



The Next Normal

Our 2030 Agenda

ENVIRONMENTAL
SOCIAL
GOVERNANCE
REPORT
2021

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The world's understanding and expectations of what corporate responsibility looks like were totally transformed by an unprecedented year of great challenges. It is no longer enough to make promises or pledges: responsible companies must face the crisis of climate change head-on, pivot to remote workforces, and truly act on their commitments to health, wellbeing and social impact.

At VMware, we take seriously the role we play in helping companies around the globe transition to this next normal, whether that means driving decarbonization across our customers' digital infrastructures, designing the digital solutions for today's distributed workforce, or earning and keeping trust through enhanced privacy and security. In spite of the challenges of today, VMware is firmly focused on innovation for tomorrow.

Letter from Raghu Raghuram, Chief Executive Officer

When VMware was founded, we set out to be a great technology company—to bring virtualization to the masses and innovate for our customers. Along the way, we did a lot more. We helped avoid 1.2 billion metric tons of carbon emissions. Sustainability, as it turns out, is a byproduct of our business—one that we've happily embraced as part of our Environmental, Social and Governance (ESG) efforts for years.

When we first issued this report in 2015, we laid out a series of goals for our products, our people, and our planet that we would achieve by 2020. I'm proud to say we accomplished almost all of them. But so much changed in those five short years. Our climate grew more precarious. Inequities were exposed and exacerbated. Trust was frayed; security threatened. It became clear that ESG couldn't just be part of what we do—it had to be built into everything we do.

The 2030 Agenda is very simple. Our north star remains the same. We are creating the foundational platforms upon which our customers will accelerate their innovation. But every service we offer—every part of our business—will also be geared toward creating three key outcomes for ourselves, our customers and the world: sustainability, equity and trust.

If our technology solutions could avoid 1.2 billion metric tons of carbon emissions without even really trying, what will our engineers achieve when decarbonization is an intended goal?

The possibilities are endless—and this commitment couldn't be coming at a more important moment. We're at the dawn of a new era in computing—the multi-cloud era. VMware is uniquely poised to lead the multi-cloud computing era with an end-to-end software platform spanning clouds, the data center and the edge, delivering the trusted foundation to accelerate innovation for our customers. Through the 2030 Agenda, we can ensure the digital future we help create is sustainable, inclusive, and secure.



The pages that follow capture the full scale and breadth of the 30 cross-company goals VMware intends to achieve by 2030. But make no mistake: the 2030 Agenda represents a fundamental realignment in how VMware does business.

We're doing this because it's what our customers, our investors, and our employees expect from us. We're doing this because we care about our planet. We are doing this because our purpose is to serve all our stakeholders and be proud and responsible contributors to the communities we live in.

We have always been, and will always be, a technology company. But now we are also so much more: a sustainability company... an equity company... a trust company. And we will deliver.

A handwritten signature in black ink, appearing to read 'Raghu'.

— RAGHU RAGHURAM
Chief Executive Officer

VMWARE AT A GLANCE

\$11.8B
REVENUE (USD)

34,242
EMPLOYEES GLOBALLY

500,000+
CUSTOMERS WORLDWIDE

1.2B
MT CO₂e
EMISSIONS AVOIDED
THROUGH VMWARE
SOLUTIONS

**CARBON NEUTRAL[®]
CERTIFIED COMPANY**

100%
POWERED BY
RENEWABLE
ENERGY



VALIDATED SCIENCE-BASED TARGETS

14,644 EMPLOYEES ATTENDED
TECHNICAL TRAINING
PROGRAMS

24

POWER OF DIFFERENCE
(POD) COMMUNITIES
AROUND THE WORLD

vminclusion
The power of human difference



65,103
EMPLOYEE SERVICE
LEARNING HOURS

77%
OF VMWARE PEOPLE
GIVE BACK

8,384
WORLDWIDE PATENTS
AND APPS



27%
OVERALL
REPRESENTATION
OF WOMEN

Letter from Betsy Sutter, Executive Vice President and Chief People Officer

How do you make Environmental, Social and Governance (ESG) efforts real and tangible for every employee?

That's the question VMware had to answer once we decided to embed our ESG efforts into every part of the business. It's a simple idea in theory; in practice, it will be one of the most complex initiatives we've ever undertaken. If we do this right, it will change how every employee, every team and every line of business thinks about and executes on their work. So we're relying on two of our company's key strengths to get it done: accountability and culture.

The scale of VMware's ambition has always been infinite, and our approach to ESG is no different. But we also know that progress can only be made through specific, measurable, concrete action. The 2030 Agenda recognizes this and lays out 30 goals that we will achieve by 2030 that advance sustainability, equity, and trust. The plan is complemented by new governance structures and leadership initiatives that will ensure we hold ourselves accountable. Our executives are applying the same strategic focus to ESG that we've used to launch our most successful products and services—that's how important the 2030 Agenda is to VMware's future.

Our ESG success will also rely on leveraging the full strength of VMware's most valuable asset: our people. We're empowering them to apply their creativity and ingenuity to achieve these goals and to integrate them into their everyday work lives. The good news is, we already have a solid foundation to build on. The EPIC₂ values that define our company culture—execution, passion, integrity, customers, and community—are the same values that will allow us to deliver on our ambitious ESG commitments.

Thanks to our commitment to accountability and culture, we're already seeing results. This year's ESG Report includes highlights of our overall performance and progress over the past fiscal year.



Some FY21 highlights include:

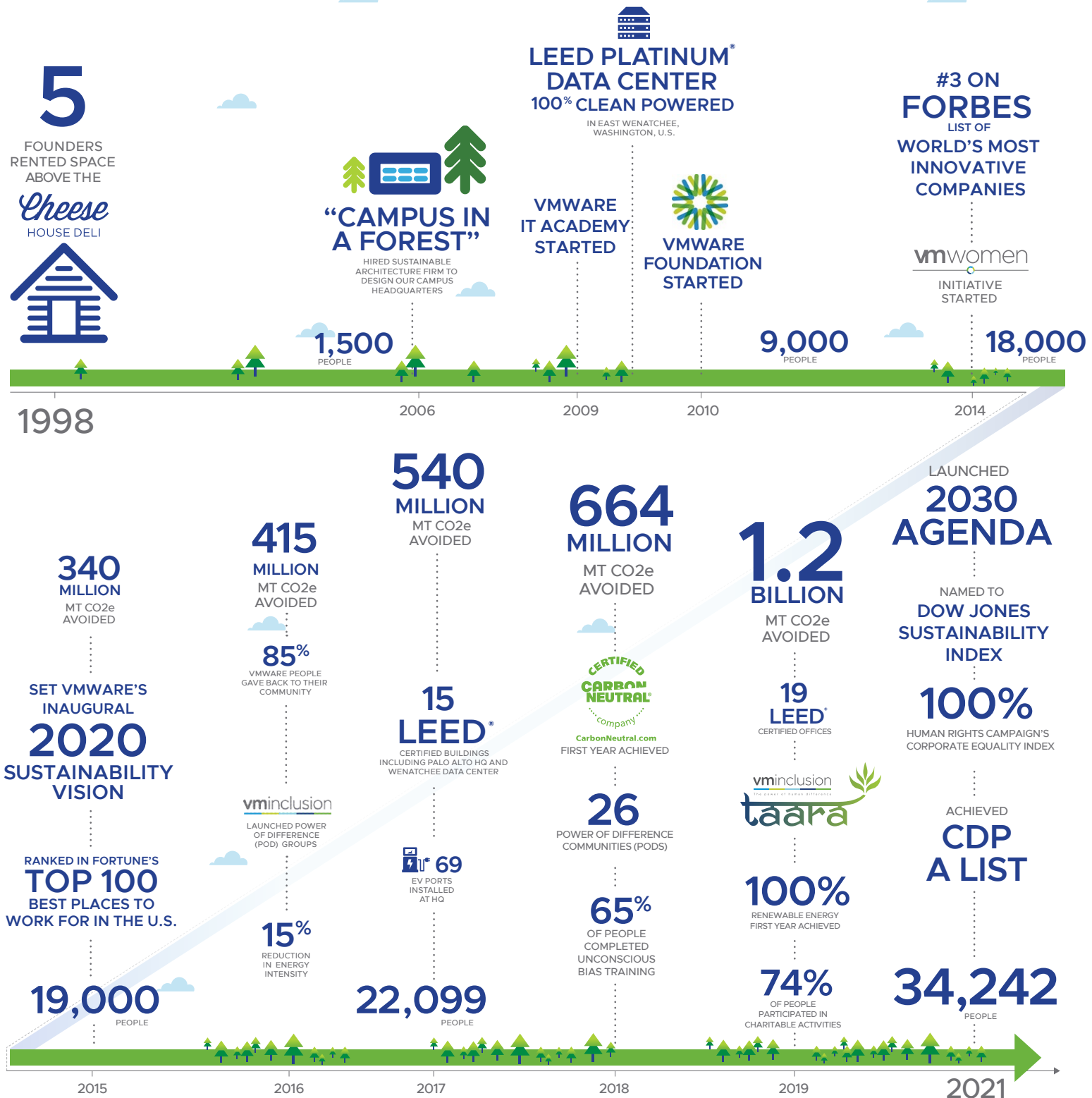
- Supporting 14,122 nonprofits in 100 countries
- Earning placement on the Dow Jones Sustainability Indices (DJSI)
- Being named to the Carbon Disclosure Project's (CDP) Climate A list
- Earning a 100 percent score on the Human Rights Campaign's Corporate Equality Index
- Being named a Best Place to Work for Disability Inclusion by the Disability Equality Index (DEI)
- Forming the Inclusive Naming Initiative with other technology leaders to eradicate racial bias from code

Together, these milestones reflect a global VMware community that is compassionate, resourceful, resilient—and capable of achieving anything. As we operationalize our vision for 2030 by embedding sustainability, equity and trust across our business portfolio, there can be no doubt: the best is yet to come.

A handwritten signature in black ink that reads "Betsy Sutter". The signature is fluid and cursive, with a long horizontal stroke at the end.

— BETSY SUTTER,
Executive Vice President
and Chief People Officer

OUR TRACK RECORD OF ESG INNOVATION



Emerging Stronger from Global Crises

If 2020 marked the end of business as usual, then 2021 showed us what the next normal requires:

- Innovative solutions that allow our customers to quickly pivot while maintaining continuity
- Digital foundation that can be counted on in a crisis
- Digital workspace solutions that empower distributed workforces to prioritize the health and safety of every employee

Decisive action by VMware during the early days of the COVID-19 pandemic led to a company-wide remote workforce, which reflected the explosive growth in flexible work experiences that VMware can provide our customers. Our evolving understanding of remote work promotes further innovation and inclusion across our company and in workplaces around the world.

What became more evident than ever last year is how compassionate, resourceful and resilient the global VMware community is. Our instinct is to reach across boundaries, overcome obstacles, and do everything in our power to co-create solutions that work. It is not in our DNA to sit back and wait—we take action, innovate and make the impossible possible. These qualities helped us endure this incredibly challenging chapter and will strengthen us as a community.

We believe that everyone has something to contribute, and that social change takes collective action. Through our unique Citizen Philanthropy approach to giving, we empower every VMware employee—wherever they are—to be active, engaged citizens, contributing to what matters most to them

in their own communities. Last year, VMware people delivered food to neighbors in need, made masks and donated resources to frontline workers and relief efforts, and helped nonprofit organizations strengthen their operations so they can focus on supporting their communities. Knowing that the pandemic impacted nonprofits globally, VMware also supported GlobalGiving's Coronavirus Relief Fund and TechSoup's COVID-19 Response Fund, and raised the limit on matching gifts available to all VMware people. During this heightened need, we saw VMware people continue and, in many cases, increase support to their favorite nonprofits.

When the world faces incredible challenges, pockets of innovation and inspiration can appear anywhere and impact people everywhere. The pandemic, the climate crisis and inequality are systemic challenges that demanded urgent response and will continue to test our collective commitment and perseverance.

Fortunately, VMware was uniquely positioned to respond to each of these, just as we have met challenging moments in the past and are prepared to innovate in the face of future crises. Our expertise encompasses innovative solutions to global problems, and VMware operates every day with the future in mind. As the world entered an unknown pandemic with no clear end date, we were a decade ahead. On the cusp of everything that would come to pass in 2020, VMware was busy finalizing an ambitious agenda for 2030.

Moderna Relies on VMware Software to Accelerate Production of Lifesaving Drugs

Moderna pioneered an innovative approach to combat diseases, one that became critical in the fight against COVID-19. To develop new vaccines and therapeutics, Moderna uses messenger RNA (mRNA)—a single-stranded RNA molecule that provides real-time instructions for generating proteins. mRNA-based drugs instruct a patient's own cells to produce proteins that can potentially prevent or treat a disease.

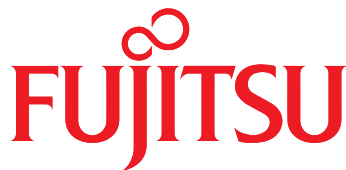
The company relies on software to accelerate drug production. Instead of spending years to design a new mRNA-based vaccine, Moderna can use software to complete a new design in weeks or even days. A software-based approach to solving problems gives organizations the agility to swiftly refocus priorities when necessary. This ability to quickly develop new vaccines helped save countless lives in COVID-19.

In a unique position during the pandemic, Moderna needed a way to maintain employee productivity and foster collaboration throughout the drug development process—even while employees worked remotely. Moderna relied on VMware Workspace ONE® digital workspaces, which provide simple, more secure access to enterprise apps. This meant that Moderna teams could seamlessly move to remote work without interrupting their lifesaving efforts.



"In the past, it might have taken 20 months to design and produce a vaccine. But we went from 20 months to 2 for the first dose because we moved from a hardware world to a software world in biology."

– Stéphane Bancel, CEO, Moderna



Fujitsu Deploys VMware Solutions to Support Frontline Staff Fighting COVID-19 in Spain

In Catalonia, Spain, the state's government moved quickly to empower its healthcare experts with the tools they would need to fight COVID-19 in one of Europe's hardest-hit countries. Their primary goal was to allow frontline staff to work from anywhere, with secure access to patient records, and to protect valuable healthcare workers during the crisis. For this, Catalonia turned to Fujitsu, and Fujitsu turned to VMware.

Working alongside Fujitsu on a VMware-powered virtual desktop and applications solution, Catalonia's approach supports remote work for nearly 40,000 healthcare professionals. Fujitsu and VMware delivered this solution in just 72 hours, allowing access to critical healthcare applications and enabling Catalonia to adopt a dynamic response in a fast-changing situation.

Fujitsu used VMware Horizon® to manage virtual desktops and applications, and protects and scales those applications with VMware Cloud™ on AWS. Its positive impact on pandemic-challenged systems through VMware technologies led us to name Fujitsu VMware's Global Social Impact Partner of the Year for 2021.



STRATEGY

OUR 2030 AGENDA

Evolving Our Approach to ESG

We've always believed that the key to unlocking positive outcomes for society and the environment is to have a holistic approach. The urgency of climate change, increasing cybersecurity threats, and recognition of societal inequities made it clear that we needed an even more integrated approach to proactively address these challenges. We needed to thoroughly align ESG with our core business strategy. VMware has always been uniquely positioned in this way, given that our business was built on technology that inherently supports more sustainable computing. As our portfolio of services and solutions have grown, so too has our ability to drive ESG outcomes through decarbonization of our customers' digital infrastructures, greater equity for our customers' employees through distributed workforce technology, and enhanced security and privacy for our customers to build trust with their stakeholders.

Our vision is to build a sustainable, equitable and secure digital foundation for all. To better realize this vision, we brought together business units from across VMware to assemble a strategy that clearly shows how our teams can leverage their everyday work to generate exponential ESG impact over the next decade.

We collaborated to develop 30 cross-functional goals to meet by 2030, all of which are aligned to our three outcomes of **Sustainability, Equity and Trust:**

- Sustainable digital infrastructure, achieved through radical efficiency and renewable energy, supporting the transition to net zero emissions and decarbonization for our customers, supply chain and operations.
- Equitable, unbiased and inclusive access to opportunities for all by enabling people to work where and how they want to work.
- Trust earned from our commitment to resilience, ethics, data privacy, security and transparency.

We call this new approach our **2030 Agenda**.

It is a call to action with measurable goals integrated throughout the company and serves as a framework to operationalize our ESG strategy, sparking innovation and ensuring accountability for action. Recognizing that connection—that our ESG outcomes are intended to inspire product innovation, and our product innovation amplifies our ESG impact—was key to developing our 2030 Agenda.

Focusing on What Matters

A materiality assessment offers a holistic view of how environmental, social and governance issues impact a business. By aligning all our priorities—both business and ESG—VMware made an important shift in how we plan and operate, which is driving meaningful outcomes internally and externally.

VMware performed its most recent ESG materiality assessment in 2019, using a comprehensive review of our stakeholder ecosystem to narrow our focus on what matters most. We conducted a thorough analysis of industry trends and peer benchmarking, reviewed investor inquiries and customer insights, and received input from external IT sector experts and internal contributors. We prioritized topics based on their potential impact to our core business—whether financial, reputational or market-based—and how those topics impact our key stakeholders’ decision-making.

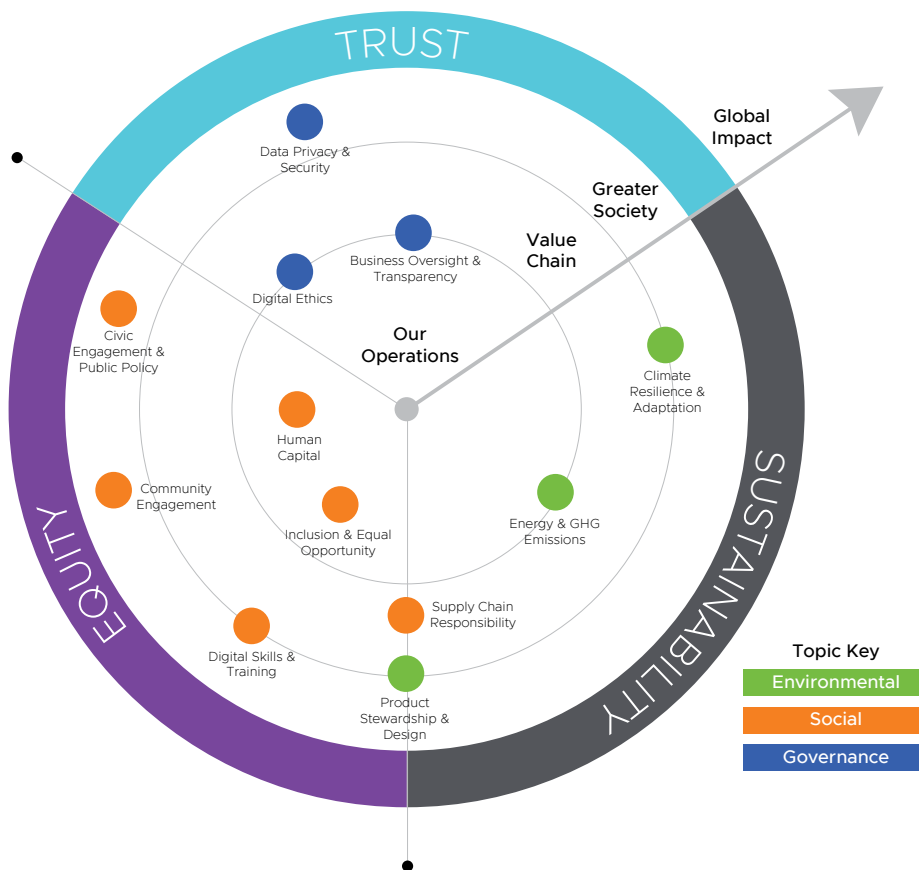
This pragmatic approach enabled us to integrate the results of the materiality assessment and the corresponding goal-setting processes throughout VMware, which directly informed our 2030 Agenda. It also empowered internal

stakeholders to have ownership through an inclusive process, providing them with the research, data and ongoing support they need to design goals that build on VMware’s vision and ability to address critical challenges in society.



By focusing on outcomes (Sustainability, Equity and Trust) we were able to connect many cross-company efforts into an integrated plan to operationalize these goals.

ESG Materiality





SUSTAINABILITY

Sustainability

Enabling Decarbonization of Digital Infrastructures

Sustainability is core to our values and our future success. We have a legacy of enabling positive environmental impact through the use of our products and we continue to enable decarbonization of digital infrastructure across our customer ecosystem, value chain and our own operations. VMware has been a certified CarbonNeutral® Company since 2018; our operations have been powered 100% by renewable energy since 2019. Through our collective efforts to drive net zero emissions in our operations and sustainability in our product solutions, VMware will inspire the next generation of sustainable digital infrastructure.

2030 Sustainability Goals

In our 2030 Agenda, these goals help us operationalize and champion sustainability:

- **Workload Carbon Efficiency:** Accelerate productivity and carbon efficiency of customers' digital operations.
- **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 secure, resilient and sustainable multi-cloud infrastructure.

Aligned to UN Sustainable Development Goals



FY21 Sustainability Highlights

- Recognized on CDP's Climate A List - **Received a CDP Climate Grade "A" and recognized by CDP Worldwide as a Supplier Engagement Leader** for our efforts to encourage our suppliers' participation in CDP Supply Chain and to cascade climate action across our value chain.¹
- **Avoided more than 1.2 billion metric tons of carbon emissions** using VMware solutions.³



WVW

Sustainability in Action: IT Infrastructure for Tomorrow's Smart Cities

VMware's sustainability innovation means that integrated, cloud-based platforms are available around the world to customers like WVW, a utility company in Wurzburg, Germany. WVW's 1,400 employees use VMware's Anywhere Workspace technology to reap the benefits of increased efficiency and flexible work arrangements, while our integrated platform helps WVW maintain highly efficient and sustainable power for the city of Wurzburg. Sustainable and flexible IT infrastructure like this is critical to developing smart cities that are prepared for the next normal.



EQUITY

Equity

Increasing Access to Opportunities for All

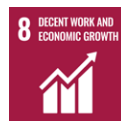
VMware firmly believes that technology plays a critical role in building a digital future that is equitable, accessible and inclusive. From our diversity, equity and inclusion efforts to our digital workspace technology, we are redefining the workplace of the future. VMware is empowering employees in distributed workforces with equal opportunity, inclusive leadership and increased flexibility—within VMware and beyond. Through partnerships with academic institutions and nonprofit partners, VMware also aims to close the digital skills gap in marginalized communities and make digital transformation more accessible for all.

2030 Equity Goals

In our 2030 Agenda, these goals help us expand and drive 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-owned and underrepresented suppliers.
- **Equitable Pay:** Advance equitable pay for all VMware People.
- **Technology Accessibility:** Ensure the technology we develop is accessible for all.
- **Distributed Workforce:** Build a diverse, innovative 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.

Aligned to UN Sustainable Development Goals



FY21 Equity Highlights

- In FY21, women represented **27.1%** of our global employees, and **10.4%** of our U.S. employees self-identified as African American/Black, American Indian/Alaska Native, Hispanic/Latino or Hawaiian Native/Pacific Islander
- More than **95,000 learners** advanced their digital and technical skills through VMware's IT Academy
- More than **5,000 women** registered for [VMInclusion Taara](#), supporting women returning to work in India



Equity in Action: Nonprofit Digital Transformation to End Modern-Day Slavery

For nonprofit organizations like A21, their mission—battling modern-day slavery and human trafficking—is challenged by the demands of being a growing, global nonprofit. The California-based non-governmental organization operates in 15 countries and helps break the cycle of human trafficking through its “reach, rescue, and restore” strategy. A21 provides teachers and students with course materials and training on how to recognize the signs of human trafficking and speak out with confidence. A21 partnered with VMware Tanzu Labs to research, validate, and pilot an online learning experience that widens the reach of their curriculum.

“With the help of Tanzu Act, A21 has adopted a lean, agile, and user-centered approach. We can learn and iterate before scaling up the curriculum across the U.S. and internationally. Moving forward with less risk is crucial for a nonprofit organization where people’s lives are at stake.”

– Valerie Ellery, Global Education Curriculum Specialist, A21



TRUST

Trust

Protecting the World from Cyberattacks and Better Securing Data with Ethical Practices

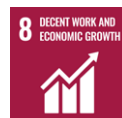
At VMware, we envision a future where customers are confident their data is secure and being used responsibly, employees can be sure their companies are transparent and ethical, and all stakeholders are effectively safeguarded from cyberattacks threatening our digital world. By viewing innovation through a lens of digital ethics and stewardship, and by focusing on security, privacy-by-design and transparency, VMware establishes and maintains trust among our people, customers, partners, shareholders and communities.

2030 Trust Goals

In our 2030 Agenda, these goals help us secure and protect stakeholder 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.
- **Social 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 sustainable metrics into our financial decision-making process.

Aligned to UN Sustainable Development Goals



FY21 Trust Highlights

- Established a **new governance structure** for effective oversight and increased accountability
- Developed **measurable ESG milestones** that align to our Executive MBOs
- VMware Carbon Black named **Best Endpoint Security** in 2020 InfoSec Awards by Cyber Defense Magazine
- Recognized with Trust Award for **Best Risk/Policy Management Solution** and **Best Threat Intelligence Technology** by SC Media



zoom

Trust in Action: VMware Solutions Enable Zoom to Build Trust with Users

Work-from-home mandates turned nearly every company into distributed and cloud-dependent organizations overnight. While these work environments create exciting possibilities around the future of work and equitable workspaces, they also raised new security concerns for in-demand technology like Zoom. In December 2019, Zoom averaged 10 million daily meeting participants. At the height of global shelter-in-place orders, usage spiked dramatically, averaging 300 million daily meeting participants. What enabled Zoom to support this sudden increase in demand without compromising the trust of its users? A VMware infrastructure capable of immense scalability and security. Zoom depends on VMware Workspace ONE® as a robustly secure, easy-to-use solution to the evolving challenges of the next normal.

“At the very basic level, Workspace One allows us to exist and thrive in a pandemic environment when we have employees all over the world.”

– Aparna Bawa, Chief Operating Office at Zoom



EXPERTISE

ADVANCING ESG THROUGH WHAT WE DO BEST

Delivering Trusted Foundations for Accelerated ESG Innovation

We are now aligning our ESG strategy to where we have the deepest product expertise and where our technology solutions can have the greatest impact. Security, digital workspace technology, and radically efficient workloads are all a part of VMware's business, and each contributes to our 2030 outcomes:

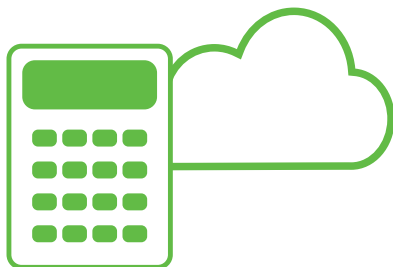
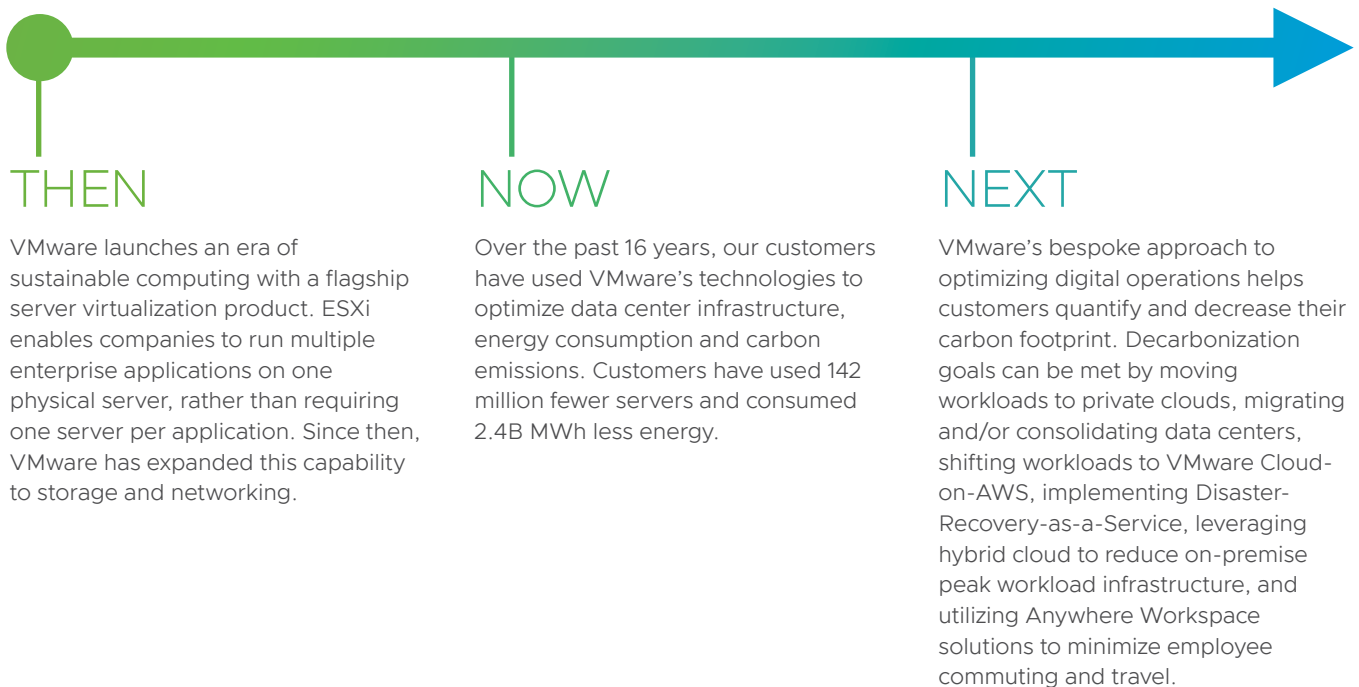
- **VMware's Cloud** and **Anywhere Workspace** solutions help customers achieve their sustainability goals through reducing energy consumption and carbon emissions. By using our products, our customers have avoided more than 1.2 billion metric tons of carbon emissions.

- **Anywhere Workspace** solutions enable customers to drive equity across their own operations by fostering resilient, inclusive and flexible work environments that meet employees where they are and how they work.
- **VMware Security** solutions strengthen customers' ability to defend against cyberattacks and better protect their apps and data, empowering customers to build trust across any app on any cloud across any device.

Few companies are as well-positioned as VMware to enable positive impact for customers worldwide. In fact, VMware's ESG success is intrinsically linked to providing value to our customers. We consider it our responsibility to support organizations of all sizes, in all sectors, with innovative technology solutions that are sustainable, equitable and more secure by design.

Decarbonizing Digital Infrastructure for the Critical Decade to Come

VMware helps customers to significantly reduce both energy costs and the carbon emissions associated with operating a robust digital infrastructure in addition to providing responsive scalability and simplified management. Since we began tracking the impact of IT infrastructure growth on carbon emissions in 2016, VMware's products have helped customers avoid 1.2 billion metric tons of carbon emissions. Along with gains in IT hardware and data center efficiencies, our technologies have helped to effectively flatten the growth in data center carbon emissions even as workloads have grown exponentially.



Calculating Carbon Impact with VMware Cloud™ on AWS

VMware released a web-based, intuitive carbon calculator that enables our customers to easily assess their environmental impact for deployment on VMware Cloud™ on Amazon Web Services. This tool gives our customers the accurate information they need to understand total cost of ownership and to meet their sustainability goals.



Driving Equity through Anywhere Workspaces

When talent is concentrated in urban areas, and employees are expected to live near a central office, it costs employees valuable time and money. Worse, it often prevents a more diverse group of potential employees from ever being recruited. Remote and flexible work has become a key shift in expanding equity and increasing access to opportunities.

We believe that the next normal will be built on technology that enables more equitable, accessible and inclusive digital workplaces. Within VMware and beyond, we are doing just that; embracing distributed workforces that empower employees and open doors to talent pools that were previously untapped.

Through our Anywhere Workspace solutions, we help our customers transition to a distributed workforce model, enabling them to attract more diverse talent that doesn't need to be in a centralized location to accomplish great things. Instead, employees have exceptional flexibility and equal opportunity, backed by VMware's highly secure and seamless Anywhere Workspace technology.

Meeting people where they are, and recognizing how they want to work, has social and environmental benefits that take it well beyond a cost-saving measure.

Learn more about [VMware's Anywhere Workspace Solutions](#)

Leveling the Playing Field: Enabling Nonprofit Digital Transformation

Just as COVID-19 accelerated the adoption of new technologies and behaviors, it also exposed significant setbacks among historically marginalized communities and exacerbated existing inequities in our communities. Nonprofit organizations were often tasked with front-line crisis response without the technological capacity needed to address society-wide challenges directly.

Nonprofits' impact was invaluable, but it was at risk from a lack of sustainable digital infrastructure. VMware has taken a three-pronged approach to advancing nonprofits' digital transformation and help accelerate their impact, taking into account the diversity and range of needs of the world's nonprofit sector:

“It has been an interesting journey to see what it means to do a digital transformation and to adopt technology solutions. We as an organization have gained technology skills and awareness as well as discovered the need for an IT team dedicated to the technology and systems management. The Good Gigs Project and VMware team have positively impacted us in unimaginable ways by finding technology solutions to our pain points and business processes. They have helped us tremendously to streamline our systems and rethink our perspective on data.”

– Good Gigs Project nonprofit partner

Expanding nonprofits' digital capacity, so they can focus on serving communities

Organizations had to make a rapid adjustment to respond to COVID-19. VMware was a lead supporter in the [COVID-19 Response Fund](#), supporting grassroots nonprofits in making critical technology investments while continuing to serve the most vulnerable communities through crises and into the future. VMware also leads a cohort of companies, including Okta and Dell Technologies in investing in TechSoup to build a [Digital Assessment Tool](#) for nonprofits. This self-assessment tool, scheduled for a U.S. release in 2021, helps nonprofits identify where they are, where they need to go, and what resources are available to them in the next steps of their digital journey.

Putting the power of learning into the hands of nonprofit teams

Through our pro bono Good Gigs Projects, VMware employees are able to pair with colleagues and organizations to co-create sustainable solutions that build digital resilience. And to make sure that the digital transformation projects are meaningful and long-lasting—key elements of nonprofit capacity-building—Good Gigs Projects use the [Transforming Technology Pro Bono](#) framework, where teams Discover, Design, Implement and Maintain each project or solution, with a focus on learning.

Making the next step in digital transformation more accessible for nonprofits

Before the pandemic, [TechSoup began offering](#) VMware vSphere and vCenter Server to high-need U.S. nonprofits in the TechSoup community. In 2020, this was expanded to include Fusion and Workstation and reached a combined 212 nonprofits—88% of which were new to VMware.

Organizations can also partner with VMware Tanzu Labs at a discounted rate to further support their digital transformation. Nonprofit Connect, developed in collaboration with VMware's Office of the CTO Ambassadors program, builds a feedback loop with VMware's nonprofit customers by conducting interviews, gathering insights and connecting the organizations to VMware resources that can help strengthen their operations. Based on customer input, the Nonprofit Connect team also created a guide of free VMware education and enablement resources.

Earning Customer Trust in a Changing World

Digitalization is transforming every industry, and cybersecurity has become one of the most material ESG topics for companies to focus on. A resilient cyber foundation is critical to meeting the security challenges of today and the innovation opportunities and ESG expectations of tomorrow. VMware Security is built with our customers' trust in mind, providing them with digital infrastructure that prioritizes availability and data privacy, and is safer from cyberattacks.

Customers like Moderna rely on VMware software to provide a lifesaving vaccine against COVID-19. Because Moderna employees work with highly sensitive intellectual property and clinical data, maintaining the tightest security around their work is paramount. Moderna trusts VMware Carbon Black Cloud™ endpoint protection to defend against cybersecurity threats and safeguard patient information, so Moderna can focus on innovating and saving lives.

“VMware helps us be a productive and efficient company. If we can save just one day, we may be able to save more lives.”

– Stéphane Bancel, CEO, Moderna

Customers trust VMware's security expertise on:

- Tracking and responding to real-time threats:
 - [Technical Deep Dive on VMware Carbon Black Cloud Support of AMSI Excel 4.0 Macro Prevention](#)
 - [Detecting Threats in Real Time with Active C2 Information](#)
- Staying up to date on and prepared for an evolving cyberattack landscape:
 - [The Evolution of Lazarus](#)
 - [The Dukes of Moscow](#)
 - [Technical Analysis: Hackers Leveraging COVID-19 Pandemic to Launch Phishing Attacks, Fake Apps/Maps, Trojans, Backdoors, Cryptominers, Botnets and Ransomware](#)
 - [Threat Analysis: Insights on the SolarWinds Breach](#)
- Understanding and leveraging best practices in security:
 - [Fighting Back in 2021: 4 Best Practices for Security Teams | Security and Compliance Blog | VMware](#)
 - [Bridge the Gap Between Security and IT in Cloud Workload Protection | Security and Compliance Blog | VMware](#)

61%

OF PEOPLE TRUST BUSINESSES OVER GOVERNMENT, NGOS AND THE MEDIA³

At VMware, we consider ourselves as being “Customer Zero.” We're committed to practicing what we preach, and all of the sustainable solutions we offer and equitable policies we encourage to help advance our customers' ESG impact are at home inside VMware itself. Customers know that they can trust VMware's commitment to security to protect their data and digital infrastructure because it's the same security we use for our own business around the world.





ACTION

WALKING THE TALK

Prioritizing ESG Impact from the Inside Out

At VMware, we believe that sustainability, equity and trust go beyond metrics and that true progress happens when people at every level feel valued. We're making targeted investments designed to reach net zero emissions; to level up our diversity, equity and inclusion (DEI) efforts; and to improve our resiliency. We also know that inclusion is in the eye of the beholder, and many of our recent strides in DEI are designed to meet the needs of individual employees' lived experiences. Among many new employee wellbeing initiatives we've introduced recently, we are offering coaches and therapists from underrepresented communities,

providing flexible services that focus on families of all shapes and sizes, and leading a sector-wide effort to make coding terminology more inclusive and less biased.

We are proud of our internal ESG and DEI efforts in FY21, and we know that there is more work to do in the months and years ahead to meet the ambitious goals in our 2030 Agenda. Making consistent progress in this critical work, across every part of our business, will require us to remain attuned to our people and partners, and continually innovate our technology solutions to create a more equitable world for all.



Building a Diverse, Equitable and Inclusive Culture

VMware firmly believes that technology plays a critical role in building a digital future that is accessible, unbiased and inclusive for all. From our DEI efforts to our digital workspace technology, we are reimagining the workplace of the future.

Our commitment to driving progress in DEI relies on ongoing assessments that address measurable goals. By 2030, we strive to hire at least one woman for every one man we hire, and that at least half of our management team will be comprised of women and those from backgrounds currently underrepresented within our organization.

Inclusive Terminology and Increasing Accessibility

DEI is broad in scope, and we're working to cover its many facets. To that end, we launched a cross functional Inclusive Terminology Initiative to inspect the language we use—from code to customer to colleague communication and collateral. We reviewed and updated the terminology we use in customer-facing and internal-facing content, products, services and communications. As part of our ongoing commitment, we continue to identify and eliminate insensitive terms that don't reflect our values, and investigate tools and processes to help us do so seamlessly. Any employee can flag language for review, and we offer multiple courses around inclusive language to foster ongoing awareness efforts. In August 2020, we announced our internal effort to change our standard product, services and marketing terminology to more inclusive language. Our continued commitment, focus and learnings resulted in an even bigger step towards changing terminology across the technology industry. In December 2020, VMware joined forces with other technology leaders to eradicate racial bias from code by forming the Inclusive Naming Initiative.

A diverse, equitable and inclusive culture at VMware also means increasing accessibility by creating an environment where employees who are disabled or neurodiverse can thrive physically and digitally. This includes using targeted approaches to hiring and development, such as our Neurodiversity Inclusion Program, VMware's accessibility program, and providing employees with disabilities the option to self-identify confidentially. This year, we released our VMware System Accessibility Policy, which includes new requirements for our internally used systems and tools to improve accessibility for all.

SINCE LAUNCHING THE @VMWARE DISABILITY POWER OF DIFFERENCE (POD) GROUP, THE SELF-IDENTIFICATION RATE OF EMPLOYEES WITH DISABILITIES HAS INCREASED MORE THAN

60%

Our Journey to a Physically and Digitally Accessible Workplace

- Completed the DEI Survey benchmark
- Launched role-based disability awareness courses
- Hosted accessibility-themed hackathons
- Provided closed-captioning at large events
- Streamlined the reasonable accommodations process
- Made physical accessibility improvements in breakrooms
- Offered accessible onboarding
- Launched our disability communications hub
- Organized speaker sessions with influencers in the disability space



Our Commitment to Pay Equity and Representation

We know that leveraging the power of human difference starts with equal pay for equal work, and we are committed to equitable compensation. We continually analyze compensation globally and take into account influencing factors such as job, grade, tenure, time in job, geographic location and performance. Women at VMware, overall, earn 99 percent of their male peers' target compensation globally, and underrepresented minorities have 100 percent pay parity with their white peers in the U.S.⁴

To improve representation of women and underrepresented communities, we've modified our hiring processes. We now require at least one woman and one underrepresented minority included in the interview stage of all open job requisitions in the United States, and at least one woman on all requisitions at the interview stage globally.

To block bias in our interview process, we focus on three pillars:

- Job descriptions that explain the work as performance outcomes (goals) and not individual characteristics of an ideal candidate. This helps reduce requirements inflation, which often preclude candidates from non-traditional backgrounds. We want to hire people not only on what they have today but on what they will become by taking a positive career move by joining VMware.

- Our interviewing and assessment methods seek a holistic evaluation of a candidate's significant achievements and professional strengths against the performance outcomes in the job description.
- Hiring teams are trained on how to reduce bias and provide an equitable interview process.

Our University Talent team has been diversifying our campus engagement efforts globally over the past several years in line with our DEI goals. We are investing in diversity partnerships, events, tools and programs that give us access to millions of students across thousands of campuses and associations at once. This shift will allow us to exponentially expand our reach. In the U.S., we have made a strategic decision to invest in a deep engagement partnership with nine historically Black colleges and universities (HBCUs) and five Hispanic-serving institutions (HSIs). We work with experts in engaging and recruiting strategies and plan to expand our efforts and programs at HBCUs and HSIs, ensuring VMware is a preferred employer among students at these institutions. This is an important advancement in our hiring practices of early in-career-talent, which we believe will position VMware to be an employer of choice and an innovation leader for years to come.

PROGRESS ON REPRESENTATION

Our FY2021 diversity hiring and retention goals included:

At least 1 in 3 hires globally will identify as a woman

31.5 percent (almost 1 in 3) of our hires self-identified as a woman. While our external hire rates exceeded our goals, our acquisition metrics brought us slightly below our goal.

At least 1 in 7 hires in the U.S. will identify as an underrepresented minority

13.3 percent of our hires self-identified as an underrepresented minority (URM). Our external hiring and acquisitions brought us slightly under our goal, with around 1 in 8 hires identifying as a URM.

All interview slates should have at least one woman or U.S. underrepresented minority

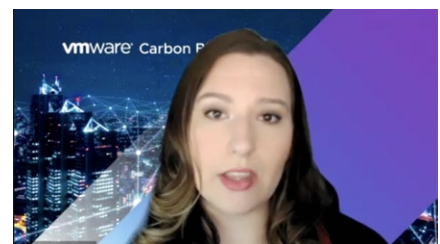
At the close of FY21, 82.4 percent of interview slates met this requirement. For FY22, we will continue to move this goal forward by requiring one woman and one URM in the candidate interview slates (U.S. only) and requiring a VP approval process for interview slates that do not meet this requirement.



For a comprehensive review of our DEI metrics and efforts, read [VMware's FY21 Diversity, Equity and Inclusion Annual Report.](#)⁵

Women in Security Series

The theme for International Women's Day 2021 was "Choose to Challenge." At VMware, we're doing just that and making great strides in representation as part of our 2030 Agenda. Our goals in the 2030 Agenda are bold and include building a world free from cyberattacks, a low-carbon economy, and ensuring 50 percent of our managers are women or from underrepresented communities. Women will continue to be a vital part of building the future of VMware. [In a six-part series](#), we highlighted and honored some of the outstanding women in security at VMware who are playing a significant role in keeping the world safe from cyberattacks.





Empowering a Culture of Service

The world's social issues are complex and interconnected, and systemic change often demands we take action on multiple fronts. Citizen Philanthropy enables partnership at the intersection of active citizens (VMware people), nonprofit organizations, and company support (through VMware Foundation programs), and it enables VMware to impact all the issues that are meaningful to our people. Having the choice and flexibility to engage with their communities is a benefit that supports VMware's talent acquisition and retention, and Citizen Philanthropy also encourages innovation by sparking new ideas when people's skills and talents are applied in different settings and communities.

In 2020, more than 26,000 VMware people supported more than 14,000 nonprofits in 100 countries. 2020 was also the 10-year anniversary of VMware's Citizen Philanthropy efforts and a challenging year that reinforced adaptability as our strength and innovation as an imperative. In a year when many nonprofits and grant makers were required to completely shift their delivery and support models, Citizen Philanthropy adjusted with them by design. As we transitioned to working remotely during the pandemic to keep our colleagues and their communities safe, VMware people adapted their community support by leaning into [virtual Service Learning](#) opportunities, [supporting healthcare workers with personal protective equipment \(PPE\)](#), and adapting service delivery models such as [touch-free food deliveries](#).

At VMware, Mindful Service Develops Active Citizens with Global-Leadership Mindsets

One team of VMware people chose to partner with To Your Rescue (TYR), a nonprofit that helps animals by offering an affordable record-keeping software to rescues and animal shelters. Working closely with TYR's staff, the team documented current processes and learned about TYR's goals for future growth. Opportunities were prioritized, with a web-based application coming out as an immediate near-term need. The VMware team identified requirements for a web-based version of TYR's software, which until now has been desktop-based. This transformation will allow customers to use the organization's software more easily. By meeting current and future customer needs, TYR will be able to grow the number of animal services agencies using their software and ultimately help even more animals.

"To become better at what you do, you must push yourself to improve. I've certainly had the opportunity to do that already in this project. As a relatively new product manager, it's given me the chance to explore facets of my field (pricing strategy, working with customers who aren't familiar with the latest tech) that I wouldn't necessarily get to do on my current projects."

– Gary Grossi, Product Manager, Emerging Technologies, VMware

Providing Comprehensive Skills Training That Drives the Digital Future

For a modern, multi-cloud SaaS company, the continual education and reskilling of people to thrive in the current and future tech-enabled workforce is a material issue. To bridge the talent gap for the industry and help expand the recruitment pool for all, VMware enables the global workforce with learning opportunities and critical digital skills.

According to a recent KPMG survey, 65% of CIOs identify hiring as a sector-wide challenge. “It’s more than just a job, it’s an overall shortage of people with digital skills.”

VMware is also a force multiplier, donating our technology to academic institutions, enabling learners with access to technical training and labs across technology solutions and companies. In 2020, we served 63,000 learners through an Academic Cloud we established in a collaboration with

Network Development Group, the National Science Foundation, the University of South Carolina and Stanly Community College. VMware also partnered with the Rochester Institute of Technology (RIT) for their Cybersecurity Bootcamp, an immersive, 15-week hands-on training course to reskill or upskill unemployed individuals, including minorities and veterans.

Academic institutions and nonprofit organizations can be hard-pressed to keep up with evolving technology knowledge expectations of employers. VMware IT Academy partners directly with more than 2,500 educational institutions, governments and nonprofits globally to empower learners through coursework, labs and experiences. To enrich learning and help jump-start careers, our partner academic institutions can also access the latest suite of VMware software solutions and use them in a hands-on educational environment. While the original VMware IT Academy offerings were focused on data centers and virtualization, our innovation has reached beyond virtualization learning and includes cloud, modern apps, security and digital workspace. VMware IT Academy is key to our 2030 goal of upskilling 15 million people through our educational offerings and creates a pipeline of diverse talent that is available to advance companies’ digital journeys and deploy VMware solutions.

REACHING DIVERSE TALENT

VMware IT Academy supports our commitment to diversity, equity and inclusion by providing technical skills training to those who may not have otherwise had the opportunity or access to it.

2,429

Institutions participating in VMware IT Academy or software licensing

More than 38,000

Students enrolled in concept courses (aligned to a badge)

More than 10,000

Student participants in certification courses

In 2020, more than 95K learners participated in VMware IT Academy and 300K+ downloads through VMware’s academic software licensing program.

[Learn more about the critical need to reskill employees.](#)



ACHIEVING NET ZERO EMISSIONS BY 2030

Aligning Our Climate Commitment to Science-Based Targets

VMware's net zero emissions goal builds on approved science-based targets and expands the scope of our climate commitment. Our strategy is designed to enable VMware and our people to take action even as the definition of a net zero future evolves.

A changing target doesn't stop continued innovation on climate action. For us, a net zero goal means accelerating our focus on reducing emissions for our entire carbon footprint. Among other things, we purchase renewable energy, work with our suppliers to reduce their emissions, and support distributed workforces through our Future of Work initiative to reduce what we can. Through carbon financing, we participate in low carbon sustainable development projects that enable carbon avoidance to

offset our remaining emissions. In line with the leading net zero guidance, we are developing our strategy to include carbon removal projects to address residual emissions.

Our science-based targets lay the foundation for reducing our footprint. In early 2020, these targets were validated by the Science-Based Targets initiative (SBTi). These are ambitious 1.5°C-aligned targets, currently the highest designation available through the SBTi process:

- | Reduce Scope 1 and 2 emissions 50 percent by 2030
- | Reduce employee commute and fuel and energy related emissions 50 percent by 2030
- | Engage 75 percent of our suppliers to set their own Science-Based Targets by 2024

Committing to Carbon Neutrality and 100 Percent Renewable Electricity

Our commitments to RE100 and carbon neutrality are foundational to our path to net zero. We see these commitments as a valuable complement to longer-term pledges to net zero because together they demonstrate sustained commitment to meaningful action now and in the future.

While we work to reduce our overall energy demand, VMware is committed to generating or purchasing energy from 100 percent renewable sources. We are developing a regionally specific renewable electricity program that includes virtual power purchase agreements (VPPA) and aggregated VPPAs in mature markets where VMware has a significant presence, such as the United States and Europe. VMware's footprint in regions with immature regulatory and policy infrastructure is very small from a MWh demand standpoint, so we will continue to monitor developments and opportunities where we can deliver outsized impact through any renewable energy procurement activities beyond just the electricity itself.

As we progress toward our net zero goal, we will address select Scope 3 categories in the near term with carbon avoidance offsets through our annual CarbonNeutral® certification.⁶ This year marks our fourth consecutive year of being a certified CarbonNeutral® Company. VMware has also begun the process of evaluating and selecting nature-based carbon removal opportunities, including the Million Mangroves Project. Per our net zero commitment, by 2030, we will have zeroed out any remaining emissions solely through the use of carbon removals.

MILLION MANGROVES

Nature-based Solutions

VMware is a contributor to the [Million Mangroves Project](#) and has invested in two natural climate solution projects focused on mangrove restoration in Mexico and Kenya. Mangroves are considered “the wonder tree” because they store up to four times more carbon than rainforests, making them a highly effective natural climate solution. More than 35 percent of the world's mangroves have been lost since 1980 due to development and deforestation for fuel wood and timber. Mangroves have adapted to grow in the harsh environmental conditions between sea and land. They act as a bridge between the two and have a critical role to play, not just in helping to draw down carbon from the atmosphere to meet our net zero goals, but also to protect coastlines and to serve as ecosystems for healthy, thriving fish.

We invest in low-carbon sustainable development projects because we know that decisive action must be taken now as we enter this critical decade. Not only do these investments support our CarbonNeutral® Company certification, they also have immediate positive impacts on the environment and within their communities:

- In the Bangladesh capital of Dhaka, VMware invests in a project that provides specialized materials and equipment to mitigate and prevent major methane leaks from a natural gas infrastructure that is in disrepair. To date, the team in Dhaka has repaired more than 37,000 leaks and stopped the release of enough methane to fuel a 119-MW power plant.
- In India, our carbon financing investment focuses on providing in-house hot water, fueled by renewable energy, to urban areas around the country. This project manufactures, distributes, installs and maintains solar water heaters for households, businesses and community spaces, contributing to a reduction in India's carbon-intensive energy use.

Investments in sustainable development projects, such as those in Bangladesh and India, aren't just about energy consumption. They also help protect the people in those communities and create sustainable jobs.

Designing Workspaces for the Workforce of the Future

We are committed to designing workspaces that meet the needs of our employees for the Future of Work. Over the past year, we have redesigned many of our global offices to become innovation and collaboration hubs. Employees can choose between different types of workspaces throughout their day that best support the type of work they are doing at any given time. Each space is designed to help create synergies and collaboration amongst teams and co-workers while providing employees with flexible working environments.

We aspire to have LEED and BREEAM green building certifications for all of VMware's global footprint. Our new offices are built with sustainability in design and provide an enhanced employee experience. We are also building a one-of-a-kind community microgrid at our Palo Alto campus to provide locally generated renewable power for our offices and the city during emergencies such as climate-related disasters.



VMWARE OFFICE SUSTAINABILITY IMPROVEMENTS

Tokyo, Japan

Our new office in Tokyo, Japan was designed with sustainability in mind. It follows the Uramasari concept, which loosely translates to “more than meets the eye.” The new office was awarded S Class, the highest rank possible, for the Comprehensive Assessment System for Built Environment Efficiency (CASBEE). To achieve this recognition, the team focused on repurposing items and made design and operational changes that are better for our environment:

- More than 90 percent of new furniture is classified as sustainable products
- Removed single-use bottled water and installed taps to save 96,000 plastic bottles/year
- Added plants (including green walls) for a healthier environment

Sofia, Bulgaria

Our Research and Development facilities in Bulgaria expanded and relocated to a mixed-use sustainable development in Sofia. Garitage Park is one of the first BREEAM (Building Research Establishment Environmental Assessment Method) community developments in Eastern Europe. Sustainability improvements include:

- On site clean energy through photovoltaic panels on the roof
- Humidity and CO2 control system as part of the building management system
- Charging stations for electric vehicles to promote sustainable commute

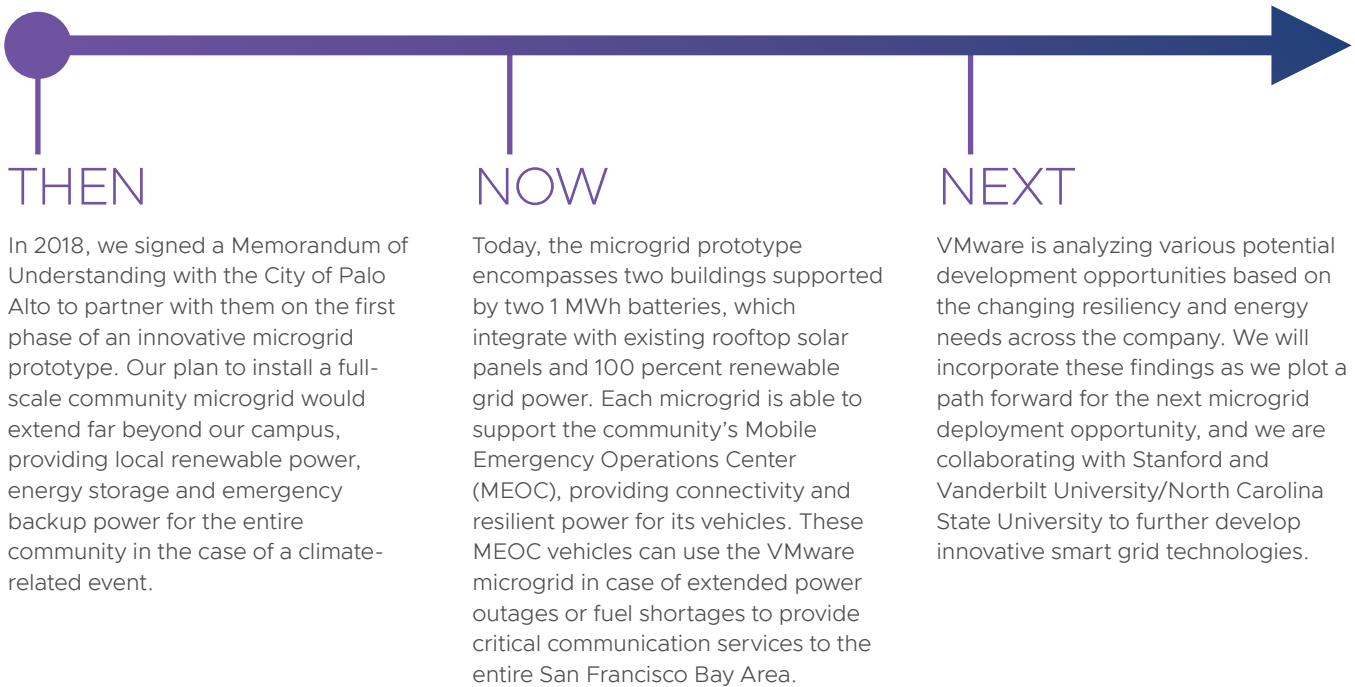
Pune, India

VMware has been growing in India. In October 2020, our Pune site relocated to a new larger office at Balewadi, Pune. This Phase I, 150,000 sq. ft. Research and Development facility is housed in an Indian Green Building Council Gold certification development, Panchshil Business Park, and is aspiring to receive USGBC LEED (Leadership in Energy and Environmental Design) Gold for commercial interiors. Sustainability improvements include:

- Enhanced ventilation
- Circadian LED lighting
- Segregated waste collection

Creating Resilient Solutions to Face Climate-Related Disasters

In the last three years, California has experienced extreme temperatures and record-setting low precipitation, resulting in devastating wildfires that have impacted air quality and electric services at our 105-acre campus in Palo Alto, home to more than 4,000 VMware employees. Here are the steps that we have taken to develop resiliency:



Empowering Our People to Create a Culture of Sustainability

In 2020, we formally launched our Sustainability Ambassadors program with 20 teams in Asia-Pacific, EMEA (Europe, Middle East and Africa) and the Americas. The **Sustainability Ambassadors** are employee-led teams of VMware people who are passionate about sustainability and our EPIC₂ values. They help amplify the sustainability message at the local level and lead engagement activities that help employees integrate sustainability into their lives, both at home and the office.

As VMware people around the world sheltered at home, Earth Month 2021's campaign theme was about meeting them right where they were, in ways that were responsive to the moment. We called it: "Save Our Home—Without Leaving Yours." Our Sustainability Ambassadors engaged with their colleagues and communities on how to drive

sustainable lifestyles and adopt sustainable mindsets by managing food waste, adjusting purchasing decisions, managing water and energy consumption, and making responsible transportation choices. These efforts culminated in an employee-created, company-wide sustainability guide, a compilation of tips and resources for leading a sustainable lifestyle while working remotely.

We also launched VMware's **Sustainability @ Home** program, led by Ambassadors in each region, to engage with communities by partnering with companies providing sustainable products and services. Educating and empowering everyone to live sustainably at home are key to these partnerships, and discounts through the Sustainability @ Home program include renewable energy and residential solar, composting, and plastic-alternative products.

Awards and Recognition

VMware is proud to share the stories of customers' success as well as our own internal progress and external efforts. We are grateful to the peer companies, media organizations and industry leaders that have recognized our work in furthering Sustainability, Equity and Trust through our technology solutions and corporate culture.

- | [Earned placement on the Dow Jones Sustainability Index \(DJSI\)](#)
- | [Named to CDP's Climate A List](#)
- | [Named to Forbes' Just 100 Companies Leading the New Era of Responsible Capitalism](#)
- | [Recognized on Newsweek's list of America's Most Responsible Companies](#)
- | [Earned 100 percent score on the Human Rights Campaign's Corporate Equality Index](#)
- | [Placed #11 on Forbes' Best Employers for Diversity](#)
- | [Placed #7 on Comparably's Best Places to Work in San Francisco/Bay Area](#)
- | [Named on Blind's Top Companies with the Happiest Employees](#)
- | [Recognized on FlexJobs' Top 100 Companies with Remote Jobs](#)
- | [VMware Carbon Black named Best Endpoint Security in 2020 InfoSec Awards by Cyber Defense Magazine](#)
- | [Awarded Silver Winner in the 2020 Cybersecurity Excellence Awards for Best Cybersecurity Company](#)
- | [Awarded Silver Winner in the 2020 Cybersecurity Excellence Awards for Best Endpoint Security](#)
- | [Recognized with Trust Award for Best Risk/Policy Management Solution and Best Threat Intelligence Technology](#)

We're especially proud of the recognition VMware has received as an admired workplace because it's our people who do the most to inform and operationalize our **2030 Agenda** and continue to power our work going into this critical decade.

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA





COMMITMENT

THE NEXT DECADE

Looking Ahead

Our people and products are at the heart of VMware's **2030 Agenda**: every corner of our work and every team around the world has their own vital part to play in driving **Sustainability, Equity and Trust** across our entire ecosystem. These three outcomes will continue to guide our cross-functional goals and be embedded across the company. While VMware considers our ESG strategy to be imperative to our innovation, we also firmly believe that innovation is an ESG imperative. We will continue to innovate with an eye toward real impact and embrace the next normal, and we're excited to lead the way with upcoming initiatives designed to cultivate the next generation of tech talent and redefine what is possible in the world of sustainable technology solutions.



Collaborating on the Next Generation of Sustainable Digital Infrastructure

VMware has an [exciting new research program](#) as part of its continuing collaboration with the U.S. National Science Foundation (NSF): “The Next Generation of Sustainable Digital Infrastructure,”⁷ which will focus on high-potential areas for improving software efficiency and reducing digital infrastructure demand in the critical decade ahead. NSF and VMware will support multiple projects with total co-funding of up to \$6 million over three years, with a goal of fostering transformative research that changes how we work tomorrow.



Innovating Data Center Heat Management

One of the sustainability challenges of today's technology is the actual energy use it requires. The VMware vSphere platform understands workload attributes and how they can be leveraged to reduce energy waste, while one of our technology partners, Future Facilities, has computational fluid dynamics software that models thermal and energy elements. Combining these two technologies, we have designed an experimental data center divided into three workload zones based on the risk they carry, and the temperature required to maintain them. Sensitive, high-risk workloads are in a zone where they can be kept at the lowest temperatures (68°), mid-risk workloads can be kept moderately cool in a second zone (75°), and a third zone contains low-risk workloads that do not rely on precise temperature control. By creating thermal zones and separating the workloads into each by risk rather than cooling an entire room to a single low temperature, we can reduce data center energy up to 40 percent. While this project is in incubation, it demonstrates the possible gains in decarbonization that can be made when innovation is our imperative in every area.

Advancing Mobile Technology Leadership

VMware is a founding member of the [Next G Alliance](#), a bold new initiative to advance North American mobile technology leadership over the next decade. With a strong emphasis on technology commercialization, the work will encompass the full lifecycle of research and development, manufacturing, standardization and market readiness. VMware holds leadership roles on the Next G Steering Group, Societal and Economic Needs Working Group, and Green G Working Groups. With VMware Telco Cloud solutions, VMware can enable a more secure, equitable and resilient future through open, interoperable and sustainable telecommunication services.

Accelerating Zero Carbon Clouds

With VMware Zero Carbon Committed™,⁸ we can help connect customers who are looking for low-carbon solutions with a VMware Cloud Provider™ partner who can help customers achieve their sustainability goals. This zero-carbon cloud initiative is possible through renewable energy-powered operations and energy-efficient data centers, and helps customers reduce the environmental impact of their digital infrastructure.

VMware plans to achieve 100 percent renewable energy-powered and carbon-efficient clouds in this critical decade. Over time, this work will raise awareness among all of our stakeholders about the importance of sustainable cloud operations and inspire others to begin or accelerate their zero carbon efforts. In the long term, VMware plans to develop programs that assist providers in embarking on renewable energy journeys. VMware is partnering with Atea, Equinix, IBM, Microsoft and OVHcloud on the VMware Zero Carbon Committed™ initiative.

“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 + Innovation, Microsoft



VMware Zero Carbon Committed™
PARTNERING FOR A SUSTAINABLE FUTURE.

Driving Progress Through Partnerships

The complex issues and global challenges we face can't be solved by any one organization, and we can accomplish greater things in this critical decade if we do them together. From endowing the Stanford Women's Leadership Lab, to being a founding member of the Renewable Energy Buyers Alliance and supporting the United Nations (UN), VMware is committed to collaboration and systemic change as part of our ESG strategy.

VMware works closely with allies that span across sectors, industries, geographies and cultures to build trust among our stakeholders, drive equity, and amplify environmental sustainability. These partnerships include:

- Serving as an active member of **Accounting for Sustainability (A4S)**, inspiring action by finance leaders to drive a fundamental shift towards resilient business models and a sustainable economy.
- Supporting the **Renewable Energy Buyers Alliance (REBA)** through active board membership and proud signatory of the Energy Buyer Federal Clean Energy Policy statement. The mission of the REBA community is a resilient zero-carbon energy system where every organization has a viable, expedient, and cost-effective pathway to renewable energy.
- Acting as a supporting member of **We Mean Business**, a global nonprofit coalition working with the world's most influential businesses to act on climate change.
- Participating as a signatory to **RE100**, a global collaborative representing businesses committed to using 100 percent renewable electricity in partnership with the Climate Group and CDP (formerly the Carbon Disclosure Project).
- Serving as an active member of the **World Economic Forum**, a non-partisan, nonprofit organization that engages the world's most prominent political, business and other leaders through its eight regional meetings, culminating in its Annual Meeting at Davos.
- Participating as a signatory to the **UN Global Compact (UNGC)** and committed to UNGC's Ten Principles, as well as aligned to the UN's Sustainable Development Goals.
- Partnering with the **U.S. National Science Foundation (NSF)** to support multiple projects with total co-funding of up to \$6 million over three years, with a goal of fostering transformative research that changes how we work tomorrow.
- Acting as a founding member of the **Next G Alliance**, a bold new initiative to advance North American mobile technology leadership over the next decade.
- Investing in the **Stanford Women's Leadership Innovation Lab** through a \$15 million endowment to support women's leadership research at Stanford for generations to come.





ACCOUNTABILITY *GOVERNANCE AND ETHICS*

Embedding Responsibility and Values in Our Culture

In addition to developing our 2030 Agenda, we have been laying the foundation for increased oversight, management and accountability that will help operationalize our 2030 goals across VMware. VMware's overarching approach to governance is rooted in our EPIC₂ values: Execution, Passion, Integrity, Customers and Community. While it's not unusual for a company to share a set of core values, VMware stands out because its values are a living, dynamic part of the workplace—a major reason the company earns top employer recognitions every year. Our corporate governance practices provide a framework for operating VMware in the best interests of all our stakeholders.

Our EPIC₂ Values

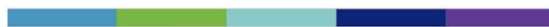
It's not unusual for a company to develop a set of core values. VMware stands out because its values are a living, dynamic part of the workplace and they were created by employees—a major reason the company earns “top employer” recognitions every year. VMware's culture is based on a set of shared values expressed through the acronym EPIC₂: execution, passion, integrity, customers and community.

- 1. Execution** is a core value that encourages collaboration and high standards. VMware teams debate and discuss, and then get things done. Egos are checked at the door, and shared work is focused on impact, quality and efficiency.
- 2. Passion** means challenging the status quo. VMware people are encouraged to follow their curiosity and the pursuit of the seemingly impossible to continuously make things better for customers, products and each other.
- 3. Integrity** focuses on building trust. Employees are expected to say what they do and do what they say. The company encourages peers to build and nurture relationships with one another, customers, partners, shareholders and the community—without taking anything for granted.
- 4. Customers** make it possible. They are core to VMware's mission. The innovation that flows out of VMware frees customers from constraints and enables organizations of all types to meet their toughest technological challenges.
- 5. Community** acknowledges connection. Employees are encouraged to approach each other with open minds and humble hearts. Opportunities to serve by dedicating time, talent and energy are plentiful.

“As I think about my day-to-day experience here, it's our EPIC₂ values that keep me engaged and motivated to take on the challenges and opportunities in front of us. Whether it's rising to the challenge of allyship, learning more, service or giving back, it is increasingly apparent that such opportunities truly play a powerful part in moving a healthy diverse community forward.”

– Zane Rowe, CFO

E P I C₂



EXECUTION



PASSION



INTEGRITY



CUSTOMERS



COMMUNITY

Enabling Effective Management and Increased Accountability

We have established a new governance structure for effective oversight and increased accountability. Our full board of directors will review ESG matters at least annually, and committees of the board will engage in focused ESG oversight activities on an ongoing basis. The governance structure includes an ESG Leadership Council comprised of executive sponsors and senior leaders, a 2030 Stakeholder Committee made up of functional and business unit leaders, and an ESG Office to ensure strategic focus as we measure and track progress against our goals using best-in-class frameworks for ESG reporting and transparency.

The VMware ESG Leadership Council meets quarterly to ensure that our teams are on track to deliver on our goals across the various functions and business units that own them. Our 2030 Stakeholder Committee is a trusted partner

of the ESG Office, collaborating to drive alignment across our goals and develop short and long-term roadmaps.

This year, we worked to develop measurable milestones that aligned to our executive MBOs and can be tracked quarterly, and those milestones are designed to grow with us as we make progress.

We know that our ESG strategy has to be a priority at the top for us to continue to drive progress. We're proud of the work we've done in all corners of the company to drive ownership and accountability of our 2030 Agenda. We're also looking forward to what's next: pursuing our goals and driving positive business outcomes together as One VMware.

Maintaining Transparency and Integrity in Corporate Governance

VMware publicly shares many of its governance documents, ethics and compliance policies, and committee charters, including the following:

- Corporate Governance Guidelines
- Business Conduct Guidelines
- VMware Commitment Against Slavery and Human Trafficking
- Partner Code of Conduct
- Supplier Code of Conduct

For the full list of documents, policies and charters, please visit the [VMware Investor Relations page](#).



Adhering to the Highest Principles of Business Ethics

We consider ourselves Customer Zero: every product we offer and policy we encourage are first practiced by us because we know that internal change is the key to external progress. In working with VMware, stakeholders can be sure they have an ethical, responsible and transparent partner—a partner whose internal policies match its external business practices and whose corporate culture places true ESG progress at the heart of its innovation.

Investing in Measurable Improvement Throughout Our Supply Chain

The VMware Responsible Sourcing™ program launched for our suppliers with the recognition that our global purchasing power is significant. We're prioritizing suppliers that are aligned to our 2030 Agenda and EPIC₂ values. Our program has three pillars, each with its own initial goal:

- Sustainability: Achieve 75 percent of our annual spend with suppliers who have set science-based sustainability targets by 2024.
- Diversity: Spend \$1.5 billion with diverse suppliers by 2030.
- Accessibility: Assess all new software and event suppliers for accessibility standards.

We also know that supplier inclusion is about more than spending money with small and diverse businesses. It means we are investing in suppliers to drive measurable improvement worldwide in the communities where we live, work and play. VMware has a lofty vision for this program and is excited to partner with suppliers in a way that ensures **Sustainability, Equity and Trust** are foundational to our shared future.

Learn more about the [VMware Responsible Sourcing](#) program.⁹

Delivering Practical, Creative and Scalable Privacy Solutions

We passionately believe that protecting personal data is critical to building lasting relationships with our customers, employees and communities. VMware's approach to personal data is founded in promoting innovation in all its forms. Protecting personal data is more important than ever, as cyberattacks grow in sophistication, scope and impact, and new privacy and security regulations place the obligations of additional compliance on organizations.

Our dedicated Global Privacy Team partners cross-functionally to deliver pragmatic, creative and scalable privacy solutions to address these challenges. We help embed privacy controls into the design and build of our products and services and integrate them into our internal processes and applications. We deploy enterprise privacy training, comprehensive procedures, and controls to protect our customers and their infrastructures as well as we do our own. This year, we launched enterprise-wide privacy training that addresses real day-to-day scenarios that help our employees understand the steps they can take to meet their privacy-related obligations. We 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 FAQs to help address the most common questions we receive from customers.

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.

Learn more at the [VMware privacy program page](#).



Providing Innovative Customer Security in the Face of Increasing Cyberthreats

At VMware, we know that digital security is a complex, challenging and ever-changing issue for organizations everywhere—including our own—and we know that what matters most to our stakeholders is the security, transparency and reliability of our offerings and practices. We see the rapidly advancing thread 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 and employees. We are facing this challenge directly, designing innovative programs that anticipate trends in cyberthreats. VMware is committed to advancing security programs and practices through transparent business processes and the candid customer dialogue our partners have come to count on.



Advancing Our Core Values Through Good Policy and Political Engagement

VMware believes that part of being a good corporate citizen is engaging meaningfully in the process. Our Global Government Relations and Public Policy team now works with United By Interest (UBI), the first bipartisan, majority-minority owned government relations team in Washington, D.C. UBI will help enhance VMware's outreach to key members the Congressional Black Caucus and Congressional Hispanic Caucus on issues around social and racial justice, not just on core business issues.

We are also proud that the VMware Political Action Committee has its most diverse Board of Directors, which includes our Chief People Officer, our Vice President of Diversity and Inclusion, and representatives from our Power of Difference groups (PODs). Our diverse board members bring a broader perspective in identifying appropriate candidates to engage. We also established new criteria that prioritizes candidates who align with our EPIC₂ values and the 2030 Agenda:

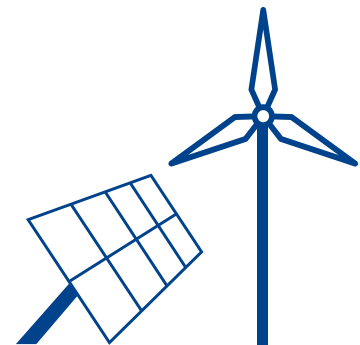
- The candidate sits on a committee of relevant jurisdiction
- The candidate represents a district or state where VMware, Inc. has a significant presence
- The candidate holds a leadership position
- The candidate or political committee supports and aligns to VMware's 2030 Agenda and EPIC₂ company values (new in 2021)



Advocating for Federal Clean Energy Policies

VMware is proud to join with 35 other companies as a signatory to the Energy Buyer Federal Clean Energy Policy statement¹⁹, organized by the Renewable Energy Buyers Alliance (REBA). REBA is a member-based organization that represents and advocates on behalf of many of America's largest corporate energy buyers. The group emphasizes the need for ambitious national policies that modernize the power grid and ensure it is resilient, affordable, customer-focused and carbon-free.

American businesses have signed nearly 30 gigawatts' worth of new, large-scale renewable energy contracts since 2014. In 2019, announced deals, totaling 9.4 gigawatts, were the equivalent of 80 percent of total renewable energy capacity installed in the U.S. that year. **More than 250 global businesses, including VMware, have committed to using 100 percent renewable energy**, and Fortune 1000 companies may represent as much as 85 gigawatts of renewable energy demand through 2030.





TRANSPARENCY

MEASURING OUR PROGRESS

Aligning to the Highest Standards for ESG Outcomes

We believe that transparency is crucial to achieving our ambitious 2030 Agenda and keeping ourselves accountable. That's why transparency is one of our 2030 goals as we work to earn our stakeholders' continued trust. VMware has a long history of leveraging data internally to improve our decision-making and capacity for innovation, and we have transparently shared our ESG performance since VMware's inaugural ESG Report (previously called the Global Impact Report) in 2015.

VMware's FY21 greenhouse gas (GHG) emissions were down 19 percent from the previous year, while our revenue grew by 9 percent. Our continued commitment to 100 percent renewable energy led to an increase in our renewable energy purchases, which reduced our Scope 2 market-based emissions by 34 percent from FY20. Reduced occupancy and limited operations during the pandemic also contributed to the overall decrease in our emissions.

We have improved our GHG inventory by expanding the data coverage of our refrigerant emissions and enhanced the accuracy of our Scope 3 calculations by using actual supplier data for categories like our Infrastructure-as-a-Service (IaaS) footprint.

ESG PERFORMANCE IMPROVEMENTS FROM 2020-21

LOWERED FY21 GHG EMISSIONS BY

19%

ESTABLISHED A **NEW GOVERNANCE STRUCTURE** FOR EFFECTIVE OVERSIGHT AND INCREASED ACCOUNTABILITY

REDUCED SCOPE 2 MARKET-BASED EMISSIONS BY

34%

DEVELOPED **MEASURABLE ESG MILESTONES** THAT ALIGN TO OUR EXECUTIVE MANAGEMENT BY OBJECTIVES

INCREASED GLOBAL REPRESENTATION OF WOMEN AT VMWARE BY

2.4%

OVERALL FROM PRE-PANDEMIC LEVELS

Assessing the Carbon Impact of Remote Work at VMware

As part of our 2020 GHG inventory, we assessed for the first time the carbon impact of VMware employees working from home. This called for an innovative methodology that addressed regional variations in our globally distributed workforce. Groups were based on our Future of Work Collaboration Hubs, which helped us account for region-specific climate and emissions. We started with the impact of key energy use in a typical home office: IT equipment usage (i.e., the electrical load of our employees' work computers and other devices), lighting load, and HVAC systems (heating and cooling) are the main emission sources.

In the next normal, the environmental impact of our workforce is not limited to corporate office buildings. Employees' homes now fall within our operational boundary, and VMware will continue to help employees prioritize sustainability wherever they are through our Sustainability @ Home initiative.



Evolving ESG Disclosures and Frameworks

Despite the progress we have made, we recognize that VMware's approach to ESG data and measurement must evolve just like our broader ESG strategy has evolved over time. With that in mind, another of our 2030 goals is transitioning to integrated reporting, meeting or exceeding ESG reporting standards. As part of these efforts, we now include ESG updates in our Form 10-K and Proxy Statement. We know that our shareholders, partners, employees and other stakeholders are holding us accountable for our ESG progress, and we continue to refine our reporting practices and improve engagement by expanding our disclosures.

This annual ESG report aligns to the Global Reporting Initiative (GRI), Sustainable Accounting Standards Board (SASB) and the United Nations Global Compact (UNGC) frameworks, which can be viewed in more detail in the ESG Performance Data table at the end of this report. The United Nations Sustainable Development Goals (UN SDGs) also informed VMware's 2030 Agenda. Additionally, VMware is

excited to share that we have adopted the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, and we are identifying our material climate-related risks and opportunities with a cross-functional team of internal stakeholders. Going forward, we will integrate TCFD guidelines into our enterprise risk management systems, quantify and analyze the true financial impacts of varying climate change scenarios, and report on the results transparently.

VMware also regularly responds to investor requests for information and industry leading ESG assessments. These include the Carbon Disclosure Project (CDP) to measure our environmental sustainability performance, EcoVadis to evaluate our ESG practices, and S&P Global's Corporate Sustainability Assessment (CSA) to measure our overall ESG performance and evaluate potential inclusion in the Dow Jones Sustainability Indices (DJSI). VMware was recognized on the CDP Climate Change A list in 2020, awarded Silver Sustainability Rating by EcoVadis, and earned placement on the DJSI.





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REALISE WHAT

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Description	FY21	GRI	SASB	UNGC
COMPANY OVERVIEW				
Worldwide patents and applications	8,384			
Location of headquarters	3401 Hillview Avenue, Palo Alto, California 94304 USA	GRI 102-3		
Location of operations	Office Locations	GRI 102-4		
Ownership and legal form	VMware Form 10-K FY21	GRI 102-5		
Markets served	VMware Form 10-K FY21	GRI 102-6		
Scale of the organization	VMware Form 10-K FY21	GRI 102-7		
Reporting period	February 2, 2020 - January 31, 2021	GRI 102-50		
Report cycle	Annual	GRI 102-52		
Report contact	ESG@vmware.com	GRI 102-53		
Direct economic value generated and distributed	VMware Form 10-K FY21	GRI 201-1		
Membership of associations	VMware's 2021 CDP Climate Change response	GRI 102-13		
List of stakeholder groups	Shareholders, customers, partners, employees, communities, the environment	GRI 102-40		
Statement from senior decision-maker	VMware ESG Report FY21, Letters from the CEO and CPO	GRI 102-14		
Information on employees and other workers	VMware DEI Report FY21	GRI 102-8		
External initiatives	We are involved in several external initiatives, including: RE100, REBA, UNGC and 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 2021 CDP Climate Change response. All of these initiatives are voluntary.	GRI 102-12		

Description	FY21	GRI	SASB	UNGC
GOVERNANCE				
Governance structure	Corporate Governance Guidelines	GRI 102-18		
Executive-level responsibility for economic, environmental and social topics	VMware's Environmental, Social and Governance strategy is led by the Vice President of Environmental, Social, Governance, and reports to the following ESG Executive Sponsors: Chief Financial Officer, Chief Technology Officer, Chief People Officer and General Counsel.	GRI 102-20		
Total Executive and Non-Executive Board Members	10	GRI 102-22		
Board Gender Diversity	20%	GRI 102-22, 405-1		
Composition of the highest governance body and its committees	Corporate Governance Guidelines	GRI 102-22		
Chair of the highest governance body	Corporate Governance Guidelines	GRI 102-23		
Nominating and selecting the highest governance body	Corporate Governance Guidelines	GRI 102-24		
Conflicts of interest	Corporate Governance Guidelines	GRI 102-25		
Role of highest governance body in setting purpose, values and strategy	Corporate Governance Guidelines	GRI 102-26		
Evaluating the highest governance body's performance	Corporate Governance Guidelines	GRI 102-28		
Communicating critical concerns	Corporate Governance Guidelines	GRI 102-33		
List of material topics	Data Privacy and Security, Digital Ethics, Product Stewardship and Design, Climate Resilience and Adaptation, Energy and GHG Emissions, Civic Engagement and Public Policy, Community Engagement, Digital Skills and Training, Human Capital, Inclusion and Equal Opportunity, Supply Chain Responsibility, Business Oversight and Transparency	GRI 102-47		

	Description	FY21	GRI	SASB	UNGC
GOVERNANCE (CONT.)					
	External assurance	VMware is responsible for the preparation and integrity of the information in this report. VMware engaged Apex as an independent third party to review our FY21 GHG inventory and energy consumption, and received limited assurance of its accuracy and completeness. The scope of this review, included in this report, includes our global Scope 1 and Scope 2 GHG emissions, Scope 1 and 2 energy consumption and Scope 3 GHG emissions related to business travel. The rest of this report has not been externally assured by an independent third party.	GRI 102-56		
	Code of conduct	Business Conduct Guidelines	GRI 102-16		Principle 10
	Percentage of employees who completed Business Conduct Guidelines training	100%	GRI 102-16		Principle 10
	Mechanisms for advice and concerns about ethics	VMware Ethics Helpline	GRI 102-17		
Data Privacy and Security	System performance and security	VMware Cloud Trust Center	GRI 418-1	TC-SI-220a.1	Principle 1
	Description of policies and practices relating to behavioral advertising and user privacy	VMware ESG Report FY21, Chapter 6: Accountability	GRI 418-1	TC-SI-220a.1	
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	VMware ESG Report FY21, Chapter 6: Accountability		TC-SI-230a.2	
	Description of business continuity risks related to disruption of operations	VMware ESG Report FY21, Chapter 4: Action		TC-SI-550a.2	
Public Policy	Company political contributions	0	GRI 415-1		
	VMware PAC contributions	\$99,000	GRI 415-1		

	Description	FY21	GRI	SASB	UNGC
SOCIAL					
Workforce Indicators	Number of employees	34,242	GRI 102-7		
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	VMware Careers	GRI 401-2		
	Commitment to Diversity and Inclusion	VMware Diversity, Equity and Inclusion			Principle 1,6
	Regional employees (AMER %)	49.5%	GRI 102-7		
	Regional employees (APJ %)	31.9%	GRI 102-7		
	Regional employees (EMEA %)	18.6%	GRI 102-7		
	Global gender diversity	27.1%	GRI 102-8	TC-SI-330a.3	
	Regional gender diversity, AMER	27.7%	GRI 102-8	TC-SI-330a.3	
	Regional gender diversity, APJ	26.8%	GRI 102-8	TC-SI-330a.3	
	Regional gender diversity, EMEA	26.0%	GRI 102-8	TC-SI-330a.3	
	Regular employees under 31 years old	21.4%	GRI 405-1		
	Regular employees 31-50 years old	65.7%	GRI 405-1		
	Regular employees over 50 years old	13%	GRI 405-1		
	Total New Hires - under 31 years old	36.4%	GRI 401-1		
	Total New Hires - 31-50 years old	55.5%	GRI 401-1		
	Total New Hires - over 50 years old	8.2%	GRI 401-1		
	U.S. - African American/Black	3.7%	GRI 405-1	TC-SI-330a.3	
	U.S. - Asian	32.2%	GRI 405-1	TC-SI-330a.3	
	U.S. - Caucasian/White	55.4%	GRI 405-1	TC-SI-330a.3	
	U.S. - Hispanic/Latinx	6.2%	GRI 405-1	TC-SI-330a.3	
	U.S. - Multiracial	2.0%	GRI 405-1	TC-SI-330a.3	
	U.S. - Other	0.5%	GRI 405-1	TC-SI-330a.3	
	Differently Abled (US)	3.2%			
	LGBTQ (Global)	2.6%			

	Description	FY21	GRI	SASB	UNGC
SOCIAL (CONT.)					
	Veterans (US)	5.4%			
	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	18,049	GRI 404-2		Principle 6
	Total number of employees who attended an R&D training	14,644	GRI 404-2		Principle 6
	Employees receiving regular performance and career development reviews	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.	GRI 404-3		
	Employee engagement 9	44%		TC-SI-330a.2	
	Employee Net Promoter Score (NPS)	48			
Community Engagement	Total VMware Foundation grants	\$17,361,000			
	VMware matching gifts (included in total above)	\$11,533,000			
	Employee service learning hours	65,103			
	Number of employees who participated in charitable activities	26,251			
	Percentage of employees who participated in charitable activities	77%			

	Description	FY21	GRI	SASB	UNGC
SOCIAL (CONT.)					
Human Rights	Number of global nonprofits supported	14,122			
	Total VMware University Research Fund (VMURF) grants	\$6,781,089			
	Commitment to ethical conduct	VMware's Business Conduct Guidelines	GRI 412-1		Principle 1,4,5,6
	Commitment to supplier diversity	Responsible Sourcing	GRI 414-1		Principle 6
	Diverse supplier spend (US)	\$120,000,000			
	Supplier code of conduct	VMware's Supplier Code of Conduct	GRI 414-1		Principle 1,3,4,5,6
	Partner code of conduct	VMware's Partner Code of Conduct	GRI 414-1		Principle 1,3,4,5,6
Partner code of conduct	Partner Code of Conduct	GRI 414-1		Principle 1,3,4,5,6	
ENVIRONMENTAL					
Strategy and Management	Environmental impact of VMware products	IDC White Paper, sponsored by VMware, Enabling More Agile and Sustainable Business Through Carbon-Efficient Digital Transformations, August 2020			Principle 8, 9
	GHG emissions avoided by VMware products	152,000,000 MT CO2e *Note: Data is from FY20, calculation was not updated for FY21.			Principle 8, 9
GHG Emissions	Climate strategy, management, risks and opportunities	VMware's CDP Climate Change Questionnaire 2021	GRI 102-15, 201-2		Principle 7
	GHG Emissions	385,432 MT CO2e	GRI 305		
	Scope 1: Direct emissions from owned/controlled operations	2,788 MT CO2e	GRI 305-1		
	Scope 2: Indirect emissions from the use of purchased electricity (market-based)	7,318 MT CO2e	GRI 305-2		
	Scope 2: Indirect emissions from the use of purchased electricity (location-based)	72,198 MT CO2e	GRI 305-2		
	Scope 2: Indirect emissions from the purchased cooling	1,106 MT CO2e	GRI 305-2		
	Scope 3: Business air travel	15,878 MT CO2e	GRI 305-3		
	Scope 3: Employee commuting 3	23,571 MT CO2e	GRI 305-3		
	Scope 3: Purchased Goods and Services	240,663 MT CO2e	GRI 305-3		

	Description	FY21	GRI	SASB	UNGC
ENVIRONMENTAL (CONT.)					
	Scope 3: Capital Goods	72,136 MT CO2e	GRI 305-3		
	Scope 3: Other	23,079 MT CO2e	GRI 305-3		
	GHG emissions intensity revenue metric 4	0.62 MT CO2e/million USD revenue	GRI 305-4		
	GHG emissions intensity employee metric 5	2.08 MT CO2e/employee	GRI 305-4		
	GHG emissions intensity square footage metric 6	1.62 MT CO2e/1,000 Sq.Ft.	GRI 305-4		
	Progress against our science-based emission reduction targets		GRI 305-5		Principle 8
	By 2030, VMware is committed:				
	To reduce our scope 1 and 2 emissions by 50% from a FY2019 base-year	% of target achieved in the current year: 115%			
	To reduce absolute scope 3 GHG emissions from fuel-and-energy-related activities 50% from a FY2019 base year	% of target achieved in the current year: 67%			
	To reduce absolute scope 3 GHG emissions from employee commuting 50% from a FY2019 base year	% of target achieved in the current year: 108%			
Electricity	Electricity purchased	159,889 MWh	GRI 302-1	TC-SI-130a.1	
	Total renewable energy purchased	158,097 MWh	GRI 302-1		Principle 8
	Total Energy Attribute Credits (EACs) purchased	70,280 MWh	GRI 302-1		Principle 8
	Renewable energy purchased (excluding EACs)	87,817 MWh	GRI 302-1		Principle 8
	Percentage of renewable energy globally	99.88%	GRI 302-1	TC-SI-130a.1	Principle 8
	Energy intensity square footage metric	31 kWh/sqft	GRI 302-3		
	Reduction of energy consumption	VMware 2021 CDP Climate Change response; Section C4.3	GRI 302-4		Principle 8
Waste	Waste generation (tons)	120	GRI 306-2		
	Recycling (tons)	54	GRI 306-2		
	Compost (tons)	56	GRI 306-2		
	Landfill (tons)	9	GRI 306-2		
	Landfill diversion rate	92%			Principle 8
	Waste programs coverage (% of global square footage)	50%			

	Description	FY21	GRI	SASB	UNGC
ENVIRONMENTAL (CONT.)					
E-Waste	Total e-waste generated globally (MT)	91.34 MT	GRI 306-2		
	Total e-waste processed at R2 certified facilities (% of total e-waste generated)	95%	GRI 306-2		Principle 8
	E-waste disposal by region (%)				
	AMER	75%			
	APJ including India	20%			
	EMEA	5%			
Water	Water consumed	158,000,562 (gallons)	GRI 303-5	TC-SI-130a.2	
	Water consumption coverage (percentage of global square footage)	62%			
Built Environment	LEED certifications	19			
	Percentage of square footage in green building certified space 7	42%			Principle 8
	Wenatchee Data Center Power Usage Effectiveness (PUE)	1.29	GRI 302-3	TC-SI-130a.1	
	Portfolio Square Footage	6,242 (in thousands)			
Supply Chain	Engagement with supply chain on climate issues	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 61% of total scope 3 emissions in FY21. At the end of 2020, we launched our Responsible Sourcing Program to deepen our supplier engagement.	GRI 102-9, 308-1		Principle 8
	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	24% of our suppliers have set or committed to science-based targets as of FY21.	GRI 102-9, 308-1		Principle 8

Report Endnotes

1. VMware. “VMware’s Sustainability Team Receives Global Recognition.” February 2021. <https://www.vmware.com/company/news/updates/2021/vmware-sustainability-recognition.html>
2. IDC White Paper, sponsored by VMware. “Enabling More Agile & Sustainable Business through Carbon-Efficient Digital Transformations.” August 2020. <http://www.vmware.com/go/VMwareIDCWhitePaper2020>
3. Edelman. “Edelman’s Trust Barometer 2021.” <https://www.edelman.com/sites/g/files/aatuss191/files/2021-01/2021-edelman-trust-barometer.pdf>
4. Our most recent data analysis as of November 2020 shows that at VMware, women, in the aggregate, adjusting for the factors identified above, earn 99 percent of their male counterparts’ target cash compensation globally and underrepresented minorities earn 100 percent of their white counterparts in the U.S.
5. VMware. “FY21 Diversity, Equity and Inclusion Report.” <https://www.vmware.com/content/dam/digitalmarketing/vmware/en/pdf/company/vmw-annual-report.pdf>
6. VMware’s CarbonNeutral® Company certification is in alignment with the CarbonNeutral® Protocol, <https://www.CarbonNeutral.com/the-CarbonNeutral-protocol>
7. NSF/VMware Partnership on The Next Generation of Sustainable Digital Infrastructure (NGSDI), https://www.nsf.gov/funding/pgm_summ.jsp?pims_id=505824&org=NSF&sel_org=NSF&from=fund
8. VMware Zero Carbon Committed program, <https://www.vmware.com/company/news/updates/2021/zero-carbon-committed-initiative.html>
9. VMware Responsible Sourcing program, <https://www.vmware.com/company/responsible-sourcing.html>
10. VMware. “Advocating for Federal Clean Energy Policies.” January 2021. <https://www.vmware.com/company/news/updates/2021/advocating-federal-clean-energy-policies.html>

ABOUT THIS REPORT

ABOUT VMWARE

VMware software powers the world's complex digital infrastructure. The company's cloud, app modernization, networking, security and digital workspace offerings help customers deliver any application on any cloud across any device. Headquartered in Palo Alto, California, VMware is committed to being a force for good, from its breakthrough technology innovations to its global impact.

For more information, please visit <https://www.vmware.com/company>

This report is an annual progress update on VMware's Environmental, Social and Governance performance.

Reporting Period

This report covers VMware and our subsidiaries for the 2021 fiscal year (February 1, 2020, to January 31, 2021). The terms "fiscal year 2021" and "2020" are used interchangeably throughout the report to refer to the data within the stated time period.

Global Reporting Initiative and Sustainability Accounting Standards Board

This report has been prepared with consideration of GRI 2016 and SASB Standards. 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 Performance Data for a list of GRI and SASB disclosures.

Assurance

VMware is responsible for the preparation and integrity of the information in this report. VMware engaged Apex as an independent third party to review our fiscal year 2021 GHG inventory and energy consumption and received limited assurance of its accuracy and completeness. The scope of this review, included in this report, includes global Scope 1 and Scope 2 GHG emissions, Scope 1 and 2 energy consumption, and Scope 3 GHG emissions related to business travel. The rest of this report has not been externally assured by an independent third party. Please see our assurance letter at: <https://www.vmware.com/content/dam/digitalmarketing/vmware/en/pdf/sustainability/vmware-apex-data-verification-letter-fy21.pdf>.

Online Content

Additional content related to VMware's ESG efforts can be found online at <https://www.vmware.com/company/esg>.

Contact

VMware invites stakeholders to provide feedback on the topics covered in this report and on our website. Please submit questions or comments to the ESG Office at ESG@vmware.com.

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