

ESG Performance Summary and GRI Content Index

2018 (Fiscal Year 2019)

ESG PERFORMANCE SUMMARY

Fiscal Year 2019 (FY19)

PRODUCT	2018 (FY19)
Revenue	\$8,974 million
Greenhouse Gas (GHG) Emissions avoided by VMware products	91,000,000 MT CO ₂
Worldwide Patents and Applications	5,807
PLANET	2018 (FY19)
Energy & Climate Change	
GHG emissions ¹	120,425 MT CO ₂ e
Scope 1: Direct emissions from owned/controlled operations	4,454 MT CO ₂ e
Scope 2: Indirect emissions from the use of purchased electricity (market-based) ²	15,237 MT CO ₂ e
Scope 3: Business air travel	58,081 MT CO ₂ e
Scope 3: Employee commuting ³	42,653 MT CO ₂ e
Scope 3: Purchased Goods & Services	204,427 MT CO ₂ e
Scope 3: Capital Goods	49,050 MT CO ₂ e
Scope 3: Other [same footnote as the one beside footprint graphic]	23,912 MT CO ₂ e
Scope 2: Indirect emissions from the use of purchased electricity (location-based)	67,524 MT CO ₂ e
GHG emissions intensity revenue metric ⁴	1.70 MT CO ₂ e/revenue
GHG emissions intensity employee metric ⁵	2.79 MT CO ₂ e/employee
GHG emissions intensity square footage metric ⁶	4.14 MT CO ₂ e/1,000 SQ FT
Energy Use	
Electricity purchased	139,798 MWh
Total renewable energy purchased	131,607 MWh
Total Energy Attribute Credits (EACs) purchased	46,257 MWh
Renewable energy purchased (excluding EACs)	85,350 MWh
Percentage of renewable energy globally	94%
LEED® certifications	15
Percentage of square footage in green building certified space ⁷	41%
Wenatchee Data Center Power Usage Effectiveness (PUE)	1.27
Portfolio Square Footage	4,759 (in thousands)
Waste	
Waste generation (tons)	1030
Recycling (tons)	390
Compost (tons)	565
Landfill (tons)	75
Landfill diversion rate	93%
Waste programs implemented (as a percent of global square footage)	52%
Water	
Water consumed	129M gallons
Water consumption coverage (as a percent of global square footage)	68%
Suppliers	
Diverse supplier spend within the US	\$165,000,000
Environmental Compliance	
Environmental Violations	0
Environmental Fines	\$0

PEOPLE	2018 (FY19)
Employees	
Number of employees	24,200
Regional employees (AMER %)	48% all regular employees
Regional employees (APJ %)	33% all regular employees
Regional employees (EMEA %)	18% all regular employees
Global gender diversity	24.7% female
Regional gender diversity, AMER	26.0% female
Regional gender diversity, APJ	23.5% female
Regional gender diversity, EMEA	23.3% female
Regular employees under 30 years old	17.9%
Regular employees 30-50 years old	70.7%
Regular employees over 50 years old	11.4%
Total New Hires - under 30 years old	32%
Total New Hires - 30-50 years old	60%
Total New Hires - over 50 years old	8%
US - African-American/Black	3.0%
US - Asian	33.8%
US - Caucasian/White	55.6%
US - Hispanic/Latino	5.5%
US - Native American/Alaska Native	< 1%
US - Native Hawaiian/Pacific Islander	<1%
US - Two or more races	1.7%
Differently abled (US)	1.8%
LGBTQ (Global)	2.0%
Veterans (US)	5.6%
Employees in professional development programs	12,741
R&D technical courses completed	10,854
Business Conduct Guidelines training completed	100%
Employee engagement ⁸	80%
Employee Net Promoter Score (NPS) ⁹	60
Injury rates	0
Fatalities	0
Community	
Total VMware Foundation grants	\$25,045,000
VMware matching gifts (included in total above)	\$3,847,000
Employee service learning	97,645 hrs
Employees who participated in charitable activities	20,057
Employees who participated in charitable activities	84%
Global nonprofits supported	8,484
Total VMware University Research Fund (VMURF) grants ¹⁰	\$5,932,000
Public Policy & Governance	
Company political contributions	\$0
VMware PAC contributions ¹¹	\$65,500
Board of Directors gender diversity	13% female

GRI CONTENT INDEX FY2019

Description	Page number (s) or URL / Direct Answer
GRI 101: FOUNDATION 2018	
GRI 102: GENERAL DISCLOSURES 2018	
ORGANIZATIONAL PROFILE	
102-1	Name of the organization VMware, Inc.
102-2	Primary brands, products, and services VMware 2018 Form 10-K
102-3	Location of headquarters 3401 Hillview Avenue, Palo Alto, California 94304 USA
102-4	Location of operations Office Locations
102-5	Ownership and legal form VMware 2018 Form 10-K
102-6	Markets served VMware 2018 Form 10-K
102-7	Scale of the organization VMware 2018 Form 10-K
102-8	Information on employees and other workers VMware Global Impact Report 2018, Performance Summary
102-9	Supply chain VMware's supply chain consists of approximately 7,000 total suppliers with approximately 200 of those being our top suppliers (by spend). In 2019, for the second consecutive year, VMware requested data from our top suppliers via CDP Supply Chain. In 2018, we had a 95% response rate. This initiative is supporting our progress toward achieving our 2020 procurement goals.
102-10	Significant changes to the organization and its supply chain VMware 2018 Form 10-K
102-11	Precautionary Principle or approach The Precautionary Principle is inherent in VMware's risk identification and assessment process. Please see VMware's 2019 CDP Climate Change Information Request, Section C2.2 for details.
102-12	External initiatives We are involved in several external initiatives, including: RE100, REBA and BSR's Future of Internet Power (FoIP). The low carbon sustainable development projects that we support address numerous Sustainable Development Goals (SDGs), including: SDG 1, SDG 3, SDG 5, SDG 6, SDG 7, SDG 8, SDG 9, SDG 13 and SDG 15. Details of these projects can be found in VMware's 2019 CDP Response, Section C11.2. All of these initiatives are voluntary.
102-13	Membership of associations IT Alliance for Public Sector, The Information Technology Industry Council, TechNet, USITO; please see VMware's 2019 CDP Climate Change Information Request, Section C12.3 for details.
STRATEGY	
102-14	Statement from senior decision-maker VMware Global Impact Report 2018, Letters from the CEO and CPO, Pat Gelsinger and Betsy Sutter respectively.
102-15	Key impacts, risks, and opportunities VMware Global Impact Report 2018, Journey to 2020
ETHICS AND INTEGRITY	
102-16	Values, principles, standards, and norms of behavior Business Conduct Guidelines
102-17	Mechanisms for advice and concerns about ethics VMware Ethics Hotline
GOVERNANCE	
102-18	Governance structure VMware Governance Structure
102-19	Delegating authority In conjunction with formalizing our Corporate Sustainability Strategy in 2015, we established a Sustainability Technical Advisory Committee and Executive Sustainability Council to provide insight and oversight, and to drive cross-company initiatives.

GOVERNANCE CONTINUED		
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Corporate Sustainability Strategy is led by our Vice President of Sustainability Strategy, Nicola Acutt.
102-21	Consulting stakeholders on economic, environmental, and social topics	VMware Global Impact Report 2015, Governance (p.51)
102-22	Composition of the highest governance body and its committees	VMware Governance Structure
102-23	Chair of the highest governance body	Michael Dell has served as a director and Chairman of the Board since September 7, 2016 when Dell Technologies Inc. acquired EMC Corporation, VMware's parent company. Mr. Dell serves as Chairman of the Board and Chief Executive Officer of Dell Technologies. Learn more about our chair here .
102-24	Nominating and selecting the highest governance body	Corporate Governance Guidelines
102-25	Conflicts of interest	Corporate Governance Guidelines Business Conduct Guidelines
102-26	Role of highest governance body in setting purpose, values, and strategy	Our Board of Directors sets high standards for our employees, officers, and directors. As the highest governing body, it is the duty of the Board of Directors to serve as a prudent fiduciary for shareholders and to oversee the management of the Company's business. Read about our highest governance body here .
102-28	Evaluating the highest governance body's performance	The Lead Director of the Board supervises the Board's annual self-evaluation of the Board's performance, including providing each Board member with feedback on such Board member's performance and reporting overall results of the evaluation to the Compensation and Corporate Governance Committee and, where appropriate, to the Board as a whole. Please see VMware's Corporate Governance Guidelines for more information.
102-29	Identifying and managing economic, environmental, and social impacts	VMware CDP Climate Change Questionnaire 2019; Section C2.2b
102-30	Effectiveness of risk management processes	Corporate Governance Guidelines
102-31	Review of economic, environmental, and social topics	VMware CDP Climate Change Questionnaire 2019; Section C2.2b.
102-32	Highest governance body's role in sustainability reporting	VMware Global Impact Report 2015, Governance
102-33	Communicating critical concerns	Corporate Governance Guidelines
102-36	Process for determining remuneration	We continually analyze compensation globally, accounting for multiple factors that influence pay such as tenure, geographic location, and performance. Our most recent data analysis, done by a third party, shows that at VMware, women earn 99% of their male counterparts' salary globally and racial and ethnic minority employees earn 100% of their white counterparts in the U.S. We are proud of these results and are strongly committed to pay equity and equal opportunity across gender and racial lines.

GRI CONTENT INDEX FY2019

STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Employees, senior leaders, content experts, peers, sustainability experts
102-42	Identifying and selecting stakeholders	Our stakeholders were identified as part of our materiality assessment process; they included senior executives and tenured employees with a deep understanding of the business, and therefore, our impacts and opportunities.
102-43	Approach to stakeholder engagement	We sought to inform our strategy and initial materiality assessment. We collaborated with internal stakeholders through interviews and global focus groups and conducted external interviews with peers and sustainability experts. We then identified and refined material topics and subsequently prioritized focus issues through additional rounds of stakeholder conversations. Informed by the GRI Principles for Defining Report Content, we undertook a process of data synthesis through which we identified relevant business priorities to both our stakeholders and our business.
102-44	Key topics and concerns raised	Key topics raised included: environmental impact of products, operational ecoefficiency, and human and social capital. VMware Global Impact Report 2015, Materiality Assessment
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	VMware 2018 Form 10-K
102-46	Defining report content and topic boundaries	We completed our first materiality assessment in 2015. This process was supported by a third party, PwC, and included analysis of global megatrends, our value chain, stakeholder insights, and our competitive landscape. We engaged our employees, senior leaders, and content experts from across our business to evaluate the social and environmental issues that have the most relevance to global sustainability and the largest impact on our success as a company. The results of this process have informed the development of our sustainability strategy and the content for this report. Reference the Materiality Assessment .
102-47	List of material topics	Economic Performance, Energy, Water, Emissions, Employment, Training and Education, Diversity and Equal Opportunity, Customer Privacy
102-48	Restatements of information	No significant changes
102-49	Changes in reporting	In 2017, we changed our reporting period from calendar year to fiscal year. No other significant changes to material topics or topic boundaries.
102-50	Reporting period	February 1, 2018 - January 31, 2019
102-51	Date of most recent report	August 1, 2018
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	GIR_Sustainability@vmware.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared with consideration of the Global Reporting Initiative 2016 Standards.
102-55	GRI content index	This GRI Index has been prepared with consideration of the Global Reporting Initiative 2016 Standards.
102-56	External assurance	VMware is responsible for the preparation and integrity of the information in this report. VMware engaged Apex (Apex acquired the Health, Safety, and Environmental division of Bureau Veritas North America during the completion of this work) as an independent third party to review our FY19 Greenhouse Gas (GHG) inventory and energy consumption, and received limited assurance of its accuracy and completeness. The scope of this review, included in this report, includes our global Scope 1 and Scope 2 GHG emissions, Scope 1 and 2 energy consumption and Scope 3 GHG emissions related to business travel. The rest of this report has not been externally assured by an independent third party.

GRI 103: MANAGEMENT APPROACH 2017		
103-1	Explanation of the material topic and its boundary	The GRI topics material to VMware and that are reported in this index are: economic performance, energy, water, emissions, employment, training and education, diversity and equal opportunity, and customer privacy. VMware follows reporting boundaries of operational control that includes VMware, Inc. and our subsidiaries for 2018 fiscal year. Specific commitments and approaches for each material topic can be found in VMware's Global Impact Report 2015, 2016, 2017, and 2018.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 201: ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	VMware 2018 Form 10-K
GRI 302: ENERGY		
302-1	Energy consumption within the organization	VMware Global Impact Report 2018, Performance Summary Omission: VMware does not collect the following data: electricity sold, heating sold, heating consumption, cooling consumption and steam consumption.
302-3	Energy intensity	29 kWh/square foot
302-4	Reduction of energy consumption	VMware CDP Climate Change Questionnaire 2019; Section C4.3
GRI 303: WATER		
303-1	Water withdrawal by source	92,687,352 gallons (64% of our global real estate portfolio) Omission: VMware does not measure water withdrawal separately across sources.
GRI 305: EMISSIONS		
305-1	Direct (Scope 1) GHG emissions	VMware Global Impact Report 2018, Performance Summary
305-2	Energy indirect (Scope 2) GHG emissions	VMware Global Impact Report 2018, Performance Summary
305-3	Other indirect (Scope 3) GHG emissions	VMware Global Impact Report 2018, Performance Summary
305-4	GHG emissions intensity	VMware Global Impact Report 2018, Performance Summary
305-5	Reduction of GHG emissions	In 2018, VMware reduced its Scope 1 and 2 emissions intensity by 38% compared to 2017.
GRI 401: EMPLOYMENT		
401-1	New employee hires and employee turnover	VMware Global Impact Report 2018, Performance Summary
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	https://careers.vmware.com/benefits
GRI 404: TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	VMware Global Impact Report 2018, Performance Summary Omission: VMware does not measure the rate of employee turnover by age group, gender or region.
404-2	Programs for upgrading employee skills and transition assistance programs	VMware Global Impact Report 2015, Developing and Inspiring Our People; VMware Global Impact Report 2018, Performance Summary In addition to what was reported in the performance summary, 5,061 employees participated in external training.
404-3	Percentage of employees receiving regular performance and career development reviews	Omission: In 2016, we moved from static performance ratings and lengthy annual reviews to more regular manager and employee conversations, and frequent feedback to align expectations and flexible goal setting. We are in the process of setting measurement tools to report on this disclosure.
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	VMware Global Impact Report 2018, Performance Summary
405-2	Ratio of basic salary and remuneration of women to men	At VMware, women earn 99% of their male counterparts' salary globally, and racial and ethnic minority employees earn 100% of their white counterparts in the U.S. VMware Careers
GRI 418: CUSTOMER PRIVACY		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	VMware Global Impact Report 2018, Governance

