HPE Financial Services

Circular Economy Report

Sample Report For Test Company

January, 2022- December, 2022

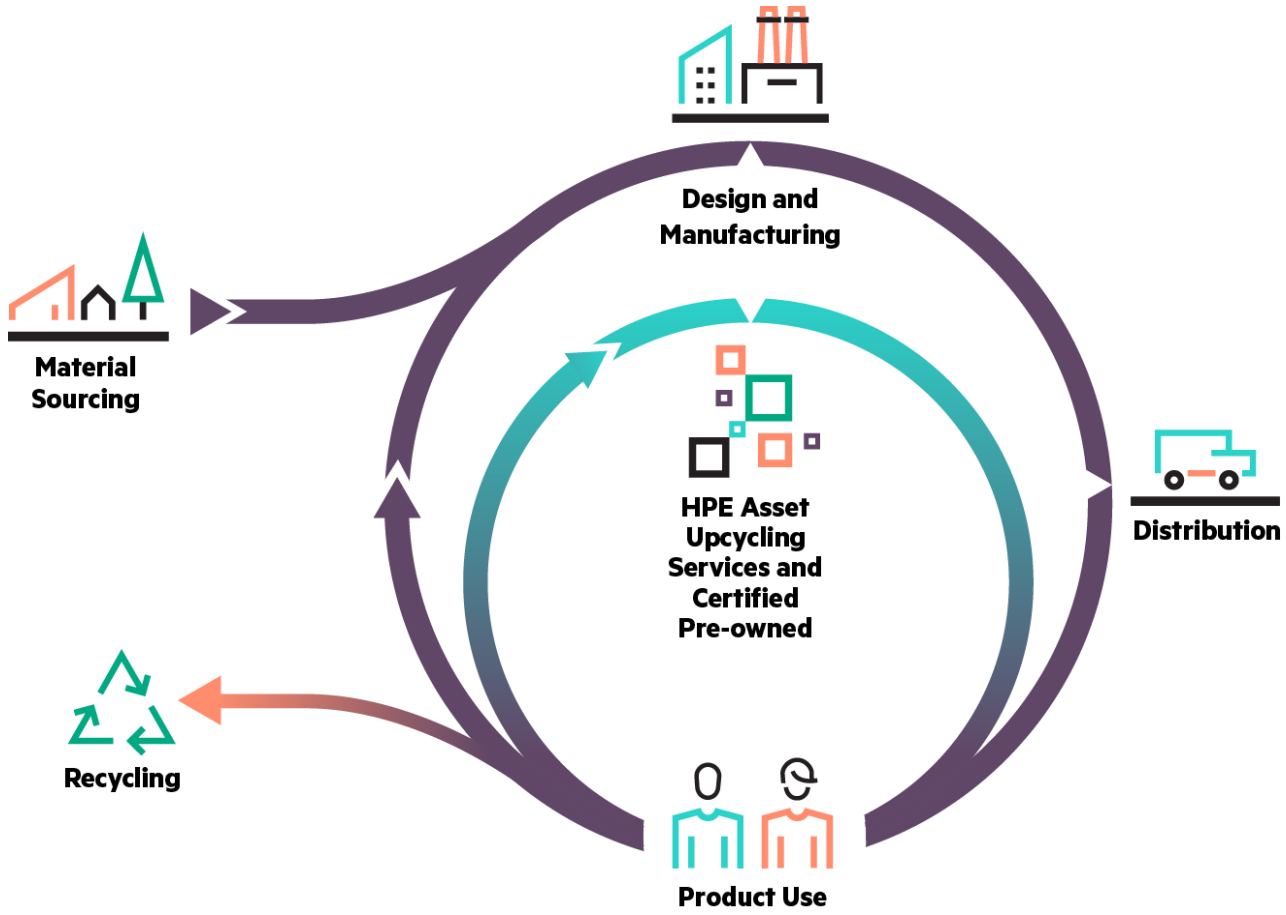
Hewlett Packard Enterprise

Introduction

Hewlett Packard Enterprise (HPE) aims to create 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 sustainablity 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.

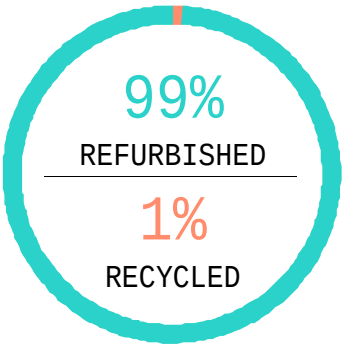


Your recovered items

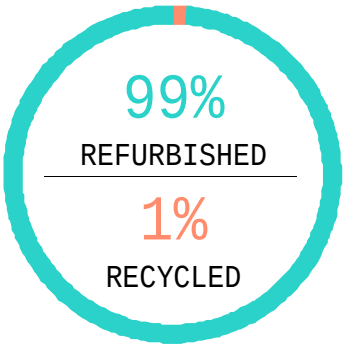
Workplace (units)

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

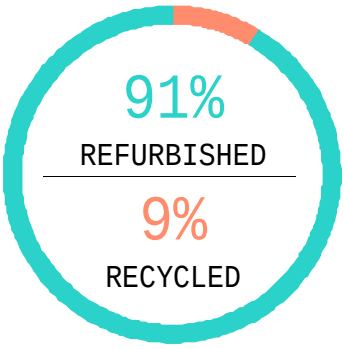
Desktop



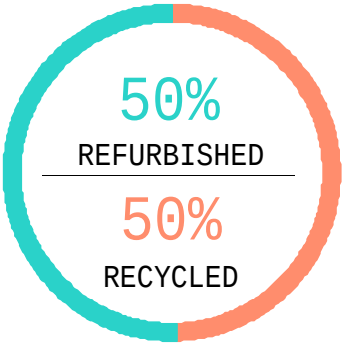
Notebook



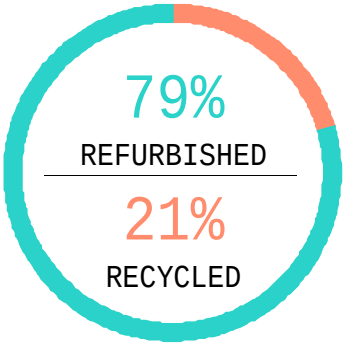
Monitor



Printer



Mobile



Workplace (units)

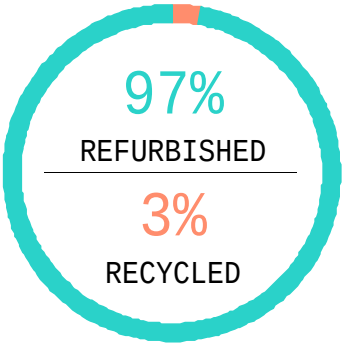
PRODUCT TYPE	REFURBISHED	RECYCLED	TOTAL
Desktop	5,524	62	5,586
Notebook	1,437	20	1,457
Monitor	6,447	495	6,942
Printer	2,518	2,766	5,284
Mobility	167	44	211
TOTAL	16,093	3,387	19,480

Your recovered items

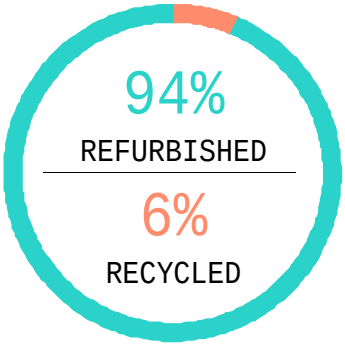
Enterprise (units)

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

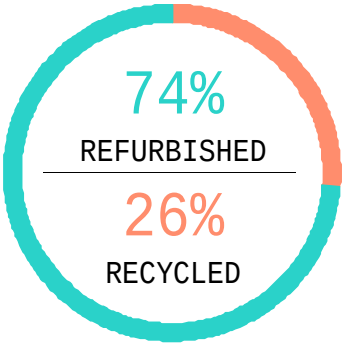
Server & Options



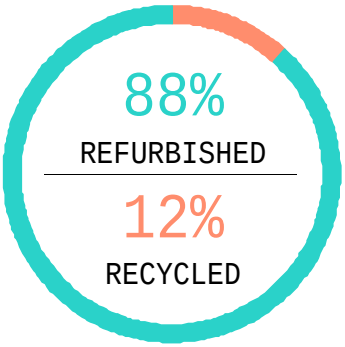
Network & Options



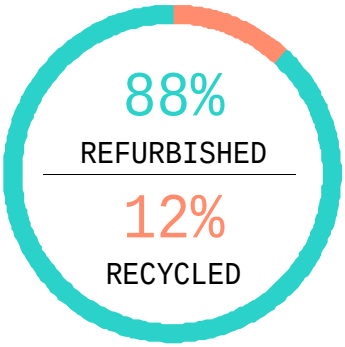
Storage & Options



Power



Other



Enterprise (units)

PRODUCT TYPE	REFURBISHED	RECYCLED	TOTAL
Server & Options	3,459	102	3,561
Network & Options	1,100	75	1,175
Storage & Options	1,852	666	2,518
Power	1,787	238	2,025
Other	294	40	334
TOTAL	8,492	1,121	9,613

Savings

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

3,688 mt
CO2e saved

This equals the average annual CO2e emissions of 802 cars.

13,380 MWh
energy saved

This equals the average annual energy consumption of 27,015 households.

340 mt
waste kept from landfills

To store this at home, you would need 11,549 moving boxes.

Recycling[1]

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.

228 mt
plastic

This is the equivalent of 5,433,017 plastic bottles.

21 mt
non-ferrous metals

This is the equivalent of 11 commercial jet engines.

151 mt
ferrous metals

This is the equivalent of 313 cars.

1) Not all recoverable materials will necessarily be actually recovered through recycling for a given end-of-life product; our estimates are based on the likely proportion of materials that would stem from a flow of IT equipment waste material sent to recycling, using modeled assumptions about the material that will likely be returned into commerce instead of landfilled or otherwise disposed of.

Optimization of Sustainable Materials

In an effort to refurbish as much equipment as possible, HPE disassembles a large percentage of the Enterprise equipment that we process, and tests this equipment at a component level. By separating into individual components, we are able identify the reusable parts that may be part of a non-functional unit and increase the amount of the product that is refurbished. The data contained in this report reflects the total number of components counted in this process.

Use this report for your CDP reporting[2]

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 CO2e) 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 it's cradle-to-manufacturing-gate emission factor from HPE's internal life cycle assessment database.

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

2) Any information contained in the Circular Economy Report ("CER") with respect to CDP reporting does not replace the advice of an accountant, lawyer or other advisor. You should seek such advice independently and, only after such consultation, independently determine how to report to the 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"	0.62	Represents emissions associated with the recovery of your owned assets by HPEFS	2.52	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of virgin material production from HPEFS recycling services	1.90
Asset Recovery	Refurbished	Scope 3, Category 5: "Waste Generated in Operations"	0.55	Represents emissions associated with the recovery of your owned assets by HPEFS	51.43	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of new product production from HPEFS refurbishing services	50.88
Leased Assets	Recycled	Scope 3, Category 5: "Waste Generated in Operations"	33.18	Represents emissions associated with the recovery of your leased assets by HPEFS	116.13	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of virgin material production from HPEFS recycling services	82.95
Leased Assets	Refurbished	Scope 3, Category 5: "Waste Generated in Operations"	53.73	Represents emissions associated with the recovery of your leased assets by HPEFS	3,606.35	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of new product production from HPEFS refurbishing services	3,552.62
		TOTAL	88.08		3,776.42		3,688.35

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"	0.62	Represents emissions associated with the recovery of your owned assets by HPEFS	2.52	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of virgin material production from HPEFS recycling services	1.90
Asset Recovery	Refurbished	Scope 3, Category 5: "Waste Generated in Operations"	0.55	Represents emissions associated with the recovery of your owned assets by HPEFS	51.43	Represents avoided emissions associated with the diversion of landfilled waste and offsetting of new product production from HPEFS refurbishing services	50.88
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	1.17		53.95		52.78

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.

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://idematapp.com/

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