	4	12.50%	28	87.50%	32
Professionals	112	18.39%	497	81.61%	609
Other	19	15.97%	100	84.03%	119
Subtotal	137	17.9%	630	82.1%	767
Other ²⁸	-	-	-	-	-
World workforce by age group					
30 and under					18.71%
31–50					56.68%
51 and over					24.05%
Age not listed					0.56%
Total					100.00%

²⁶ 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.

²⁷ The sum of "Men" and "Women" may not equal 100% because gender identification is voluntary and for some employees it may remain uncategorized.

²⁸ Other category includes employees of certain majority-owned, consolidated subsidiaries for which this human resource data is not available to HPE.

EMPLOYEE DIVERSITY

	2016	2017
Women employees (% of total)	31.51%	31.73%
Americas	32.34%	29.30%
Asia Pacific and Japan	30.79%	32.59%
Europe, Middle East, and Africa	31.43%	34.08%
Women managers (% of total management workforce)	24.73%	24.85%
Americas	28.13%	26.44%
Asia Pacific and Japan	19.82%	19.29%
Europe, Middle East, and Africa	23.97%	27.87%
Senior ranking positions held by women (Director level and above) (% of total top management positions)	19.61%	20.73%
Americas	21.47%	22.43%
Asia Pacific and Japan	16.59%	16.27%
Europe, Middle East, and Africa	16.82%	18.66%
Global new hires, by gender²⁹ (% of total)	99.90%	98.95%
Female	31.82%	34.81%
Male	68.08%	64.15%
U.S. new hires, by ethnicity³⁰ (% of total)	99.98%	
White	45.75%	46.88%
All minorities	31.07%	33.92%
Black	10.58%	11.39%
Hispanic	4.74%	4.12%
Asian	12.74%	14.83%
Native American	0.25%	0.29%
Employee Resource Groups		
Total number of chapters as of 2016	150	120
Number of countries with ERG chapters	30	30

²⁹ The sum of "Men" and "Women" may not equal 100% because gender identification is voluntary and for some employees it may remain uncategorized.

³⁰ The 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 a category, do not chose to identify a category, 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.

HEALTH AND SAFETY

	2016	2017
Lost workday case rate (number)	0.05	0.04
Americas	0.05	.07
Europe, Middle East, and Africa	0.11	.05
Asia Pacific and Japan	0.005	.01
Recordable incidence rate (number)³¹	0.12	.12
Americas	0.20	.21
Europe, Middle East, and Africa	0.16	.14
Asia Pacific and Japan	0.005	.02
Leading causes of lost workdays (%)		
Slips, trips, and falls	55%	36%
Struck by/against/cut by	6%	17%
Caught in/between	2%	7%
Ergonomics — office environment	6%	7%
Ergonomics — materials handling	12%	5%
Automobile accidents	14%	5%
Other ³²	5%	23%
Leading cause of all recordable incidents (with and without lost time) (%)		
Slips, trips, and falls	47%	38%
Struck by/against/cut by	10%	14%
Ergonomics — materials handling	11%	13%
Ergonomics — office environment	12%	8%
Automobile accidents	12%	8%
Caught in/between	2%	6%
Other ³³	6%	14%

³¹ 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.

³² Other category includes lost workdays cases including those related to stress, exertion not related to materials handling, manufacturing ergonomics, and assault.

³³ Other category includes lost workdays cases including those related to stress, nonchemical burns, manufacturing ergonomics, exertion not related to materials handling, and assault.

Supply chain responsibility

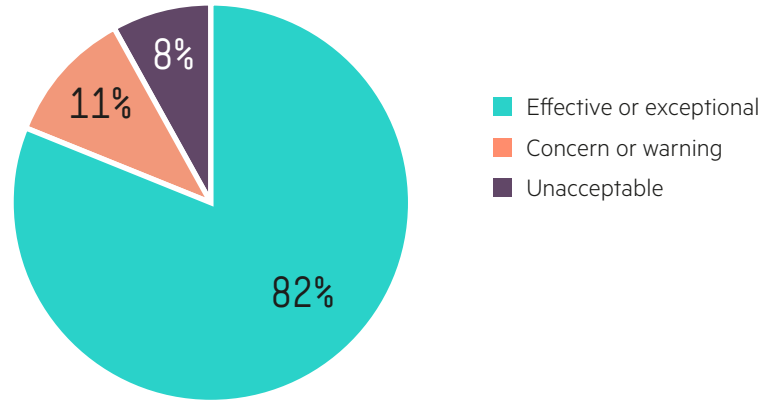
The HPE Supply Chain Responsibility (SCR) program guides our approach to ethical sourcing. It includes audits and assessments, capability building, efforts to tackle forced labor and human trafficking, and our conflict minerals program.

To help drive continual social and environmental responsibility (SER) improvement among suppliers, we made scoring on our SER scorecard more stringent. Even with this change, 82% of suppliers were in our effective or exceptional category in 2017, up from 74% in 2016.

[Ethical sourcing](#) 

SER SCORECARD DISTRIBUTION (2017)³⁴

(% of total)



³⁴ Distribution includes the top 95% of spend for our final assembly and strategic commodity supplier sites. Total does not add up to 100% due to rounding.

Supply chain responsibility dashboard

Our social key performance indicators (KPIs) form part of the overall HPE SCR dashboard.

SOCIAL KEY PERFORMANCE INDICATORS

SCR dashboard

	2016	2017
Suppliers' employees working less than 60 hours per week on average ³⁵ (%)	94%	97%
Suppliers' employees receiving at least one day of rest each seven-day workweek ³⁶ (%)	98%	99%
Suppliers in China with student workers representing 20% or less of total employees ³⁷ (%)	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 ³⁶	15	4
Critical findings related to occupational safety, emergency preparedness, or industrial hygiene ³⁷	3	0
SER audits and assessments conducted (cumulative)	108	189
Total audits (cumulative)	95	169
Full audits (cumulative)	58	96
Follow-up audits (cumulative)	37	73
Assessments and allegation investigation (cumulative)	13	20
Number of suppliers audited (total, cumulative)	44	83
Number of supplier facilities audited (total, cumulative)	78	145

³⁵ Based on HPE production line 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.

³⁶ 2017 findings relate to freely chosen employment management systems.

³⁷ 2017 finding relates to emergency preparedness.

Performance monitoring

In 2017, we arranged 81 audits and assessments with suppliers. In all 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 immediate escalation, including the development of a corrective action plan, and we may downgrade the supplier on our SER scorecard.

We require key suppliers in high-risk locations to provide additional information on their SER performance through our KPI program.

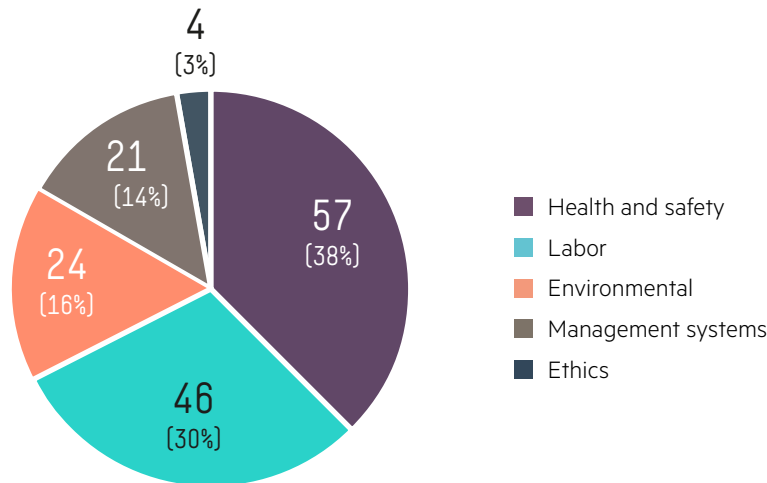
[Ethical sourcing](#) 

SER AUDITS AND ASSESSMENTS CONDUCTED BY REGION, 2017³⁸

	Greater China	Asia Pacific	Americas	Europe
Onboarding assessments for new suppliers	0	2	0	0
Vulnerable worker group (student and foreign worker) assessments	0	5	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	19	13	4	2
Follow-up audits: to address major nonconformances found in an earlier full audit	24	11	0	1

MAJOR NONCONFORMANCES³⁹

Of HPE Supplier Code of Conduct, by section, 2017



³⁸ Data reflects 2017 audit reports received as of March 1, 2018 (the "2017 Cut-off Date").

³⁹ 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, 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. Numbers may not add up to 100% due to rounding.

Health and safety

Health and safety findings represented 38% of all major nonconformances in 2017.

Emergency preparedness

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

Occupational safety

Nonconformances with respect to occupational safety related to permits, licenses, and test reports that were either not in place or for which suppliers had no update process. Suppliers were required to complete corrective actions for any identified issues.

Sanitation, food, and housing

Nonconformances related to sanitation, food, and housing were due 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 any identified issues.

HEALTH AND SAFETY—GLOBAL

Rates of major nonconformances of sites audited (%), 2017

Occupational safety		39%
Emergency preparedness		39%
Occupational injury and illness		18%
Industrial hygiene		16%
Physically demanding work		8%
Machine safeguarding		0%
Sanitation, food, and housing		29%
Health and safety communication		0%

HEALTH AND SAFETY—REGIONAL

Major nonconformances of sites audited, 2017

	Greater China	Asia Pacific	Americas	Europe
Occupational safety	11	3	0	1
Emergency preparedness	11	2	1	1
Occupational injury and illness	5	2	0	0
Industrial hygiene	3	2	1	0
Physically demanding work	2	0	1	0
Machine safeguarding	0	0	0	0
Sanitation, food and housing	9	2	0	0
Health and safety communication	0	0	0	0

Labor

Labor-related findings represented 30% of all major nonconformances in 2017. In response to these findings we continue to use targeted capability-building programs, events, and training with suppliers and industry partners to achieve full 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).⁴⁰

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 2017, an average of 97% of workers at supplier sites in the KPI program worked less than 60 hours per week, compared to 94% in 2016. On average, 99% of workers at supplier sites received at least one day of rest in every seven-day period, compared to 98% in 2016. 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 suppliers in high-risk countries through our KPI program

⁴⁰ Formerly the Electronic Industry Citizenship Coalition (EICC).

- Engaging with supplier management to address root causes of nonconformances

Wages and benefits

In 2017, wage-related nonconformances largely occurred in China. The most common issue concerned legal wages for regular and overtime hours not being correctly calculated or paid to all workers, followed by nonconformance with social insurance requirements.

Freely chosen employment management systems

In 2017, we continued to undertake more stringent due diligence within our supply chain to uncover previously unidentified high risks—including through additional specialized assessments against our Foreign Migrant Worker Standard. As a result of this continued level of scrutiny, we identified four critical findings, including: payment of excessive recruitment fees; restriction of worker access to personal documentation; and requirement for workers to lodge deposits at the outset of employment, or in order to take leave.

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 personal documents, deposits, and savings; 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 that our ability to uncover and remediate these issues shows that our approach is working.

In 2017, in response to audit findings, we provided on-site capability building to enhance supplier management systems with respect to foreign migrant workers. In 2018, we will continue to focus our efforts on ensuring that suppliers fully understand our requirements and are proactively working to meet them.

LABOR—GLOBAL

Rates of major nonconformances of sites audited (%), 2017

Freely chosen employment management systems		18%
Young worker protection management systems ⁴¹		3%
Working hours		55%
Wages and benefits		29%
Humane treatment		0%
Nondiscrimination management systems		13%
Freedom of association		3%

⁴¹ The single finding in this category is related to an incomplete policy around young worker management systems.

LABOR—REGIONAL

Major nonconformances of sites audited, 2017

	Greater China	Asia Pacific	Americas	Europe
Freely chosen employment management systems	5	1	1	0
Young worker protection management systems ⁴¹	1	0	0	0
Working hours	16	5	0	0
Wages and benefits	9	2	0	0
Humane treatment	0	0	0	0
Nondiscrimination management systems	4	1	0	0
Freedom of association	1	0	0	0

Environmental

Environmental findings represented 16% of all major nonconformances in 2017.







The majority of nonconformances related to hazardous substances. This primarily involved the lack of robust programs to monitor the vendors used for disposal of hazardous

waste, as well as issues with correct labeling, secondary containment, or local language Material Safety Data Sheets (MSDS) for hazardous materials.

[Our environmental footprint](#) 

ENVIRONMENTAL—GLOBAL

Rates of major nonconformances of sites audited (%), 2017

Environmental permits and reporting		8%
Pollution prevention and resource reduction		0%
Hazardous substances		32%
Wastewater and solid waste		3%
Air emissions		8%
Materials restrictions		0%
Storm water management		11%
Energy consumption and GHG emissions		3%

ENVIRONMENTAL—REGIONAL

Major nonconformances of sites audited, 2017

	Greater China	Asia Pacific	Americas	Europe
Environmental permits and reporting	3	0	0	0
Pollution prevention and resource reduction	0	0	0	0
Hazardous substances	8	2	1	1
Wastewater and solid waste	1	0	0	0
Air emissions	3	0	0	0
Material restrictions	0	0	0	0
Storm water management	3	1	0	0
Energy consumption and GHG emissions	1	0	0	0

Management systems









Findings relating to management systems represented 14% of all major nonconformances in 2017.

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 required corrective action plans that demonstrated how our first-tier suppliers would communicate the RBA requirements to their suppliers.

In 2017, we updated our SER scorecard with 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 (%), 2017

Company commitment		0%
Management accountability and responsibility		5%
Legal and customer requirements		5%
Risk assessment and risk management		5%
Improvement objectives		8%
Training		0%
Communication		0%
Worker feedback and participation		0%
Audits and assessments		11%
Corrective action process		3%
Documentation and records		0%
Supplier responsibility		18%

MANAGEMENT SYSTEMS—REGIONAL

Major nonconformances of sites audited, 2017





	Greater China	Asia Pacific	Americas	Europe
Company commitment	0	0	0	0
Management accountability and responsibility	2	0	0	0
Legal and customer requirements	2	0	0	0
Risk assessment and risk management	1	1	0	0
Improvement objectives	1	2	0	0
Training	0	0	0	0
Communication	0	0	0	0
Worker feedback and participation	0	0	0	0
Audits and assessments	1	2	1	0
Corrective action process	0	1	0	0
Documentation and records	0	0	0	0
Supplier responsibility	4	2	1	0

Ethics

Ethics-related findings represented 3% of all major nonconformances in 2017.

ETHICS—GLOBAL

Rates of major nonconformances of sites audited (%), 2017


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

ETHICS—REGIONAL

Major nonconformances of sites audited, 2017

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

Capability building

Ethical sourcing 

CAPABILITY BUILDING, 2017

	2017
Number of sites with capability-building programs	9
Number of countries with capability-building programs ⁴²	3

⁴² Does not include countries participating solely in the EICC e-Learning Academy, which is a global program open to all HPE suppliers.

Conflict minerals

Ethical sourcing

In May 2018, we filed our annual Conflict Minerals Report with the U.S. Securities and Exchange Commission. HPE identified the smelters and refiners⁴³ on the list set out in HPE's Conflict Minerals Report by surveying suppliers between January 1, 2017, and December 31, 2017. The suppliers surveyed contributed material, components, or manufacturing to products containing 3TG. Each smelter and refinery reported was identified in at least one of the Conflict Minerals Reporting Templates⁴⁴ received from a supplier.

We received acceptable responses from 3TG direct suppliers estimated to represent more than 98% of our 2017 spend with this group. These suppliers reported 312 total 3TG smelters and refiners in 2017, of which 90%⁴⁵ are either:

- Conformant with the [Responsible Minerals Initiative's](#) (RMI)⁴⁶ Responsible Minerals Assurance Program (RMAP)⁴⁷
- RMAP active⁴⁸
- Reasonably believed by HPE to exclusively source conflict minerals from recycled or scrap sources, or from outside the Covered Countries⁴⁹

PROGRESS TOWARD DRC CONFLICT FREE⁵⁰

	Total ⁵¹ (number)	Progress toward DRC Conflict Free ⁵² (number)	% of total
Tin	81	76	94%
Tantalum	40	40	100%
Tungsten	46	46	100%
Gold	145	118	81%
Total	312	280	90%

STATUS OF ALL SUPPLIER-REPORTED 3TG SMELTERS AND REFINERS⁵³

	Number or % (see individual data points)
Conformant ⁵⁴	253
Conformant ⁵⁵ (% of total)	81%
In process ⁵⁶	27
In process ⁵⁶ (% of total)	9%
Not yet participating	32
Not yet participating (% of total)	10%
Total	312

Only 10% (32) 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).

⁴³ The reference to smelters and refiners includes recyclers and scrap processors in the 3TG supply chain.

⁴⁴ Refers to the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template.

⁴⁵ Based on due diligence and reasonable country of origin inquiry.

⁴⁶ 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.

⁴⁷ 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.

⁴⁸ RMI defines "active" as smelter or refiner facilities that are engaged in RMAP but not yet conformant.

⁴⁹ The Democratic Republic of the Congo (DRC) or an adjoining country.

⁵⁰ "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.

⁵¹ Number of 3TG smelters and refiners by metal reported to HPE.

⁵² 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 from outside of the covered countries (as of April 24, 2018).


⁵³ Includes recyclers and scrap processors in the 3TG supply chain.

⁵⁴ 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.

⁵⁵ 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.

⁵⁶ 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.

Supplier diversity


[Inclusion and diversity](#) 

SUPPLIER DIVERSITY (2017)

	2016	2017
HPE's spend with U.S. diverse suppliers		
Small businesses (\$ billion)	\$1.7	\$1.3
Minority-owned businesses (\$ million) ⁵⁷	\$483	\$173
Women-owned businesses (\$ million) ⁵⁷	\$285	\$190
Veteran-owned businesses, service disabled veteran-owned businesses, HUBZone businesses, and others (\$ million)	\$244	\$85
Total amount spent by HPE on diverse suppliers (\$ billion)	\$2.1	\$1.4B

⁵⁷ Suppliers are categorized as minority-owned or women-owned, not both.

Ethics

[Corporate governance and ethical behavior](#) 

CORPORATE ETHICS HIGHLIGHTS (2017)

	Total
Percentage of active employees who completed annual SBC training	99.7%
Number of employees who completed the SBC New Hire training	16,006
Number of employees who completed training on conducting business with the U.S. government	18,237
Anti-corruption audits	19

⁵⁸ Some segments do not add up to total due to rounding.

⁵⁹ 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.


⁶⁰ This category is new for 2017.

BREACHES OF ETHICAL BEHAVIOR

Items reported to the HPE global Standards of Business Conduct team or other compliance functions in 2017⁵⁸

Labor Law/HR	48%
Misuse of assets	15%
Workplace security and theft	7%
Conflicts of interest	7%
Fraud	7%
Reporting	4%
Anti-corruption ⁵⁹	4%
Confidentiality	3%
Competition	1%
Gray marketing/channel	1%
Failure to make ethical decisions ⁶⁰	1%

Political contributions

[Public policy engagement](#) 


GOVERNMENT RELATIONS CONTRIBUTIONS⁶¹

	2016	2017
Contributions to U.S. federal, state, and local candidates, political memberships/ sponsorships, and other ballot measure campaigns ⁶²	\$913,775	\$444,000

⁶¹ Data are calendar year.

⁶² Includes minimal operating expenditures.

Privacy

[Privacy](#) 


SUBSTANTIATED COMPLAINTS

Regarding breaches of customer privacy and losses of customer data⁶³

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

⁶³ Breaches of customer privacy cover 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.

Product return, reuse, and recycling

[Product lifecycle management](#) 

PRODUCT RETURN, REUSE, AND RECYCLING

Due to substantial separations of businesses into separate legal entities, it is difficult to draw conclusions regarding long-term recycling volume trends from 2016 and 2017.

	2016	2017
Number of countries and territories with HPC return and recycling programs	65	64
Total reuse and recycling combined (tonnes, approximate)	27,206	22,606
Reused	19,771	16,525
Recycled	7,435	6,081
Total recycling, by region (tonnes)	7,435	6,081
Americas	4,458	4,001
Europe, Middle East, and Africa	2,853	1,646
Asia Pacific and Japan	124	434

Materials and packaging

[Product lifecycle management](#) ↓

[Substances of concern](#) ↓

[Our environmental footprint](#) ↓

PACKAGING ENVIRONMENTAL AND COST BENEFITS

as a result of innovations by HPE and its suppliers

	2016	2017
CO ₂ e emissions avoided (tonnes)	1,660	1,627
Packaging material reduced, compared to previous generation products (tonnes)	328	285
Recycled material used (tonnes)	312	537
Recycled wood packaging material used (tonnes)	140	190
Recycled cushion material used (tonnes)	745	633
Financial savings ⁶⁴	\$230,000	\$320,000

⁶⁴ Financial savings due to shipping optimization, recyclable wood packaging material, reuse of materials, EPE recycle foam initiatives, and use of airbags in packaging throughout 2017.

MATERIAL COMPOSITION AND RECYCLABILITY OF TYPICAL HPE PRODUCTS⁶⁵


Device ⁶⁶	Total weight of product (g)	Material composition (%)							Recyclable content (%)
		Metal	Recyclable plastics	Non-recyclable plastics	Wires/cables	Glass	Printed circuit assemblies	Other ⁶⁷	
HPE DL380 Gen10 server	16,369	64.3	3.5	0.0	0.9	0.0	20.5	0.0	95.3
HPE StoreServ 8000	17,972	68.6	0.0	10.0	0.0	0.0	20.1	0.0	84.8
Aruba 2930M Switch Series	6,456	53.9	0.6	0.0	0.0	0.0	17.3	0.0	94.0
HPE ML350 Gen9 Server	32,941	71.7	5.1	0.0	1.9	0.0	5.7	0.0	97.1
BL 460c	4,539	51.1	5.1	0.0	0.0	0.0	39.6	0.0	91.5

⁶⁵ Based on Recyclability Assessment Tool calculations.

⁶⁶ RATs were completed for base models. HPE products are highly customizable/configurable and results could vary based on configuration.

⁶⁷ Includes rubber, cork, and other materials not included in the other categories.

Design for the Environment

[Product lifecycle management](#) 

DESIGN FOR THE ENVIRONMENT

	2016	2017
Number of environmental product stewards, program managers, and advocates	32	33

ECO-LABELS ACROSS HPE'S PRODUCT PORTFOLIO

Product group	% of eligible product lines with ENERGY STAR® configurations	% of eligible product lines with China SEPA configurations	% of new products with IT Eco Declarations ⁶⁸
Servers	55%	95%	100%
Storage	60%	N/A	100%
Networking	0%	N/A	100%

⁶⁸ 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.

Social investment

[Corporate philanthropy](#) 

SOCIAL IMPACT

	2016	2017
Social investment (\$ million)⁶⁹	\$28.0⁷⁰	\$20.8
Cash	\$8.9	\$13.3
Product donations ⁷¹	\$0.2	\$0.9
Volunteering ⁷²	\$18.9 ⁷³	\$5.8 ⁷⁴
Number of employees who took part in volunteering activities	19,684	6,466
Number of hours of volunteer time	728,836	181,073
Percentage of volunteer time that was skills based	21%	43%
Employee participation in HPE Gives (number of employees)⁷⁵	16,135	10,157
Contributions to HPE Gives (\$ million)	\$4.8	\$5.8
Employee contributions	\$2.4	\$2.8
HPE Foundation matching	\$2.0	\$2.4
Volunteer rewards redeemed	\$0.4	\$0.3
Employee directed grants	-	\$0.4

DISASTER RELIEF AND DISASTER PREPAREDNESS

Event	Partners	Amount
Annual Disaster Responder Program	American Red Cross	\$250,000
Grenfell Tower Fire grant	London Community Foundation	\$25,000
Hurricane Harvey matching campaign	American Red Cross	\$695,018
Hurricane Harvey grant	Greater Houston Community Foundation	\$250,000
Hurricane Maria and Irma matching campaign	American Red Cross	\$198,519
Hurricane Maria and Irma grant	American Red Cross	\$250,000
California Wildfires grant	Tipping Point Community	\$250,000
Other matching campaigns		\$1,130
Total		\$1,919,667

⁶⁹ Social investment includes all grants made to nonprofit organizations from HPE and the HPE Foundation, plus the valuation of employee volunteer hours. Data exclude contributions to the HPE Foundation 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.

⁷⁰ This number has been restated from the 2016 report due to a change in the valuation of volunteer time.

⁷¹ Product donations are valued at the internet list price, which is the price a customer would have paid to purchase the equipment through an HPE direct sales channel on the internet at the time the grant was processed.

⁷² For an employee activity to be considered volunteering, it needs to be unpaid, to serve the public good, and be conducted through an organization that is not for profit. Volunteering can occur during paid work time and can also include time related to making a cash or goods donation (e.g., shopping for toys that will be donated).

⁷³ This number has been restated from the 2016 report due to a change in the valuation of volunteer time. Hourly rate based on the type of volunteering: \$150/hour for pro bono (CECP); \$23.56/hour for all other volunteering, adjusted using World Bank data for purchasing power differences across countries.

⁷⁴ Hourly rate based on type of volunteering: \$150/hour for pro bono (CECP); \$24.14/hour for all other volunteering (Independent Sector).

⁷⁵ Number of employees who have donated funds, requested a match, tracked volunteer hours, or redeemed volunteer rewards via the HPE Gives platform.

Assurance

PLACEHOLDER

Ernst + Young LLP



Appendix A—HPE Schedule of Selected Performance Indicators

PLACEHOLDER

Resources

HPE reports and online content

[HPE 2017 Living Progress Report](#)

[HPE 2017 Annual 10-K Report](#)

[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 \(DJSI\)](#)

Feedback

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

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