Accelerate into Action

VMware’s 2030 Agenda is a decade-long Environmental, Social and Governance (ESG) commitment and call to action to foster a more sustainable, equitable and secure world. The theme for this year’s ESG Report is “Accelerate into Action.”

We believe in both planning for the future and taking action now, while committing to transparency throughout our journey—recognizing both our successes and opportunities for improvement along the way.

The stories and progress updates that follow show how we can accelerate innovation to leave ahead a better future—to put back more into the environment, society and global economy than we take—and to inspire all our stakeholders to do the same.
About this Report

Reporting Period

This report covers VMware and our subsidiaries for the 2022 fiscal year (January 30, 2021 to January 28, 2022). References in this report to “2021” refer to calendar year 2021, which is largely included within fiscal year 2022 (“FY22”).

Assurance

VMware is responsible for the preparation and integrity of the information in this report. VMware engaged Apex Companies LLC (Apex) as an independent third party to review our fiscal year 2022 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 and employee commuting. The rest of this report has not been externally assured by an independent third party. Please see our third-party assurance letter by Apex for more information.

ESG Data Frameworks

This report was prepared with consideration of ESG data frameworks and standards including the Global Reporting Initiative (GRI) 2016, Sustainability Accounting Standards Board (SASB), Greenhouse Gas Protocol (GHG Protocol), Principles of the United Nations Global Compact, United Nations Sustainable Development Goals (UN SDGs) and Task Force on Climate-related Financial Disclosures (TCFD). We will continue to enhance our reporting as part of our commitment to transparency and annual reporting against our goals. Please refer to the ESG Data in the Appendix for a listing of where disclosures can be found in VMware’s publicly available filings.

ESG Materiality Assessment

Our last ESG materiality assessment was completed in fiscal year 2020, consistent with current double materiality assessment practices. We assessed topics based on their impact on the environment and society and to enterprise value with consideration for ESG reporting frameworks and ESG topics identified by our industry peers. The assessment involved several of our key internal and external stakeholders, including executives, employees and customers. Based on this assessment, we developed and finalized our 2030 Agenda.

About VMware

VMware is a leading provider of multi-cloud services for all apps, enabling digital innovation with enterprise control. As a trusted foundation to accelerate innovation, VMware software gives businesses the flexibility and choice they need to build the future. Headquartered in Palo Alto, California, VMware is committed to building a better future through the company’s 2030 Agenda.

Cover Story: Rosie, our Turtle

Since we serendipitously adopted our first turtle “Rosie” in 2006 (shown on the cover), our people have developed a special love for our unofficial mascot. Rosie and her fifteen rescue turtle friends (each with their own story of how they joined VMware), can be found in the Turtle Pond at our Palo Alto HQ, which provides a beautiful habitat for them to live during the warm months.

Each year, VMware families gather to celebrate the turtles during Turtle Days (yes, they have their own days)—in the spring when they return to the pond after hibernation, and then in winter when they leave to a warmer place.

Our love of turtles has gone beyond a local Palo Alto tradition to a global celebration alongside Earth Day—honoring them as a symbol of sustainability and community.

Read the full story of how Rosie was rescued: blogs.vmware.com/vsphere/2019/12/vmware-turtles.html
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ESG Strategy
VMware is recognized as a leading virtualization company and a private cloud pioneer. Now, as we enter the distributed computing era, we have the opportunity and responsibility to expand our impact as a sustainable, equitable and trusted multi-cloud leader.

As we transform VMware, the world around us is significantly changing too, presenting a range of Environmental, Social and Governance (ESG) challenges that companies must navigate in the midst of a global pandemic, geopolitical upheaval and the effects of climate change. VMware’s commitment to ESG positions our business for the future and supports our customers in achieving their own ESG goals. In my view, a strategic approach to ESG is not just the right thing to do, it is a competitive advantage and a tremendous opportunity.

VMware has a long history of innovation. Today is no different as we aim to be the multi-cloud leader by executing three fundamental transformations:

• Transform our portfolio to deliver what our customers demand in a multi-cloud world with our collection of VMware Cross-Cloud services;
• Transform our business model, go-to-market and operational practices to a cloud-based software-as-a-service (SaaS) and subscription business; and
• Transform our actions to be even more customer centric.

We are also aligning our portfolio with VMware’s 2030 Agenda to support customers in their own ESG journeys. Through our strategic approach to ESG, we will be able to deliver value to customers by helping them to decarbonize their digital infrastructure, increase equitable access to opportunities through distributed workforce technology and earn trust through enhanced data privacy and security.

One of my favorite quotes, coined by Stephen Covey, is “the main thing is to keep the main thing the main thing.” That’s how I feel about ESG. To create long-term value, we must embed concrete goals into the fabric of our business operations and product innovation. In that way, we make our 2030 Agenda outcomes—Sustainability, Equity and Trust—tangible. Issues like climate resilience, Diversity, Equity and Inclusion and cybersecurity are being operationalized throughout the company. I have been inspired to see how these commitments have taken shape and are becoming a beacon for co-innovation among VMware people, our supply chain and our customers.

Innovation and digital transformation must play a critical role during this decisive decade of action. By focusing on what matters, by keeping “the main thing the main thing,” we are able to seize opportunities and accelerate our goals. VMware is committed to achieving our mission to build a more sustainable, equitable and secure digital future for all.
Corporate social responsibility as a nice-to-have is a relic of yesterday. Today, driving innovation through ESG is a crucial competitive advantage for companies around the globe. This is especially true as we navigate complex, interconnected and global issues such as climate change, inequity and cybersecurity, which call for business leaders across industries to be engaged.

Businesses that proactively commit to ESG outcomes are taking critical steps to future-proof their strategies, which leads to attracting and retaining top talent and increasing value for customers and other stakeholders. Like any successful strategy, our ESG efforts are aligned to a framework that clearly outlines the journey and develops a consistent measurement of our progress. At VMware, this framework is our 2030 Agenda.

The 2030 Agenda is a cross-functional, company-wide plan, from senior leadership to VMware people worldwide. At VMware, ESG encompasses both operational performance and impact, which allows us to co-innovate with customers and partners and to inspire all stakeholders by moving from aspiration to action.

We recognize that we have a long way to go to realize VMware’s vision to build a more sustainable, equitable and secure future for all; however, FY22 showed that we are positioned well to accelerate this critical work in the coming years.

Here are a few of the many key actions from the past year demonstrating our progress:

- We have planted 260,000+ trees to date towards our commitment to protecting one million trees by 2030 in partnership with 1t.org.
- We were granted membership to the Dow Jones Sustainability Indices (DJSI), one of the world’s leading ESG benchmarks, for the second consecutive year and ranked in the 97th percentile within our industry.
- We launched our Zero Carbon Committed program and added 30 VMware Cloud Provider™ partners committed to renewable energy, including Google, AWS, Oracle and IBM.
- We furthered our climate transition planning, guided by recommendations in the Taskforce on Climate-related Financial Disclosures (TCFD).
- We invested in Diversity, Equity and Inclusion (DEI) initiatives including within our hiring practices, resulting in an increase of women representation by 2.1 percentage points over FY21, reaching 29.2% of our global workforce.
- We enhanced our governance practices by including ESG milestones in Executive compensation bonus plans and assigning corporate DEI goals tied to bonus compensation for Senior Director levels and above.

The report that follows details many more actions like these, including customer stories and progress updates on our 30 goals within the 2030 Agenda. Thank you to the incredible VMware people who make this progress possible and bring our EPIC2 culture to life.
2030 Agenda

ESG is at the heart of everything we do. Every product we engineer, every customer we support and every employee we empower is an opportunity to help build a more sustainable, equitable and secure future. Our ESG strategy is formalized into what we call our 2030 Agenda, made up of 30 cross-company goals that align to outcomes of sustainability, equity and trust. Collectively, they are a call to action to decarbonize digital infrastructures, to increase equitable access to opportunities through distributed workforce technology and to earn trust with enhanced security and transparency.

In order to achieve our goals within the 2030 Agenda, we’ll need to co-innovate with our employees, customers, partners and broader communities. This requires tapping into our culture of ingenuity and our EPIC2 values—execution, passion, integrity, customers and community—to operationalize ESG across VMware. We know we can’t do this alone, but we believe we can do it together.
2030 Agenda Goals

**SUSTAINABILITY**
- **Workload**
  - Accelerate productivity and carbon efficiency of customers’ digital operations
- **Carbon Efficiency**
  - Zero Carbon Clouds
  - Catalyze the transition to zero carbon clouds
- **Business Resilience**
  - Ensure resilience from our physical infrastructure to our distributed workforce
- **Distributed Energy**
  - Accelerate the adoption of distributed energy for our distributed workplace
- **Net Zero Emissions**
  - Achieve net zero carbon emissions for our operations and supply chain
- **E-Waste Responsibility**
  - Drive e-waste responsibility throughout our operations
- **Carbon Transparency**
  - Enable transparency to the carbon reduction impact of VMware solutions
- **Impact Investments**
  - Invest in innovations at the intersection of social, environmental and financial impact
- **Water Resilience**
  - Support water resilience among our global communities
- **Sustainable Cloud Advocacy**
  - Support public policy that drives more secure, resilient and sustainable multi-cloud infrastructure

**EQUITY**
- **Anywhere Workspace**
  - Enable our customers’ distributed workforces to be productive and engaged wherever they are working
- **Diversity and Inclusion**
  - Drive equity through doubling down on diverse hiring and inclusive leadership
- **Culture of Service**
  - Foster a culture of service among our global communities
- **Digital Skills**
  - Advance technical and digital skills acquisition around the world
- **Nonprofit Digital Transformation**
  - Accelerate nonprofits’ digital journeys
- **Supplier Diversity**
  - Increase commitment to diverse-suppliers including small businesses and enterprises owned by underrepresented groups
- **Equitable Pay**
  - Advance equitable pay for all VMware people
- **Technology Accessibility**
  - Design the technology we develop to be accessible for all
- **Distributed Workforce**
  - Build a diverse, innovative and productive workforce by meeting talent where they are and how they want to work
- **Wellbeing**
  - Engage and empower our people through a culture of health and wellness that is accessible, inclusive and innovative

**TRUST**
- **Security**
  - Enable a cyber resilient world through VMware solutions
- **Privacy by Design**
  - Embed privacy by design across our products, services and operations
- **VMware on VMware**
  - Leverage VMware software in our internal infrastructure with a focus on trust, security, experience and sustainability
- **Workforce Development**
  - Enable our people to advance from every chair
- **Fair and Ethical Practices**
  - Advance fair and ethical business practices
- **Impact Advocacy**
  - Support public policy that drives social and environmental impact in IT
- **Digital Ethics**
  - Advance our approach to digital ethics and stewardship
- **Integrated Reporting**
  - Transition to integrated reporting, meeting or exceeding ESG disclosure standards
- **Transparency**
  - Embed governance and accountability for the benefit of all stakeholders
- **Sustainable Finance**
  - Integrate sustainability metrics into our financial decision-making process
FY22 ESG Highlights

**SUSTAINABILITY**

1.2B+ metric tons of CO2e emissions avoided through VMware solutions since 2003

#1 ranking for Environment within the software industry in the JUST 100

100% powered by renewable energy

**EQUITY**

29.2% female representation in VMware’s workforce, an increase of 2.1 percentage points from FY21

100% score on the Human Rights Campaign Corporate Equality Index for the fifth time

62,000+ learners upskilled on VMware technology solutions through the VMware IT Academy

**TRUST**

4th most trusted company in software and telecommunications category by Newsweek

1M+ hours of development and training for VMware people

VMware Responsible Sourcing™ Program launched to drive sustainability, diversity and accessibility across our supply chain

37,500+ employees globally

$12.9B revenue (USD)

See our FY22 ESG Data on page 54
Sustainability
Sustainability is core to VMware’s values and future success, which is evident based on our legacy of enabling positive environmental impact through our technology solutions. We will continue to enable decarbonization of digital infrastructure across our customer ecosystem, value chain and our own operations as stakeholders demand greater resilience while they accelerate their own sustainability goals amid our shared climate change reality.

Our approach is simultaneously taking action now and planning for the future—hence our current commitment to carbon neutrality and our future commitment to net zero. We have been certified as a CarbonNeutral® company since 2018, in accordance with The CarbonNeutral Protocol, and are executing our sustainability strategy to achieve net zero emissions by 2030. We set science-based targets to guide our emissions reduction goals and participate in the Clean Energy Buyers Alliance and RE100, global collaboratives representing businesses committed to using 100 percent renewable electricity.¹

FY22 Sustainability Highlights

Certified as a CarbonNeutral company (continuously since 2018)
Achieved 100 percent renewably sourced power for operations of our global facilities and co-located data centers (continuously since 2019) ii
Recognized in the JUST 100 as #1 for Environment in the software industry
Awarded the Silver Sustainability ranking by EcoVadis and featured in a case study on data-driven approaches to sustainable procurement
Added 30 partners to the VMware Zero Carbon Committed™ program, including Google, AWS, Oracle, IBM and more
Furthered climate transition planning, guided by recommendations in the Task Force on Climate-related Financial Disclosures (TCFD)
Launched disaster recovery as a service, which eliminates on-premises backup data centers with minimal infrastructure footprint, enabling customers to significantly reduce their energy and carbon footprints
VMware helps customers to significantly reduce energy costs and carbon emissions associated with operating a robust digital infrastructure. We also provide responsive scalability and simplified management. According to a report by IDC, VMware’s products have helped customers avoid more than 1.2 billion metric tons of carbon emissions since 2003. Along with gains in IT hardware and data center efficiencies, our virtualization technology has helped to effectively flatten the growth in data center carbon emissions even as workloads have grown exponentially.

At VMware, sustainability is not just important to our business model, it is also a benefit to customers inherent in our innovative technology solutions. We enable digital transformation of customers’ applications, infrastructure and operations for their constantly evolving needs, including deeper insights into the carbon emissions of the products they use.

**OUR ACTIONS**

**Decarbonizing Digital Infrastructure**

VMware vRealize® Operations™ Green Data Center dashboard helps customers identify progress made and recommendations for improvement in their energy usage and carbon footprint.

**Virtual Machine Desired State Configuration (VMDSC)** introduces to users a no-risk way to easily determine and right size virtual machines that can be used more efficiently to maximize workloads and energy.

**Disaster recovery as a service** eliminates on-premise backup data centers in favor of a cloud-based, on-demand model with a minimal infrastructure footprint, enabling customers to significantly reduce their energy and carbon footprints.

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**CUSTOMER STORY**

Groupama, a European insurance company, recently implemented VMDSC, a sustainability optimization capability that augments the VMware vRealize Operations rightsizing report. During this engagement, VMDSC enabled the customer to safely and easily automate right-sizing in its environment of more than 10,000 virtual machines.

The initial trial of VMDSC recouped 29 percent of allocated vCPU and 20 percent of allocated RAM, which allows these resources to be put back to productive use, leading to increased host utilization and optimized sustainability performance.
Planning for a Net Zero Transition

Tackling climate change is urgent, which is why we take action to address our climate impact today, ensuring we are carbon neutral while we continue on the path to net zero. To achieve our net zero goal, we need to both reduce our emissions in line with what science tells us is needed and offset any emissions that remain through carbon projects. Our ambitious 1.5°C-aligned science-based targets lay the foundation for our emissions reductions and were validated by the Science Based Targets initiative (SBTi):

- **50% reduction** in Scope 1 and Scope 2 emissions by 2030 (base year FY19)
- **50% reduction** in Scope 3 employee commute and fuel-and-energy-related emissions by 2030 (base year FY19)
- **75% engagement** of our suppliers (by spend) in setting their own science-based targets by 2025

To accelerate global progress, we participate in renewable energy initiatives like the Clean Energy Buyers Alliance and RE100, a global collaborative representing businesses committed to using 100% renewable electricity. Last year, we announced our signing of The Climate Pledge to further our net zero progress alongside companies around the world and across industries.

We are continuing to evolve our climate transition plan as we learn more from operationalizing our sustainability goals across the business and as the carbon market matures.
OUR ACTIONS

Investing in Nature-Based Solutions

We need all solutions to get us to a net zero future and we are committed to utilizing nature to support us in getting there. VMware has a diverse portfolio of carbon avoidance and removal projects and we have started to weigh our portfolio more heavily toward nature-based projects as we believe these are critical on the path to net zero.

Last year, in partnership with 1t.org, we committed to planting and protecting one million trees by 2030 and are already over a quarter of the way there. To date, we have planted over 260,000 trees.

VMware has been a contributor to the Million Mangroves Project for three years and has contributed to natural climate solution projects focused on mangrove restoration in Kenya and Mexico. In case you didn't know, mangroves are also known as “wonder trees” because they can store up to four times more carbon than rainforests.

Committed to Planting One Million Trees by 2030

260,000+ trees planted toward our commitment

Mangrove Restoration

projects in Kenya and Mexico as part of Million Mangroves Project
OUR ACTIONS

Supporting Sustainable Development

We support low-carbon sustainable development projects because we know that decisive action must be taken now as we continue to pave the path to net zero. Not only do the carbon credits we purchased support our CarbonNeutral company certification, they also have immediate positive impacts on the environment and within their communities.

Since the start of our ESG journey, we have always focused on supporting impactful projects that align to the United Nations Sustainable Development Goals, a framework that informed VMware's 2030 Agenda. This includes carbon financing for projects that drive systemic impact to build strong and resilient communities.

To date, our carbon finance projects have helped fund household solutions, large-scale renewable energy projects, forest restoration and electric rail systems for sustainable public transportation.

Africa: At least 2 billion people worldwide do not have access to safely managed drinking water, which is why we purchased our carbon credits from Gold Standard projects in Uganda and Malawi that cut carbon emissions by providing clean drinking water to small rural communities by repairing and drilling new boreholes for water wells. By providing access to clean water, communities no longer need to purify water through boiling, which alleviates pressure on local forests—the predominant source of firewood—and reduces greenhouse gas emissions.

India: Public transport is the primary mode of commuting for most people in India and among the most heavily used in the world. Under the Clean Development Mechanism (CDM) methodology for mass rapid transit projects, VMware’s carbon finance supported Delhi Metro to install and operate over 100 kilometers of state-of-the-art electric rail systems with new trains. GHG emissions per passenger-kilometer are much less compared to conventional modes of transport, reducing transportation emissions that cause dangerous levels of air pollution in India.
Measuring the Carbon Impact of Remote Work

As we moved to a fully distributed workforce at the onset of the pandemic in early 2020, we recognized the boundaries of our carbon footprint were shifting. With people working from home, employee commuting was reduced but home energy consumption increased. To account for these changes in how VMware produced emissions, we assessed the carbon impact of our employees working from home for the first time. This called for creating a new methodology that addresses regional variations in our globally distributed workforce. We started with the impact of key emission sources in a typical home office: IT equipment including computers and other devices, electrical lighting load and HVAC systems (heating and cooling).

Like many companies embracing a distributed workforce model, the environmental impact of our employees is no longer limited to corporate office buildings. We have started a dialogue across industries to further develop our methodology and we encourage other companies to measure the carbon impact of their own remote workforce.

Read our white paper: Carbon Impact of the Future of Work
Assessing Climate Risks & Opportunities

As we mature our sustainability practices across our operations, we are also deepening our understanding of the risks and opportunities that come with an uncertain future, a world with climate change. VMware has reported its climate strategy, targets, emissions, risks and opportunities in detail each year through our CDP, we conducted a climate-related risk and opportunity assessment, which aligned to recommendations provided by the Task Force on Climate-related Financial Disclosures (TCFD). The intent of TCFD is to provide a framework that companies can adopt in order to assess and then incorporate climate-related risks and opportunities into long-term strategies.

VMware has taken a phased approach to identify and assess the nature and magnitude of potential climate-related risks and opportunities.

First, we performed a climate screening process that engaged stakeholders from across the company through a survey and subsequent workshops to identify and prioritize potential climate-related physical, operational, regulatory and other business risks that various business groups could be most exposed to. Then, scenario analysis was performed to model the priority risks under various plausible future climate worlds and quantify the likelihood and onset of the severity of these potential risks. VMware is now integrating the information and data gathered as it develops a mitigation and adaptation strategy for the future.
**OUR ACTIONS**

**Sourcing Responsibly from Suppliers**

The VMware Responsible Sourcing™ program enables us to drive impact in our supply chain while aligning our supplier practices with our 2030 Agenda to unlock business value. This includes innovative policies such as a responsible swag initiative to prioritize locally sourced items and to avoid wasteful purchasing.

The VMware Responsible Sourcing program has three pillars, each with its own unique goal:

**Sustainability**

- **ACHIEVE**
  - 75% of annual spend with suppliers who have set science-based targets by 2024

**Diversity**

- **SPEND**
  - $1.5B with diverse suppliers by 2030, including small businesses and enterprises owned by underrepresented groups

**Accessibility**

- **ASSESS**
  - ACCESSIBILITY STANDARDS for all new software and event suppliers

VMware partners with EcoVadis, a global supplier ratings platform, to promote engagement and drive transparency on sustainable business practices and ESG progress with our suppliers. The EcoVadis platform is a useful tool that enables greater transparency for VMware's supply chain and helps identify opportunities to further progress toward our 2030 Agenda goals.

Recently, EcoVadis featured VMware in a case study tracking science-based target engagement in the IT sector to better understand how well suppliers manage their carbon emissions and how companies like VMware can support suppliers in reaching their own sustainability targets.

Learn more about the VMware Responsible Sourcing™ program [www.vmware.com/company/responsible-sourcing](http://www.vmware.com/company/responsible-sourcing)
OUR ACTIONS

Living Our Culture of Sustainability

Sustainability is in VMware’s DNA, from our product solutions to our culture. Through our diverse programs and initiatives, our people are empowered to practice sustainable living at work and at home. The Sustainability Ambassador program, made up of passionate volunteers across the company, support driving VMware’s various initiatives.

VMware’s Sustainability@Home program is led by our Sustainability Ambassadors in each region, where they engage with their communities by partnering with sustainable product companies and non-profits that assist VMware employees to lead more sustainable lifestyles. Some of these organizations offer discounts to our employees and all of them offer ongoing education on sustainability topics. Currently, these offerings include discounts on renewable energy and residential solar, composting and alternatives to plastic products.

Our partnership with Common Energy is a great example of how these programs work to benefit our employees and the environment. VMware employees can sign up to support a new, local, clean energy project for free. Energy from the project replaces fossil fuel generation, lowering emissions in the community. In addition, everyone who signs up receives guaranteed savings on their local electricity bill. Currently, this is available to employees in nine states within the U.S. As a result, our employees have avoided 5.4 million pounds of carbon emissions and counting.

Every Day is Earth Day at VMware

Individual actions matter and each of our contributions add up to collective impact. Each year, we celebrate Earth Month across the globe through raising awareness and inspiring our employees to take action – whether big or small.

This year, we took a new approach to empowering our employees to reduce their own carbon footprints through gamification. We leveraged the AWorld mobile application in support of the United Nations Act Now campaign and took various actions to drive positive environmental change.

Given our strong culture of sustainability, VMware people rose to the challenge and we surpassed our emissions reduction goal for the month by 248 percent! Most importantly, we encouraged dialogue on topics from regenerative agriculture to electric vehicle adoption to climate advocacy.
We launched the VMware Zero Carbon Committed program after recognizing the enormous opportunity to advance sustainability by collaborating with our ecosystem of public cloud partners. This initiative promotes our public cloud providers that are committed to achieving 100 percent renewable energy-powered data centers by 2030 and connects them with our customers who have net zero goals. Since the program’s launch, we have partnered with 30 public cloud providers, including Google, AWS, Oracle and many more. We will continue to evolve the program by also engaging other cloud partners who have not yet made renewable energy commitments by sharing best practices as they begin their own net zero journeys.

Perspectives from VMware Zero Carbon Committed Partners

"IBM set a goal to reach net zero greenhouse gas emissions by 2030 by using feasible technologies to remove emissions in an amount which equals or exceeds IBM’s residual emissions. Toward achieving this goal IBM will continue to first focus on reducing—not offsetting—GHG emissions and with 90% of the electricity IBM consumes coming from renewable sources by 2030, aiming to limit our residual GHG emissions to 350,000 MT CO2e. We look forward to continuing our partnership with VMware in serving clients, while reducing our environmental impact."

Edan Dionne
Vice President, Environmental, Energy and Chemical Management Programs

"As part of Microsoft’s commitment to be carbon negative by 2030, sustainability is front and center for our data center growth and operations. We’ve made early progress and as part of this journey, we are proud to work with other forward thinking partners like VMware and their Zero Carbon Committed Initiative to help drive change across the industry."

Noelle Walsh
CVP, Cloud Operations and Innovation
Impact Spotlight: Community Microgrid

Inspired by a vision to increase our community’s resilience in the face of climate disasters, we assessed systemic risks and realized that our collective dependency on grid power made us vulnerable to outages. VMware collaborated with the City of Palo Alto on a first-of-its-kind community microgrid that can provide local renewable power and energy that is reliable, sustainable and resilient.

The microgrid prototype encompasses two buildings on VMware’s campus, supported by two 1 MWh batteries that integrate with existing rooftop solar panels and 100 percent renewable grid power. The microgrid has the capability to support the community’s Mobile Emergency Operations Center (MEOC), providing connectivity and resilient power for its vehicles. These MEOC vehicles can then use the VMware microgrid in case of extended power outages or fuel shortages to provide critical communication services during emergencies for the surrounding community.

Learn more about VMware’s Community Microgrid Project
news.vmware.com/esg/climate-change-cant-knock-lights-out
Accelerating Sustainability into the Future

To achieve global transformation of sustainable IT infrastructure, innovation is critical and decarbonization must stay top of mind for the world’s technology leaders as they adopt future technologies.

Looking ahead, VMware will launch Project Blue Sky to accelerate decarbonization in a multi-cloud environment for our customers. We are building cloud management tools for carbon transparency and carbon reduction to support customers on their journey to net zero emissions with resource utilization and energy and carbon efficiency of digital infrastructure.

VMware is also exploring ways to help customers reduce their carbon impact when embracing AI through technology that would run workloads on temporarily available capacity, allowing existing and less carbon-intensive infrastructure to support AI as it evolves.

Individually, each of our sustainability programs represents an innovation. Collectively, these innovations enable our stakeholders to take significant steps toward net zero emissions, decarbonization and global resilience in the face of great challenges. Our actions also pave the way for even more technology solutions to come.

Through our National Science Foundation (NSF) Partnership, VMware has awarded three research grants for a total of $6M over three years to advance the next generation of sustainable digital infrastructure.

VMware joined the Green Software Foundation to help evolve the best practices, tools, metrics and standards that advance sustainability as a core business priority alongside performance, cost, security and accessibility.
Equity Overview

At VMware, people are the heart of our business. We look at equity broadly as a business imperative that encompasses multiple dimensions of access, opportunity and advancement for all our stakeholders.

Our approach to equity starts with creating a diverse and inclusive work environment that allows everyone in our organization to feel a sense of belonging and community. We are driving equitable outcomes that include empowering our people through DEI, professional development and giving programs, and supporting diverse suppliers. In addition, our products and solutions enable our customers to provide increased flexibility and access to opportunities for their own employees.

By making VMware and our communities stronger through these efforts, we will create a more equitable future for all.

Our Actions

- Driving Equity Through Anywhere Workspace
- Planning for an Equitable Future
- Building a Diverse, Equitable and Inclusive Culture
- Enabling Inclusive Hiring Practices
- Developing Our People
- Prioritizing Employee Wellbeing
- Fostering a Culture of Service and Social Innovation
- Teaching Digital Skills
- Collaborating in Action: The Valuable 500
- Impact Spotlight: VMware Women Working from Home in India
- Accelerating Equity into the Future

Achieved fifth 100 percent score on the Human Rights Campaign Corporate Equality Index

Signed the Business Coalition for the Equality Act to advocate for providing the same basic protections to LGBTQ people as are provided to other protected groups under federal law

Expanded our supplier diversity program to prioritize procurement spend with diverse suppliers in India, Canada, Ireland and the United Kingdom

Recognized on the Disability Equality Index’s 2021 Best Places to Work

Increased representation of women by 2.1 percent over FY21, reaching 29.2 percent of our global workforce

Enabled 81 percent of VMware people to support nonprofits of their choice through the VMware Foundation, impacting more than 14,000 organizations in 102 countries

Upskilled more than 62,000 learners on VMware technology solutions through the VMware IT Academy
OUR ACTIONS

Driving Equity Through Anywhere Workspaces

Remote and flexible work has become a key lever in expanding equity by increasing access to opportunities for workers. We’ve learned that a more diverse and qualified talent pool can be recruited across geographies with a distributed workforce model.

We believe that continued development of human capital can be leveraged by embracing distributed workforces that empower employees and open doors to previously untapped talent pools. VMware’s technology can make remote and flexible work arrangements more available, thereby enabling more equitable, accessible and inclusive digital workplaces within VMware and for our customers.

Through our Anywhere Workspace solutions, we help our customers transition to a distributed workforce model, setting them up for success that does not require everyone to be based in a centralized location. Instead, employees can access exceptional flexibility and equitable opportunity, backed by VMware’s more secure and seamless Anywhere Workspace technologies.

Exceptional flexibility is especially important for the more than one billion people with disabilities around the world. From ensuring the technology we develop is accessible for all to empowering VMware people through accessible and inclusive engagement and wellbeing programs, we are seeking to drive meaningful impact on disability, wellness and neurodiversity inclusion.

Learn more about VMware’s Anywhere Workspace Solutions
www.vmware.com/solutions/anywhere-workspace.html

VMware Tanzu Act builds Equity for Nonprofits

VMware Tanzu Act™ is a global program that partners with nonprofit organizations to leverage the resources of developers, designers and product managers from VMware Tanzu Labs™. In FY22, VMware led Tanzu Act engagements with two nonprofit customers to build solutions that increase equity for the communities they serve.

These engagements included building a mobile application to support the mental wellbeing of truck drivers and warehouse workers in Australia for Healthy Heads in Trucks and Sheds, as well as a dashboard to measure equitable educational quality in schools for the Massachusetts Consortium for Innovative Education Assessment.

Learn more about Tanzu Act engagements
tanzu.vmware.com/act

CUSTOMER STORY
OUR ACTIONS

Planning for an Equitable Future

We believe we will succeed in our goals only by knowing where we’re heading and measuring our progress along the way. When it comes to equity, everyone has a role to play, which is why we’ve set targets across the organization—from DEI to responsible sourcing to upskilling our communities and engaging our employees through Citizen Philanthropy. We believe that each of these areas plays a critical role in driving equity within VMware, our supply chain and our broader communities.

Our equity targets are inspired by our company’s EPIC2 values that were developed by VMware people to build an inclusive culture and responsible company. By working together to meet our equity targets, we will accelerate innovation now and in the future.

2030 Agenda Equity Targets

- Achieve equitable pay across all genders and ethnicities
- Spend $1.5B with diverse suppliers through 2030
- Hire at least one woman or gender non-binary employee for every one man we hire by 2030
- Establish a management team that includes at least 50% women and underrepresented minorities by 2030
- Engage 75,000 learners in digital skills education focused on VMware solutions through IT Academy in FY23, including 15,000 developers in modern application education
- Continue to engage at least 75% of VMware’s employee population in supporting nonprofits of their choice in their communities
OUR ACTIONS

Building a Diverse, Equitable and Inclusive Culture

Building a diverse, equitable and inclusive workforce that drives innovation, trust and quality is critical to our multi-cloud journey. To do this well, we have embedded our DEI goals across the business with transparency and accountability at the leadership level. Over the past four years, we have tied DEI goals to our leadership bonus decisions. We have also strengthened our recruiting processes, channels and partnerships as we strive for a representative workforce, ensuring we are connecting with talent from a variety of backgrounds and experiences and enhancing access to opportunities along the way.

Making VMware a people-first company for our employees, customers and communities is fundamental to who we are and critical to our multi-cloud journey. As part of our ongoing investment in human capital, our upcoming DEI work will focus on personal growth and accountability, while expanding access to support and resources for VMware people everywhere.

Learn more and view our most recent DEI Report
www.vmware.com/company/diversity

FY22 Highlights: Representation at VMware

15.7%
of U.S. hires self-identified as an underrepresented minority

2x
remote employees since early 2020 (6,019 to 12,384 in two years), now comprising one-third of VMware’s workforce

38%
of our new employees were hired into fully remote roles

58
countries represented by new hires, up by 7 over FY21

For more information, see our most recent EEO-1 disclosure
Enabling Inclusive Hiring Practices

Hiring practices need to evolve to bring in the best people. Guided by Outcomes (GO) Hiring, VMware’s innovative approach to hiring top talent—people who bring a wider mix of creativity, originality, and problem solving. GO Hiring attracts and assesses candidates using performance outcomes rather than a list of ideal characteristics or qualifications. To attract talent from all backgrounds, VMware empowers people with differing experiences and perspectives to start or restart their career at VMware through curated development and hiring programs.

We also strongly believe in equal pay for equal work. When we adjust for the factors that can influence compensation (job, grade, tenure, geographic location, and performance), VMware’s data shows that women earn 99 percent of their male counterparts’ compensation globally and underrepresented groups earn 100 percent of their white counterparts’ compensation in the U.S.

Learn more about VMware’s inclusive hiring practices [www.vmware.com/company/hiring](http://www.vmware.com/company/hiring)
OUR ACTIONS

Developing Our People

At VMware, a continuous learning mindset is core to who we are. Our culture of innovation is fueled by people with a genuine curiosity for ongoing development. We offer a robust series of programs and training to help employees—who are already extremely skilled—engage in lifelong learning that renews and expands their potential. On average, VMware employees receive over twenty-seven hours of training annually. In 2021, 19,000 employees completed professional development and rotation programs. In addition, over 14,000 employees completed research and development (R&D) technical courses.

VMware offers many talent development initiatives geared toward enabling specific audiences to explore the potential in themselves and others. These include the EPIC2 manager program, leadership forums, technical education activities and sales enablement programs. One of our most popular and innovative initiatives is “Look Within,” a three-part career enrichment program that supports internal mobility by encouraging employees at various stages of their VMware lives to refresh, reignite and rejuvenate their mindsets.

We believe that people learn best by doing, which is why the VMware Foundation offers the Good Gigs program, for people to learn and grow through pro bono Service Learning. Forming a diverse, cross-functional team VMware people partner with nonprofits of their choice to build the technology capacity they need to thrive. Through Good Gigs Projects, VMware people have led digital transformation initiatives with over thirty nonprofits in seven countries.

DEI Training by the Numbers

16,000+

employees have completed the Unconscious Bias Education training, offered through our partnership with the Stanford VMware Women’s Leadership Innovation Lab. This course builds awareness and drives actions to block bias in the workplace.

250+

participants from around the world completed our new Inclusive Language training course, which focuses on elements of inclusive language and empowers employees in taking tangible action to create more inclusive communication.

49%

of people managers completed the newly launched Inclusive Leadership in Action training.
Prioritizing Employee Wellbeing

Our people are the key to VMware’s success and putting employee wellbeing front and center across the company creates an environment in which everyone feels supported and can thrive. From addressing and destigmatizing mental health to prioritizing physical health and the evolving needs of today’s distributed workforce, we continue to address the needs of our people through a variety of resources and programs. Our holistic approach centers on evolving our wellbeing programs and integrating them into our work at the organizational, team and individual levels.

We all need to take a break every now and then, which is why in addition to our paid time off (PTO) benefits, VMware also offers four extra days off each year that can be used at any time to deal with whatever life throws at you, no questions asked. Recognizing the needs of VMware people to refresh and reconnect throughout the year, we also created an additional four EPIC2 holidays when the entire company takes a break to promote collective employee wellbeing.

Learn more about employee wellbeing at VMware wellbeing.vmware.com
OUR ACTIONS

Fostering a Culture of Service and Social Innovation

VMware people are empowered to support what they care about in their communities year-round through Citizen Philanthropy programs. In 2021, more than 27,000 VMware people took collective action with our annual end-of-year giving initiative, directing financial support to 8,354 nonprofits around the world. These numbers are just a snapshot of the depth and breadth of the culture of service that VMware people embody daily. By contributing time, talent and resources through our Citizen Philanthropy initiatives, everyone at VMware can make an impact in areas important to them as individuals—a key driver of human capital development.

VMware is also proud to help nonprofits address the imperative of digital transformation through our 2030 Agenda. We focus on co-innovating meaningful and long-lasting solutions with nonprofit organizations, rather than designing solutions on our own for them, through programs such as VMware’s Take 3 and Good Gigs projects and through our support of TechSoup’s Digital Assessment Tool for nonprofit organizations.

Learn more about the VMware Foundation and see Citizen Philanthropy in action

[Learn more link]

FY22 Citizen Philanthropy Highlights

- 30,000+ VMware people engaged
- 13,900+ nonprofits supported
- 100+ countries represented
Teaching Digital Skills

VMware can help accelerate innovation worldwide for our customers and partners because of our broad, inclusive approach to digital skills development that provides increased access to opportunity, education and community for a more equitable workforce.

Through VMware IT Academy, in partnership with academic institutions, government agencies and nonprofit organizations, we provide a global, digital skills education program that upskills diverse learners on VMware solutions to better equip them to advance their careers and grow an ecosystem of talent.

In FY22, VMware IT Academy co-hosted a VMware Tanzu® Build-A-Thon in India to bring highly focused education and learning combined with guided, real-world experience in creating and deploying their own modern applications to the cloud. Additionally, VMware IT Academy fuels an academic cloud in partnership with the University of South Carolina, Stanly Community College and Network Development Group to provide more equitable access and opportunity to students, instructors and researchers around the world. By providing a platform for learning resources such as labs, content and research that may otherwise not be affordable, students are able to gain valuable job skills around data center virtualization, cloud concepts and modern applications.

62,000+ learners upskilled on VMware technology solutions through the VMware IT Academy
We strive to create a welcoming and inclusive workplace for employees of all abilities. Our goal is to foster a culture where everyone feels empowered by their unique talents and to work as a company toward advancing VMware's dialogue and progress on disability inclusion, accommodation strategies, and physical and technological accessibility.

In 2021, the unemployment rate for Americans with disabilities reached a shocking 80 percent. In response to this crisis of equity and employment, VMware is leveraging our influence to encourage vendors and suppliers to prioritize accessibility and modifying our own internal systems to make operations more accessible to new and existing employees. Internal software solutions used by VMware people are being overhauled for accessibility, while employees are receiving training to ensure that accessibility is top of mind in the software procurement process.

VMware joined the Valuable 500 alongside other companies across industries to further drive disability inclusion. Our CEO, Raghu Raghuram, has prioritized this effort to ensure equity across the organization for all VMware people.

“VMware is honored to be a part of the Valuable 500. We are committed to creating systemic change to promote disability inclusion, from ensuring the technology we develop is accessible for all to empowering our employees through innovative engagement and wellbeing programs. We are proud to be driving meaningful change in the areas of disability, wellness and neurodiversity inclusion as part of our 2030 Agenda.”

Raghu Raghuram
CEO, VMware
Impact Spotlight:
VMware Women Working from Home in India

When the world went into lockdown at the onset of the global pandemic, office workers had to suddenly adjust to a completely remote model, conducting meetings and consultations virtually. In India, this was a particularly jarring change for a society where working women also spend up to 352 minutes a day on housework. Many of these women rely heavily on a robust support framework of domestic helpers, nannies, day care centers and even extended families and neighbors. The pandemic effectively cut off the country’s working women from their crucial support system and many understandably found themselves struggling to balance all their responsibilities at home and at work.

As customer zero for our own distributed workforce technologies, VMware’s transition as a company to remote work was seamless. However, we needed to pay special attention to the unique realities that all our employees face around the world. While our technology infrastructure and business continuity protocols helped ease some pressure for our teams, including VMware women based in India, we listened to feedback to improve our support for employees to meet their needs.

Read stories from five VMware women in India and learn how our technology helps them work from home seamlessly [www.news.vmware.com/company/vmware-working-from-home-and-at-home-seamlessly](http://www.news.vmware.com/company/vmware-working-from-home-and-at-home-seamlessly)

VMware employees from around the world share innovation stories remotely during the Joy of Innovation LinkedIn Live series.
Accelerating Equity into the Future

We have made great progress in pursuing equity for our stakeholders, but we recognize that there is always room for improvement. Here is a preview of some of the efforts VMware is focusing on in FY23 and beyond.

Moving forward, we will continue listening to our people as we hone our ability to create diversity of thought, inclusion in action and elevate representation across all roles and levels. We will encourage increased engagement through participation in more than one Citizen Philanthropy program each year and enable employees to support the humanitarian causes around the world that are most meaningful to them.

Aligned with VMware’s transformation to a multi-cloud SaaS company, VMware IT Academy is expanding its educational portfolio to include modern applications offerings for learners around the world. VMware technology solutions will continue to inform our social innovation work and build equity around the world.

Expanding Diversity within Our Supply Chain

VMware is committed to using our significant global purchasing power to tackle complex supply chain challenges while increasing equitable business opportunities. Our Responsible Sourcing program centralizes all of our supplier-facing ESG efforts and supports our 2030 Agenda commitment to spend $1.5 billion with diverse suppliers by 2030.

In FY22, we expanded our supplier diversity program to India, Canada, Ireland and the United Kingdom. The next step in our action on equity in the supply chain is to set specific spend targets for certified minority-owned businesses and businesses owned by veterans, women, people with disabilities and members of the LGBTQ+ community.

Learn more about the VMware Responsible Sourcing program www.vmware.com/company/responsible-sourcing
Trust Overview

At VMware, trust means that customers can be confident that their data is kept private and secure and used responsibly, our employees can be confident their company operates transparently and ethically and all stakeholders can be effectively safeguarded from cyberattacks. Earning trust is crucial to forging the relationships needed to build a more sustainable, equitable and secure future.

Our approach involves rooting our efforts in: 1) transparency—owning where we are today and our progress toward where we want to be; 2) accountability—accepting responsibility for the outcomes of our actions, not our intentions; and 3) innovation—channeling the same creativity we use to create value for our customers into reaching our ESG goals. By viewing innovation through a lens of digital ethics and stewardship, and by focusing on security, privacy by design, governance and transparency, VMware works every day to establish and maintain trust among our people, customers, partners, shareholders and communities.

Our Actions

- Earning Customer Trust with Security and Privacy
- Accountable Governance Practices
- Driving Trust through Transparency and Reporting
- Ethics and Anti-Corruption
- Public Policy and Engagement
- Data Privacy and Security
- Collaborating in Action: UNGC and SDGs
- Impact Spotlight: Beyond Zero Trust
- Accelerating Trust into the Future

FY22 Trust Highlights

- Ranked fourth in Software and Telecommunications category by Newsweek’s inaugural list of America’s Most Trusted Companies
- Awarded industry-first AAA rating for network detection and response by SE Labs
- Recognized with Best Network Detection and Response Award from SE Labs
- Named as a Leader in Endpoint Security Software-As-A-Service by Forrester
- Launched the VMware Responsible Sourcing program to prioritize sustainability, diversity and accessibility in our supply chain
- Enhanced our governance practices by including ESG milestones in executive compensation bonus plans and assigning corporate DEI goals tied to bonus compensation for senior director levels and above
- Empowered VMware people with over one million hours of training and development with an average of 27 hours per employee
OUR ACTIONS

Earning Customer Trust with Security and Privacy

Privacy Practices and Controls

VMware deploys enterprise privacy training and comprehensive privacy procedures and controls to protect our customers and their infrastructures. In FY22, we continued enterprise-wide privacy training that addresses real day-to-day scenarios that help our employees meet their privacy-related obligations. We have also developed customer resources in the VMware Cloud™ Trust Center to increase transparency, including datasheets that help explain how our top five service offerings help customers process personal data and a series of frequently asked questions to help address the most common inquiries we receive from customers.

VMware also regularly reviews our privacy strategy against emerging legal requirements and regulatory guidance to define and embed privacy controls that meet our customers’ expectations and to implement best-in-class, cross-border data transfer mechanisms.

Security in the Face of Increasing Cyberthreats

Digital security is a complex, challenging and ever-changing issue for organizations everywhere. We know that the security, transparency and reliability of our offerings and practices are top priorities for our customers and other stakeholders. We see the rapidly advancing threat of cyberattacks as not only posing serious risk to critical infrastructure, intellectual property and sensitive information, but to a company’s trust among its customers.

We are facing this challenge directly, designing innovative programs that seek to anticipate trends in cyberthreats. VMware is committed to advancing security programs and practices through clear communication with our stakeholders and the candid customer dialogue our partners have come to count on.

Security Saves Lives

CUSTOMER STORY

The International Committee of the Red Cross (ICRC) is active throughout the world to aid people in conflict areas by reducing human suffering, protecting lives and health and preserving human dignity. Driven by digital transformation, the ICRC is currently implementing its digital agenda. Because employees around the world must be able to communicate quickly and easily with each other, they rely on a secure, global connection. If this is not the case, human lives can be at risk.

VMware NSX® enables the ICRC to transfer data more securely between all employees on missions worldwide. This helps to prevent sensitive data collected in crisis areas from falling into the wrong hands and facilitates IT communications with a distributed workforce.
VMware has implemented a governance structure comprised of internal leadership and members of our executive staff to guide integration of ESG into VMware’s operations and performance management. Our governance structure includes annual oversight of ESG performance by the full Board of Directors and, in FY22, the charter of the Governance Committee was amended to provide formal, primary oversight of our ESG progress. The Audit Committee oversees cybersecurity and data privacy matters, while the Compensation Committee oversees annual executive officer management-by-objectives (MBOs).

Operationally, our ESG Office drives cross-company alignment and strategic focus and measures and tracks the progress of our ESG goals. To incentivize ESG progress, our executive compensation planning incorporates ESG goals as part of the Compensation Committee’s holistic evaluation of performance under our Annual Executive Bonus Program.

Our corporate governance practices provide a framework for operating VMware in our stakeholders’ best interests and in compliance with applicable legal requirements. We seek to manage our business according to the highest principles of business ethics and good governance and we express those principles in the internal policies that we develop and then implement globally.
Our Actions

Driving Trust through Reporting and Transparency

We expect our shareholders and other stakeholders to hold us accountable for our ESG progress, which is why VMware voluntarily provides transparent ESG progress updates annually in our ESG Report and our DEI Report. We also summarize important elements of our ESG strategy and progress in financial filings such as our Annual Report on Form 10-K and Proxy Statement.

Disclosing ESG data is a crucial component in earning trust from our stakeholders, which is why we align to leading ESG reporting frameworks and standards. These frameworks also influenced the development of VMware’s 2030 Agenda, including the following:

- Sustainable Accounting Standards Board (SASB)
- Greenhouse Gas Protocol (GHG Protocol)
- Global Reporting Initiative (GRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Sustainable Development Goals (UN SDGs)
- Principles of the United Nations Global Compact (UNGCI)

We will continue to enhance our ESG-related disclosures by following best practices and partnering with organizations like Accounting for Sustainability (A4S), which was established to inspire action by finance leaders to drive a shift towards resilient business models and a sustainable economy. VMware’s Chief Financial Officer has represented the company since 2019 as part of the U.S. chapter of the A4S CFO Leadership Network to embed ESG into our business processes.

View our Annual Report on Form 10-K, Proxy Statement and other filings with the U.S. Securities and Exchange Commission

ir.vmware.com
**OUR ACTIONS**

**Ethics**

A culture of ethical conduct and compliance is key to maintaining a sustainable and responsible business. This culture is core to VMware’s commitment to integrity, which underpins our Business Conduct Guidelines. These guidelines specify standards of behavior that go beyond just complying with the law. They require all employees, directors and executive officers of VMware and our subsidiaries to uphold our shared corporate values: to build and protect trusted relationships with all stakeholders. VMware’s “We All Own It” compliance campaign focuses on driving accountability for ethics and compliance issues at a personal level. To empower VMware people in upholding our EPIC2 values and cultivating accountability, a confidential ethics helpline, managed by an external vendor, is available around the clock in multiple languages and with an option for anonymous reporting.

**Anti-Corruption**

We all share a role in the global fight against bribery and corruption. To help protect against these threats, we’ve established an anti-corruption program that outlines policies, programs, training and risk and control evaluation centered around embedding anti-bribery management into every facet of our business. We leverage risk assessments to drive process and control refinement, identify targeted training opportunities and implement program enhancements.

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**VMware’s Published Policies**

- **Governance Documents**
  - Certificate of Incorporation
  - Bylaws
  - Corporate Governance Guidelines
  - VMware Tax Strategy

- **Ethics and Compliance**
  - Supplier Code of Conduct
  - VMware Commitment Against Slavery and Human Trafficking
  - Partner Code of Conduct
  - Business Conduct Guidelines
  - VMware Environmental Policy

- **Committee Charters**
  - Audit Committee
  - Compensation Committee
  - Mergers and Acquisitions Committee
  - Nominating, Governance and Related Persons Transactions Committee

For detailed governance documents, refer to the VMware Investor Relations resources [ir.vmware.com](http://ir.vmware.com).
Public Policy and Political Engagement

Our Government Relations and Public Policy team partners with governments and public officials to champion our technologies, products and services, customers, employees and global communities. We work with all levels of government on public policies relevant to our core business and core values, and we partner with trade associations and industry organizations that share our vision and policy objectives.

In the 2022 election year, the VMware Political Actional Committee (VMware PAC) committed to supporting select Members of Congress solely based on their leadership and activism on ESG and DEI. We have identified several Congressional “Champions” to correspond to our seven Power of Difference (POD) employee resource groups and environmental sustainability advocacy. VMware PAC also hosted impact public policy events for Champions and our POD leaders, and we included representatives from other corporations and their employee resource group leaders. Attendees of these VMware-led events participated in a constructive dialogue on important ESG and DEI issues, demonstrating VMware’s commitment and contributions as a corporate leader.

Digital Transformation and Net Zero Emissions Europe

VMware contributed to a white paper by Aurora Energy Research to examine future scenarios of European computing demand and its impact on European electricity consumption and emissions. A continual improvement scenario was developed that applies reasonable trends to assess the potential impact of virtualization in abating future emissions from European computing demand. These findings were adopted by Digital Europe, the largest EU-based trade association, in their recent climate action report. To further the discussion on digital transformation and a net zero emissions Europe, VMware’s Public Policy team held an event, which featured the following participants:

- Karl Falkenberg, Former European Commission Director General for Environment
- Daniel Mes, Member of Cabinet of Executive Vice President for European Green Deal
- Joe Baguley, VMware VP and CTO EMEA
- Nicola Acutt, VMware VP Environmental, Social and Governance

Read the Aurora Energy Research white paper to learn how cloud technologies can play a pivotal role in achieving power sector emission reductions in Europe: [vmware.com/content/dam/digitalmarketing/vmware/en/pdf/company/vmw-esg-aurora-energy-research-report.pdf](http://vmware.com/content/dam/digitalmarketing/vmware/en/pdf/company/vmw-esg-aurora-energy-research-report.pdf)
Data Privacy and Security

New and emerging privacy and security legislation place specific regulatory obligations on organizations, while cyberattacks rapidly grow in sophistication and scope. At VMware, we are passionate about privacy and data security and have developed comprehensive procedures and controls to help protect our IT infrastructure.

We are committed to protecting the integrity, confidentiality and reliability of VMware information and information systems from unauthorized disclosure, removal, acquisition, modification or destruction. We strive to achieve a high level of information protection standards, including by establishing policies based on international standards ISO/IEC 27001 and consistent with industry-accepted practices in accordance with business requirements, contracts and relevant laws and regulations. These policies apply to all personnel who manage, use or have access to VMware information assets, as well as to all VMware information assets and information processing environments, including those infrastructures and services used to support VMware Cloud services.

VMware also has a comprehensive compliance program to enable and ensure customer trust. We continuously monitor existing and emerging security standards and integrate applicable requirements into our cloud service compliance programs. More information can be found on the VMware Cloud™ Trust Center www.vmware.com/products/trust-center

As first adopters of VMware technology, our global IT subject matter experts (SMEs) are uniquely positioned to provide feedback and share stories with customers on our operational experience, including the benefits and challenges of using VMware products globally at scale. We call this the VMware on VMware program.

We partner with the field sales and technical account organizations to share our wealth of knowledge and best practices with customers via Zoom webinars, 1:1 customer meetings and small-group roundtable discussions. IT professionals respect the credibility and experience of their peers, our SMEs, who already use the products and services they plan to buy and implement. This gives customers more confidence to use our products, overcome concerns about getting started and better understand how to implement them.

Discover more stories at the VMware on VMware blog blogs.vmware.com/vow/
The United Nations developed the Global Compact (UNGC) and Sustainable Development Goals (SDGs) as urgent calls to action for countries and organizations to work together to align strategies and operations and take actions that advance societal goals. VMware has been a participant in the UNGC since 2019, embracing universal principles on human rights, labor, environment and anti-corruption.

VMware’s ESG strategy was inspired in part by the UNGC principles and SDGs. Our 2030 Agenda outcomes of sustainability, equity and trust are aligned to specific SDGs where we believe VMware can have the most positive impact. By collaborating with companies across industries and different organizations around the world, we can make a difference together.
Impact Spotlight: Beyond Zero Trust

The dependence on VMware solutions for critical workloads, devices and infrastructure across thousands of customers is both a responsibility and a privilege. Delivering trusted, secure capabilities to our customers is more important than ever before, especially with increasing cyber attacks worldwide that can disrupt economic and political stability.

Beyond Zero Trust is a company-wide effort launched in 2021 that uses cross-functional teams and our own technology to further protect VMware’s products, systems and people by better detecting and limiting impact from insider threats. These efforts range from the implementation of new policies and security protocols to a more robust authentication framework. The Beyond Zero Trust initiative ensures we continue earning and keeping our customers’ trust by supporting the following goals:

- **Quality Software**: Enable teams to produce products and services that serve our customers in terms of reliability, integrity and usability.
- **Colleague Security**: Continually work to secure our environment and platforms while replacing legacy environments as we accelerate transformation.
- **Detect and Defend**: Expand our security services to be able to better detect or defend against malicious activity.

VMware’s annual R&D Innovation Offsite (RADIO) brings together our global engineers to connect, share ideas and get inspired by new innovations across the company, including the Beyond Zero Trust initiative.
Accelerating Trust into the Future

We recognize that we must continuously prove we deserve to be the trusted advisors to guide customers’ journeys in the multi-cloud era. Not only do our technology solutions need to focus on security and resilience, but our customers also expect us to act responsibly and transparently now and in the future.

Looking ahead, VMware is working to further mature ESG reporting practices by deepening our alignment with TCFD and by enhancing third-party assurance on our ESG data. We will continue to follow best practices in voluntary reporting and prepare for regulations around the world as ESG disclosure requirements and expectations continue to increase.

We also know that staying relevant and innovative is only possible by investing in research and development, in addition to partnering with fellow thought leaders. That is why VMware is committing to Gaia-X principles for sovereign clouds to create a federated and secure data infrastructure that is portable, reversible and interoperable. Gaia-X was developed by representatives from business, science and government from around the globe working together to advocate for open, transparent and secure digital ecosystems, where data and services can be made available, collated and shared in an environment of trust.

For more information on Gaia-X, visit www.gaia-x.eu

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Gaia-X and VMware

“Gaia-X doesn’t set out to rebuild what already exists, rather it sets out to build a layer on top of technologies, from hardware to operating systems, databases, virtualizers, containers. VMware is one of the technologies that first understood the need for multiple and hybrid clouds, the need to move workloads from one node to another and therefore was the first to interpret in the market the concepts of interoperability and portability, which are among the cornerstones of Gaia-X.”

Francesco Bonfiglio  
CEO, Gaia-X
Endnotes

i RE100 is a global initiative bringing together the world’s most influential businesses committed to 100% renewable electricity

ii In alignment with RE100 guidance, this percentage takes into account renewable energy instruments purchased by VMware

iii This training data does not include time spent in external conferences, degree programs, workshops or trainings: only learning delivered or promoted by VMware internally.


v Data analysis as of 2021

vi In the aggregate and specific to target cash compensation

vii Specific to target cash compensation
ESG Performance
2030 Agenda Progress Update

We believe that transparency is crucial to achieving our ambitious 2030 Agenda and keeping ourselves accountable. Our decade-long commitment is a journey that will require the support and engagement of all of our stakeholders to achieve these goals.

We are sharing a progress update on each of our 30 cross-company ESG goals and will continue to routinely share our progress to keep our stakeholders informed.
2030 Agenda Progress Update | Sustainability

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<thead>
<tr>
<th>GOAL</th>
<th>DESCRIPTION</th>
<th>PROGRESS UPDATE</th>
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<tbody>
<tr>
<td>Workload Carbon Efficiency</td>
<td>We will prioritize radical efficiency innovations that accelerate productivity and carbon efficiency of customers' digital operations.</td>
<td>We practice VMware on VMware principles (acting as customer zero for our products) to achieve workload carbon efficiency gains. Through these efforts, we are also defining qualification criteria for carbon efficient customers.</td>
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<td>Zero Carbon Clouds</td>
<td>We will collaborate with our enterprise public cloud partners to catalyze the transition to zero carbon clouds through the adoption of 100% renewable energy.</td>
<td>Through June 2022, thirty partners have joined VMware's Zero Carbon Committed™ program.</td>
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<tr>
<td>Business Resilience</td>
<td>We will ensure business resilience from our physical infrastructure to our distributed workforce.</td>
<td>While the COVID response showed our strong and robust remote work potential, we are developing a Resiliency Assessment tool to enhance Manager preparedness. For example, during the February 2021 Texas storm, we realized we must also analyze employees' home locations. As a response, we are working with several teams to add a feature in our Emergency Notification (EN) system to filter by home location.</td>
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<tr>
<td>Distributed Energy</td>
<td>We will invest in renewable energy technology to accelerate the transition to workplace distributed energy.</td>
<td>VMware has developed a community microgrid on its Palo Alto, CA campus that will help provide the company with clean, reliable energy and serve as a back-up energy source to the community in the case of an outage, natural disaster, or other emergency.</td>
</tr>
<tr>
<td>Net Zero Emissions</td>
<td>We will achieve net zero carbon emissions for our operations and supply chain and reduce our emissions 50% from FY19 baseline by 2030.</td>
<td>In FY22, we reduced our Scope 1 and 2 emissions by 84% from our 2019 baseline and reduced our employee commute emissions by 44% from baseline. Fifty-five percent of our suppliers by spend have at least committed to setting science-based targets. 2021 also marked our fourth consecutive year of being a certified CarbonNeutral® Company and our third consecutive year of procuring 100% of our power from renewable sources.</td>
</tr>
<tr>
<td>E-Waste Responsibility</td>
<td>We will process 100% of our e-waste in the most socially and environmentally responsible manner.</td>
<td>We published comprehensive guidance on e-waste procurement and sustainability for our distributed workforce. Our ‘Follow the Sun’ support mode provides employees with a superior and more efficient e-waste management process no matter where they live in the world.</td>
</tr>
<tr>
<td>Carbon Transparency</td>
<td>We will empower our customers by enabling transparency into the carbon reduction impact of VMware solutions.</td>
<td>We have released vROps sustainability dashboards and customer decarbonization assessment tools. We are improving data accuracy and adding new features while identifying further products to enhance with carbon transparency tools.</td>
</tr>
<tr>
<td>Impact Investments</td>
<td>We will invest in innovations at the intersection of social, environmental, and financial impact</td>
<td>VMware has made two impact investments aligned with our technology roadmap in the following areas: 1) geospatial data capture, processing and analytics that enables enterprise customers to detect, prioritize, and monitor for environmental and social impacts; 2) software focused on accelerating clean energy transition by enabling secure AI and data analytics across energy companies.</td>
</tr>
<tr>
<td>Water Resilience</td>
<td>We will institute aggressive water conservation in the water-stressed regions within our workplace portfolio.</td>
<td>We have installed water-meters throughout our real estate portfolio in India, integrating with building management systems. To continue driving water conservation projects in India, more than 90% of our office campus premises practice rainwater harvesting.</td>
</tr>
<tr>
<td>Sustainable Cloud Advocacy</td>
<td>We will collaborate with global governments to drive IT policy that makes IT infrastructure more reliable, scalable, flexible, secure, cost-effective and sustainable.</td>
<td>VMware advocated in favor of legislation including the: 1) Infrastructure Investment and Jobs Act (aka “Bipartisan Infrastructure Law”), which includes billions of dollars for resilience, particularly for utilities, as well as climate resilience measures; 2) National Defense Authorization Act, which included a provision requiring the Department of Defense to identify the 50 least efficient data centers within its organization, and; 3) Federal 2021 Appropriations Act, which includes energy efficient data center provisions.</td>
</tr>
</tbody>
</table>
## 2030 Agenda Progress Update | Equity

<table>
<thead>
<tr>
<th>GOAL</th>
<th>DESCRIPTION</th>
<th>PROGRESS UPDATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anywhere Workspace</strong></td>
<td>We will support our customers' distributed workforces to be productive, wherever they are, with an integrated zero-trust based intelligent platform that combines security with an exceptional end-user experience.</td>
<td>Within VMware's Anywhere Workspace solutions, mobile platforms were enhanced with Mobile Threat Defense to provide customers added security for their distributed workforce. Authentication options were also added to improve end-user experience while still enabling secure access to enterprise resources regardless of end-user location.</td>
</tr>
<tr>
<td><strong>Diversity and Inclusion</strong></td>
<td>We will drive equity by focusing on diverse hiring and practicing inclusive leadership.</td>
<td>Women represented 29% of our global employees in FY22, up from 27% in FY21. 34% of our global hires self-identified as a woman and 16% of U.S. hires self-identified as an underrepresented minority in FY22. In addition, Senior Director-level and above now have corporate DEI goals tied to bonus compensation.</td>
</tr>
<tr>
<td><strong>Culture of Service</strong></td>
<td>We will continue to foster a culture of service by amplifying the personal contributions of our people's time, talents and resources to their nonprofits of choice in our global communities.</td>
<td>In FY22, 81% of VMware people participated in at least one VMware Foundation program. 19% of VMware people participated in 2+ VMware Foundation programs. In FY22, more than 30,000 VMware people (81%) supported more than 14,000 nonprofits in 102 countries through VMware Foundation programs.</td>
</tr>
<tr>
<td><strong>Digital Skills</strong></td>
<td>We will grow a diverse talent pool that understands VMware solutions through digital skills education.</td>
<td>In FY22, VMware IT Academy upskilled more than 62,000 learners on VMware solutions. Aligned with VMware' multi-cloud SaaS strategy, VMware IT Academy is expanding its educational portfolio to include Modern Applications offerings for learners around the world.</td>
</tr>
<tr>
<td><strong>Nonprofit Digital Transformation</strong></td>
<td>We will help to accelerate nonprofits’ impact globally by supporting nonprofits in their digital transformation journeys.</td>
<td>We served 1,005 nonprofits in FY22 through programs like VMware’s Take 3, Good Gigs Projects and Nonprofit Pricing, as well as through our support of TechSoup’s Digital Assessment Tool for nonprofits.</td>
</tr>
<tr>
<td><strong>Supplier Diversity</strong></td>
<td>We will support diverse-owned suppliers including small businesses, women-owned and other underrepresented minorities by increasing our spend with these suppliers.</td>
<td>We spent $127M with diverse suppliers and expanded the program to prioritize procurement spend with diverse suppliers in India, Canada, Ireland and the United Kingdom.</td>
</tr>
<tr>
<td><strong>Equitable Pay</strong></td>
<td>We will drive equity and retention of women and under-represented communities through our commitment to equitable pay.</td>
<td>Twice a year, we analyze compensation globally, accounting for multiple factors that influence pay such as job, grade, tenure, time in job, 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’ salary in the U.S.</td>
</tr>
<tr>
<td><strong>Technology Accessibility</strong></td>
<td>We will enable the technology that we develop and sell to be accessible for all.</td>
<td>VMware conducts and scores all products on their accessibility yearly and provides shift-left accessibility consulting, education and support by way of our support-ticketing system and by way of the Embedded Accessibility Strategist (EAS) program. In addition, we work to ensure that user guides and marketing materials for VMware's products are accessible.</td>
</tr>
<tr>
<td><strong>Distributed Workforce</strong></td>
<td>We will enable a dynamic, diverse, global workforce built on choice and flexibility. We empower our employees with the right collaboration capabilities, technology and work practices to do their best work and grow their career without limitations or boundaries.</td>
<td>Ninety-three percent of respondents to our latest employee survey agreed that VMware is delivering on its commitment to give employees choice and flexibility in where they work.</td>
</tr>
<tr>
<td><strong>Wellbeing</strong></td>
<td>We will build on the foundation of our EPIC values through wellbeing and people empowerment programs that are accessible, inclusive and innovative.</td>
<td>VMware has continued to improve our benefits program, including by adding an employee wellbeing allowance, and offering a comprehensive portfolio of benefits designed to assist employees in taking care of themselves and achieving wellbeing, the state of being comfortable, happy and healthy.</td>
</tr>
</tbody>
</table>
**2030 Agenda Progress Update | Trust**

<table>
<thead>
<tr>
<th>GOAL</th>
<th>DESCRIPTION</th>
<th>PROGRESS UPDATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security</td>
<td>We will enable our customers to protect their applications and data with up-to-date security technology that embeds intrinsic security throughout their digital infrastructure.</td>
<td>VMware collaborates closely with the security research community to track security issues and makes regular disclosures of exploitable identified vulnerabilities under VMware Security Advisories (VMSA) at <a href="http://www.vmware.com/security/advisories.html">www.vmware.com/security/advisories.html</a>.</td>
</tr>
<tr>
<td>Privacy by Design</td>
<td>We will inspire customer and employee trust by embedding privacy by Design into the DNA of how we design, build and deploy products, services and applicable business operations.</td>
<td>To help proactively identify and mitigate privacy-related issues, the Global Privacy Team has implemented a Privacy Review process that is completed when teams are implementing or updating business processes, applications or services that will process personal data. We have achieved Binding Corporate Rules for Processors (BCR-Ps) acknowledging that we continue to meet the standards of the EU General Data Protection Regulation for international transfers of personal data from the EEA, processed by VMware as a processor. Our Privacy Notice can be accessed at <a href="http://www.vmware.com/help/privacy.html">www.vmware.com/help/privacy.html</a>. Read more about VMware’s privacy program <a href="http://cloud.vmware.com/trust-center/privacy">cloud.vmware.com/trust-center/privacy</a>.</td>
</tr>
<tr>
<td>VMware on VMware</td>
<td>We will operate our own infrastructure to the highest level of security, reliability and efficiency through the deployment of VMware on VMware.</td>
<td>We partner with the field sales and technical account organizations to share our wealth of knowledge and VMware technology best practices with customers via Zoom webinars, 1:1 customer meetings and small-group roundtable discussions.</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>We will enable our people to advance from every chair and grow throughout their career.</td>
<td>In FY22, we launched a new learning experience platform called the VMware Learning Hub, simplifying and unifying access to career tools and resources. This centralized experience is personalized for the learner and designed to get the most relevant, timely and role specific content a user needs.</td>
</tr>
<tr>
<td>Fair and Ethical Practices</td>
<td>We will drive fair and ethical business practices across our value chain by leveraging predictive technology capabilities and through greater collaboration around the globe.</td>
<td>VMware released a new format for our Business Conduct Guidelines refresher course, which is more engaging for our employees with real-work examples that are easier to relate to. We achieved 100% completion on this mandatory annual training in FY22.</td>
</tr>
<tr>
<td>Impact Advocacy</td>
<td>We will support policy that drives climate-positive IT solutions and social impact policy that supports equity and inclusion.</td>
<td>In the 2021-2022 election year, VMware’s Political Actional Committee (“VMware PAC”) committed to supporting certain Members of Congress solely based on their leadership and activism on ESG and DEI. We have identified several Congressional “Champions” to correspond to our seven Power of Difference (“POD”) employee resource groups and environmental sustainability advocacy. VMware PAC also hosts impact public policy events for Champions and our POD leaders, and we include representatives from other corporations and their employee resource group leaders. Attendees of these VMware-led events participate in a constructive dialogue on important ESG and DEI issues, demonstrating VMware’s commitment and contributions as a trailblazing corporate ESG and DEI leader.</td>
</tr>
<tr>
<td>Digital Ethics</td>
<td>We will empower our engineers and organization to develop, build and release products in alignment with our code of digital ethics and stewardship.</td>
<td>Our Machine Learning Program Office is developing an AI Code of Ethics to identify and propose a path for adoption of industry and academic best practices that promote the ethical use of AI across our product development and business operations.</td>
</tr>
<tr>
<td>Integrated Reporting</td>
<td>We will transition to integrated reporting, combining our financial and non-financial data in alignment with SASB and TCFD.</td>
<td>We expanded ESG and DEI disclosures in our FY22 Annual Form 10-K and Proxy Statement. VMware also conducted a formal TCFD climate risk assessment and climate modeling against future scenarios. We continue to progress our alignment on ESG reporting to SASB.</td>
</tr>
<tr>
<td>Transparency</td>
<td>We will champion operational excellence and transparency across our organization, through our governance, reporting and communications, including engagement and oversight at the Management and Board of Directors level.</td>
<td>VMware has implemented an ESG governance structure comprised of internal leadership and members of our executive staff to guide integration of ESG into VMware’s operations and performance management. Our governance structure includes annual oversight by the full Board of ESG topics and in FY22, we amended the charter of the Governance Committee to provide formal, primary oversight of our ESG progress. Our Audit Committee oversees cybersecurity and data privacy matters and our Compensation Committee reviews ESG progress as a factor impacting executive bonus payouts.</td>
</tr>
<tr>
<td>Sustainable Finance</td>
<td>We will develop and incorporate sustainable metrics to embed sustainability into our financial decision-making process.</td>
<td>VMware has aligned to the Impact Multiple of Money Model which is run alongside our financial decision-making to reflect the opportunities and risks posed by environmental and social issues material to VMware’s business strategy in the short and long-term.</td>
</tr>
</tbody>
</table>
ESG Data

VMware has a long history of leveraging data to improve our decision making and capacity for innovation. We have transparently shared our ESG performance since VMware’s inaugural ESG Report in 2015. We measure our impact in line with leading ESG frameworks including the Greenhouse Gas Protocol (GHG), Global Reporting Initiative (GRI), Sustainable Accounting Standards Board (SASB), and the Principles of the United Nations Global Compact (UNGC).
# ESG Data | Fiscal Year 2022 (FY22)

## DESCRIPTION FY22 GRI SASB UNGC

### COMPANY OVERVIEW

**Organization name**  
VMware, Inc.  
GRI 102-1

**Total revenue (in millions)**  
$12,851  
GRI 102-2

**Primary brands, products, and services**  
GRI 102-3

**Worldwide patents and applications¹**  
9,443  
GRI 102-4

**Location of headquarters**  
3401 Hillview Avenue, Palo Alto, California 94304 USA  
GRI 102-5

**Location of operations**  
VMware Office Locations: [www.vmware.com/company/office_locations.html](www.vmware.com/company/office_locations.html)  
GRI 102-6

**Ownership and legal form**  
GRI 102-7

**Markets served**  
GRI 102-8

**Scale of the organization**  
GRI 102-9

**Reporting period**  
January 30, 2021 - January 28, 2022  
GRI 102-10

**Report cycle**  
Annual  
GRI 102-11

**Report contact**  
Email: ESG@vmware.com  
GRI 102-12

**Direct economic value generated and distributed**  
GRI 201-1

**Membership of associations**  
VMware’s 2022 CDP Climate Change response  
GRI 102-13

**List of stakeholder groups**  
Shareholders, customers, partners, employees, communities, the environment  
GRI 102-14

**Statement from senior decision-maker**  
VMware ESG Report FY22, Executive Letters on page 6  
GRI 102-15

**Information on employees and other workers**  
GRI 102-16

**External initiatives**  
We are involved in several external initiatives, including: RE100, CEBA, UNGC, Valuable 500, It.org, The Climate Pledge, World Economic Forum. The low carbon sustainable development projects that we support address numerous Sustainable Development Goals (SDGs), including: SDG 3, SDG 4, SDG 5, SDG 6, SDG 7, SDG 8, SDG 9, SDG 12, SDG 13, SDG 15, SDG 16 and SDG 17. Details of these projects can be found in VMware’s 2022 CDP Climate Change response. All of these initiatives are voluntary.  
GRI 102-17
## ESG Data | Fiscal Year 2022 (FY22)

### GOVERNANCE

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>FY22</th>
<th>GRI</th>
<th>SASB</th>
<th>UNGC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance structure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive-level responsibility for economic, environmental, and social topics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Executive and Non-Executive Board Members</td>
<td>10</td>
<td>GRI 102-22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board Gender Diversity</td>
<td>30%</td>
<td></td>
<td>GRI 102-22, 405-1</td>
<td></td>
</tr>
<tr>
<td>Composition of the highest governance body and its committees</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Chair of the highest governance body</td>
<td></td>
<td></td>
<td>GRI 102-23</td>
<td></td>
</tr>
<tr>
<td>Nominating and selecting the highest governance body</td>
<td></td>
<td></td>
<td>GRI 102-24</td>
<td></td>
</tr>
<tr>
<td>Conflicts of interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Role of highest governance body in setting purpose, values, and strategy</td>
<td></td>
<td></td>
<td>GRI 102-25</td>
<td></td>
</tr>
<tr>
<td>Evaluating the highest governance body’s performance</td>
<td></td>
<td></td>
<td>GRI 102-26</td>
<td></td>
</tr>
<tr>
<td>Communicating critical concerns</td>
<td></td>
<td></td>
<td>GRI 102-28</td>
<td></td>
</tr>
<tr>
<td>External assurance</td>
<td>VMware engaged Apex Companies LLC (Apex) as an independent third party to review our fiscal year 2022 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 and employee commuting. The rest of this report has not been externally assured by an independent third party. Please see our third-party assurance letter by Apex for more information.</td>
<td>GRI 102-56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DESCRIPTION</td>
<td>FY22</td>
<td>GRI</td>
<td>SASB</td>
<td>UNGC</td>
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<tr>
<td><strong>GOVERNANCE</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>CORPORATE GOVERNANCE (CONTINUED)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of employees who completed Business Conduct Guidelines training</td>
<td>100%</td>
<td>GRI 102-16</td>
<td>Principle 10</td>
<td></td>
</tr>
<tr>
<td>Mechanisms for advice and concerns about ethics</td>
<td>VMware Ethics Helpline: <a href="secure.ethicspoint.com/domain/media/en/gui/24401/index.html">secure.ethicspoint.com/domain/media/en/gui/24401/index.html</a></td>
<td>GRI 102-17</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DATA PRIVACY AND SECURITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description of policies and practices relating to behavioral advertising and user privacy</td>
<td>VMware believes that protecting personal data is critical to building trusted relationships with both customers and employees, as well as for promoting innovation. VMware's dedicated Global Privacy Team works across the organization to deliver pragmatic, creative, and scalable privacy solutions to protect our customers and their infrastructures as well as our own. To help proactively identify and mitigate privacy-related issues, the Global Privacy Team has implemented a Privacy Review process that is completed when teams are implementing or updating business processes, applications or services that will process personal data. In addition, we regularly review our privacy strategy against emerging legal requirements and regulatory guidance to define and embed privacy controls that meet both our customers' and internal stakeholders' expectations, and to implement best in class cross border data transfer mechanisms. We have achieved Binding Corporate Rules for Processors (BCR-Ps) acknowledging that we continue to meet the standards of the EU General Data Protection Regulation for international transfers of personal data from the EEA, processed by VMware as a processor. We are also awaiting approval for our UK BCR-P application. You can access our Privacy Notice at <a href="www.vmware.com/help/privacy.html">www.vmware.com/help/privacy.html</a> and to read more about VMware's privacy program, please visit <a href="cloud.vmware.com/trust-center/privacy">cloud.vmware.com/trust-center/privacy</a>.</td>
<td>GRI 418-1</td>
<td>TC-SI-22D1.1</td>
<td>Principle 1</td>
</tr>
<tr>
<td>Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards</td>
<td>VMware promptly and regularly discloses publicly known vulnerabilities that are exploitable in one or more supported products and are critical and important in severity. We have a rigorous program in place that actively identifies and addresses security threats. Once a vulnerability is identified in any of the products of our product portfolio, our teams will see to its remediation. In addition to our internal security operations, VMware collaborates closely with the security research community to track security issues. VMware makes regular disclosure of exploitable identified vulnerabilities under VMware Security Advisories (VMSA) at <a href="www.vmware.com/security/advisories.html">www.vmware.com/security/advisories.html</a>. VMware is active in the broader software industry security community, becoming an early member of BSIMM in 2009 and a member of SASE Code in 2014, an organization driving security and integrity in software products and solutions. VMware is deeply invested in Open Source Software Security. Not only do we contribute to some of the world’s most important OSS projects, but we also make contributions in many ways, including our participation in organizations such as the Open Source Security Foundation (OpenSSF) and Cloud Native Computing Foundation (CNCF) from the Linux Foundation.</td>
<td></td>
<td>TC-SI-22D1.2</td>
<td></td>
</tr>
</tbody>
</table>
## ESG Data | Fiscal Year 2022 (FY22)

<table>
<thead>
<tr>
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<th>GRI</th>
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<tr>
<td><strong>GOVERNANCE</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>DATA PRIVACY AND SECURITY (CONTINUED)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description of business continuity risks related to disruption of operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risks related to rapid climate change, such as extreme weather conditions, sea-level rise, drought, flooding and wildfires, may have an increasingly adverse impact on our business and those of our customers, partners and vendors in the longer term. Access to clean water and reliable energy in the communities where we conduct our business, whether for our offices, data centers, vendors, customers or other stakeholders, is a priority. Any of our primary locations may be vulnerable to the adverse effects of climate change and the impacts of extreme weather events, which have caused regional short-term systemic failures in the U.S. and elsewhere. For example, our California headquarters are projected to be vulnerable to future water scarcity due to climate change, and unanticipated extreme cold weather has resulted in electrical grid outages in Texas where many of our U.S. employees are located. While this danger currently has a low-assessed risk of disrupting normal business operations in the near term, it has the potential to impact employees’ abilities to commute to work or to work from home and stay connected effectively. Climate-related events and their potential to increase political instability in regions where we, our customers, partners and our vendors do business, have the potential to disrupt our business, our third-party suppliers, or the business of our customers and partners, and may cause us to experience higher attrition and additional costs to maintain or resume operations.</td>
<td></td>
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</tr>
</tbody>
</table>

| **PUBLIC POLICY** | | | | |
| Company political contributions | 0 | GRI 415-1 | | |
| VMware PAC contributions<sup>2</sup> | $31,000 | GRI 415-1 | | |

TC-SI-550a.2
## ESG Data | Fiscal Year 2022 (FY22)

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>FY22</th>
<th>GRI</th>
<th>SASB</th>
<th>UNGC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WORKFORCE INDICATORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>37,500</td>
<td>GRI 102-7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>VMware Benefits: <a href="http://benefits.vmware.com">benefits.vmware.com</a></td>
<td>GRI 401-2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment to Diversity and Inclusion</td>
<td>VMware Diversity, Equity and Inclusion: <a href="http://www.vmware.com/company/diversity.html">www.vmware.com/company/diversity.html</a></td>
<td></td>
<td>Principle 1.6</td>
<td></td>
</tr>
<tr>
<td>Regional employees (AMER %)</td>
<td>47.3%</td>
<td>GRI 102-7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional employees (APAC %)</td>
<td>33.7%</td>
<td>GRI 102-7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional employees (EMEA %)</td>
<td>18.9%</td>
<td>GRI 102-7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global gender diversity</td>
<td>29.2%</td>
<td>GRI 102-8</td>
<td>TC-SI-330a.3</td>
<td></td>
</tr>
<tr>
<td>Regional gender diversity, AMER</td>
<td>29.5%</td>
<td>GRI 102-8</td>
<td>TC-SI-330a.3</td>
<td></td>
</tr>
<tr>
<td>Regional gender diversity, APJ</td>
<td>29.2%</td>
<td>GRI 102-8</td>
<td>TC-SI-330a.3</td>
<td></td>
</tr>
<tr>
<td>Regional gender diversity, EMEA</td>
<td>28.3%</td>
<td>GRI 102-8</td>
<td>TC-SI-330a.3</td>
<td></td>
</tr>
<tr>
<td>Regular employees under 31 years old</td>
<td>21.9%</td>
<td>GRI 405-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular employees 31-50 years old</td>
<td>64.6%</td>
<td>GRI 405-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total New Hires - under 31 years old</td>
<td>36.9%</td>
<td>GRI 401-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total New Hires - 31-50 years old</td>
<td>55.1%</td>
<td>GRI 401-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total New Hires - over 50 years old</td>
<td>8.0%</td>
<td>GRI 401-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US - African-American/Black</td>
<td>4.4%</td>
<td>GRI 405-1</td>
<td>TC-SI-330a.3</td>
<td></td>
</tr>
<tr>
<td>US - Asian</td>
<td>32.0%</td>
<td>GRI 405-1</td>
<td>TC-SI-330a.3</td>
<td></td>
</tr>
<tr>
<td>US - Caucasian/White</td>
<td>53.9%</td>
<td>GRI 405-1</td>
<td>TC-SI-330a.3</td>
<td></td>
</tr>
</tbody>
</table>
## ESG Data | Fiscal Year 2022 (FY22)

### SOCIAL

#### WORKFORCE INDICATORS (CONTINUED)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FY22</th>
<th>GRI</th>
<th>SASB</th>
<th>UNGC</th>
</tr>
</thead>
<tbody>
<tr>
<td>US - Hispanic/LatinX</td>
<td>7.1%</td>
<td>GRI 405-1</td>
<td>TC-SI-330a.3</td>
<td></td>
</tr>
<tr>
<td>US - Multiracial</td>
<td>2.1%</td>
<td>GRI 405-1</td>
<td>TC-SI-330a.3</td>
<td></td>
</tr>
<tr>
<td>US - Other</td>
<td>0.6%</td>
<td>GRI 405-1</td>
<td>TC-SI-330a.3</td>
<td></td>
</tr>
<tr>
<td>Differently Abled (US)</td>
<td>3.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LGBTQ (Global)</td>
<td>9.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veterans (US)</td>
<td>5.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The percentages of gender and racial/ethnic group representation by employee type, including metrics reflecting intersectionality, are provided on pages 26-31 of our 2022 Diversity, Equity and Inclusion Report: [www.vmware.com/company/diversity.html](http://www.vmware.com/company/diversity.html).

VMware is committed to looking at our data across key demographic groups and closing the gaps between majority and underrepresented groups. We have set specific and measurable annual goals to increase the diversity of our workforce and improve the representation of underrepresented groups in the U.S. We also innovate to create new experiences to identify, expand and support the pool of underrepresented talent across the Technology Industry. More information about our relevant policies and programs to foster equitable employee representation can be found in our 2022 Diversity, Equity and Inclusion Report. Our most recent EEO-1 disclosure can be found here: [www.vmware.com/content/dam/digitalmarketing/vmware/en/pdf/company/vmw-eeo-report-2021.pdf](http://www.vmware.com/content/dam/digitalmarketing/vmware/en/pdf/company/vmw-eeo-report-2021.pdf).

#### Ratio of basic salary and remuneration of women to men

At VMware, women earn 99% of their male counterparts' salary globally. GRI 405-2

#### 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 405-2

### TALENT DEVELOPMENT

#### Total number of employees who attended a Professional Development program

18,998 GRI 404-2 Principle 6

#### Total number of employees who attended a Research and Development training

14,323 GRI 404-2 Principle 6
### ESG Data | Fiscal Year 2022 (FY22)

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>FY22</th>
<th>GRI</th>
<th>SASB</th>
<th>UNGC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOCIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TALENT DEVELOPMENT (CONTINUED)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees receiving regular performance and career development reviews</td>
<td>VMware believes that by innovating new performance norms, we not only build stronger human relationships and improve communication between employees and managers, we also ensure we stay agile and responsive to the changes that naturally occur in the business environment. To this end, we encourage career development goal setting and conversations throughout the year.</td>
<td>GRI 404-3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee engagement¹</td>
<td>50%</td>
<td></td>
<td>TC-SI-330a.2</td>
<td></td>
</tr>
<tr>
<td>Employee Net Promoter Score (NPS)</td>
<td>44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COMMUNITY ENGAGEMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total VMware Foundation grants</td>
<td>$11,137,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VMware matching gifts</td>
<td>$7,576,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee service learning hours</td>
<td>79,040</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees who participated in charitable activities</td>
<td>30,070</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of employees who participated in charitable activities</td>
<td>81%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of global nonprofits supported</td>
<td>13,907</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total VMware University Research Fund (VMURF) grants</td>
<td>$9,374,068</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>HUMAN RIGHTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment to supplier diversity</td>
<td>VMware Responsible Sourcing: <a href="http://www.vmware.com/company/responsible-sourcing.html">www.vmware.com/company/responsible-sourcing.html</a></td>
<td>GRI 414-1</td>
<td>Principle 6</td>
<td></td>
</tr>
<tr>
<td>Diverse supplier spend (US)</td>
<td>$126,000,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# ESG Data | Fiscal Year 2022 (FY22)

**DESCRIPTION** | **FY22** | **GRI** | **SASB** | **UNGC**
--- | --- | --- | --- | ---
**ENVIRONMENTAL**

### STRATEGY AND MANAGEMENT

#### Environmental impact of VMware products


Principle 8, 9

#### GHG emissions avoided by VMware products

More than 152,000,000 MT CO2e

Principle 8, 9

#### Climate strategy, management, risks and opportunities

VMware CDP Climate Change Questionnaire 2022 (Module 1 - Governance, Module 2 - Risks & Opportunities & Module 3 - Business Strategy)

GRI 102-15, 201-2

Principle 7

#### Discussion of the integration of environmental considerations into strategic planning for data center needs

Sustainability criteria covering clean energy, water and e-waste are included in the evaluation matrix of our colocation data center location strategy. In addition, our RE100 commitment includes our colocation footprint.

TC-SI-130a.3

### GHG EMISSIONS

<table>
<thead>
<tr>
<th>Scope</th>
<th>GHG Emissions</th>
<th>GRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1: Direct emissions from owned/controlled operations</td>
<td>2,685 MT CO2e</td>
<td>GRI 305-1</td>
</tr>
<tr>
<td>Scope 2: Indirect emissions from the use of purchased electricity (market-based)</td>
<td>0 MT CO2e</td>
<td>GRI 305-2</td>
</tr>
<tr>
<td>Scope 2: Indirect emissions from the use of purchased electricity (location-based)</td>
<td>65,859 MT CO2e</td>
<td>GRI 305-2</td>
</tr>
<tr>
<td>Scope 2: Indirect emissions from the use of purchased cooling (market-based)</td>
<td>1,025 MT CO2e</td>
<td>GRI 305-2</td>
</tr>
<tr>
<td>Scope 3: Business air travel</td>
<td>3,131 MT CO2e</td>
<td>GRI 305-3</td>
</tr>
<tr>
<td>Scope 3: Employee commuting</td>
<td>28,831 MT CO2e</td>
<td>GRI 305-3</td>
</tr>
<tr>
<td>Scope 3: Purchased Goods and Services</td>
<td>200,603 MT CO2e</td>
<td>GRI 305-3</td>
</tr>
<tr>
<td>Scope 3: Capital Goods</td>
<td>81,341 MT CO2e</td>
<td>GRI 305-3</td>
</tr>
<tr>
<td>Scope 3: Other [same footnote as the one beside footprint graphic]</td>
<td>29,779 MT CO2e</td>
<td>GRI 305-3</td>
</tr>
</tbody>
</table>
## ESG Data | Fiscal Year 2022 (FY22)

<table>
<thead>
<tr>
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<tr>
<td><strong>ENVIRONMENTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GHG EMISSIONS (CONTINUED)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GHG emissions intensity revenue metric$^9$</td>
<td>0.08 MT CO2e/million USD revenue</td>
<td>GRI 305-4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GHG emissions intensity employee metric$^{10}$</td>
<td>1.73 MT CO2e/employee</td>
<td>GRI 305-4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GHG emissions intensity square footage metric$^{11}$</td>
<td>0.55 MT CO2e/1,000 Sq.Ft.</td>
<td>GRI 305-4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Progress against our science-based emission reduction targets</td>
<td></td>
<td>GRI 305-5</td>
<td></td>
<td>Principle 8</td>
</tr>
<tr>
<td>By 2030, VMware is committed:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• To reduce our scope 1 and 2 emissions by 50% from a FY2019 base-year</td>
<td>% of target achieved relative to base year: 169%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• To reduce absolute scope 3 GHG emissions from fuel-and-energy-related activities 50% from a FY2019 base year</td>
<td>% of target achieved relative to base year: 75%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• To reduce absolute scope 3 GHG emissions from employee commuting 50% from a FY2019 base year</td>
<td>% of target achieved relative to base year: 88%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ELECTRICITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity purchased$^{12}$</td>
<td>190,901 MWh</td>
<td>GRI 302-1</td>
<td>TC-SI-130a.1</td>
<td>Principle 8</td>
</tr>
<tr>
<td>Total renewable energy purchased</td>
<td>190,901 MWh</td>
<td>GRI 302-1</td>
<td>TC-SI-130a.1</td>
<td>Principle 8</td>
</tr>
<tr>
<td>• Total Energy Attribute Credits (EACs) purchased</td>
<td>79,984 MWh</td>
<td>GRI 302-1</td>
<td>TC-SI-130a.1</td>
<td>Principle 8</td>
</tr>
<tr>
<td>• Renewable energy purchased (excluding EACs)</td>
<td>111,007 MWh</td>
<td>GRI 302-1</td>
<td>TC-SI-130a.1</td>
<td>Principle 8</td>
</tr>
<tr>
<td>Percentage of renewable energy globally</td>
<td>100.00%</td>
<td>GRI 302-1</td>
<td>TC-SI-130a.1</td>
<td>Principle 8</td>
</tr>
<tr>
<td>Electricity intensity square footage metric</td>
<td>29 kWh/sqft</td>
<td>GRI 302-3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction of energy consumption</td>
<td>VMware 2022 CDP Climate Change response; Section C4.4</td>
<td>GRI 302-4</td>
<td></td>
<td>Principle 8</td>
</tr>
<tr>
<td>Percentage of grid electricity</td>
<td>12.42%</td>
<td>GRI 302-1</td>
<td>TC-SI-130a.1</td>
<td>Principle 8</td>
</tr>
</tbody>
</table>
### ESG Data | Fiscal Year 2022 (FY22)

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>FY22</th>
<th>GRI</th>
<th>SASB</th>
<th>UNGC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENVIRONMENTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WASTE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste generation (tons)</td>
<td>331</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycling (tons)</td>
<td>261</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compost (tons)</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landfill (tons)</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landfill diversion rate</td>
<td>84%</td>
<td></td>
<td></td>
<td>Principle 8</td>
</tr>
<tr>
<td>Waste programs coverage (percentage of global square footage)</td>
<td>56%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>E-WASTE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total e-waste generated globally (MT)</td>
<td>119 MT</td>
<td></td>
<td></td>
<td>GRI 306-2</td>
</tr>
<tr>
<td>Total e-waste processed at R2 certified facilities (percentage of total e-waste generated)</td>
<td>96%</td>
<td></td>
<td></td>
<td>GRI 306-2 Principle 8</td>
</tr>
<tr>
<td>E-waste disposal by region (%):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• AMER</td>
<td>66%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• APJ including India</td>
<td>25%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• EMEA</td>
<td>9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WATER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water consumed</td>
<td>143,451,942 (gallons)</td>
<td></td>
<td>TC-SI-130a.2</td>
<td></td>
</tr>
<tr>
<td>Water consumption coverage (percentage of global square footage)</td>
<td>64%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total water withdrawn in m³</td>
<td>VMware does not have significant withdrawals from freshwater sources.</td>
<td>TC-SI-130a.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## ESG Data | Fiscal Year 2022 (FY22)

<table>
<thead>
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<th>GRI</th>
<th>SASB</th>
<th>UNGC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENVIRONMENTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BUILT ENVIRONMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEED certifications</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of square footage in green building certified space$^{11}$</td>
<td>39%</td>
<td>Principle 8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wenatchee Data Center Power Usage Effectiveness (PUE)</td>
<td>1.29</td>
<td>GRI 302-3</td>
<td></td>
<td>TC-SI-130a.1</td>
</tr>
<tr>
<td>Portfolio Square Footage</td>
<td>6,665 (in thousands)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUPPLY CHAIN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engagement with supply chain on climate issues</td>
<td>We engage with approximately 250 suppliers each year on the CDP Supply Chain platform to understand our supplier base climate maturity. These suppliers represent roughly 75% of our procurement spend and about 71% of total scope 3 emissions in FY22.</td>
<td>GRI 102-9, 308-1</td>
<td></td>
<td>Principle 8</td>
</tr>
<tr>
<td>Science-Based Target: VMware commits that 75% of its suppliers by spend (approximately 250 suppliers) covering purchased goods and services, capital goods, upstream leased assets and upstream transportation and distribution will have science-based targets by FY2025$^{14}$</td>
<td>37% of our suppliers have set or committed to science-based targets as of FY22.</td>
<td>GRI 102-9, 308-1</td>
<td></td>
<td>Principle 8</td>
</tr>
</tbody>
</table>
ESG Data Endnotes

1 At end of FY22

2 Not including bank fees and miscellaneous refunds

3 Engagement at VMware is measured using employee Net Promoter Score (eNPS) - ""How likely are you to recommend VMware as an employer to a friend or associate?"" Scale = 0-10; 0-6 = Detractors; 7-8 = Passives; 9-10 = Promoters; eNPS = Promoters – Detractors.

VMware achieved a 44 Net Promoter Score on the most recent Employee Engagement survey, where 50% of employees were sampled and 50% of the sample participated.

The Employee Engagement survey model was adapted in 2021 from a quarterly pulse of a sample of employees (25%), to three pulses (Q1, Q2, & Q3) of a sample of employees (25%, 25%, 50%, respectively). Each pulse includes core engagement questions (static), as well as additional metrics (dynamic) based on business priorities (e.g., strategic priorities, top challenges to teams, adapting our mindset etc.)

4 Total emissions include only Scope 2 Market-based emissions from purchased electricity

5 Scope 2 emissions from purchased electricity include VMware offices and IT equipment used in our colocation data centers; both of which are covered under our RE100 commitment. This was done in accordance with the Future of Internet Power best practices paper (https://www.bsr.org/reports/BSR_Future_of_Internet_Power_GHG_Emissions_Report.pdf).

6 A 40% uplift aviation impact factor is considered this year to account for Radiative Forcing - a measure of the additional environmental impact of air travel, including things like emissions of nitrous oxides and water vapor when emitted at high altitude.

7 Includes emissions from remote working

8 Other categories include Fuel and Energy Related Activities, Upstream Transportation and Distribution, Waste Generated in Operations and Upstream Leased Assets

9 Revenue intensity = Scope 2 (market-based)/revenue (in millions)

10 Employee intensity = Scope 2 (location-based)/employee count

11 Floorspace intensity = Scopes 1 & 2 (market-based)/square footage (in thousands)

12 Includes VMware facilities and colocation data centers.

13 Including VMware leased office space within buildings that have been LEED/BREEAM certified by another party

14 As of the end of FY22, 21% of suppliers by spend had set SBT’s, and a further 16% had committed to setting targets within 2 years.
On May 26, 2022, VMware entered into an Agreement and Plan of Merger with Broadcom Inc. providing for the acquisition of VMware by Broadcom. Completion of the merger is expected to occur during Broadcom’s fiscal year 2023 and is subject to requisite stockholder and regulatory approvals and satisfaction of closing conditions. VMware will continue to operate as an independent public company until completion of the merger. Forward looking statements made in this report reflect the current views of VMware management regarding its operations as an independent public company and do not take into account potential changes in VMware’s business and operations following completion of the merger.

These forward-looking statements involve risks and uncertainties that are outside VMware’s control and may cause actual results to differ materially from those contained in forward-looking statements, including but not limited to: the effect of the proposed transaction on our ability to maintain relationships with customers, suppliers and other business partners or operating results and business; the ability to implement plans, forecasts and other expectations with respect to the business prior to and after the completion of the proposed transaction; business disruption following the proposed transaction; difficulties in retaining and hiring key personnel and employees due to the proposed transaction and business combination; the satisfaction of the conditions precedent to consummation of the proposed transaction, including the ability to secure regulatory approvals on the terms expected, at all or in a timely manner; significant indebtedness, including indebtedness incurred in connection with the proposed transaction, and the need to generate sufficient cash flows to service and repay such debt; the disruption of current plans and operations; the outcome of any legal proceedings related to the transaction; the ability to consummate the proposed transaction on a timely basis or at all; the ability to successfully integrate VMware’s operations; the ability to implement plans, forecasts and other expectations with respect to the business after the completion of the proposed transaction and realize synergies; the impact of public health crises, such as pandemics (including COVID-19) and epidemics and any related company or government policies and actions to protect the health and safety of individuals or government policies or actions to maintain the functioning of national or global economies and markets; global political and economic conditions, including rising interest rates, the impact of inflation and challenges in manufacturing and the global supply chain; and other events and trends on a national, regional and global scale, and those of a political, economic, business, competitive and regulatory nature.

For additional information about other factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to Broadcom’s and VMware’s respective periodic reports and other filings with the SEC, including the risk factors identified in Broadcom’s and VMware’s most recent Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K. The forward-looking statements included in this communication are made only as of the date hereof. Neither Broadcom nor VMware undertakes any obligation to update any forward-looking statements to reflect subsequent events or circumstances, except as required by law.
LEAVE AHEAD

[lēv′əhed] | verb

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

www.vmware.com/company/esg