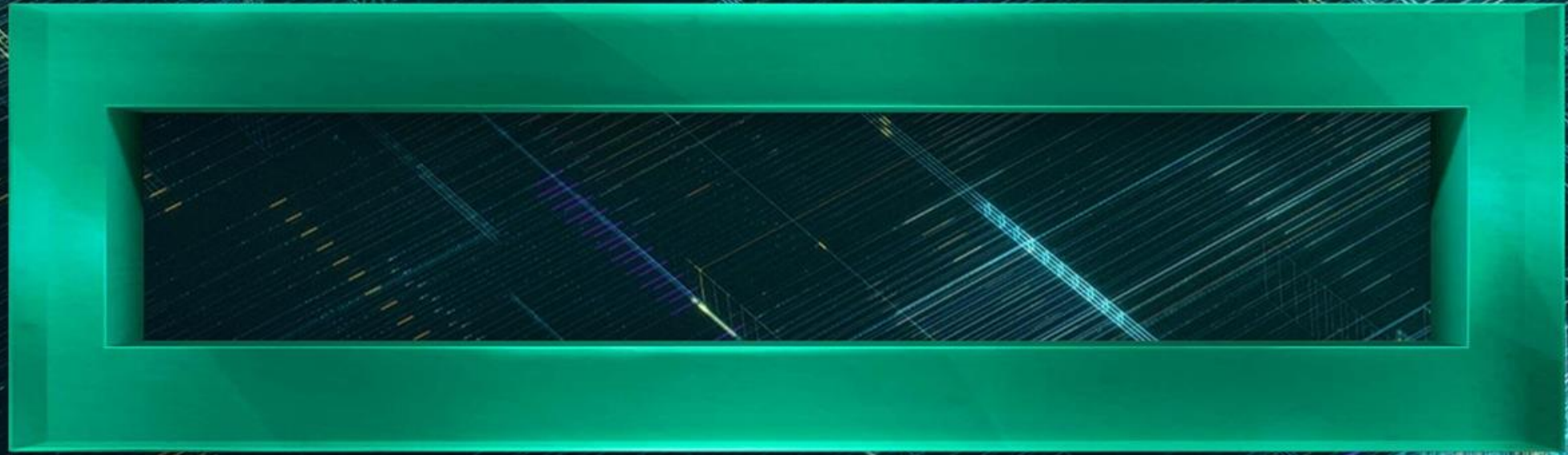


# WE ARE LIVING PROGRESS



[hpe.com/info/report](https://hpe.com/info/report)

July 21, 2020

# AGENDA

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**HPE'S APPROACH TO ESG**

**Antonio Neri**

President and CEO

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**ESG STRATEGY AND PERFORMANCE**

**Christopher Wellise**

Chief Sustainability Officer

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**TEAM & CULTURE**

**Alessandra Yockelson**

Chief Talent Officer

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**CORPORATE GOVERNANCE**

**Rishi Varma**

SVP and General Counsel

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**QUESTIONS & ANSWERS**

**All**

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# FORWARD-LOOKING STATEMENTS

You'll hear some forward-looking statements in today's presentation.

All statements other than statements of historical fact are statements that could be deemed forward-looking statements.

These are based on risks and assumptions that may not prove correct.

These risks and assumptions are described in our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q.

Our actual results could differ materially and we assume no obligation to update.

Financial information, plans, and projections reflect estimates based on information available at the time of this presentation.

More detail can be found in your written materials.

Please see the slide designated "Forward-looking statements" in the Agenda and Disclosures presentation available

# ADVANCING THE WAY PEOPLE LIVE & WORK

**Antonio Neri**  
President and CEO

# HPE RESPONSE TO COVID-19

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- Launched special [HPE Gives matching campaign](#)
- [HPE Foundation](#) is donating funds and matching employee donations
- HPE Financial Services introduced [Payment Relief Fund](#) initiative and designated [\\$2 billion](#) in financing to help customers and partners
- HPE [technology and teams](#) are helping organizations and communities tackle challenges of COVID-19
  - HPE Aruba [donated \\$50 million](#) in secure connectivity bundles
  - HPE signed the [Open COVID Pledge](#), granting free access to all of our patented technologies for the purpose of diagnosing, preventing, and treating the virus.
  - HPE joined the [High Performance Computing Consortium](#) to provide free supercomputing software and applications to researchers
  - Technology “[SWAT Teams](#)” to advise and support COVID-19 response
  - Support [volunteerism](#) with employees, customers and partners



# KEY PRIORITIES

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**CULTURE**

**CUSTOMERS**

**INNOVATION**



# ESG STRATEGY & PERFORMANCE

**Christopher Wellise**  
Chief Sustainability Officer

# THE ENTERPRISE OF THE FUTURE

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**EDGE-CENTRIC**

**CLOUD-ENABLED**

**DATA-DRIVEN**



# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) STRATEGY

## Leading transition to a low-carbon, circular economy

- IT efficiency
- Product lifecycle management
- Substances of concern in products
- Climate & environmental impacts in our operations and supply chain

## Investing in people and communities

- Social applications of technology
- Inclusion and diversity
- Employee engagement, development & well-being
- Employee health and safety

## Operating with integrity and responsibility

- Corporate governance & ethical behavior
- Human rights & Ethical Sourcing
- Data security
- Privacy



# LEADING TRANSITION TO A LOW-CARBON AND CIRCULAR ECONOMY

Our approach: Assessing ESG risks and identifying business opportunities



**Issue:** Lowering the energy and resource consumption of IT solutions is critical to meeting increased expectations from customers and adhering to stringent market access requirements



**Our Approach:** By designing and manufacturing sustainable IT solutions, as well as offering our portfolio as a service, HPE is enabling customers to eliminate inefficiencies while extending product lifecycles through best-in-class asset management programs

# LEADING TRANSITION TO A LOW-CARBON AND CIRCULAR ECONOMY

## Progress & Performance



### Generating revenue and customer value

- Pivot to as-a-Service company by 2022, yielding financial and environmental savings
- HPE Technology Renewal Centers accepted 4 million retired IT assets and returned over \$250M to customer budgets while avoiding emissions and e-waste
- Sustainability-related customer engagements contributed ~\$585M in net revenue, up 88% YoY



### Innovating for efficiency

- Invested \$1.8 billion in R&D, innovating breakthrough low-carbon technologies. 21% of HPE patents since 2000 relate to low-carbon or “clean” technologies
- Customer collaborations create IT efficiency innovations



### Managing climate risks

- Since 2018, HPE climate reporting has aligned to TCFD recommendations to assess climate-related risks and opportunities
- HPE has ambitious science-based targets across the value chain

# LEADING TRANSITION TO A LOW-CARBON AND CIRCULAR ECONOMY

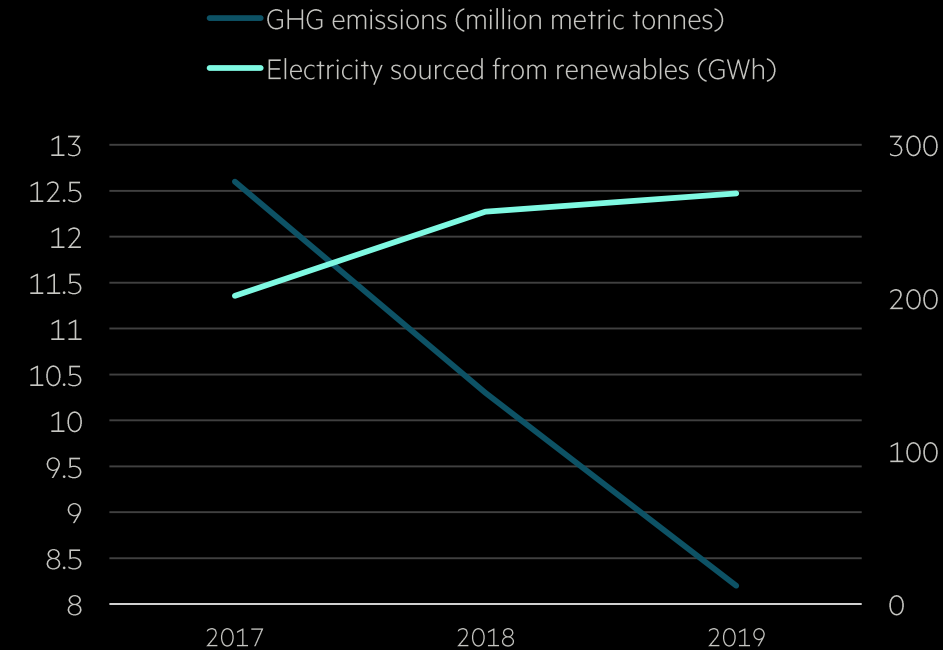
## Progress & Performance



### On-track toward 2025 science-based climate goals

Target	Goal	2019
Reduction in operational GHG emissions	55%	47%
Sourced operational electricity from renewables	50%	41%
Reduction in absolute manufacturing GHG emissions <sup>1</sup>	15%	2% <sup>3</sup>
Enable production suppliers to set own science-based targets	80%	22% <sup>3</sup>
Increase energy performance of product portfolio <sup>2</sup>	3X	30X

### Carbon footprint reduction



1. From 2016 baseline  
 2. From 2015 baseline  
 3. Supplier data reported as one-year lag, 2018 data.  
 All data is fiscal 2019 unless otherwise noted

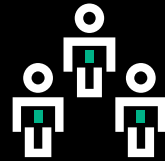
# INVESTING IN OUR PEOPLE AND COMMUNITIES

Our approach: Assessing ESG risks and identifying business opportunities

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**Issue:** In a highly-competitive market for talent, attracting, retaining, engaging, and developing qualified and diverse employees is critical to success



**Our Approach:** HPE has achieved record employee engagement scores and reduced voluntary turnover by creating an inclusive culture and motivating our team members through significant, purpose-driven work



# INVESTING IN OUR PEOPLE AND COMMUNITIES

Progress & Performance

## HUMAN CAPITAL

Our investment in human capital includes employee training, development, and competitive benefits – resulting in:

- Highest employee engagement on record
- Increased employee volunteerism
- Decreased voluntary turnover

## A FORCE FOR GOOD



In Italy, team members installed Aruba Wi-Fi on the a ferry to covert it into a floating hospital, supporting 400 COVID-19 patients |

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HPE team members developed “Cyber Squad” with Girl Scouts Nation’s Capital, a cybersecurity game for young women—developed pro-bono |

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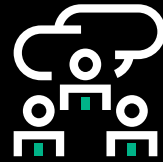
Technologists at Hewlett Packard Labs have partnered with Computomics to advance genomic science that will improve crop yields and resilience |

# OPERATING WITH INTEGRITY AND RESPONSIBILITY

Our approach: Assessing ESG risks and identifying business opportunities



**Issue:** The complex, global value chains of enterprise IT companies pose increased risks related to regulations, reputation, and disruptions resulting from violations of ethical behavior, cybersecurity, or other human rights matters



**Our Approach:** HPE's Office of Legal and Administrative Affairs is responsible for designing and developing internal procedures for robust due diligence, building awareness and training, uncovering opportunities for competitive advantage, and strengthening governance and systems across ethics and compliance, privacy, and cybersecurity organizations

# OPERATING WITH INTEGRITY AND RESPONSIBILITY

## Progress & Performance

- Leads peers in data security<sup>1</sup> by deploying measures such as encryption and award-winning technologies
- Only company to develop servers in line with the high standards on the National Institute of Standards and Technology (NIST) 800-53 controls
- Zero substantiated complaints received in 2018 and 2019 regarding breaches of customer privacy and losses of customer data

### DATA SECURITY AND PRIVACY

**ASSESS,  
ENGAGE,  
MONITOR &  
IMPROVE**

### SOCIAL RESPONSIBILITY

- Legacy of setting industry-leading standards and targets
- Ranked #1 by KnowTheChain modern slavery benchmark and the Corporate Human Rights benchmark
- One of few IT companies to conduct an independent company-wide Human Rights Impact Assessment
- Inaugural AI Ethics Advisory Board established, paired with operationally-focused AI Ethics Working Group

<sup>1</sup> Based on MSCI 2020 assessment  
Code of Conduct and ethical behavior policies are available on our website

# ESG RATINGS AND RECOGNITION

ESG ratings agencies consistently rank HPE among the top global and industry leaders for ESG management and performance:

Investor-driven rankings	 (D - A scale)	 (0 - 100 scale)	 (0 - 100 scale)	 (CCC - AAA scale)
		A	90	80
	98 <sup>th</sup> percentile	100 <sup>th</sup> percentile	96 <sup>th</sup> percentile	89 <sup>th</sup> percentile

Notable recognitions				
		2020 SAM Gold Class, 2019 DJSI Industry Leader	2019 EcoVadis Gold Level	2019 & 2020 World's Most Ethical Companies by Ethisphere Institute

CDP, DJSI, MSCI ratings as of calendar year 2019. Sustainalytics' ESG rating as of August 2019  
 CDP score for Climate Change

# TEAM & CULTURE

**Alessandra Yockelson**  
Chief Talent Officer

# OUR PEOPLE & CULTURE

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## SUCCESSION PLANNING

---

Maintain strong and continuous CEO and key management succession plans

---

Our Board also meticulously selects and regularly evaluates management

## CULTURE AND ENGAGEMENT

---

Promote a vibrant, healthy, and diverse culture throughout the Company

---

Starting at the Board level, make HPE a place where people are excited to work

## INCLUSION AND DIVERSITY

---

Embrace unconditional inclusiveness to realize the business benefit of diversity.

---

Embedding inclusive policies, programs, and practices for sustainable change

## COMPENSATION

---

Develop performance-linked compensation policies and practices

---

Ensure such policies drive sustainable, long-term value and properly incentivize our talent

# INCLUSION & DIVERSITY IMPACT AREAS



We provide equitable opportunities to recruit, retain, and develop talent that fuels our innovation



We are unconditionally inclusive in the way we work and celebrate individual uniqueness



We represent diversity when we go to market and foster inclusion across our partners



We take a stand as being a force for good in our communities

# I&D COUNCIL

## EXTERNAL ADVISOR



Lenora Billings-Harris,  
CEO, UBUNTUGLOBAL

## BOARD ADVISOR



Pamela Carter,  
HPE BOARD MEMBER

## COUNCIL CHAIR



Antonio Neri,  
CHIEF EXECUTIVE  
OFFICER

## COUNCIL CO-CHAIR



Michael Lopez,  
CHIEF DIVERSITY  
OFFICER



Dan  
Belanger  
NORTH  
AMERICA

Pradeep  
Kumar  
POINTNEXT  
TECHNOLOGY  
SERVICES

Krista  
Satterthwaite  
COMPUTE

Narinder  
Kapoor  
APAC

Keerti  
Melkote  
ARUBA

Marc  
Waters  
UKIMESA

Irv  
Rothman  
HPE FS

Jennifer  
Temple  
COMMUNICATIONS

Brian  
Tippens  
OLAA

Biljana  
Weber  
CERTA

Alessandra  
Yockelson  
HR



# 2019 I&D PERFORMANCE HIGHLIGHTS

Annual goal to increase representation of women and ethnically diverse talent by 1% year-over-year

## EMPLOYEE DEMOGRAPHICS

Female representation (WW, % total)	2018	2019	Delta
Women employees	31.16%	31.55%	0.39 ↑
Women managers	23.47%	24.41%	0.94 ↑
Women in sr. positions (Director level & above) <sup>1</sup>	21.09%	22.44%	1.35 ↑

U.S. Employee (% of total)	2018	2019	Delta
White	69.14%	67.85%	1.29 ↓
Black	5.62%	5.49%	0.13 ↓
Hispanic	6.33%	6.52%	0.19 ↑
Asian	16.93%	17.99%	1.06 ↑
All minorities	30.86%	32.15%	1.29 ↑

## EMPLOYEE DEVELOPMENT AND ENGAGEMENT

19.2 hours of development and training per employee, on avg

Employee engagement score up 10% YoY; 18% since 2017

Voluntary turnover fell from 9.5% in 2018 to just 7.0% in 2019; further declined to 5.4% as of June 2020


Top talent retention 94% FY 2019; 95% as of June 2020


In 2019, HPE launched **Ready Now**, a development and mentoring program to help senior female executives secure seats on corporate boards of directors


<sup>1</sup> % of total top management positions

# TEAM MEMBER ENGAGEMENT BY DIVERSE GROUP



 HPE	2018	2019
HPE Overall	71%	<b>81%</b>
HPE US	68%	<b>79%</b>

 Gender (Worldwide)	2018	2019
Female	78%	<b>85%</b>
Male	75%	<b>83%</b>
I choose not to answer	56%	<b>67%</b>

 Ethnicity (US)	2018	2019
African American	78%	<b>85%</b>
Asian	75%	<b>82%</b>
Caucasian	72%	<b>82%</b>
Hispanic	78%	<b>86%</b>
Native American	75%	<b>86%</b>
Two or more races	70%	<b>84%</b>
I choose not to answer	57%	<b>69%</b>



# **ADDITIONAL I&D ACTIONS UNDERWAY**

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## **Global I&D Executive Council**

**Inclusion  
Training**

**Courageous  
Conversations**

**Advocacy  
Program**

**Representation & Pay  
Equity**

## TEAM MEMBER HEALTH AND WELLBEING

In 2019, HPE launched **Work That Fits Your Life**, a set of team member benefits aimed at improving work/life balance, wellness, and inclusion.



- **6 MONTHS** fully paid parental leave
- Once monthly **WELLNESS FRIDAYS**
- **PART TIME WORK OPTIONS** for new parents and those nearing retirement
- **RETIREMENT TRANSITION SUPPORT** for employees approaching retirement
- **FREE HEAD SPACE** accounts
- **ON DEMAND** mental health resources
- **VIRTUAL COMMUNITY CALLS** to connect team members

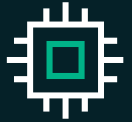
# **CORPORATE GOVERNANCE**

**Rishi Varma**  
SVP & General Counsel



**Exceptional corporate governance  
is the foundation of any successful  
and sustainable business**

# OUR GOVERNANCE STRUCTURE



## World-Class Board

- Our Board was thoughtfully structured following a global search targeting world-class directors with the diversity of skills, experience, ethnicity, and gender necessary to exceptional leadership for HPE.
- Our directors actively participate in a variety of events representing HPE’s interests, connecting with our customers, and engaging with our employees, including the World Economic Forum in Davos, HPE Discover, and HPE International Women’s Day, among many others.



## Continual Improvement

- Our Board conducts a rigorous evaluation process to continually assess its effectiveness, with the goal of ensuring representation of diverse perspectives, experiences and backgrounds, as well as other differentiating characteristics to support the global demands of our business.
- We also constantly assess and implement methods of enhancing our governance practices.



## Investor and Stakeholder Engagement

- Our Board annually participates in a robust shareholder engagement program, which targets at least 60% of our shareholder base and is intended to provide a meaningful dialogue channel outside of the proxy season.
- We continuously seek the perspectives of our employees, customers, partners, and other communities, building trust with our stakeholders through a culture of integrity and transparency.



## Culture & Ethics

- We believe that a vibrant and healthy corporate culture is essential to creating sustainability and long-term value within any company, which is why culture will always be a key focus at HPE.
- Our Board promotes a tolerant and diverse culture not only at the board-level, but throughout the entire organization.
- In addition, our Board ensures strict ethical and legal compliance, so that we win the right way.

# WORLD-CLASS BOARD OF DIRECTORS

## Patricia Russo

- Influential thought leader in **business** and **corporate governance**
- **Technology** and **telecoms** industry veteran
- **No. 1** on Fortune's International List of Most Powerful Women in Business
- Former CEO of Alcatel-Lucent



## Dan Ammann

- **Financial** and **strategy** expert
- Robust knowledge of **consumer, manufacturing,** and financial industries
- Rebuilt the captive finance company of General Motors
- CEO of GM Cruise



## Pamela Carter

- Comprehensive **legal** experience in both public and private sectors
- **Global, strategic, operational,** and **transformational** leadership expertise
- First African American woman ever elected as a state attorney general
- Former President of Cummins



## Jean Hobby

- Deep expertise in **audit, financial controls, finance, strategy,** and **technology**
- Former Global Strategy Officer, Technology, Media, and Telecom Leader, and CFO of PwC



## George Kurtz

- Technical expert on **cloud, AI, big data,** and **cybersecurity**
- Deep **entrepreneurial** experience in commercializing **emerging tech**
- CEO and Co-Founder of CrowdStrike



## Raymond Lane

- Early-stage **IT venture capital** expert
- Valuable insight into **worldwide operations, management, technology,** and **strategy**
- Managing Partner at GreatPoint Ventures



## Ann Livermore

- Expertise across **technology, marketing, sales, R&D,** and **business management**
- Vast knowledge of HPE, having served in senior leadership positions at the Company for 35 years



## Antonio Neri

- CEO and HPE veteran
- Talented **engineer** and inspiring **leader**
- Overseen HPE's key **technological innovations, M&A,** and **cultural** growth



## Charles Noski

- Expertise in **finance, accounting, risk, capital markets,** and **business operations** across banking, defense, telecoms, and software sectors
- Former CFO of Bank of America, AT&T, and Northrop Grumman



## Raymond Ozzie

- Influential **entrepreneur** and **technology** expert with a thorough understanding of both **business strategy** and **software development**
- Former Chief Software Architect and CTO of Microsoft



## Gary Reiner

- Deep insight into **IT, strategy,** and complex organizational **operations**
- Expertise in **growth-oriented private equity** as Operating Partner at General Atlantic
- Former CIO of General Electric



## Lip-Bu Tan

- **Technology venture capital** pioneer with robust knowledge of **electronic design** and **semiconductor** industries
- **Corporate governance** expert
- CEO of Cadence Design Systems and Founder of Walden International



## Maggie Wilderotter

- Valuable experience in **financial, operational, cybersecurity,** and **strategic** matters across the telecoms and tech industries
- In-depth understanding of **financial statements** and public company **audit**

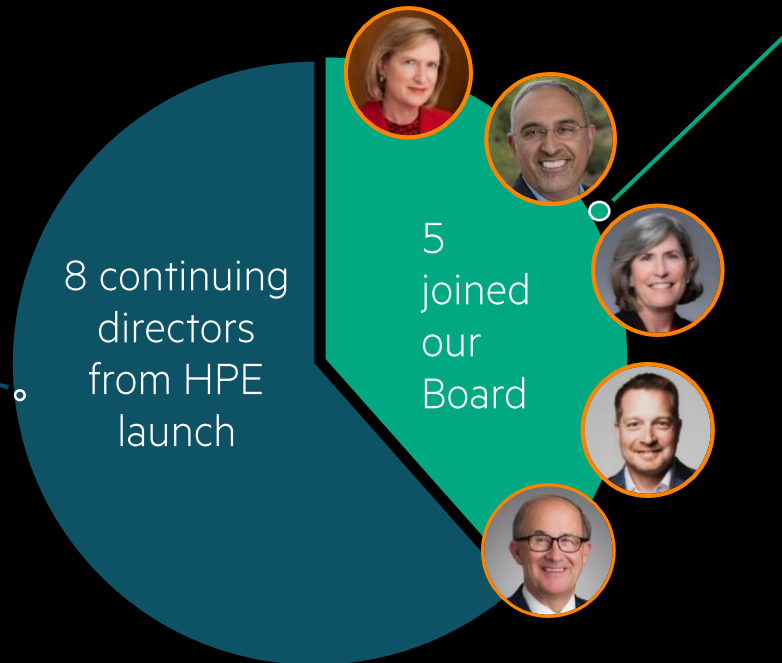


# BOARD REFRESHMENT & DIVERSITY

**Our Approach:** We continually assess whether our Board maintains the right balance of skills, experience, and capability required for exceptional leadership. To this end, our Board structure, composition, and evaluation process is thoughtfully designed to optimally address the views of our investors and other stakeholders. Our Directors bring a diverse set of skills and experiences to HPE that are essential to collaborating with management and driving our strategy forward.

## Since HPE's Inception

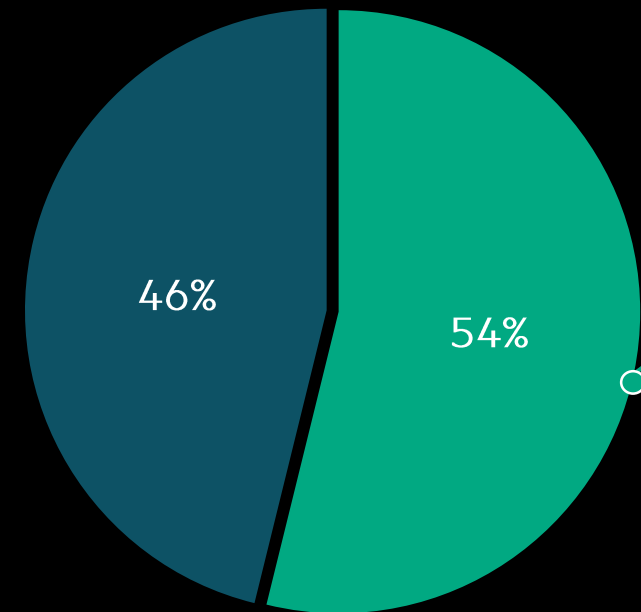
Since HPE's public launch in 2015, 40% of our Board has been refreshed.



From 2015 to today, we have had five directors join our Board, each providing a unique set of skills and experiences.

## Diversity

54% of our Board are women and/or ethnically diverse.



# BOARD OVERSIGHT

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Advise management on short-term, mid-term, and long-term **strategic goals**, with emphasis on long-term sustainable value

Ensure consideration and integration of **ESG** within HPE and its long-term strategy

**ADVISE,  
OVERSEE, &  
ASSESS**

Identify and **oversee risks** to (and involving) HPE's strategy and operations

Oversee and **evaluate management's approach** to addressing risks and their execution of strategic priorities

# STRONG GOVERNANCE AND COMPENSATION PRACTICES



## Governance Highlights

- Independent chair of the Board
- Shareholder access to the proxy at 3% / 3 years and 20% of the Board
- Shareholder right to call a special meeting at 25% threshold
- Annual board evaluations with rotating format
- Annually elected directors
- Majority vote standard for all shareholder action, including director elections
- Extensive shareholder outreach efforts, including targeted engagement with top advisory firms and holders of 60%+ of common stock outstanding
- No poison pill
- No cumulative voting



## Compensation Highlights

- Targeted within a competitive range of the market median
- Majority of executive compensation is variable, and performance- and equity-based
- Balance of financial, operational, and market-based performance metrics
- All long-term incentive awards align with shareholders through stock price and multi-year vesting, and half of these LTI awards have performance vesting requirements in-addition to time vesting
- Robust stock ownership requirements for executive officers and directors
- Performance updates, program risk, market trends, Committee charter, and advisor independence assessed throughout the fiscal year
- Annual engagement with large shareholders and proxy advisory firms
- Clawback policy
- Double-trigger change in control with limited participation
- No hedging and pledging of stock
- No U.S. defined-benefit retirement program
- No excessive perquisites
- No individual compensation agreements

**Our Board and management maintain a governance profile that aligns with industry-leading standards**

# OUR PEOPLE & CULTURE

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## SUCCESSION PLANNING

---

Maintain strong and continuous CEO and key management succession plans

---

Our Board also meticulously selects and regularly evaluates management

## CULTURE AND ENGAGEMENT

---

Promote a vibrant, healthy, and diverse culture throughout the Company

---

Starting at the Board level, make HPE a place where people are excited to work

## INCLUSION AND DIVERSITY

---

Express the importance of inclusion and diversity at all levels

---

Build a tolerant and diverse culture that will lead to new perspectives and growth

## COMPENSATION

---

Develop performance-linked compensation policies and practices

---

Ensure such policies drive sustainable, long-term value and properly incentivize our talent



# UNCOMPROMISING INTEGRITY & ETHICS

## Risk Culture

Set and ensure the maintenance of an appropriate risk culture

## Compliance

Actively promote and ensure legal and regulatory compliance across a wide range of fields and topics

## Ethics

Set the ethical tone at the Board-level, disseminating and promoting appropriate values throughout the Company. We pride ourselves in winning the right way.

The background is a dark, almost black, space filled with a complex network of glowing lines. These lines are primarily in shades of cyan, teal, and light blue, with some hints of yellow and purple. They form a dense, three-dimensional grid that recedes into the distance, creating a sense of depth and perspective. The lines are not perfectly straight but have a slight wobble, giving it a digital or data-like feel. The overall effect is that of a futuristic or high-tech environment.

**Q&A**

The background is a dark, almost black, space filled with a complex network of glowing lines and grids. The lines are primarily in shades of teal, cyan, and light blue, with some hints of yellow and purple. They form various geometric shapes, including rectangles and squares, some of which are slightly offset or layered, creating a sense of depth and movement. The overall effect is that of a digital or data visualization, possibly representing a network or a complex system.

**Thank You**