

**HPE** Financial Services

# Circular Economy Report

ACME

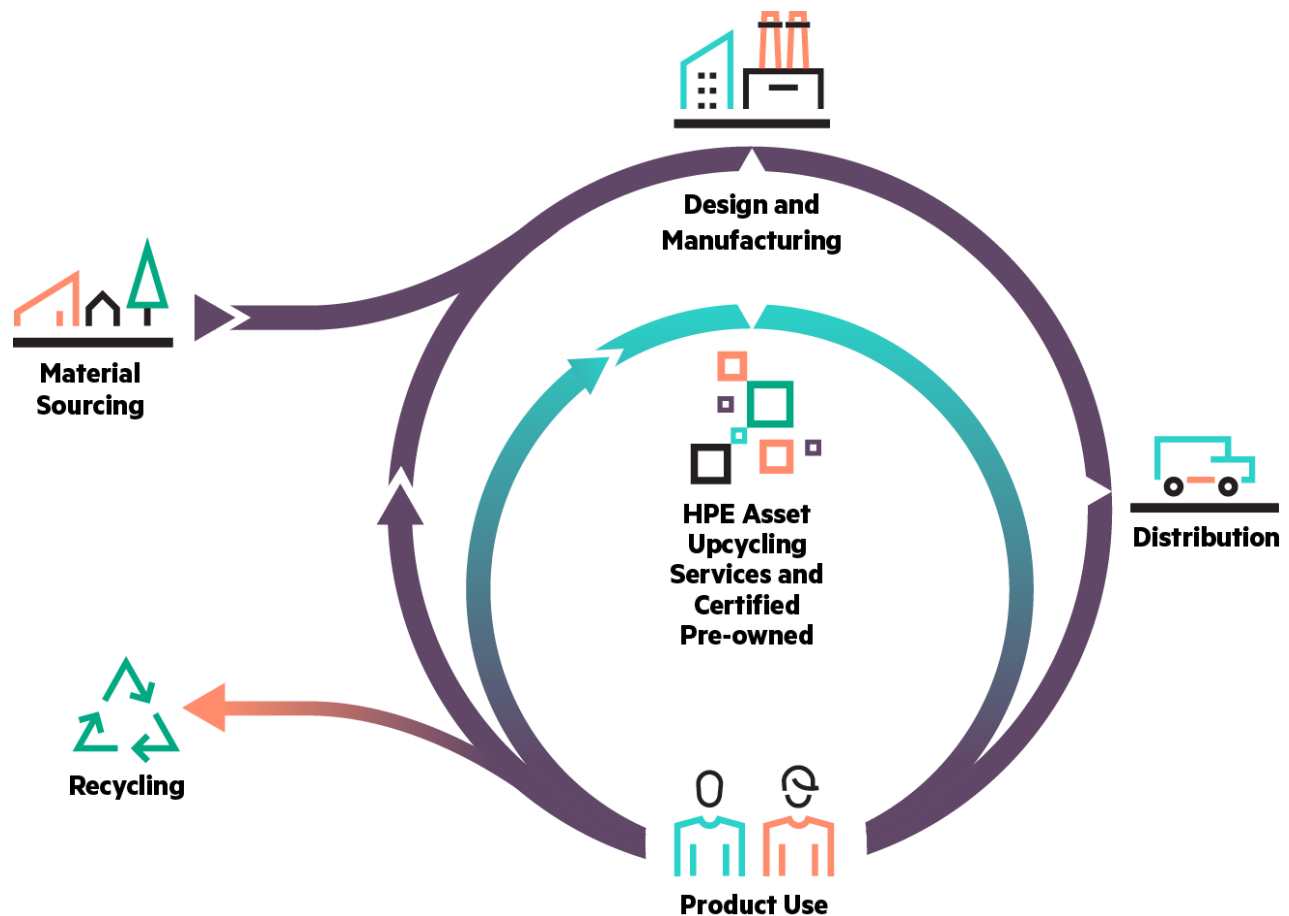
November, 2017 - October, 2018

# Introduction

Hewlett Packard Enterprise (HPE) is creating sustainable solutions to accelerate our customers' digital transformations in this era of technological disruption. Our circular economy approach drives more effective use of energy and materials, and enables customers to manage their IT assets in a secure, compliant, and environmentally responsible manner.

This report outlines how your participation in our end-of-use management programs help you address the social and environmental impacts of rapid innovation. By refurbishing and recycling your retired IT products, you are contributing to a circular economy that returns value to your business while helping to meet your sustainability goals.

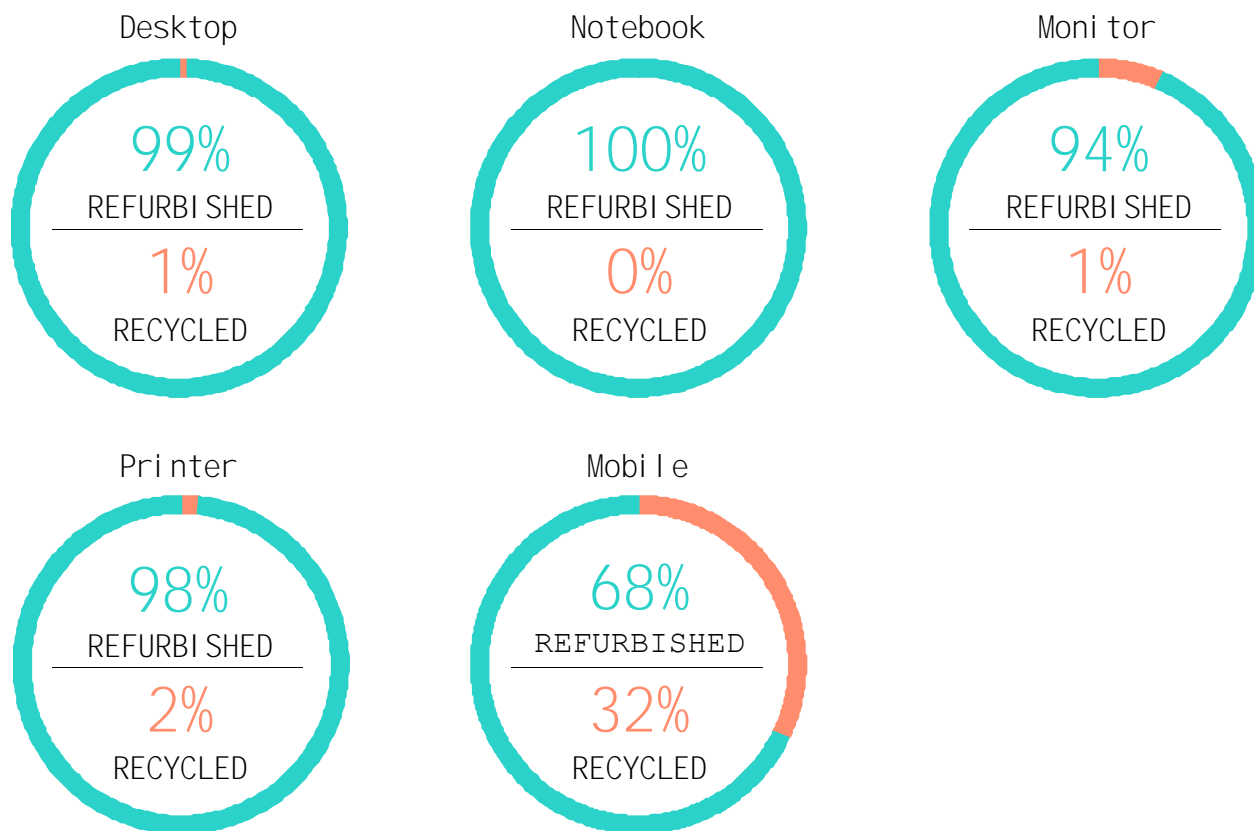
HPE Financial Services Asset Upcycling Services, Certified Pre-Owned equipment, and financial investment solutions are HPE Asset Lifecycle solutions that focus uniquely on the circular economy.



# Your recovered items

## Workplace (units)

A summary of the items you returned and their final status as refurbished or recycled materials.



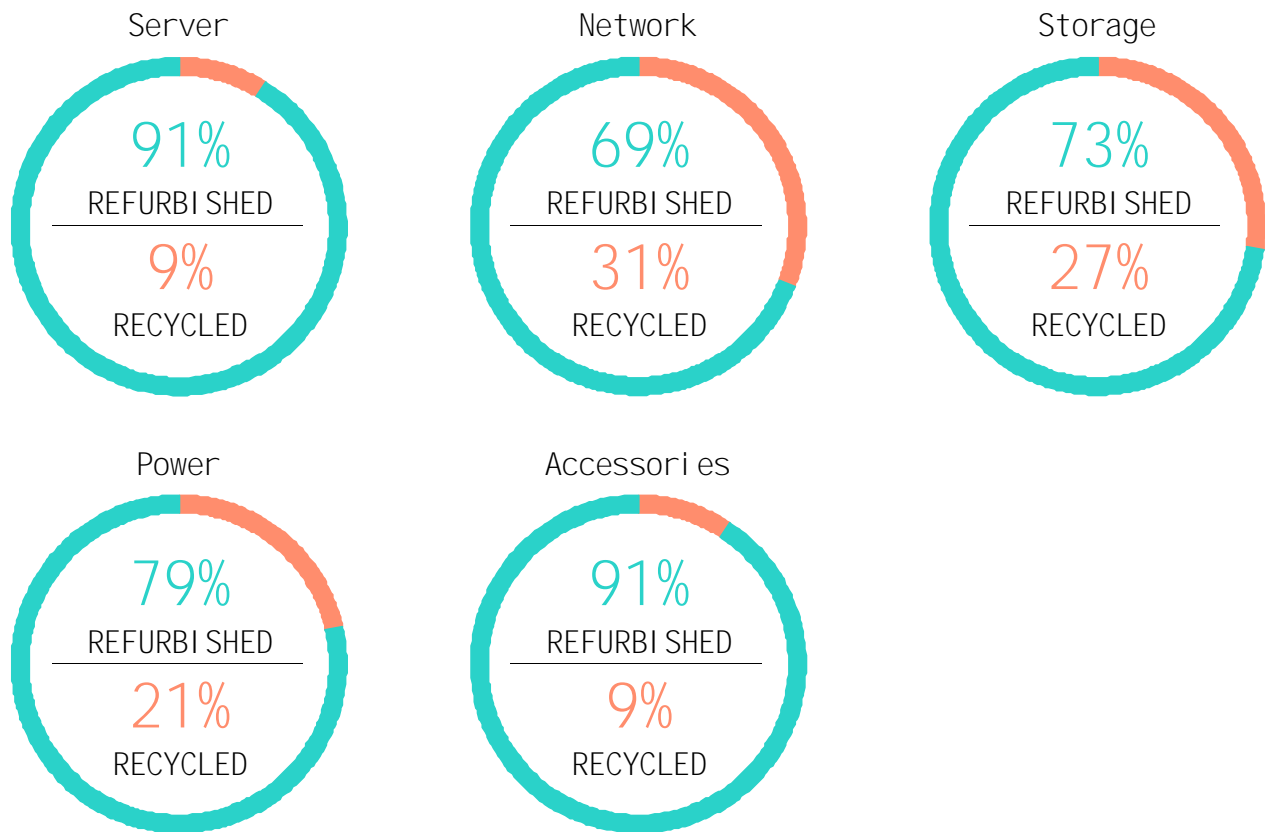
Workplace (units)

PRODUCT TYPE	REFURBISHED	RECYCLED	TOTAL
Desktop	8,731	342	9,073
Notebook	16,382	17	16,399
Monitor	4,622	310	4,932
Printer	1,540	28	1,568
Mobility	23	11	34
<b>TOTAL</b>	<b>31,298</b>	<b>708</b>	<b>32,006</b>

# Your recovered items

## Enterprise (units)

A summary of the items you returned and their final status as refurbished or recycled materials.



Enterprise (units) PRODUCT TYPE	REFURBISHED	RECYCLED	TOTAL
Server	11,202	1,069	12,271
Network	1,194	532	1,726
Storage	4,537	1,697	6,234
Power	57,603	15,584	73,187
Accessories	2,721	278	2,999
<b>TOTAL</b>	<b>77,257</b>	<b>19,160</b>	<b>96,417</b>

# Savings

By refurbishing and recycling IT products with HPE Financial Services, you enhance productivity, capture new value from retired assets, and additionally, realize associated environmental benefits. The impact and savings you have achieved using our IT Asset Lifecycle solutions can be seen below.

5,547 mt  
CO<sub>2</sub>e saved

This equals the average annual CO<sub>2</sub>e emissions of 1,206 cars.

19,815 MWh  
energy saved

This equals the average annual energy consumption of 40,007 households.

577 mt  
waste kept from landfills

To store this at home, you would need 19,583 moving boxes.



# Recycling

The rapid pace of innovation in electronic products and growing impacts of a “take, make, dispose” production and consumption cycle, are increasing the need for a circular economy. Below you can see representations depicting the recoverable raw material contained in the products you returned.

144 mt  
plastic

This is the equivalent of 3,426,206 plastic bottles.

53 mt  
non-ferrous metals

This is the equivalent of 27 commercial jet engines.

532 mt  
ferrous metals

This is the equivalent of 1,101 cars.

## Use this report for your CDP reporting

Information contained in this report may be used for disclosing your organization's Scope 3 greenhouse gas emissions to CDP (Question C6.5). In accordance with the Greenhouse Gas Protocol accounting standard, the tables below summarize the Scope 3 emissions associated with your contracted HPEFS services, including the purchase of low-carbon, pre-owned assets (Category 1) and the responsible recovery and end-of-life management of electronic assets (Category 5). These emissions (mt CO<sub>2</sub>e) are broken out by (1) your organization's reporting responsibility (emissions to report to CDP), (2) the total emissions avoided as a result of purchasing refurbished products and diverting waste from landfill (avoided emissions) and (3) the net benefit resulting from your organization's use of HPEFS services (net benefit).

Both tables breakout your emissions by type of service and method of asset recovery, when applicable. As defined by the GHG Protocol, your organization's waste-related emissions will depend on the corporate boundary method used to calculate your organization's greenhouse gas footprint. If your organization uses the "Operational Control" method, the values in the first table are most relevant. Otherwise (e.g., "Equity Control" or "Financial Control") the second table is most relevant.

### Methodology:

Below is an explanation of how the values in the table below were calculated.

**Emissions to Report to CDP:** In compliance with the GHG Protocol's "recycled content" method, the average inbound and outbound transportation, in units of mass-distance travelled, required for HPEFS to collect and process recycled or refurbished assets is multiplied by appropriate IDEMAT transportation emission factors.

**Avoided Emissions:** Assuming landfill to be the default end-of-life management practice, avoided emissions for recycled assets were calculated by multiplying the total mass of each recycled material by the appropriate IDEMAT recycling credit emission factor. Avoided emissions for refurbished assets were calculated by multiplying the total quantity of each asset by its cradle-to-manufacturing-gate emission factor from HPE's internal life cycle assessment database.

**Net Benefit:** The net benefit of HPEFS' services are calculated as the avoided emissions less the processing burden reported to CDP.

# Estimated Scope 3 Emissions Using the "Operational Control" Boundary Methods (mt CO2e)

HPEFS SERVICE	RECOVERY METHOD	REPORTING SCOPE	EMISSIONS TO REPORT TO CDP	DESCRIPTION OF EMISSIONS TO REPORT	AVOIDED EMISSIONS	DESCRIPTION OF AVOIDED EMISSIONS	NET BENEFIT
Asset Recovery	Recycled	Scope 3, Category 5: "Waste Generated in Operations"	17.39	Represents emissions associated with the recovery of your owned assets by HPEFS	119.67	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of virgin material production from HPEFS recycling services	102.29
Asset Recovery	Refurbished	Scope 3, Category 5: "Waste Generated in Operations"	88.66	Represents emissions associated with the recovery of your owned assets by HPEFS	1,878.78	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of new product production from HPEFS refurbishing services	1,790.13
Leased Assets	Recycled	Scope 3, Category 5: "Waste Generated in Operations"	2.36	Represents emissions associated with the recovery of your leased assets by HPEFS	18.00	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of virgin material production from HPEFS recycling services	15.64
Leased Assets	Refurbished	Scope 3, Category 5: "Waste Generated in Operations"	51.21	Represents emissions associated with the recovery of your leased assets by HPEFS	3,690.22	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of new product production from HPEFS refurbishing services	3,639.01
TOTAL			159.60		5,706.68		5,547.07

## Estimated Scope 3 Emissions Using the "Equity Share" or "Financial Control" Boundary Methods (mt CO2e)

HPEFS SERVICE	RECOVERY METHOD	REPORTING SCOPE	EMISSIONS TO REPORT TO CDP	DESCRIPTION OF EMISSIONS TO REPORT	AVOIDED EMISSIONS	DESCRIPTION OF AVOIDED EMISSIONS	NET BENEFIT
Asset Recovery	Recycled	Scope 3, Category 5: "Waste Generated in Operations"	17.39	Represents emissions associated with the recovery of your owned assets by HPEFS	119.67	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of virgin material production from HPEFS recycling services	102.29
Asset Recovery	Refurbished	Scope 3, Category 5: "Waste Generated in Operations"	88.66	Represents emissions associated with the recovery of your owned assets by HPEFS	1,878.78	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of new product production from HPEFS refurbishing services	1,790.13
Leased Assets	Recycled	Scope 3, Category 5: "Waste Generated in Operations"	0.00	Service not covered under organizational boundaries	0.00	Service not covered under organizational boundaries	0.00
Leased Assets	Refurbished	Scope 3, Category 5: "Waste Generated in Operations"	0.00	Service not covered under organizational boundaries	0.00	Service not covered under organizational boundaries	0.00
TOTAL			106.04		1,998.46		1,892.42



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## Our promise to our customers and the environment

At HPE, our global expertise and understanding of the requirements and options for safe recycling can help our customers and partners do the right thing. We take pride in our ability to maximize our customers' IT investments by putting equipment with value back into the world as a working asset for other customers. Our Technology Renewal Centers (TRCs) in Andover, Massachusetts and Erskine, Scotland help extend the life of technology whenever possible, and securely and responsibly recycle materials where appropriate.

In today's competitive marketplace, every enterprise needs a trusted partner that knows their standards. HPE helps you develop a proactive and sustainable asset recovery strategy that can optimize the physical, financial, and contractual aspects of IT asset retirement.

## Learn more or request your own report

[cert-info@hpe.com](mailto:cert-info@hpe.com)

## Additional resources

<https://www.hpe.com/us/en/services/finance-services.html>

<https://www.hpe.com/us/en/living-progress.html>

<https://www.cdp.net/en>

<https://www.globalreporting.org/Pages/default.aspx>

<http://www.sustainability-indices.com/>

<https://sustainabledevelopment.un.org/?menu=1300>

<https://www.weforum.org/about/circular-economy-videos>

<https://www.ellenmacarthurfoundation.org/circular-economy/concept>

[http://ec.europa.eu/environment/circular-economy/index\\_en.htm](http://ec.europa.eu/environment/circular-economy/index_en.htm)

<http://idematapp.com/>



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This report is provided to illustrate for you the estimated environmental impacts that result when assets are returned to HPE Financial Services after use. Hewlett-Packard Financial Services Company ("HPFS") believes this information is substantially representative of the resources reclaimed or saved through our processing methods. The values contained herein are estimates that reflect potential - not actual - recycling and reuse rates. The various statistics and values depicted in this report are based on asset return volumes for IT products within general product categories subsequent to return to us. Statistical conversion coefficients and other methods of estimation are applied to evaluate the types of materials that specific products, or products of substantially similar description, typically contain. Please note that the information depicted in this report is provided for discussion and information purposes only. HPFS makes no representations or warranties, and shall have no liability to you, or any third parties, for any damages, claims or losses of any kind whatsoever, whether direct, incidental, indirect, special or consequential, arising out of or in connection with this report, the information contained herein or the procedures used to create this report. In providing this report, HPFS is not providing any service to you and is under no obligation to provide any additional reports to you. Any information contained in the CER with respect to Social and Environmental Reporting ("SER") does not replace the advice of an accountant, lawyer or other advisor. You should seek such advice independently and, after such consultation, independently determine how to complete applicable SER requirements.

November, 2018