FORCE FOR GOOD

GLOBAL IMPACT REPORT

ANNUAL PROGRESS UPDATE 2017
ABOUT VMWARE

Since our founding in 1998, we have been driven by the desire to challenge the status quo. We believe that software has the power to unlock new opportunities for organizations, people and the planet, and we are committed to creating transformative technology to power a better future. Our pioneering virtualization and cloud infrastructure solutions have transformed data centers and continue to power the apps, services and experiences that are changing the world.

ABOUT THIS REPORT

The following report is an annual progress update on VMware’s Global Impact and Environmental, Social and Governance (ESG) performance data.

REPORTING PERIOD

This report covers VMware and its subsidiaries for the 2018 fiscal year (February 4, 2017, to February 2, 2018). The terms “fiscal year 2018” and “2017” are used interchangeably throughout the report to refer to the data within the stated time period. In 2017, VMware adopted Dell’s fiscal year, which is why the reporting period differs from our 2015 and 2016 reports. The period of January 1, 2017, to February 3, 2017, is referred to as a “Transition Period.” This report does not include data for that period to streamline the comparison of year-over-year performance.

MATERIALITY


GLOBAL REPORTING INITIATIVE (GRI)

This report has been prepared with consideration of Global Reporting Initiative (GRI) 2016 Standards. In 2015, VMware conducted its first materiality assessment and launched the first Global Impact Report to announce its 2020 vision and goals. The reporting process has evolved over the past two years. This year, VMware conducted a gap analysis of the GRI Standards to work toward compliance with the Core reporting option. VMware will continue to enhance its reporting as part of its commitment to transparency and annual reporting against its 2020 goals. Please refer to the GRI Content Index for a list of disclosures.

ASSURANCE

VMware is responsible for the preparation and integrity of the information in this report. VMware engaged PwC as an independent third party to review its fiscal year 2018 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 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.

ONLINE CONTENT

Additional content related to VMware’s global impact can be found online at: https://www.vmware.com/company/sustainability.html.

CONTACT

VMware invites stakeholders to provide feedback on the topics covered in this report and on its website. Please submit questions or comments to the Sustainability Team at GIR_Sustainability@vmware.com.

TRADEMARKS

Trademarks or registered trademarks of VMware or its subsidiaries in the U.S. and/or other countries can be found at http://www.vmware.com/trademarks.html. Other names and marks are the property of their respective owners.

“I’m hopeful and energized by the role technology will play in creating a better future for all. VMware is passionate about ensuring we create a positive global impact through our products and people, and on the planet.”

— Pat Gelsinger, CEO
GLOBAL IMPACT PILLARS

**PLANET**

- Do more than our fair share toward environmental and social sustainability in our business practices and operations.
- Commit to a science-based target for our global carbon emissions reduction.
- Reach 100 percent renewable energy for our global operations and carbon neutrality.
- Institute aggressive water conservation in the water-stressed regions within our portfolio.
- Achieve over 90 percent waste diversion globally and zero e-waste to landfill from our operations.
- Procure 50 percent of our business operations from diverse, sustainable and socially responsible suppliers.

**PRODUCT**

- Drive sustainable business practices and create technology that contributes long-term net positive value to our customers and partner ecosystem.
- Incorporate sustainability into every product release by focusing on solutions that help customers positively impact the environment and society.
- Deliver technology that provides customers and partners with data that enable informed choices around cleaner clouds.
- Integrate sustainability into our customer experience.

**PEOPLE**

- Build an inclusive business environment that enriches people’s lives at work, at home and in the community to inspire people to give more than they take.
- Increase our representation of women and underrepresented groups so that we reflect the communities we live in and serve; inspire and support the broader community of women and diverse talent in technology.
- Create a vibrant employee experience that promotes innovation and ingenuity and connects employees across our global community.
- Develop global environmental and social responsibility programs that bridge work and home and help employees incorporate wellness and sustainability into their lives.
- Inspire over 85 percent of our global employees to give back in their communities.

**ASPIRATIONS**

- Incorporate sustainability into every product release by focusing on solutions that help customers positively impact the environment and society.
- Deliver technology that provides customers and partners with data that enable informed choices around cleaner clouds.
- Integrate sustainability into our customer experience.

**GOALS**

- Commit to a science-based target for our global carbon emissions reduction.
- Reach 100 percent renewable energy for our global operations and carbon neutrality.
- Institute aggressive water conservation in the water-stressed regions within our portfolio.
- Achieve over 90 percent waste diversion globally and zero e-waste to landfill from our operations.
- Procure 50 percent of our business operations from diverse, sustainable and socially responsible suppliers.
In 2015, we launched our 2020 vision with clear and ambitious goals for the future. As we approach the midpoint on that journey, CEO Pat Gelsinger and VP of Sustainability Strategy Nicola Acutt reflect on accomplishments to date and the road ahead. They discuss how VMware will meet its ambitious goals to embed sustainability throughout the business and generate global impact in the communities in which we operate.

### 2017 AT A GLANCE

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>77% VMware global operations powered by renewable energy</td>
<td>77%</td>
</tr>
<tr>
<td>91% Landfill diversion rate</td>
<td></td>
</tr>
<tr>
<td>$7.9B Revenue (USD)</td>
<td></td>
</tr>
<tr>
<td>500,000+ Customers worldwide</td>
<td></td>
</tr>
<tr>
<td>75,000+ Partners in ecosystem</td>
<td></td>
</tr>
<tr>
<td>1,802 Registered patents</td>
<td></td>
</tr>
<tr>
<td>84 million metric tons CO2e avoided</td>
<td></td>
</tr>
<tr>
<td>119,658 metric tons CO2e emitted</td>
<td></td>
</tr>
<tr>
<td>22,099 Employees in 40 countries</td>
<td></td>
</tr>
<tr>
<td>24% Overall representation of women</td>
<td></td>
</tr>
<tr>
<td>10,496 Employees participated in professional development programs</td>
<td></td>
</tr>
<tr>
<td>60 eNPS (Employee Net Promoter Score)</td>
<td></td>
</tr>
<tr>
<td>82% VMware people gave back</td>
<td></td>
</tr>
<tr>
<td>84 million metric tons CO2e</td>
<td></td>
</tr>
<tr>
<td>119,658 metric tons CO2e</td>
<td></td>
</tr>
</tbody>
</table>

**WE'RE A SOFTWARE COMPANY THAT HELPS ORGANIZATIONS EVERYWHERE BECOME MORE CAPABLE AND MORE EFFICIENT THROUGH CLOUD, MOBILITY AND SECURITY TECHNOLOGIES.**

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*In 2015, we launched our 2020 vision with clear and ambitious goals for the future. As we approach the midpoint on that journey, CEO Pat Gelsinger and VP of Sustainability Strategy Nicola Acutt reflect on accomplishments to date and the road ahead. They discuss how VMware will meet its ambitious goals to embed sustainability throughout the business and generate global impact in the communities in which we operate.*
WHEN YOU REFLECT BACK ON THE YEAR, WHAT ARE YOU MOST PROUD OF?

>> Pat: I am proud of how VMware has continued to innovate and break down barriers for customers in ways previously unimagined. We are successfully executing on the strategy we envisioned five years ago while challenging the status quo with a diverse, global community of people who are naturally curious and compassionate. I’m thrilled by the progress we’ve made in our global impact strategy from measuring the carbon savings of virtualization for our customers to empowering our people to be active citizen philanthropists in their communities.

Nicola: As we look back on 2017, we see demonstrable steps on our journey to 2020, further innovating our way toward achieving our global impact aspirations. Achievements I am proud of include our efforts to execute a comprehensive strategy to reduce our carbon footprint, which includes an in-depth audit of our global facilities’ footprint; pursuing new LEED® building certifications in China, India and Palo Alto; and expanding efforts to add additional electric vehicle (EV) charging infrastructure to our major facilities. I’m also very proud of our work to define a science-based target for carbon management — an important effort to set industry standards and expedite the reduction of carbon emissions.

HOW IS PROGRESS FROM 2017 SETTING THE STAGE TO MEET VMWARE’S 2020 GOALS?

>> Nicola: As part of our global impact goals, we are striving for leadership in reducing our emissions — within and beyond our four walls. Taking a page from Pat’s mantra, “innovate in everything we do,” we are focused on finding innovative approaches to address these challenges. For example, in 2017 we helped launch a carbon finance project in Guatemala that is delivering life-changing benefits to families and entrepreneurs in-country, while facilitating our drive toward carbon neutrality. We will continue to apply a mindset of innovation to projects such as these as we near 2020.

>> Pat: As we accelerate our journey to 2020, our culture of innovation is driving us to explore new ways to expand our impact. For example, in May 2018 VMware made a $15 million investment in Stanford University to establish the VMware Women’s Leadership Innovation Lab, which is funding research to help close the gender divide. We announced this commitment during our 3rd annual WT (Women Transforming Technology) event, where we convened industry leaders ranging from executives to engineers with a focus on “Inclusion in Action.”

LOOKING AHEAD, HOW DOES VMWARE PLAN TO ADVANCE ITS GLOBAL IMPACT?

>> Nicola: We are well along the path to achieving our goals for 2020, but there remains work to do. We’ve made a commitment to science-based targets and are looking forward to aligning our strategy with the Sustainable Development Goals. We are also looking for new and unique ways to bring sustainability to our product development, right down to developing best practices for the architecture of sustainable code — the goal of which is to reduce inefficiencies and, in turn, energy use. This is no small feat; however, the impossible feels possible when you work for a global technology company like VMware where people believe it’s both a responsibility and an opportunity to create a positive impact in the world. We’re already thinking well beyond our 2020 goals and developing a long-term strategy to steer us to 2030.

— Pat Gelsinger, CEO, CEO
On the Path to a Digital and Sustainable Future

At VMware, we recognize that all parts of our business have an impact — from the products we create and the people we employ to our environmental footprint. We are striving to have a net positive impact by putting back more than we take and involving all parts of our business in the challenge. We’ve set ambitious goals to scale our global impact, and we know that every action counts. The following stories demonstrate our commitment to “leaving ahead” a better future by highlighting our progress in 2017 to drive environmental and social impact in support of our business and 2020 goals.

TURN THE PAGE TO DISCOVER...

Improving Efficiency and Avoiding Carbon Emissions Through Virtualization

At VMware, our greatest responsibility is to our customers who rely on our products for their business success. To this end, our goal is to optimize the carbon avoidance from our products to reduce the environmental impact of our customers’ ecosystems. According to a recently commissioned International Data Corporation (IDC) report, “Infrastructure Virtualization Leads the Way in Reducing the Carbon Cost of Growth,” virtualization helped avoid 14 million server instances and 50 million worldwide installed bases of servers, storage arrays and network equipment in 2017. Our products also helped customers avoid over 1 billion MWh of cumulative power consumption. As a result of these improved efficiencies through virtualization technology, our products have cumulatively avoided over 540 million metric tons of carbon — equal to powering 68 percent of U.S. households for a year. The collective impact of our virtualization solutions is a true enabler for the future growth of IT.

The Carbon Cost of Infrastructure Growth (CCOG) is a measurement to assess carbon emissions required to realize and sustain a specific amount of growth associated with IT infrastructure. We are now expanding this concept to demonstrate that by offsetting IT infrastructure growth through virtualization, we can enable the carbon cost of data centers to decrease. Infrastructure growth is a crucial factor in the energy cost of growth, consuming electricity at a potentially calculatable rate. At VMware, we focus on solutions that decouple the usage of an asset from the physical attributes of the asset itself (through virtualization) and then monitor/configure the resulting virtual asset. This enables greater and more efficient use of existing compute, storage, and networking assets; greater control over useful configurations; and a net reduction in overall demand for new assets.

After developing our first Product Impact model in 2016 to measure carbon emissions avoided by server virtualization (vSphere), we’ve now expanded the model to measure the impact of storage and network virtualization through our vSAN and NSX technologies, respectively. According to IDC, by complementing vSphere with vSAN and NSX, customers can experience a 20 to 25 percent increase in infrastructure savings.
The Human Impact of Cloud Services

VMware’s software is solving everyday technology challenges that improve people’s lives. From Phoenix, Arizona, to Nairobi, Kenya, the impact of cloud-based solutions is significant, ranging from modernizing outdated IT infrastructure, to helping forge human connections.

At the Phoenix Children’s Hospital (PCH) in Arizona, our software has helped transform the patient experience. PCH wanted to empower nurses with better technology and provide a platform to help patients view medical records and educational videos. By using VMware AirWatch® extended with GroundControl®, PCH was able to provide personalized iPads to patients during their time at the hospital. PCH also used AirWatch and GroundControl to equip nursing staff with access to mobile electronic medical records, ultimately providing better patient engagement, efficiency and nursing mobility.

Our products have also helped the Make-A-Wish Foundation modernize its data centers to improve website traffic capacity, enabling more donations to reach sick children. Make-A-Wish receives the majority of donations via its website, but outdated infrastructure could not support spikes in web traffic, resulting in lost donations. In 2017, Make-A-Wish worked with VMware Cloud Partner PhoenixNAP to move its infrastructure to a service called Virtual Private Data Center powered by VMware. The change resulted in improved data security, flexibility and speed — ensuring that the website can handle any spike in traffic so no donor is turned away.

VMware is also helping Node Africa® pave the way for Africa to become a cloud-first continent. As one of the few cloud service providers in Africa, the company aims to help its customers reduce the costs and risks associated with IT infrastructure while improving business agility. By removing this barrier, Node Africa is powering IT infrastructure for small businesses across the continent, from smallholder farmers to duka® retailers in Kenya, so they can focus on building solutions for customers and society at large.

Across geographies and industries, VMware products are powering organizations to improve people’s lives, while more and more organizations are realizing that cloud-based solutions are key to meeting their customers’ needs.

Collaborating for a Sustainable Future

With the effects of climate change increasingly visible, we continue to expand our efforts beyond our walls to accelerate the transition to a low-carbon world. Partnerships are one way we amplify our positive impact on the environment and help usher in a more sustainable future. In 2017, our commitment to collaboration came to life with two key partners: Restore the Earth Foundation and Lyft, the ride-sharing technology company and app.

Restore the Earth’s mission is to rehabilitate 1 million acres in the Mississippi River Basin — “North America’s Amazon” — to reduce the U.S.’s carbon footprint by 2 percent. What is unique about its approach to landscape-scale restoration is its EcoMetrics™ model, which places a value on natural capital to highlight the economic value of ecosystems. This approach resonated with us immediately, as it unlocks the business case for landscape-scale restoration.

After becoming an early partner of Restore the Earth’s inaugural project in 2016, we expanded our relationship and in 2017 Restore the Earth became the official Earth Day partner for our Reboot the

2,400 EMPLOYEES PLEDGED TO TAKE ACTION ON EARTH DAY

77% VMWARE GLOBAL OPERATIONS POWERED BY RENEWABLE ENERGY
Earth campaign. Designed to spark a conversation about the value of ecosystems and the idea of trees as “technology,” we planted a tree on behalf of each employee who committed to taking a sustainable action at home or at work.1

To build on our relationship with Restore the Earth and address VMware’s carbon footprint from business travel, we initiated a partnership with Lyft. The program creates incentives for employees to use Lyft services when traveling in the U.S. by donating 1 percent of profits from each ride to Restore the Earth. Just as notably, our Lyft partnership helps us demonstrate to employees the connection between everyday activities and creative ways to mitigate our carbon footprint.

Partnerships and collaborations such as these are key to leaving ahead a better future.

Making Progress on Sustainable Operations
From waste diversion to supply chain engagement, much of our efforts this past year were dedicated to refining metrics for success and expanding coverage of our data reporting.

In progress toward our goal of 90 percent waste diversion and zero e-waste to landfill by 2020, we expanded waste management data collection from 34 percent to 50 percent globally. With a wider reach and more accurate data, we are able to report overall global waste diversion of 91 percent across 50 percent of our real estate portfolio. For example, at our major sites in India — South Bangalore, East Bangalore and Pune — we streamlined data collection, instituted waste segregation at office locations and performed a waste audit to discover areas for improvement. We are continuing to increase waste diversion rates as we grow our operations in India and beyond.

We are taking an aggressive water conservation approach to water-stressed regions within our real estate portfolio. In 2017, we collected water consumption data for nearly 64 percent of our portfolio, up from 46 percent in 2016. We launched a new enterprise tool for carbon and water data management with our global real estate teams, enhancing water and energy data management capabilities. We see this as a key opportunity for future impact and are establishing more robust water metering in key facilities globally.

We also made significant investments in green buildings across our portfolio, from new construction to retrofitting existing spaces. In 2017, we secured LEED Gold® certification for a major refurbishment project at our original operational facility in India — Kalyani Magnum in South Bangalore — including the implementation of more energy-efficient systems.

At our headquarters campus in Palo Alto, we are striving for LEED Platinum® for our two new office buildings, which will be completed in 2018. With nearly 2 million square feet of LEED®-certified space globally, 39 percent of our office space is now sustainable. These efforts to create healthy and modern sustainable workplaces earned us recognition from top energy and environmental agencies in the U.S. We will continue to invest in initiatives like these that minimize our environmental footprint and deliver benefits to our employees and communities.

Working with our supply chain is also a priority as we amplify business practices that are socially and environmentally responsible. Last year, we joined CDP’s Supply Chain initiative to support our suppliers in their sustainability goals and expand responsible choices with regard to procurement. This year, we made progress toward our procurement goal by requesting CDP disclosure from our preferred suppliers. We believe this is a crucial step for any organization to track, manage and celebrate its progress. We know that every action matters, and each of these operational changes supports us in making strides toward our ambitious global impact goals for 2020.

Adapting to a Low-Carbon Economy
From designing our buildings to the latest sustainability standards to engaging in innovative carbon finance projects, we’re investing in low-carbon solutions to achieve our goal of carbon neutrality and 100 percent renewable energy by 2020.

In 2017, we reduced our carbon emissions intensity by 23 percent — surpassing our 10 percent target for the second consecutive year and demonstrating that growth can be decoupled from our footprint. We can do more with less.

In multiple locations around the world, we’ve implemented onsite solar, renewable energy procurement programs and electric vehicle (EV) charging infrastructure to accelerate progress toward our carbon neutrality goal. In 2017, our site in South Bangalore, India, transitioned to 85 percent renewable energy from wind power procurement. VMware India also partnered with India’s first all-electric cab service to provide employees with green transportation, saving at least 500 metric tons of carbon emissions annually.10 Our 69 EV charging ports at our headquarters in Palo Alto have helped employees avoid 714 metric tons of carbon emissions from their commute — equivalent to planting 25,000 trees and letting them grow for 10 years.

Getting to carbon neutrality is a journey. Along with our operational improvements and renewable energy purchases, we advanced our efforts to set science-based targets for carbon emission reductions. We also achieved CarbonNeutral® Certification11 for our data center in the U.S., where we reduced greenhouse gas emissions to net zero.12 These milestone achievements and everyday improvements will lead us to our goal of becoming a carbon neutral company.
Ingenuity is the Heart of VMware’s Culture of Service

At VMware, we thrive on solving complex problems and infuse this passion into every aspect of our work, from our customers to our communities. We mirror this with Citizen Philanthropy, our unique approach to giving back that enables employees to identify the causes that matter to them most and contribute in a meaningful way.

From donating to their nonprofits of choice on Pi Day 2017 to developing as leaders through our Good Gigs pro bono Service Learning programs, our employees applied their unique knowledge and skillsets as active and engaged members of their communities throughout the year. Our people are also uniquely positioned to leverage their professional talents to help nonprofits bridge the digital divide and accelerate their work, amplifying our collective impact. We know technology and talent are key to organizations’ successful operations and ability to scale, yet the nonprofit sector has had very limited access to the benefits of digital transformation.

In collaboration with the Taproot Foundation, in April 2017 the VMware Foundation co-authored “Transforming Technology Pro Bono” to introduce the Solution Development Framework — a phased approach to Discover, Design, implement and Maintain sustainable solutions that meet nonprofits’ needs. The framework draws from VMware’s best practices on enabling customers to operate more efficiently, create more value and dramatically save cost and time spent on day-to-day technology operations.

Contributing our talents and capital to the community is woven into our culture. With 82 percent of our people choosing to take action in their communities in 2017, our unique Citizen Philanthropy approach to giving is one of the many reasons why VMware was voted one of Fortune’s 100 Best Companies to Work For in 2017 for the fourth year in a row.

\[ AWARDS IN 2017 \]

- 95% on Human Rights Campaign’s 2017 Corporate Equality Index
- 2017 Structures Award — Green Project of the Year
- Corporate Responsibility Award from National CSR Awards
- One of the 50 Best Places to Work for New Dads by Fatherly
- People’s 50 Companies that Care 2017 List
- Great Place to Work and Fortune 2017 “100 Best Companies to Work For”
- Best Workplaces for Parents by Fortune
- Best Workplaces for Giving Back by Great Place to Work and Fortune
- Best Workplaces in the Bay Area by Great Place to Work and Fortune
- Computerworld’s 100 Best Places to Work in IT
The Power of Human Difference

Our advances in sustainability and IT solutions would not be possible without our diverse employee base and inclusive culture. We recognize the power of human difference to drive progress across our business and the communities we serve, and we continue to adapt our Diversity & Inclusion (D&I) journey to foster an inclusive culture that celebrates these differences. This inclusive culture, coupled with our EPIC values, helps us attract and retain the best talent, ultimately delivering the most innovative IT solutions to our customers.

Building on the launch of VMInclusion in 2016 — our company-wide D&I initiative — in 2017, we launched our first external D&I microsite to increase transparency around our journey. To advance and democratize these initiatives, we gave business leaders D&I goals for which they are accountable, empowering change to happen throughout each part of the business. Progress on our journey is reflected by the fact that 60 percent of global managers participated in unconscious bias training in 2017.

But it’s not just leaders who are driving change across VMware. Empowering all of our employees to create a diverse and inclusive culture is critical. One way we are approaching this goal is through our employee-driven Power of Difference (PODs) communities. PODs are designed to help participants grow as leaders, engage employees across different communities and drive business impact.

For example, our Veterans POD was integral in changing our Military Leave policy from 30 days to 18 months, a benefit that will allow reserve employees to serve without financial hardship. The PRIDE POD has been spearheading VMware’s support of gender transitions and gender-neutral bathrooms. In fact, employees are now allowed 18 weeks of paid time off for gender transitions.

Supporting women in technology has been at the forefront of our D&I journey, and we continue to make bold commitments and invest in programs that expand the community of women leaders in tech. Since 2016, VMware has invested over $1.5 million in Stanford University’s Seeds of Change program to provide technical and leadership training to young women in STEM. The program launched in September 2017 with 17 Stanford undergraduates and 65 high school students, and the program plans to expand nationally over the next three to five years.

We also founded the WT (Women Transforming Technology) conference, which brings together a consortium of global organizations to build community and tackle issues that are top of mind for women in technology. In 2017, VMware hosted the second annual WT conference, where 300 participants joined from more than 100 different companies and over 4,000 participated virtually to hear keynote speakers Kara Swisher and Gloria Steinem. With these programs and others, we are extending our efforts beyond our doors to foster a culture of inclusion across the technology industry as a whole.
PRODUCT

Revenue $7,922 million
Greenhouse Gas (GHG) Emissions avoided by VMware products 84,000,000 MT CO₂e
Registered patents (cumulative) 1,802

PLANET

Energy & Climate Change

GHG emissions¹ 119,658 CO₂e
Scope 1: Direct emissions from owned/controlled operations 2,555 CO₂e
Scope 2: Indirect emissions from the use of purchased electricity (market-based)² 23,911 CO₂e
Scope 3: Business air travel 46,840 CO₂e
Scope 3: Employee commuting³ 46,352 CO₂e
Scope 2: Indirect emissions from the use of purchased electricity (location-based) 59,446 CO₂e
GHG emissions intensity revenue metric (MT CO₂e/million US$ revenue)⁴ 3.02
GHG emissions intensity employee metric (MT CO₂e/employee)⁵ 2.69
GHG emissions intensity square footage metric (MT CO₂e/1,000 square feet)⁶ 5.66

Energy Use

Electricity purchased 142,693 MWh
Total renewable energy purchased 115,694 MWh
Total Renewable Energy Credits (RECs) purchased 42,417 MWh
Renewable energy purchased (excluding RECs) 83,199 MWh
Percentage of renewable energy globally 77%
LEED® certifications 12
Percentage of square footage in LEED-certified space⁷ 39%
Wenatchee Data Center Power Usage Effectiveness (PUE) 1.26
Portfolio square footage 4,676

Waste

Waste generation 1028 tons
Recycling 377 tons
Compost 556 tons
Landfill 94 tons
Landfill diversion rate 91%
Waste programs implemented (as a percent of global square footage) 50%

Water

Water consumed 92,687,352 gallons
Water consumption coverage (as a percent of global square footage) 64%

Suppliers

Diverse Suppliers spend within the U.S. $147,655,529

Environmental Compliance

Environmental violations 0
Environmental fines $0

PEOPLE

Employees

Number of employees 22,099
Regional employees (AMER %) 50%
Regional employees (APJ %) 32%
Regional employees (EMEA %) 18%
Global gender diversity (% female) 24%
Regular employees under 30 years old 17%
Regular employees 30-50 years old 70%
Regular employees over 50 years old 13%
Total new hires – under 30 years old 35%
Total new hires – 30-50 years old 35%
Total new hires – over 50 years old 30%
U.S. – African-American/Black 3%
U.S. – Asian 35%
U.S. – Caucasian/White 56%
U.S. – Hispanic/Latino 2%
U.S. – Multiracial 2%
U.S. – Other 1%
Differently Abled (US) 1%
LGBTQ (Global) 2%
Veterans (US) 3%
Employees participating in professional development programs 10,496
R&D technical courses completed 8,148
Business Conduct Guidelines training completed 100%
Employee engagement⁸ 90%
Employee Net Promoter Score (NPS)⁹ 60
Injury rates 0
Fatalities 0

Community

Total VMware Foundation grants $7,552,000
VMware matching gifts (included in total above) $15,000,000
Employee service learning (hours) 100,246
Employees who participated in charitable activities 18,308/82%
Global nonprofits supported 7,943
Total VMware University Research Fund (VMURF) grants 11 $4,178,000

Public Policy & Governance

Company political contributions $0
VMware PAC contributions 2 $56,000
Board of Directors gender diversity (% female) 13%
### GRI CONTENT INDEX 2017

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<thead>
<tr>
<th>Description</th>
<th>Page number(s) or URL / Direct Answer</th>
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<tr>
<td><strong>GRI 101: FOUNDATION 2016</strong></td>
<td></td>
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<tr>
<td><strong>GRI 102: GENERAL DISCLOSURES 2016</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ORGANIZATIONAL PROFILE</strong></td>
<td></td>
</tr>
<tr>
<td>102-1 Name of the organization</td>
<td>VMware, Inc.</td>
</tr>
<tr>
<td>102-2 Primary brands, products, and services</td>
<td>VMware 2017 Form 10-K</td>
</tr>
<tr>
<td>102-3 Location of headquarters</td>
<td>3401 Hillview Avenue, Palo Alto, California 94304 USA</td>
</tr>
<tr>
<td>102-4 Location of operations</td>
<td>Office Locations</td>
</tr>
<tr>
<td>102-5 Ownership and legal form</td>
<td>VMware 2017 Form 10-K</td>
</tr>
<tr>
<td>102-6 Markets served</td>
<td>VMware 2017 Form 10-K</td>
</tr>
<tr>
<td>102-7 Scale of the organization</td>
<td>VMware 2017 Form 10-K</td>
</tr>
<tr>
<td>102-8 Information on employees and other workers</td>
<td>VMware Global Impact Report 2017 Performance Summary</td>
</tr>
<tr>
<td>102-9 Supply chain</td>
<td>VMware’s supply chain consists of approximately 7,000 total suppliers with approximately 600 of those being VMware Preferred Suppliers. In 2017, VMware joined COP’s Supply Chain Initiative and will be requesting data from at least 50% of our suppliers by spend. This initiative will support us in achieving our 2020 procurement goals.</td>
</tr>
<tr>
<td>102-10 Significant changes to the organization and its supply chain</td>
<td>VMware 2017 Form 10-K</td>
</tr>
<tr>
<td>102-11 Precautionary Principle or approach</td>
<td>The Precautionary Principle is inherent in VMware’s risk identification and assessment process. Please see VMware’s 2018 CDPI Climate Change response, Section C2.2b for details.</td>
</tr>
<tr>
<td>102-12 External initiatives</td>
<td>We are involved in several external initiatives, including RE100, REBA and BSR’s Future of Internal Power (FoIP). The low carbon sustainable development projects that we support address numerous Sustainable Development Goals (SDGs), including: SDG 1, SDG 5, SDG 8, SDG 9, SDG 11, SDG 13 and SDG 15. Details of these projects can be found in VMware’s 2018 CDPI Climate Change response, Section C15.2a. All of these initiatives are voluntary.</td>
</tr>
<tr>
<td>102-13 Membership of associations</td>
<td>IT Alliance for Public Sector, The Information Technology Industry Council, TechNet, USITO; please see VMware’s 2018 CDPI Climate Change response, Section C12.3 for details.</td>
</tr>
<tr>
<td><strong>STRATEGY</strong></td>
<td></td>
</tr>
<tr>
<td>102-14 Statement from senior decision-maker</td>
<td>VMware Global Impact Report 2017, Q&amp;A with CEO Pat Gelsinger and VP of Sustainability Strategy Nicole Audi</td>
</tr>
<tr>
<td>102-15 Key impacts, risks, and opportunities</td>
<td>VMware Global Impact Report, 2017, Journey to 2020</td>
</tr>
<tr>
<td><strong>ETHICS AND INTEGRITY</strong></td>
<td></td>
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<tr>
<td>102-16 Values, principles, standards, and norms of behavior</td>
<td>Business Conduct Guidelines</td>
</tr>
<tr>
<td>102-17 Mechanisms for advice and concerns about ethics</td>
<td>Ethics Helplines</td>
</tr>
<tr>
<td><strong>GOVERNANCE</strong></td>
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<tr>
<td>102-18 Governance structure</td>
<td>Governance</td>
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<tr>
<td>102-19 Delegating authority</td>
<td>In conjunction with formalizing our Corporate Sustainability Strategy in 2015, we established a Sustainability Technical Council and Executive Sustainability Advisory Group and Executive Sustainability Council to provide insight and oversight, and to drive cross-company initiatives.</td>
</tr>
<tr>
<td>102-20 Executive-level responsibility for economic, environmental, and social topics</td>
<td>Our Corporate Sustainability Strategy is led by our VP of Sustainability Strategy.</td>
</tr>
<tr>
<td>102-21 Consulting stakeholders on economic, environmental, and social topics</td>
<td>VMware Global Impact Report 2015, Governance</td>
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<tr>
<th>Description</th>
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<tr>
<td>102-22 Composition of the highest governance body and its committees</td>
<td>Governance</td>
</tr>
<tr>
<td>102-23 Chair of the highest governance body</td>
<td>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. Governance</td>
</tr>
<tr>
<td>102-24 Nominating and selecting the highest governance body</td>
<td>Corporate Governance Guidelines</td>
</tr>
<tr>
<td>102-25 Conflicts of interest</td>
<td>Corporate Governance Guidelines</td>
</tr>
<tr>
<td>102-26 Role of highest governance body in setting purpose, values, and strategy</td>
<td>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. Governance</td>
</tr>
<tr>
<td>102-28 Evaluating the highest governance body’s performance</td>
<td>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.</td>
</tr>
<tr>
<td>102-29 Identifying and managing economic, environmental, and social impacts</td>
<td>See VMware’s 2018 CDPI Climate Change Information Request; Section C2.2b. Corporate Governance Guidelines</td>
</tr>
<tr>
<td>102-30 Effectiveness of risk management processes</td>
<td>Corporate Governance Guidelines</td>
</tr>
<tr>
<td>102-31 Review of economic, environmental, and social topics</td>
<td>See VMware’s 2018 CDPI Climate Change response; Section C2.2b.</td>
</tr>
<tr>
<td>102-32 Highest governance body’s role in sustainability reporting</td>
<td>VMware Global Impact Report 2015, Governance</td>
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<td>102-33 Communicating critical concerns</td>
<td>Corporate Governance Guidelines</td>
</tr>
<tr>
<td>102-36 Process for determining remuneration</td>
<td>Our 2016 analysis done by a third party showed 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. These results demonstrate that we are committed to pay equity and equal opportunity across gender and racial lines.</td>
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<td><strong>STAKEHOLDER ENGAGEMENT</strong></td>
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<tr>
<td>102-40 List of stakeholder groups</td>
<td>Employees, senior leaders, content experts, peers, sustainability experts</td>
</tr>
<tr>
<td>102-41 Identifying and selecting stakeholders</td>
<td>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.</td>
</tr>
<tr>
<td>102-42 Approach to stakeholder engagement</td>
<td>We sought stakeholder feedback to inform our strategy and initial materiality assessment. We collaborated with internal stakeholders through interviews and global focus groups, and we 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.</td>
</tr>
<tr>
<td>102-44 Key topics and concerns raised</td>
<td>Key topics raised included: environmental impact of products, operational eco-efficiency, and human and social capital. VMware Global Impact Report 2015, Materiality Assessment.</td>
</tr>
<tr>
<td>102-45 Entities included in the consolidated financial statements</td>
<td>VMware 2017 Form 10-K</td>
</tr>
</tbody>
</table>
In 2017, VMware reduced its Scope 2 emissions intensity by 23% compared to 2016. This was achieved through efforts to reduce 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.

VMware’s Global Impact Report 2015, 2016 and 2017. Specific commitments and approaches for each material topic can be found in the GRI-Sustainability@vmware.com. For the development of our sustainability strategy and the content for this report, we engaged PwC as an independent third party to review our FY18 Global Impact Report. VMware is responsible for the preparation and integrity of the information in this report.

Our Global Impact Report has not been externally assured by an independent third party. 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.

The GRI Index has been prepared with consideration of the Global Reporting Initiative (GRI) 2016 Standards. This GRI Index has been prepared with consideration of the Global Reporting Initiative (GRI) 2016 Standards. VMware does not collect the following data: electricity sold, heating sold, cooling sold, steam sold, heating consumption, cooling consumption and steam consumption. VMware does not measure water withdrawal separately across sources.

GRI 305: EMISSIONS 2016
305-1 Direct (Scope 1) GHG emissions VMware Global Impact Report 2017, Performance Summary
305-2 Energy indirect (Scope 2) GHG emissions VMware Global Impact Report 2017, Performance Summary
305-3 Other indirect (Scope 3) GHG emissions VMware Global Impact Report 2017, Performance Summary
305-4 GHG emissions intensity VMware Global Impact Report 2017, Performance Summary
305-5 Reduction of GHG emissions In 2017, VMware reduced its Scope 2 emissions intensity by 23% compared to 2016.

GRI 401: EMPLOYMENT 2016
401-1 New employee hires and employee turnover VMware Global Impact Report 2017, Performance Summary
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees VMware Careers

GRI 404: TRAINING AND EDUCATION 2016
404-1 Average hours of training per year per employee VMware Global Impact Report 2017, Performance Summary
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 2015, Performance Summary
404-3 Percentage of employees receiving regular performance and career development reviews VMware Global Impact Report 2015, Developing and Inspiring Our People VMware Global Impact Report 2015, Performance Summary

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016
405-1 Diversity of governance bodies and employees VMware Global Impact Report 2017, Performance Summary, Governance
405-2 Ratio of basic salary and remuneration of women to men All 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 2016
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data VMware Global Impact Report 2017, Governance
ESG PERFORMANCE SUMMARY

1. Scope 1, 2 (market-based) and 3 are included.
2. The market-based method reflects the emissions from the electricity that a company is purchasing, which may be different from the electricity that is generated locally.
3. Please reference VMware's 2018 CDP Climate Change response, Section C6.5.
4. Scope 2 (market-based)/Revenue (in millions).
5. Scope 2 (location-based)/Employee Count.
7. LEED® occupied space includes VMware leased office space within buildings that have been LEED-certified® by another party.
8. Other includes: Native Hawaiian, Other Pacific Islander, American Indian or Alaska Native.
9. Based on VMware's Voice of VMware annual survey participation.
10. The Bain IT industry benchmark is 20. For more information on the Employee Net Promoter Score System: https://www.netpromotersystem.com/about/employee-engagement.aspx
11. The VMware University Research Fund (VMURF) supports academic research in an effort to give back to the research community which, enabled the founding of VMware. VMURF supports the top innovative academic researchers who are on track to deliver breakthrough results and transform the computing industry. The portfolio of university engagements is geographically diverse and cover a variety of research areas ranging from systems, storage, networking, machine learning, IoT and other timely topics.
12. As cybersecurity, cloud infrastructure and digital innovation become a frequent subject of legislation and regulation, VMware has a responsibility to engage in the political process. We do this by interacting with policymakers, offering our expertise and perspective, taking part in trade associations and organizations that advance our objectives and through individual political giving by our employees through the VMware Political Action Committee (VMware PAC). VMware PAC is open to employees who meet criteria required by federal law, their spouses and VMware shareholders, and it is subject to oversight and monetary limits by the Federal Election Commission (FEC). VMware may not use corporate funds for political contributions or for expenditures that support candidates for public office. All employees and eligible parties, including executive officers, are limited by the FEC to $5,000 in annual contributions to the VMware PAC.

“Sustainability is innovation’s next frontier.”
— Nicola Acutt, VP of Sustainability Strategy

ENDNOTES

5. AirWatch is the leading enterprise mobility management (EMM) technology that powers VMware Workspace ONE.
6. GroundControl extends and controls MDM systems. It is a unique cloud-based system to orchestrate mobile tools, dramatically reducing the number of steps it takes to get devices set up and kept running. In a single step, GroundControl supervises, activates and restores iPhones, iPads and Androids.
8. Local supermarket or shop in Kenya.
Our definition:

**LEAVE AHEAD**

[lēv/ə'hed] | verb

to leave something in better condition than it was found; pay it forward; to put back more than you take