FORCE FOR GOOD

vmware®

WE STRIVE TO BE A FORCE FOR GOOD IN THE WORLD.

Innovation is in our DNA. It fuels us to be bolder and think more creatively about everything from the digital transformations we enable to the impact our technologies and actions have on the world. Our mission is to *leave ahead* a better future—to put back more into the environment, society and global economy than we take—and to inspire our employees, customers and partners to do the same.

In this report, our first of its kind, we present our sustainability efforts as seen through the prism of our products, planet and people. This is where we feel we can make the greatest impact. We explore what we are doing now and what we plan to do going forward.

To us, the seemingly impossible *is* possible. And we work to prove it every day.

Our definition:

LEAVE AHEAD
[lēv/ə'hed] | verb

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

Overlooking VMware's Ribbon Cutting ceremony of our campus expansion at Palo Alto HQ.

Contents

ABOUT THIS REPORT

Reporting Period

This report covers VMware, Inc. and its subsidiaries for the 2015 fiscal year (January 1, 2015 to December 31, 2015). In September 2016, Dell Technologies completed its acquisition of EMC Corporation, VMware's majority stockholder. VMware continues to operate as an independent, publicly traded company. Information provided in this report is independent of both EMC and Dell.

Materiality

We completed our first materiality assessment in 2015. This process was supported by a third party, PwC, and included analysis of global megatrends, our value chain, stakeholder insights and our competitive landscape. We engaged our employees, senior leaders and content experts from across our business to evaluate the social and environmental issues that have the most relevance to global sustainability and the largest impact on our success as a company. The results of this process have informed the development of our sustainability strategy and the content for this report. Looking ahead, we plan to conduct an assessment that will include additional external stakeholders and reflect some of the changes the company has experienced in the last year.

Global Reporting Initiative (GRI)

This report contains Standard Disclosures referenced from the GRI-G4 Sustainability Reporting Guidelines. Please refer to the GRI Content Index for a list of disclosures, which were determined based on our materiality assessment. Together with the GRI Index, this report provides our stakeholders with a summary of our global impact as well as performance indicators established to track our progress toward the aspirations and goals set out in this report.

Assurance

VMware is responsible for the preparation and integrity of the information in this report. VMware engaged PwC as an independent third party to review our 2015 Greenhouse Gas (GHG) inventory and received limited assurance of its accuracy and completeness.[1] The scope of this review, included in this report, is all global Scope 1 and Scope 2 GHG emissions. The rest of this report has not been externally assured by an independent third party.

Online Content

Additional content related to VMware's sustainability and corporate social responsibility programs can be found online at: vmware.com/company/Sustainability.

Contact

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

Trademarks

Trademarks or registered trademarks of VMware, Inc. or its subsidiaries in the United States and/or other countries can be found at vmware.com/trademarks.html.
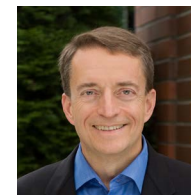
Other names and marks are the property of their respective owners.

Djinn ("The Genie") by artist Robert Berry captures imaginations at Palo Alto HQ.

COMMITTED TO LEAVE AHEAD A BETTER FUTURE

A MESSAGE FROM OUR CEO

We live in an age of unprecedented social, economic and ecological challenges, and the time to act is now. At the same time, we are currently experiencing the most disruptive period in the history of information technology. Mobile and cloud technologies are redefining how we interact with one another, how businesses compete—and how we approach critical global challenges such as sustainability.

At VMware, we have a long-standing commitment to driving innovations that contribute to a net positive future and sustainable growth. In fact, one of the things I am most proud of is that our technology not only provides our customers with a valuable return on their investment, but has had an incredible impact on energy efficiency in data centers around the world.

With the release of this, our first Global Impact Report, we are expanding and elevating our commitments. In this report, we share our VMware 2020 vision to serve as "a force for good." We outline our sustainability roadmap and detail the aspirations and goals we have established for ourselves across three important dimensions, leading with the areas where we feel we can make the greatest impact:

- Our Products: Creating innovative technology that contributes lasting net positive value to our customers and our partner ecosystem.

- Our Operations: Doing more than our fair share to be at the forefront of environmental sustainability in our business practices and operations.

- Our People: Building platforms for a diverse and inclusive environment that enrich lives at work, at home and in the community, while inspiring our people to give more than they take.

VMware 2020 is an ambitious plan inspired by our EPIC$_2$ company values. What you will discover in this report builds on our great legacy of responsibility, our enduring culture of ingenuity and our reputation for breakthrough innovation.
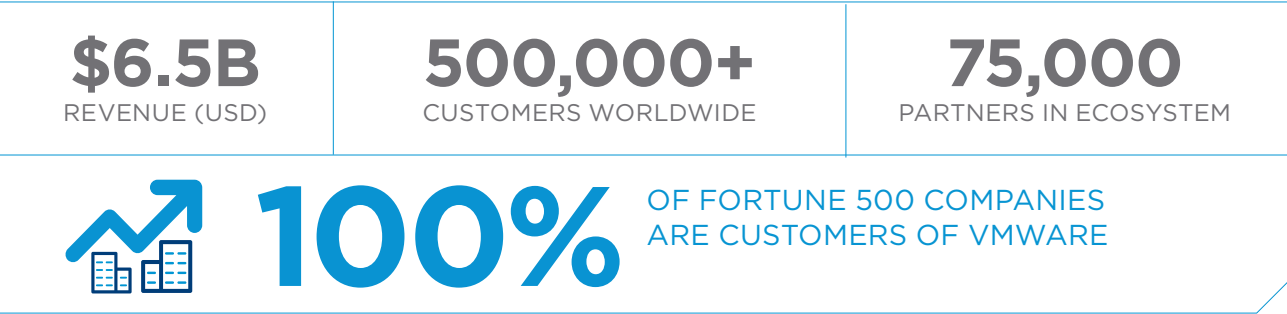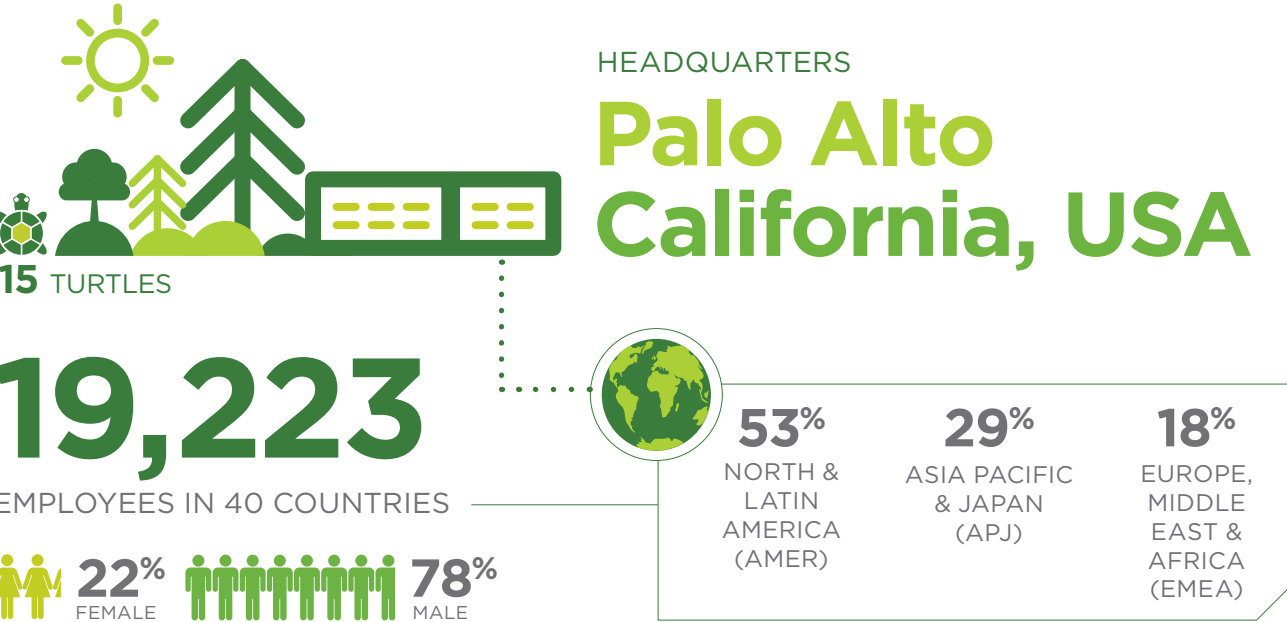
You only have to visit our corporate headquarters and meet our people to know that sustainability really is an integral part of what we do and how we think. With this Global Impact Report, I couldn't be more proud to see VMware document our legacy and commit ourselves to a future where we "leave ahead" more for generations to come.

Sincerely,

Pat Gelsinger

Chief Executive Officer

We enable customers' digital transformations by providing the software to run, manage, secure and connect applications across clouds and devices.

15 TURTLES

HEADQUARTERS

Palo Alto California, USA

19,223
EMPLOYEES IN 40 COUNTRIES

22% FEMALE   **78%** MALE

53%	**29%**	**18%**
NORTH & LATIN AMERICA (AMER)	ASIA PACIFIC & JAPAN (APJ)	EUROPE, MIDDLE EAST & AFRICA (EMEA)

$6.5B	**500,000+**	**75,000**
REVENUE (USD)	CUSTOMERS WORLDWIDE	PARTNERS IN ECOSYSTEM

100% OF FORTUNE 500 COMPANIES ARE CUSTOMERS OF VMWARE

CUSTOMERS USING VMWARE VIRTUALIZATION AVOIDED

67 MILLION
MT CO_2e

EQUIVALENT TO POWERING **10,000,000 HOMES** FOR A YEAR[2]

VS

VMWARE GLOBAL OPERATIONS CREATED

128,419
MT CO_2e

EQUIVALENT TO POWERING **18,963 HOMES** FOR A YEAR[3]

"VMware works hard to foster an atmosphere and culture of relentless innovation and is constantly coming up with great ideas to solve customer problems. Being a force for good is at the core of what we do."

– Ray O'Farrell, VMware Executive Vice President & Chief Technology Officer

View of our Redwood Path, connecting the Promotory buildings to Hilltop buildings on Palo Alto HQ.

Believe in the future by creating it first

Tackling the seemingly impossible has defined our company since its founding in 1998. We're driven by curiosity and ingenuity—a desire to challenge the status quo and to think more radically about technology. Every step of the way, we fuel ideas with action, turning "what if?" into "what's next?"

We first challenged business-as-usual by pioneering the development and application of virtualization technologies with x86 server-based computing, separating application software from the underlying hardware. Today, we are the leader in virtualization and cloud infrastructure solutions that enable businesses to transform the way they build, deliver and consume Information Technology ("IT") resources in ways that are evolutionary and based on their specific needs. Customer benefits include lower IT costs and a more automated and resilient systems infrastructure capable of responding dynamically to variable business demands. Over the years, we have increased our product beyond compute virtualization to storage and network virtualization. Our cloud offerings allow organizations to manage IT resources across private clouds and public clouds delivering any application and in multi-device environments. We were the first company to articulate a vision for the software-defined data center (SDDC), where physical infrastructure is increasingly virtualized and delivered as a service—allowing control of the data center to be entirely automated by software. What was once the "what if" of virtualization is now the "what's next" of digital transformation.

Pioneering the journey forward

The timeline that follows reflects our company's history and journey of pioneering innovation. Since our founding, we have received hundreds of industry accolades and awards.[4] In an evaluation of the "Patent Power 2015," IEEE rated our patent portfolio as the second most powerful among computer software companies.[5] Without question, VMware's technology has opened the door to the recent and massive transformation in IT with the emergence of cloud computing.

VIRTUALIZATION EXPLAINED

Virtualization is the process of creating a software-based (or "virtual") representation of physical hardware. Virtualization can apply to computers, data storage and networks. In essence, virtualization can turn one computer into many, and is the single most effective way to reduce IT expenses and energy consumption, all while boosting efficiency and agility.

IEEE RATED VMWARE

2ND MOST POWERFUL
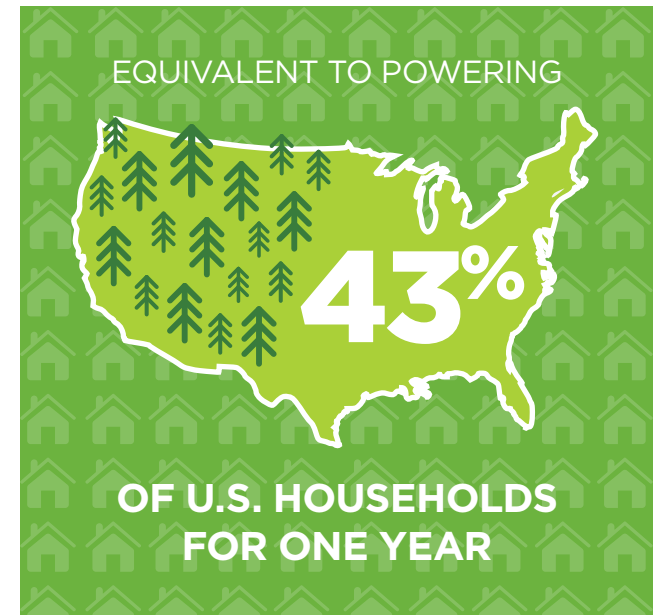
PATENT PORTFOLIO AMONGST COMPUTER SOFTWARE COMPANIES

340 MILLION

MT CO_2e AVOIDED BY CUSTOMERS USING VMWARE VIRTUALIZATION OVER THE LAST 13 YEARS

EQUIVALENT TO POWERING

43%

OF U.S. HOUSEHOLDS FOR ONE YEAR

Shrinking emissions through virtualization

Having pioneered the development of server virtualization technologies, we've significantly increased the operational efficiency of IT resources. Server virtualization is a key element of cloud computing. It allows for elasticity through rapid provisioning and de-provisioning of services. By reducing the number of servers needed, and increasing the utilization rates of servers deployed, virtualization software also lessens, often dramatically, the total energy required to support a given service. Lower power consumption associated with server virtualization reduces the release of greenhouse gases (GHGs) like carbon dioxide (CO_2). In fact, every server virtualized is estimated to avoid the output of approximately 4 tons of CO_2 per year.[6] Among other benefits, virtualization has had an impact on reducing data center space requirements, and cooling and management demands.

Significantly reducing the aggregate number of servers needed in the market results in a substantial net positive impact from a sustainability perspective. According to a recent report by IDC,[7] VMware server virtualization products are estimated to have avoided 603 million megawatt hours (MWh) of power consumption, or 340 million metric tons of carbon dioxide equivalent (MT CO_2e) since 2003. 603 million MWh is enough to power 53 million average households for one year. That's the equivalent of avoiding the emissions from powering 43% of U.S. households for one year. In 2015 alone, the CO_2 avoidance associated with customers using our products was 67 million MT CO_2e. That's equivalent to removing 14 million cars from the road for one year.

Server virtualization has already delivered significant economic value to customers. We are now focused on extending those benefits even further—positively impacting the economics of networking, storage and end-user computing.

While we're proud of the impact we've already had, we know we have more to do. To us, it's not enough to simply do less harm. We're committed to doing more good—to putting back more into society, the environment, and the global economy than we take. We are determined to amplify our net positive impact. It's that ambition—and vision—that frames our sustainability roadmap: VMware 2020.

SUSTAINABILITY AND OUR HISTORY OF INNOVATION

PALO ALTO HQ
"CAMPUS IN A FOREST"
HIRED SUSTAINABLE ARCHITECTURE FIRM TO DESIGN OUR CAMPUS HEADQUARTERS

20,000
SQUARE FEET OF RECLAIMED WOOD FLOORING

750
WINDOWS INSTALLED THAT OPEN & CLOSE TO REDUCE NEED FOR AIR CONDITIONING AND ALLOW FOR FRESH AIR

LEED PLATINUM® DATA CENTER
100% CLEAN POWERED
IN EAST WENATCHEE, WASHINGTON, U.S.

RECYCLING
GLOBAL PROGRAM STARTED

CREATED SEPARATE WASTE STREAM FOR
COMPOST
(LONG BEFORE THE CITY OF PALO ALTO IMPLEMENTED PROGRAM)

USE POTATO-BASED DISPOSABLE UTENSILS AT PALO ALTO HQ

OFFERED MORE HEALTHY SNACK CHOICES (AND KEPT M&M'S :)

100% CLEAN ENERGY
PALO ALTO HQ CAMPUS POWERED ON

VMWARE FOUNDATION STARTED

DIVERTED
85%
WASTE AT PALO ALTO HQ

9,000 PEOPLE

9 LEED®
CERTIFIED BUILDINGS INCLUDING PALO ALTO HQ AND WENATCHEE DATA CENTER

15,515
VMWARE PEOPLE GAVE BACK TO THEIR COMMUNITY

REDUCED WATER 35%
AT PALO ALTO HQ

VMWARE PEOPLE DISPOSED
17,000 lbs
OF E-WASTE AT HQ

PLANTED
2,500 TREES
AND NATIVE, LOW-WATER PLANTS

100% USE OF REUSABLE UTENSILS AT KALYANI VISTA, BANGALORE OFFICE

DIVERTED
94%
WASTE AT PALO ALTO HQ

vmwomen
INITIATIVE STARTED

988,000
LBS RECYCLED VS 91,000 LBS OF WASTE

56
EV STATIONS INSTALLED

19,223 PEOPLE

5
FOUNDERS RENTED SPACE AT THE
Cheese HOUSE DELI

FIRST INTERNATIONAL OFFICE OPENED IN FRIMLEY, UK

VMWARE ENTERS SPACE
SUPPORT FOR NASA MISSIONS USING VMWARE VIRTUALIZATION SOFTWARE

PROTECTED 9 MATURE REDWOOD TREES
(40-50' IN HEIGHT) WE FONDLY CALLED THIS ENDEAVOR THE "vTREE MOTION"

25 PEOPLE
150 PEOPLE
300 PEOPLE
1,500 PEOPLE

1998   1999   2000   2001   2002   2003   2004   2005   2006   2007   2008   2009   2010   2011   2012   2013   2014   2015

VMWARE FOUNDED
JAN 01, 1998

WORK STATION 1.0
BETA LAUNCHED
$1M SALES
100,000 REGISTERED USERS

WON FIRST MAJOR AWARD
PC MAGAZINE TECHNICAL EXCELLENCE
$10M SALES
500,000 REGISTERED USERS

ESX SERVER 1.5
RELEASED. THE HYPERVISOR WAS BORN

vMOTION
FIRST LIVE MIGRATION UNLEASHES VMS
$40M SALES
1,000,000 REGISTERED USERS

GLOBAL OFFICES
OPENED IN JAPAN, GERMANY, SINGAPORE

EMC ACQUISITION
FIRST VMWORLD
IN SAN DIEGO WITH 1,400 ATTENDEES

1 MILLION VIRTUAL MACHINES
99 OF FORTUNE 100 COMPANIES ARE VMWARE CUSTOMERS

FUSION
INTRODUCED
DISTRIBUTED RESOURCE SCHEDULER (DRS)
INTRODUCED
VMWARE GOES PUBLIC
IPO AUG 14 "VMW"

FIRST VMWORLD IN EUROPE
4,500 ATTENDEES

VIRTUAL DESKTOP INFRA-STRUCTURE (VDI)
INTRODUCED

17,000 ATTENDEES VMWORLD

20 MILLION VIRTUAL MACHINES
$1 BILLION SALES

ACQUIRED NICIRA
FOR $1.26B

NSX AND VIRTUAL SAN
INTRODUCED
500,000 CUSTOMERS
VMWARE RECOGNIZED AS #3 ON FORBES LIST
OF WORLD'S MOST INNOVATIVE COMPANIES
10TH ANNUAL VMWORLD CONFERENCE
OVER 22,000 ATTENDEES

ACQUIRED AIRWATCH
FOR $1.54B
RANKED IN FORTUNE'S TOP 100 BEST PLACES TO WORK FOR IN THE US
RANKED BY IEEE AS 2ND MOST POWERFUL PATENT PORTFOLIO AMONGST COMPUTER SOFTWARE COMPANIES

Reimagining what's possible

The world is changing at an unrelenting pace with social, environmental and economic problems becoming increasingly complex and interrelated. From poverty to climate change, gender inequities to security threats, global issues loom large. We know that to leave ahead a better future requires us to rethink and reimagine what's possible—and to create opportunities for growth and prosperity by challenging the status quo. We're determined to make a positive imprint on the world and to enable our employees, customers and partners to do the same. We believe that through our collective impact we can support business growth, help communities thrive and inspire people to do what's right for the planet and society.

That's where VMware 2020 comes in.

VMware 2020 is our sustainability roadmap and represents the commitment of our leadership and community to be a force for good in the world. It is inspired by the concept of doing business in a net positive way—to contribute more to society, the environment and the global economy than we take. For us, a net positive aspiration means enhancing the world we live in, not simply sustaining it. It means shifting the focus from doing "less bad" to doing "more good." Most importantly, it means deepening our understanding of the connection of our own business practices to the rest of the world.

Our approach to corporate sustainability is informed by the findings of our first materiality assessment, which was completed in 2015. It encompasses the impact of our products and our entire business ecosystem on communities and the environment. Our thinking is grounded in a set of guiding principles and built on an understanding of the multiple forms of capital—natural, human and social, along with financial and intellectual—that underpin the sustainability of our business. VMware 2020 outlines the vision, principles and immediate goals we've established as the most relevant to global sustainability and the most material to our success. Our aspirations, actions and goals are organized into three pillars: Product, Planet and People.

A BROADER LENS ON VALUE CREATION

Natural capital includes the use of natural resources—everything from energy to water—as inputs into business processes, as well as the negative impacts these processes have on the environment in the form of waste or GHG emissions.

Human capital relates to the care of people, who are critical to delivering long-term sustained value to our business.

Social capital focuses on responsible business practices, product quality, data security and customer privacy. Together, these forces can create systemic social impact.

VMWARE 2020 SUSTAINABILITY GUIDING PRINCIPLES

Every action we take on our sustainability journey considers the latest scientific research, and is informed by our shared EPIC$_2$ values (developed by our employees and described in the people section of this report). VMware 2020 and the goals articulated in this report are guided by the following principles:

Innovation
We are fueled by curiosity and the pursuit of the seemingly impossible. In this way, we both continuously improve our products and make things better across our value chain, operations and all areas of environmental and social responsibility.

Transparency
We believe in the value of building trust through accountability, disclosure and continuous reporting on our commitments and progress.

Influence
We create networks of positive change both within and beyond our business ecosystem—from delivering transformative technology solutions to helping customers expand their sustainability efforts—while working to support public policy that aligns with our goals.

Materiality
We debate and discuss the issues most material to our business and stakeholders and focus our efforts on areas where we can make a positive impact.

Inclusivity
We stand for inclusion and involve our diverse communities, people and stakeholders to create positive social and environmental impact and enable a culture of giving more than we take.

Challenges and opportunities

As a company, and an industry, we're in the throes of significant change. Having experienced rapid growth, leadership shifts and changing market dynamics, not surprisingly, formalizing our sustainability commitments, systems and processes—and completing this, our first report—has been a challenge. We have chosen to set near-term targets for our goals by 2020, and we recognize this too is a challenge. That said, we believe it is critical for us to work aggressively to reduce our own consumption of resources, and help our customers minimize theirs, if we are to create a longer-term ripple of sustainability.

Looking ahead, we expect our biggest challenge will be defining the parameters around measuring our long-term impact. Much of this is new territory for us, particularly as we move beyond environmental metrics, to social and product impact metrics. At the same time, we see this as an opportunity to help our community, particularly our employees, expand their perspective on the value we create for our customers—enabling them to unlock greater potential by helping our customers meet their social and environmental responsibility goals. We operate in a complex business ecosystem and recognize that we cannot solve all of these challenges on our own. For this reason, we are committed to working with our partners, customers and other stakeholders on innovative metrics and progressive frameworks for measuring the sustainability impacts of software technology.

VMWARE 2020

SUSTAINABILITY VISION

We are committed to developing transformative solutions that enable a net positive future and ensure sustainable growth.

VMware 2020 is our roadmap for sustainability. It is structured around three pillars—Product, Planet, People—that organize the sustainability issues that we've determined are most relevant and material to our business. Our aspirations to be a force for good are reflected in each pillar and include a series of goals. All of these goals have a target date of 2020 to achieve.

PRODUCT   PLANET   PEOPLE

VMWARE 2020

SUSTAINABILITY PILLARS

PRODUCT   PLANET   PEOPLE

ASPIRATIONS

Drive sustainable business practices and create technology that contributes long-term net positive value to our customers and partner ecosystem.

Do more than our fair share toward environmental and social sustainability in our business practices and operations.

Build an inclusive business environment that enriches people's lives at work, at home and in the community, to inspire people to give more than they take.

GOALS

Incorporate sustainability into every product release by focusing on solutions that help customers positively impact the environment and society.

Deliver technology that provides customers and partners with data that enables informed choices around cleaner clouds.

Integrate sustainability into our customer experience.

Commit to a science-based target for our global carbon emissions reduction.

Reach 100% renewable energy for our global operations and carbon neutrality.

Institute aggressive water conservation in the water-stressed regions within our portfolio.

Achieve over 90% waste diversion globally and zero e-waste to landfill from our operations.

Procure 50% of our business operations from diverse, sustainable and socially responsible suppliers.

Increase our representation of women and underrepresented groups so that we reflect the communities we live in and serve; inspire and support the broader community of women and diverse talent in technology.

Create a vibrant employee experience that promotes innovation and ingenuity and connects employees across our global community.

Develop global environmental and social responsibility programs that bridge work and home and help employees incorporate wellness and sustainability into their lives.

Inspire over 85% of our global employees to give back in their communities.

TRANSFORMATIVE PRODUCTS

We aspire to make the most innovative software *in* the world and *for* the world

Technology is advancing at a pace never seen before. Every step forward is helping to transform modern economies, and improve lives and communities with the potential to be a force for good around the world. The rapid growth of cloud and mobile means affordable, pervasive and scalable information technology is available to almost everyone everywhere, from those in financial services, utilities, healthcare and education, to farmers in places like Maharashtra, India. (See "Cows in the cloud" story on next page.)

We also recognize that the dramatic increase in demand for information technology services consumes energy and resources. We believe that the transformative promise of IT requires a commitment to continuous innovation and that software, along with better hardware, can provide enhanced efficiencies, reduced environmental impacts and expanded social value. For this reason, we aspire to put product sustainability at the center of our corporate responsibility efforts.

Our virtualization and software technologies have already made significant contributions by enabling our customers to operate more sustainably, efficiently, flexibly and securely than ever before. Our goal is to build on this legacy of positive impact and to push the limits of what is possible. We aim to create even smarter and cleaner ways for our customers to maximize performance, drive down costs and meet their environmental and social capital sustainability goals. This is our most material product responsibility issue.

ASPIRATION

Drive sustainable business practices and create technology that contributes long-term net positive value to our customers and partner ecosystem.

GOALS

1. Incorporate sustainability into every product release by focusing on solutions that help customers positively impact the environment and society.

2. Deliver technology that provides customers and partners with data that enables informed choices around cleaner clouds.

3. Integrate sustainability into our customer experience.

Cows in the Cloud

VMware cloud technology is transforming the lives and livelihoods of more than 10,000 family farmers in Maharashtra, India. For the first time ever, these rural operations are able to access information from veterinarians and share best practices. This enables farmers to improve their dairy stock, produce more and higher quality milk on less land and, as a result, generate greater income to support their families and communities. Read about the social and human capital impacts of VMware solutions on vmware.com/radius.

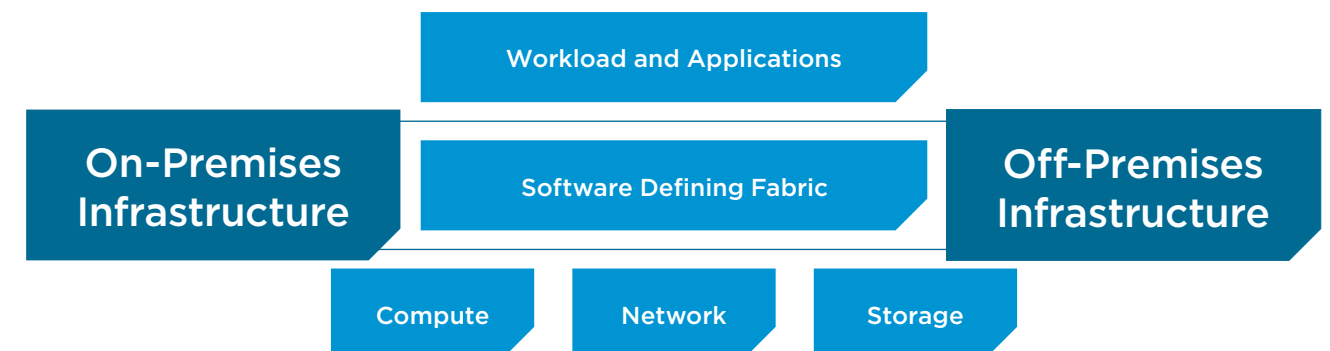Chitale Dairy farm in Maharashtra, India.

OUR IMPACT

The reach of VMware technology is vast, and so is its impact. Our products are recognized game changers that enable a software-defined approach to business, which accelerates our customers' digital transformations. Understanding how our technology fuels positive sustainability outcomes is less well documented. That said, it's an important part of the value we deliver to our customers and partners. We see our impact as part of a continuum—a journey that includes the strides we've already made and the aspirations and goals we plan to reach.

A portfolio of good

Our deep bench of pioneering products and services improve sustainability outcomes across a portfolio of environmental, social and human capital issues. From an environmental sustainability—or natural capital—perspective, perhaps the biggest impact VMware has had to date is the dramatic efficiency benefits of compute virtualization. Virtualization is recognized as a key element of cloud computing, and VMware's contribution to efficiency in the data center over the last 13 years is significant. In addition to server consolidation, VMware's Virtual Desktop Infrastructure (VDI) solutions extend these powerful virtual infrastructure capabilities to the desktop. This enables the replacement of desktop hardware with thin clients that, in turn, can consolidate and reduce power consumption. VMware's Distributed Resource Scheduler (DRS) is another innovation that further facilitates efficiencies by minimizing energy consumption. When excess capacity exists, VMware DRS (with Distributed Power Management (DPM) features enabled) intelligently consolidates workloads onto fewer servers without downtime or disruption and places unneeded hosts on standby power mode. When resources are required, DRS brings powered-down hosts back online to ensure

service levels are met. Powering down hosts for unused workloads on "nights and weekends" can help customers reduce server use significantly. DRS, along with DPM, were industry firsts, helping to drive new levels of flexibility and automation.

More recently, our Software-Defined Data Center (SDDC) infrastructure, in both private clouds or in VMware vCloud Air Network public clouds, helps businesses innovate ways to dramatically reduce energy consumption—as well as create significant operational savings. Our cloud architecture allows more choice in workload placement across clouds, public or private, enabling customers to make such decisions based on energy consumption or other environmental impact. Other solutions, such as VMware Horizon, reduce e-waste by extending the lifespan of existing equipment and also enable a mobile workforce. From a social and human capital perspective, issues of data privacy and security are on the rise and have an impact on sustainability. Our VMware NSX with Micro-segmentation enables companies to simplify networks, secure intra-data center network traffic and isolate disparate networks, while AirWatch Mobile Security Management protects mobile devices and corporate data.

Workload and Applications

On-Premises Infrastructure **Software Defining Fabric** **Off-Premises Infrastructure**
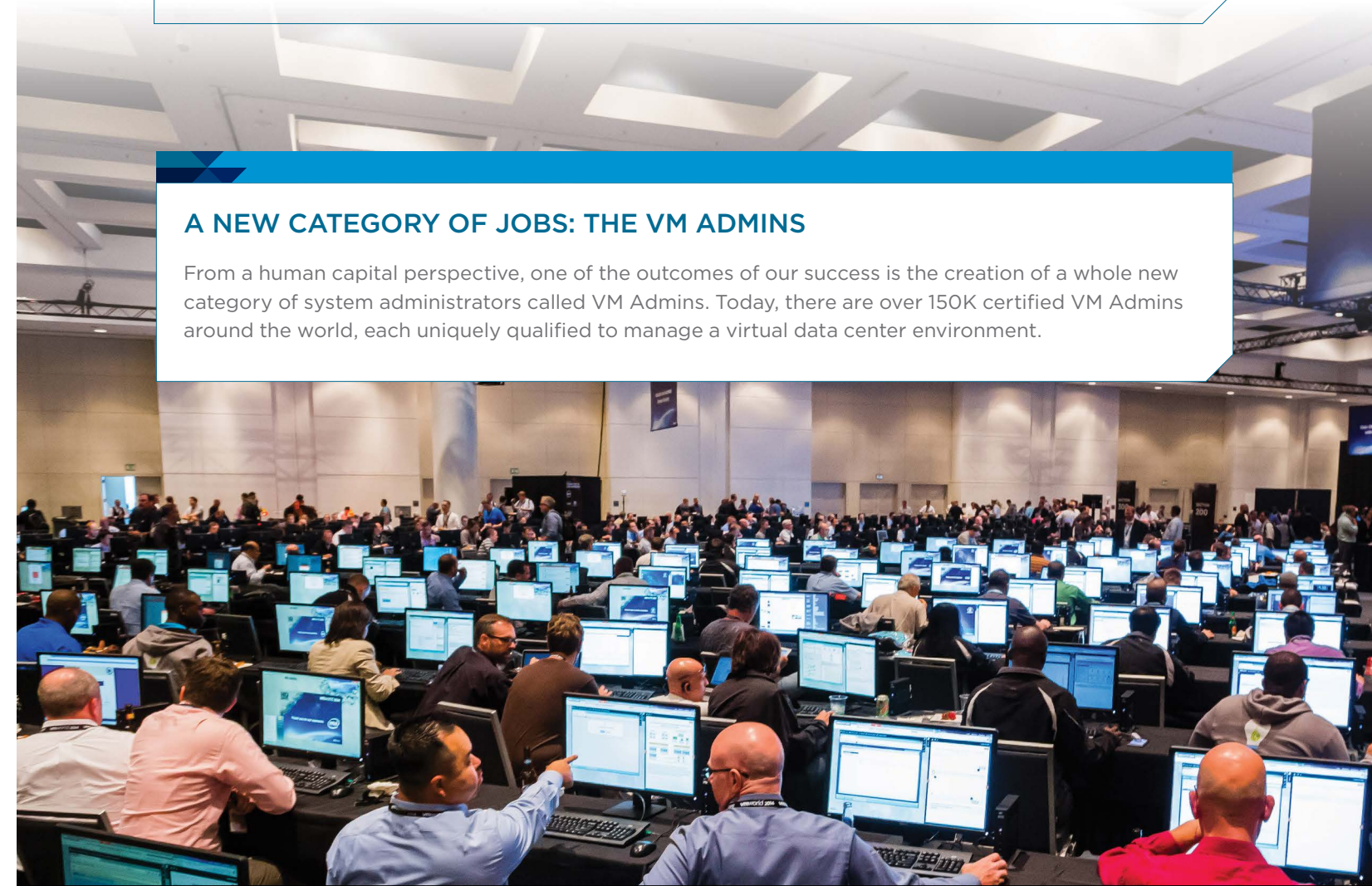
Compute **Network** **Storage**

SDDC EXPLAINED

Software-Defined Data Center (SDDC) refers to a loosely coupled set of software components that seek to virtualize and federate data center-wide hardware resources (compute, storage, network, integrated and converged systems). SDDC is enabled by application programming interfaces (APIs) and open standards across public and private networks.

A NEW CATEGORY OF JOBS: THE VM ADMINS

From a human capital perspective, one of the outcomes of our success is the creation of a whole new category of system administrators called VM Admins. Today, there are over 150K certified VM Admins around the world, each uniquely qualified to manage a virtual data center environment.

VMware people taking Hands-on Labs at America Tech Summit. VMware Hands-on Labs is a free cloud based service that allows you to experience VMware products and solutions. We use our own products and solutions delivering over 750K Labs (9 million VMs') to over 245K active users since 2013.

GOAL 1 INCORPORATE SUSTAINABILITY INTO EVERY PRODUCT RELEASE BY FOCUSING ON SOLUTIONS THAT HELP CUSTOMERS POSITIVELY IMPACT THE ENVIRONMENT AND SOCIETY.

Empowering customers to meet sustainability challenges and goals

VMware solutions add value to our customers' sustainability goals by, for example, maximizing performance and resilience. Our solutions also drive down costs, reduce inefficiencies and minimize energy use. For this reason, we're working to incorporate sustainability into future product releases. Our progress and impact to date is best understood through customer stories that illuminate these real and meaningful net positive impacts.

Bringing the Cloud to the Drought

With California's drought entering its fourth year, VMware hybrid cloud technology is helping scientists and legislators develop and deliver smarter, more targeted solutions to mitigate the impacts of the crisis and to help residents and businesses meet the state's environmental goals for reduced water use. Read more about the impacts of VMware solutions on vmware.com/radius.

Fly Lighter

The moment United Airlines made iPads standard equipment on their flight decks, they powered them with VMware's AirWatch Mobile Security Management system to keep critical information safe and available. By going mobile, the airline is saving 16 million sheets of paper per year and, by removing the weight of that paper, saving 326,000 gallons of fuel per year.

Weather Any Disaster

After the tsunami hit the Fukushima region of Japan in 2011, Columbia Sportswear's Tokyo data center was forced to stop operating for days at a time due to frequent power outages. Having learned a hard lesson, the company then turned to VMware's hybrid cloud solution to ensure their vital information stayed secure, protected and readily accessible. Read more about the human and social capital impacts of VMware solutions on blogs.vmware.com.

Wrapped in Security

Privacy and data security are increasingly understood as business operations risks that could create systemic impact and disruption. With cybersecurity threats on the rise, Armor employed VMware NSX to virtually cocoon each of its customers in a cloud-like environment while giving them a threat-tight security wrapper via micro-segmentation instantly. Jeff Schilling, Armor's Chief Security Officer says, "NSX allows them from day one to be born secure." Read more about the social capital impacts of VMware solutions on vmware.com/radius.
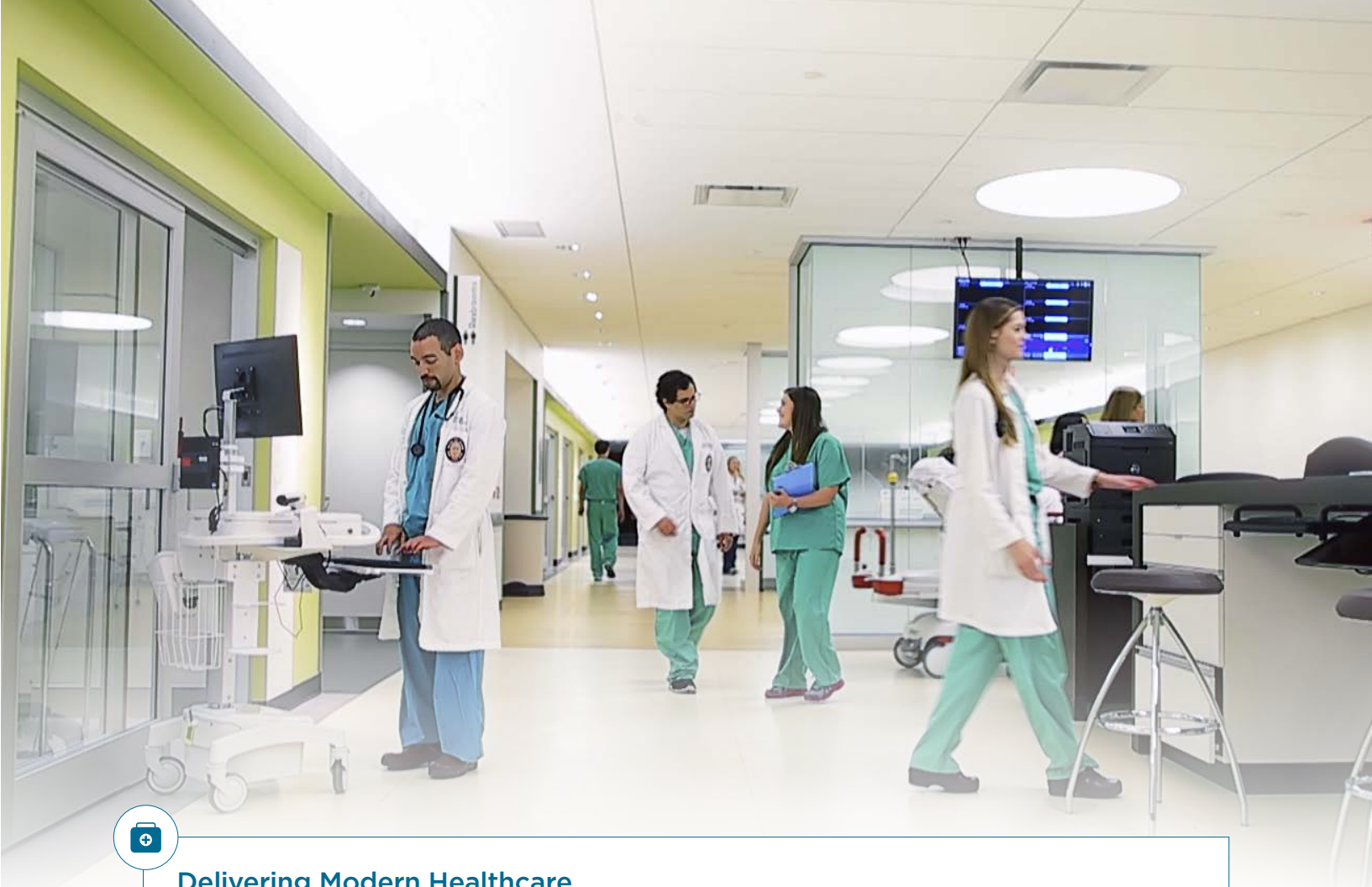
Delivering Modern Healthcare

When Hurricane Katrina destroyed Louisiana's largest teaching hospital and trauma center, its replacement had to be built, and fast. LCMC Health, the not-for-profit healthcare operator, turned to VMware's leading edge digital clinical workspace to support the highest level of care, while managing costs and providing a scalable path to the future. LCMC deployed Virtual Desktop Infrastructure (VDI), which enabled the organization to use less expensive thin clients instead of PCs for up to 90% of its fleet. Additionally, the VDI powers IT to provide support and software updates to end users remotely and to resolve help desk tickets faster. The use of VMware App Volumes™ with the VDI solution also provides rapid rollout of applications and the ability to upgrade applications without any downtime for end users—integral features in a hospital environment where every second counts. Read more about the human and social capital impacts of VMware solutions on vmware.com/radius.

Healthcare with a Touch

In developing countries across the globe, health workers use Medic Mobile apps powered by VMware mobile technology to register pregnancies, track disease outbreaks, maintain inventory of essential medicines, and communicate with each other and with patients living in villages far from clinics and towns. The positive impact of Medic Mobile is evident in Uganda, where infant mortality has decreased year after year since the arrival of the nonprofit. Read more about the human and social impacts of VMware solution on vmware.com/radius.

GOAL 2 DELIVER TECHNOLOGY THAT PROVIDES CUSTOMERS AND PARTNERS WITH DATA THAT ENABLES INFORMED CHOICES AROUND CLEANER CLOUDS.

Shifting workloads to clean clouds

As awareness around sustainability grows, our industry faces increased pressure to provide infrastructure, applications and solutions that enable customers to move toward cleaner, more efficient environments. We already see this being utilized by a number of our cloud service providers, including Hosting.com, which has been committed to reducing energy consumption in data centers since 2003. In the EU, we are helping customers across the board comply with the EU Code of Conduct on Data Centers, which includes guidelines issued by the European Commission Institute for Energy. Our goal is to build a sustainability-centered lens into more of our product offerings. By doing so, we aim to provide additional information to our partners and, in turn, enable them to offer this choice to their customers.

GOAL 3 INTEGRATE SUSTAINABILITY INTO OUR CUSTOMER EXPERIENCE.

Connecting with customers

Customers are a key part of our EPIC$_2$ values and underpin a sustainable business. Our customers—more than 500,000 at this point—drive our success and help inspire our innovations. Their satisfaction with our products is paramount. We strive to ensure they have positive experiences and successful outcomes, and we protect the integrity and the privacy of their data. (See "Data Privacy and Security.") Excellent customer satisfaction and trust have been key to our success from the beginning, and we work hard to maintain that reputation. We have a rigorous process for customer feedback that includes customer satisfaction evaluation, root cause analysis and product/process improvement. Our customers are our best advocates and evangelists, which is evident not only in the extraordinary success and popularity of our annual VMworld customer conference, but in the high level of trust we enjoy, as evident in third-party surveys. In 2015, we were rated one of the top 5 Experience Ratings of Tech Vendors survey[8] and ranked among the top 10 Net Promoter Score in the Temkin Group annual survey.[9]

To sustain our outstanding customer loyalty and trust, we continue to focus on customer success. With sustainability a growing concern for our customers, going forward we've made integrating product responsibility and sustainability into our customer experience one of our goals.

Choosing Green

HOSTING.com has combined VMware technology with specific energy-saving components and innovation to deliver a data center that is eco-friendly and ultra-modern, giving customers the choice of moving to a clean and green cloud. Read more about HOSTING's green data center.

Solar panels atop our Creekside buildings power our award-winning Palo Alto HQ campus.

100%
FORTUNE 500 COMPANIES ARE CUSTOMERS OF VMWARE

THRIVING PLANET

We're taking big steps to shrink our footprint

We have a history of solving seemingly insurmountable challenges by thinking boldly. Creating a sustainable work environment is no exception—it's been part of who we are and how we operate since our founding. From designing an environmentally groundbreaking headquarters to taking proactive measures to reduce water usage, we have a legacy of creating a healthy and thriving workplace environment. Since our software is delivered 100% electronically, our operational sustainability goals focus on carbon, renewable energy, water conservation, e-waste, supply chain diversity and social responsibility as most material to the sustainability of our global operations. To that end, our aspiration is to do more than our fair share to mitigate our impact.

ASPIRATION

Do more than our fair share toward environmental and social sustainability in our business practices and operations.

GOALS

1. Commit to a science-based target for our global carbon emissions reduction.

2. Reach 100% renewable energy for our global operations and carbon neutrality.

3. Institute aggressive water conservation in the water-stressed regions within our portfolio.

4. Achieve over 90% waste diversion globally and zero e-waste to landfill from our operations.

5. Procure 50% of our business operations from diverse, sustainable and socially responsible suppliers.

1 MILLION+
SQUARE FEET OF LEED® CERTIFIED BUILDINGS GLOBALLY

100%
U.S. SITES UTILIZE GREEN POWER

2,500
TREES PLANTED AND **9** MATURE REDWOOD TREES PRESERVED

CAMPUS IN A FOREST

We approach design with sustainability in mind. Take, for example, our award-winning Palo Alto headquarters. Dubbed the "campus in the forest," it stretches across more than 100-acres of tree-shaded hills. From ponds to beams, it reflects the value we place not just on the work we do, but also on the environment in which we do it. Designed in partnership with leading green architects, it's been recognized by the City of Palo Alto for Excellence in Design.[10] Our campus features:

- Acres of water-conserving native and drought-tolerant plants.

- A network of bio-swales to help control storm water runoff and act as a storm water natural purification filter.

- A focus on employee well-being via the use of natural daylight, operable windows, energy-efficient lighting and mechanical systems, and safe and healthy building materials.

Pedestrian bridge intersects native gardens and connects buildings at Palo Alto HQ.

OUR IMPACT

As a software company, our operating model involves people, office facilities, on-premises and off-premises labs, and data centers. Our approach to environmental stewardship of our global operations focuses on the impacts most material to our business. What follows is a summary of our progress in reducing our carbon footprint, investing in renewable energy and engaging our employees and suppliers in responsible business practices.

GOAL 1 COMMIT TO A SCIENCE-BASED TARGET FOR OUR GLOBAL CARBON EMISSIONS REDUCTION.

OUR CARBON FOOTPRINT IN 2015

128,419
MT CO_2e

Doing more with less

In 2015, we developed a formal plan to address our position on energy and climate change, including a series of ambitious goals. As part of our commitment, we created processes for collecting and reporting our Greenhouse Gas (GHG) emissions data for Scopes 1, 2 and 3. Our primary consumption of energy is through purchased electricity for our global offices, with our largest footprint at our Palo Alto headquarters. Significant contributors to our Scope 3 emissions are business air travel and employee commuting.[11] Our metrics follow the GHG reporting protocol and select metrics have been assured by PwC.[12] Our operational boundary includes VMware, Inc. and our subsidiaries for 2015 fiscal year (January 1, 2015 to December 31, 2015).

We're accelerating our initiatives to reduce our emissions and energy usage. In 2015, our total emissions were 128,419 MT CO_2e. This includes Scope 1 emissions of 4,878 MT CO_2e; market-based Scope 2 emissions of 30,106 MT CO_2e; and our estimated Scope 3 emissions of 93,435 MT CO_2e. (Our location-based Scope 2 emissions were 71,230 MT CO_2e.) We have set an intensity target to reduce our market-based Scope 2 emissions 10% by 2020 from our 2015 base year. Details of our emissions and targets can be found in our CDP Climate Change Response.[13] Looking ahead, we're committed to establishing a science-based target to reduce our global carbon emissions even further.

Forward thinking from the start

Over the years, we've made numerous proactive decisions to improve energy efficiency. Many are factored into our 2015 base year. Perhaps most significant to our operational impact is the design of our Palo Alto headquarters, which includes eight LEED® certified buildings. We continue to achieve LEED® green building program and other green building certifications for various sites around the world.

CARBON FOOTPRINT EXPLAINED

SCOPE 1:
Direct emissions, made up of natural gas, diesel fuel, vehicle fuel and refrigerants.

SCOPE 2:
Indirect emissions, made up of purchased electricity. The market-based method reflects the emissions from electricity that a company is purchasing, which may be different from electricity generated locally (referred to as location-based).

SCOPE 3:
Indirect emissions made up of business air travel and employee commuting.[11]

Each year, we expand our investment in energy efficiency, including HVAC scheduling enhancements, lighting retrofits and building management system upgrades. In 2009, we took the bold step to move our internal IT infrastructure to a data center in East Wenatchee, Washington that is 100 percent clean-powered via hydro-electricity by the local utility. And in 2014, we achieved 100% virtualization for our IT infrastructure, which further contributed to reducing our energy consumption.

"VMware's internal IT operations are 100% virtualized. This has enabled us to meet the service demands from our VMware employees and reduce our operational and energy costs. We believe without this virtualized environment we would need to deploy 10 times more servers to run our operations."

- Bask Iyer, Chief Information Officer

Overlooking solar panels on Hilltop E Building at Palo Alto HQ.

GREEN DATA CENTER BUILT FROM THE GROUND UP

We designed and constructed our LEED Platinum® certified data center in East Wenatchee, Washington, U.S., to be one of the greenest, most sustainably engineered and most energy efficient data centers in the world. We selected this location on the Columbia River to take advantage of the 100% hydro-electric power provided by the local utility. In addition, the location's mild climate allows for free air cooling most of the year. Completed in 2009, this facility features breakthrough containment methodology and efficient virtualization, which combine to make it a future-focused model of sustainability, efficiency and cost savings. The impact includes:

- More than 39,000 MT CO_2e saved annually
- Deployment of virtualization with 100% clean, renewable energy
- 74% lower potable water use thanks to onsite-captured graywater
- An average PUE (Power Utilization Efficiency) of 1.25, well below the industry average

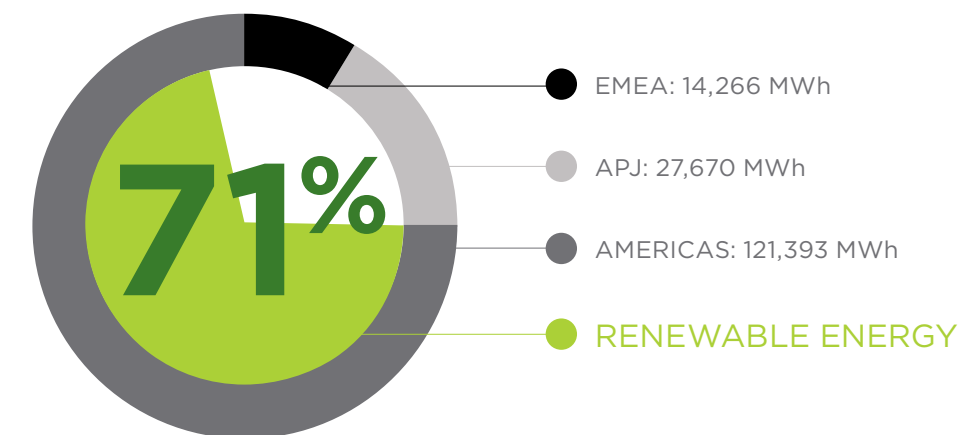Overlooking VMware's Data Center in East Wenatchee, Washington, U.S.

ON TRACK TO 100% RENEWABLE ENERGY

VMWARE'S PURCHASED ELECTRICITY BY REGION

71%

- EMEA: 14,266 MWh
- APJ: 27,670 MWh
- AMERICAS: 121,393 MWh
- RENEWABLE ENERGY

Every drop counts

GOAL 3 INSTITUTE AGGRESSIVE WATER CONSERVATION IN THE WATER-STRESSED REGIONS WITHIN OUR PORTFOLIO.

We recognize that water stress, water quality and water access are critical global issues. As a result, we're constantly working to minimize water use at each of our sites around the world. At our LEED Platinum® certified Kalyani Vista building in Bangalore, India, we've reduced our on-site potable water usage by 40%. We've also taken action to reduce water consumption at our headquarters in California, which is experiencing a multi-year drought. We went beyond the California State mandate of 25% and achieved a 35% reduction in water use, saving at least 12 million gallons of water in 2015. To take our commitment further, we implemented an employee competition, the WaterGenius Challenge, to save water at work and at home, and became a signatory to Ceres' Connect the Drops campaign.[15]

In 2015, we tracked water consumption at our three largest sites—Palo Alto HQ, Wenatchee Data Center and Kalyani Vista. In doing so, we learned we had a combined annual water consumption of 54 million gallons. Thus, in line with our aggressive water conservation goals, we plan to start collecting more extensive data and complete a global water risk assessment in the future.

REDUCED WATER USAGE

35% AT PALO ALTO HQ

40% AT KALYANI VISTA, BANGALORE

GOAL 2 REACH 100% RENEWABLE ENERGY FOR OUR GLOBAL OPERATIONS AND CARBON NEUTRALITY.

Contributing to the renewable economy

We're working to support clean power in numerous ways because we know it's essential to creating a low carbon economy. In 2015, 71% of our global energy came from renewable sources. As a result of our first voluntary Renewable Energy Credit (REC) purchase, and with our Palo Alto headquarters and Wenatchee Data Center powered by renewable energy, we were able to offset 100% of our U.S. Scope 2 emissions. Our REC purchase expanded our commitment to clean energy with 60,000,000 kWh of American Wind™ power. Since 2013, we have purchased 27,440,655 kWh of green power for our LEED® certified buildings at our Palo Alto headquarters. We also have an on-site solar Power Purchase Agreement (PPA) that generates 960,000 kWh/year of clean power for our use. Our goal is to have 100% of our global operations powered by renewable energy by 2020. As we look towards achieving this ambitious renewable energy procurement goal, we recognize it is not without challenges and complexities in the market. That's why we joined the Corporate Renewable Energy Buyers' Principles.[14]

GOAL 4 ACHIEVE OVER 90% WASTE DIVERSION GLOBALLY AND ZERO E-WASTE TO LANDFILL FROM OUR OPERATIONS.

94%

WASTE DIVERTED FROM LANDFILL AT PALO ALTO HQ

Our waste doesn't go to waste

From construction projects to daily meals in our cafeterias, we're committed to making sure the waste we create around the world is reused, recycled or composted. Our efforts are paying off. In 2015, we had a waste diversion rate of over 90% in our offices with over 2,000 people, and, at our Palo Alto headquarters, we diverted 94% of waste from landfill.

At our headquarters, we have made significant investments to meet the needs of our growing employee population, while continuing to be good environmental stewards. During our campus expansion in 2013-2015, we diverted approximately 86% of onsite-generated construction waste from landfill. We even used the raw material from building demolition to construct our parking garage. In 2015, we successfully diverted 97% of our excess office furniture and equipment, thereby repurposing or recycling 44.7 tons. Our goal is to achieve over 90% waste diversion globally and zero e-waste from our operations.

As a software company, we rigorously manage our IT assets, which include the responsibility of properly disposing of our e-waste. Our greatest material waste stream is electronic equipment. This includes servers, network equipment and other IT hardware used in our data centers as well as computers, devices and peripherals provided to employees to conduct their daily work.

In 2015, we disposed of or donated 13,682 pieces of corporate e-waste through our Asset Disposal program. This global program ensures that each asset is put to its highest and best use. In 2016, in order to achieve our zero e-waste goals, we plan to expand our data collection metrics and further engage our operations groups and employees.
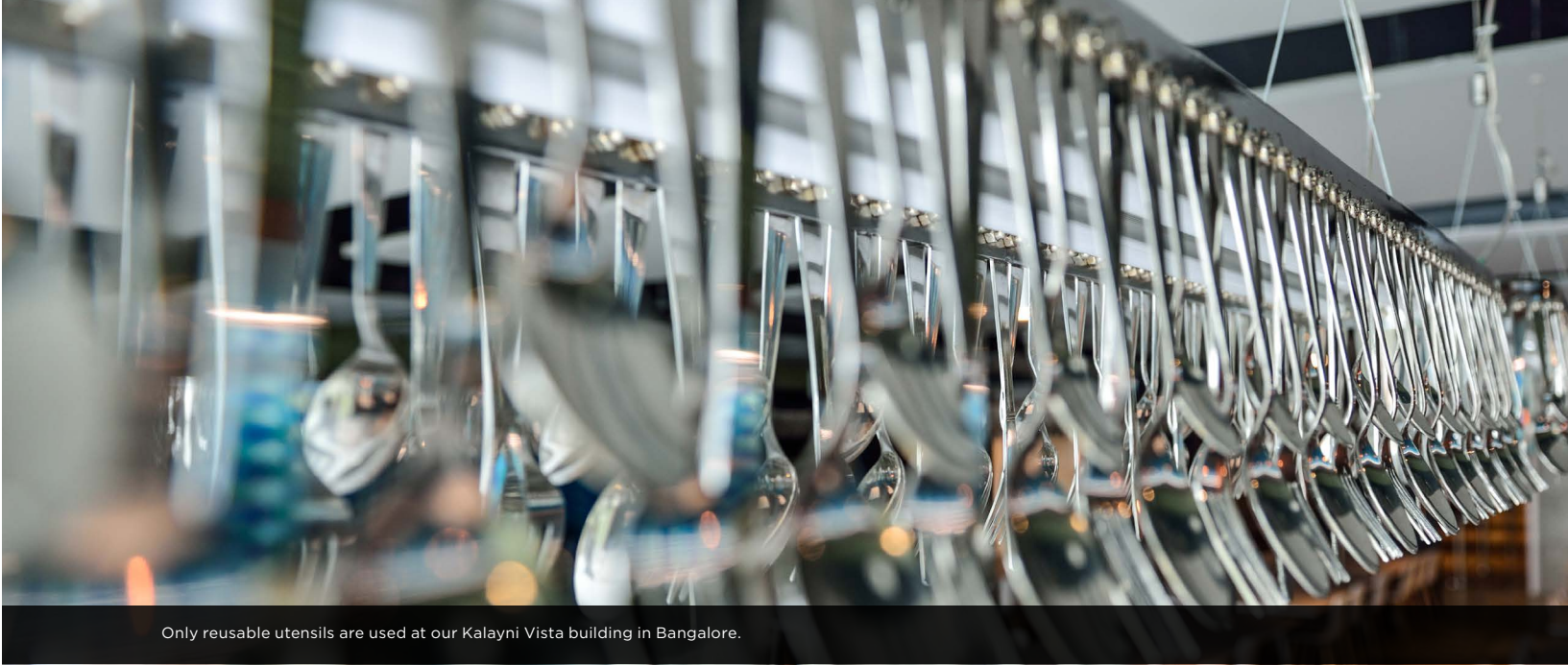
13,682

PIECES OF EQUIPMENT DONATED OR PROPERLY DISPOSED

E-WASTE DISPOSAL BY REGION

83%	9%	8%
AMER	APJ	EMEA

Only reusable utensils are used at our Kalayni Vista building in Bangalore.

GOAL 5 PROCURE 50% OF OUR BUSINESS OPERATIONS FROM DIVERSE, SUSTAINABLE AND SOCIALLY RESPONSIBLE SUPPLIERS.

Promoting a supply chain that reflects our values

We work with nearly 6,000 suppliers throughout the world who provide us with the equipment and supplies we need to operate our global business. We are committed to conducting our business in an ethical, legal and socially responsible manner and, to that end, require our suppliers to comply with our Supplier Code of Conduct (SCoC). [16] This SCoC outlines our expectations across a broad range of topics, from ethics to protecting the environment and is available in 19 languages.

Looking ahead, we want our supply chain to help bring to life our commitment to give more than we take in communities around the world. In 2015, we established a Supplier Diversity program,[17] which is designed to support our inclusion and diversity corporate goals. Our intent is to develop thoughtful and robust guidelines that will help us integrate social responsibility into our procurement processes. This new initiative strives to strengthen the communities we serve, create value for our shareholders and open opportunities for diverse suppliers who satisfy our purchasing and contractual standards. It also helps our customers achieve their corporate diversity goals. In 2016, we plan to expand this program by integrating sustainability principles and requirements into our procurement policies and processes.

While we are working on transparency within our own supply chain, we also respect that many of our customers and partners are doing the same. In 2015, we were awarded a Silver Recognition Level on our sustainability performance survey through EcoVadis, a collaborative platform enabling companies to monitor the sustainability performance of their suppliers. Additionally, we work with our customers on their unique environmental and social responsibility goals by responding to various inquiries and custom surveys throughout the year.

EMPOWERED PEOPLE

Who we are fuels the good we do

The energy, talent and integrity of our people bring who we are as a company to life. Our employees make the seemingly impossible possible. The software industry is experiencing some of the fastest growth among all industries in both employment and real output.[18] Not surprisingly, the competition for highly skilled talent is fierce. The shortage, particularly in the U.S., for Science, Technology, Engineering and Math (STEM)-based skills is systemic. Along with the rest of the industry, we're challenged by a lack of gender, racial and ethnic diversity. Therefore, our most material human capital sustainability issue is the recruitment, development and retention of a globally diverse, uniquely skilled workforce. From Palo Alto to Bangalore and across all of our global offices, our goals are to promote a culture of inclusion, diversity and innovation. We seek to create an environment where people have the choice to engage in meaningful work, integrate sustainability into their lives and connect to communities and purpose outside of their jobs.

ASPIRATION

Build an inclusive business environment that enriches people's lives at work, at home and in the community, and inspire people to give more than they take.

GOALS

1. Increase our representation of women and underrepresented groups so that we reflect the communities we live in and serve; inspire and support the broader community of women and diverse talent in technology.

2. Create a vibrant employee experience that promotes innovation and ingenuity and connects employees across our global community.

3. Develop global environmental and social responsibility programs that bridge work and home and help employees incorporate wellness and sustainability into their lives.

4. Inspire over 85% of our global network of employees to give back in their communities.

"VMware was founded on the belief that every person on the team matters and that what we do would be impossible without you."

- Betsy Sutter, Chief People Officer

FORTUNE
NO.
40
RANKED IN U.S. TOP 100 "BEST PLACES TO WORK FOR"

88%
VMWARE PEOPLE HAVE A CLEAR UNDERSTANDING OF OUR EPIC$_2$ VALUES

OUR EPIC$_2$ VALUES

The acronym EPIC$_2$—Execution, Passion, Integrity, Customers and Community—was developed by our people and represents the hallmark of our VMware culture. It's what we stand for as individuals and as a community, and it guides what we do and how we do it.

Execution—We debate, discuss, and then get things done as One VMware. We check our egos at the door and work together without compromising impact, quality or efficiency.

Passion—We are fueled by curiosity and the pursuit of the seemingly impossible to continuously make things better for our customers, products and each other.

Integrity—We say what we do then do what we say. We build and nurture relationships with one another, our customers, partners, shareholders and community without taking anything for granted.

Customers—Our customers are core to our mission. We empower our customers by freeing them from constraints so they can meet their toughest technological challenges. We succeed when they succeed.

Community—We are all connected. We approach each other with open minds and humble hearts. We serve by dedicating our time, talent and energy, creating a thriving community together.

See how our values came to life at bit.ly/EPIC2values.

Kicking back with food, spirits and music at our regular Friday bashes.

OUR IMPACT

Our employees drive our long-term value creation. As instigators of innovation, the impact of our people is reflected in our many awards. Our exponential success comes with rapid growth of our global employee community. At the same time, the competitive nature of the workforce requires that we relentlessly reinvent how we recruit, retain and develop the best talent. As a result, we have created and expanded dozens of industry-leading programs and activities designed to excite, ignite and inspire our people to grow and thrive in their careers and lives. What follows is a reflection on our aspirations as well as progress against our priorities and goals including: people engagement and development, employee well-being, cultivating a culture of service and sustainability, and inclusion and diversity initiatives.

GOAL 1 INCREASE OUR REPRESENTATION OF WOMEN AND UNDERREPRESENTED GROUPS SO THAT WE REFLECT THE COMMUNITIES WE LIVE IN AND SERVE; INSPIRE AND SUPPORT THE BROADER COMMUNITY OF WOMEN AND DIVERSE TALENT IN TECHNOLOGY.

Investing in a culture of inclusion and diversity

Creating a workforce that reflects the world around us isn't just the right thing to do—it's the smart thing to do. Different backgrounds, experiences, perspectives and ideas strengthen our culture and spark greater innovation. We know that to be a place where people and business thrive, we must be a place where diversity thrives. Our initial efforts focused on increasing our gender diversity. In 2014, we established the VMwomen Council, consisting of 18 senior business leaders responsible for developing customized and measurable action plans focused on driving an inclusive culture. The plans were instituted in 2015 and included an emphasis on recruiting, retaining and advancing female talent, as well as supporting and inspiring the community of women in the tech industry.

We are a founding partner of Women Who Code and have sponsored GraceHopper India, IEEE Women in Engineering International Leadership Conference and Girls Who Code.

22%
WOMEN GLOBALLY

42%
U.S. MINORITIES

Two of our primary strategic programs are our DIALOGUE Circles and Unconscious Bias training. Over a third of our managers have been through the Unconscious Bias education and our goal in 2016 is for all managers and recruiters to complete the training. Recently, we also completed a comprehensive global salary review. Our results were good and indicate that we exceed the industry in fair pay for men and women. In the review process, we analyzed key pay differences to ensure that they were justified or else addressed them, if necessary.

Our focus on women is the first step in a larger effort to drive a more inclusive corporate culture. Looking ahead, we are committed to expanding our efforts to include other underrepresented groups. While a challenge across the tech industry, the long-term sustainability of our business and industry demands we continue to seek opportunities to fuel change.

LEARNING BY CONVERSING

We partnered with Stanford's Clayman Institute for Gender Research to deliver DIALOGUE Circles, a research-based curriculum to navigate gender bias in the workplace and advance women's leadership. Circle Leaders are trained on key leadership topics, including authentic leadership, power and influence, negotiation, what works for women in the workplace and leveling the playing field. Circles consist of groups of 6-8 employees focused on a common business goal and a commitment to actions each month. 80% of DIALOGUE participants noted that they turned their learnings into action, 92% responded that they noticed changes in their thinking and interactions and 60% of Circles continue to meet after the formal program ended. In 2015, 35 Circles were established, with 288 global participants.

Debanjana and Gunja perform traditional Bihu dance at Diwalii celebration at Palo Alto HQ.

GOAL 2 CREATE A VIBRANT EMPLOYEE EXPERIENCE THAT PROMOTES INNOVATION AND INGENUITY AND CONNECTS EMPLOYEES ACROSS OUR GLOBAL COMMUNITY.
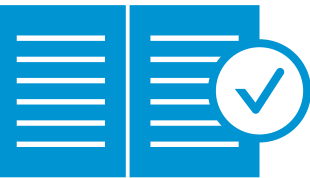
7,000
R&D TECHNICAL COURSES COMPLETED

3,859
VMWARE CERTIFICATIONS COMPLETED

Developing and inspiring our people

Our culture of innovation is fueled by people with a genuine curiosity for ongoing learning and development. We offer a robust series of development programs and training to help employees—who are already extremely skilled—engage in lifelong learning that renews and expands their potential. On average, employees receive a minimum of 32 hours of training annually. In 2015, 2,700 people completed professional development and rotation programs. In addition, our people completed 7,000 R&D technical courses and 3,859 VMware Certifications, demonstrating their industry-leading expertise. In addition, VMware provides transition services for our people to ensure their continued employability and support them in their career endings.

Other flagship talent development initiatives, including: GeniusMaker, $EPIC_2$ Manager Program and Leadership Focus, are geared toward enabling specific audiences to explore the potential in themselves and others. One of our most popular and industry-leading initiatives is "Look Within," a three-part career enrichment program. This program supports career development and internal mobility by encouraging employees at various stages of their VMware lives to refresh, reignite, and rejuvenate their mindsets.

We believe that people learn best by doing and one of our most unique personal and professional development growth programs is through the VMware Foundation. Good Gigs is a leadership development opportunity for people to learn and grow through immersive service with a small, diverse and cross-functional team of VMware colleagues. Through Good Gigs, participants cultivate a global mindset, expand their experience, and develop the leadership muscle of reflection. Since inception, Good Gigs projects have spanned Kenya (2012), Vietnam (2013),[19] Cambodia (2014),[20] and South Africa (2015).[21]

3,450
PEOPLE PARTICIPATED IN TAKE PROGRAMS

LOOK WITHIN

Rather than a traditional tuition reimbursement or sabbatical program, Look Within lets employees explore the wide portfolio of opportunities that will help them grow with us, no matter where they are in their career. The initiative entails three "Take" programs:

Take 1 to Refresh

Employees have an opportunity to refresh skills and mindsets through conferences, workshops, trainings, or other options with VMware's sponsorship. Activities do not have to be related to their work and can be anything from creativity workshops to mindfulness training.

Take 2 to Reignite

Employees who have been with VMware for three years can take two weeks to reignite their personal and professional growth by exploring new areas within the company. Candidates spend time with a different team or with customers, in order to broaden their experience.

Take 3 to Rejuvenate

Employees who have been with VMware for five or more years can take three months to work on a specific project unrelated to their day-to-day jobs. And they can do so anywhere within our company or even outside the company, with a nonprofit partner.

Nikki R. brainstorms with her team at annual Borathon (hackathon) event.

Igniting ideas and connections

Fueling long-term sustainability with ingenuity

Innovation can't be forced. It's a dynamic, living expression of ideas fostered in an engaging environment where people have the freedom and tools to challenge the status quo, embrace failure as part of the process and never give up. Our business requires that our people continue to develop their technical expertise to keep ideas fresh and insights sharp. Our commitment to fueling technical talent begins with onboarding—and never stops. In fact, we complement formal training, such as VMware University, with informal learning and community-building in a myriad of creative forums.

Our flagship technical event is our annual R&D Innovation Offsite, better known as RADIO. In 2015, more than 1,300 of our top engineers participated in the three-day gathering designed to spark ideas, hone strategies and inspire new concepts. In advance of the event, our engineers submitted 444 technical papers to be considered for presentation.

Borathon (named after our last code repository island name "Bora Bora") is another event designed to encourage innovation. It is a competitive and intense two-day hackathon created to help our people awaken their creative roots and have fun building features, proofs-of-concept, hacks or new workflows. Additionally, a program called XLR8 (pronounced "accelerate") gives all employees the chance to incubate potentially game-changing ideas crucial to our long-term success.

Our diverse Speaker Series is another creative approach to igniting ideas. It includes: active grassroots employee-driven Tech Talks, the VMware academic luminaries series, and our quarterly high-profile speaker program that attracts TED fellows to inspire and motivate our already inquisitive community.

Building a connected community

Innovation takes root in an environment where people communicate openly, candidly and actively. Our tools and process to enable transparency and the flow of information—both virtually and in person—are central to our efforts to build an engaged community. In this respect, our online collaboration platform, Socialcast, flattens the organization and provides a virtual gathering spot for people to connect and share. Our annual survey provides an opportunity for our people to express their opinions and feedback. In 2015, 87% of our employees participated in the survey, providing thoughtful and essential input on our strengths and areas for improvement.

Building a connected community is also about making work fun, through both informal and social events. We prioritize both business-focused communication events like Global All-Hands meetings and an array of purely fun community building events: Friday Bashes, Off the Grid food trucks, Unplugged afternoon concerts, Halloween and other cultural diversity celebrations such as Diwali and Lunar New Year.

20,602
IDEAS SUBMITTED IN SOCIALCAST

87%
EMPLOYEES TOOK OUR ANNUAL SURVEY

Celebrating Lunar New Year with a lion dance at Palo Alto HQ.

GOAL 3 DEVELOP GLOBAL ENVIRONMENTAL AND SOCIAL RESPONSIBILITY PROGRAMS THAT BRIDGE WORK AND HOME AND HELP EMPLOYEES INCORPORATE WELLNESS AND SUSTAINABILITY INTO THEIR LIVES.

Supporting well-being inside and out

Health and wellness

We have a track record of creating a safe and healthy workplace. We pride ourselves on going beyond simply providing competitive benefits by creating an environment where people thrive. Our efforts were recognized with several awards in 2015 including Fit-Friendly Worksite Gold Award Recognition from the American Heart Association and the 100 Top Flexjobs Companies with Remote Jobs. A cornerstone of VMware's global wellness culture is providing employees around the world with access to either onsite gyms or gym reimbursement. One of our most popular annual employee events is a wellness campaign called "The Amazing Race." In 2015, 2,926 people from 40 countries participated in the event. The centerpiece of the six-week challenge is a virtual race around the world that encourages physical activity, team building and employee engagement. Our health and wellness program also features a wide array of education and resources geared toward better work-life integration.

Bridging work and home

As part of our sustainability efforts, we strive to bridge the gap between work and home with various initiatives that encourage conservation and participation. We're committed to enhancing the opportunities for our people to make "green" choices both at work and at home. In that regard, we strive to make it easy for our employees to properly dispose of their personal e-waste at permanent drop-off sites and ongoing recycling events. Other initiatives geared toward bridging work and home include our community efforts to advance renewable energy and water conservation.

We cover the majority of public transportation costs, including complimentary shuttle buses from train stations and van carpools in our largest employee locations. At our Palo Alto headquarters, we also provide 56 free electric vehicle stations. While our efforts to encourage sustainable transport are good, we need to do more. This is an increasingly complex issue, especially in regions like Silicon Valley. We recognize that we cannot solve this alone and are committed to deepening our partnerships with the City of Palo Alto, Stanford Research Park and other stakeholders to advance systemic and progressive policy imperatives on this issue.

We're proud of the strong culture of sustainability we've created, especially in our largest employee communities. We're committed to engaging our global community in designing similar efforts.

15,000

GALLONS OF GASOLINE AVOIDED FROM USE OF 56 EV STATIONS

17,000

POUNDS OF E-WASTE RESPONSIBLY DISPOSED BY VMWARE PEOPLE IN PALO ALTO
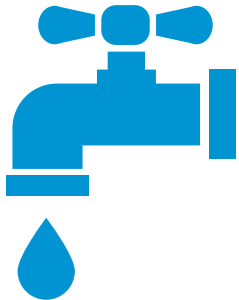
1 MILLION

GALLONS OF WATER SAVED THROUGH HOME CONSERVATION EFFORTS BY VMWARE PEOPLE

CONSERVING RESOURCES TOGETHER

Our people care deeply about the environment as individuals and as part of our community. We offer various programs to support their passion—and our passion—for making a net positive difference. Last year, our people helped add 1.4 MW of new solar capacity in California by participating in the SunShares employee solar purchase program, one of several initiatives we offered to encourage the use of renewable energy. In response to California's devastating drought, we stepped up our already aggressive water conservation efforts at our Palo Alto campus and surpassed the State mandated 25% reduction. In addition, we piloted a community water conservation platform called the WaterGenius Challenge, which was designed to engage companies and the public in smart water conservation. In 2015, our people together saved nearly 1 million gallons of water, which translates to more than 28,000 showers.

VMware people celebrate Fortune Magazines "Great Places To Work" recognition.

GOAL 4 INSPIRE OVER 85% OF OUR GLOBAL NETWORK OF EMPLOYEES TO GIVE BACK IN THEIR COMMUNITIES.

Net Positive Giving

"Citizen Philanthropy" is a giving philosophy about having the choice to contribute where and how we give. Individual actions matter and add up to our collective impact, making us a force for good in the global community. Our approach is distinct because it departs from the mold of traditional corporate grant-making. Instead, a portfolio of programs and initiatives are integrated throughout the company. In 2015, 15,515 people chose to contribute to their communities through the Foundation's programs.

Empowering the Citizen Philanthropist in all of us

Service Learning: Inspiring lifelong civic engagement

Our anchor program, Service Learning, provides 40 paid hours to employees around the world to contribute their time and talents to the community. The concept was inspired by the idea of "learning by doing" and experiential learning in education. Intentionally called Service Learning (rather than volunteering), we believe that when you serve with a mindset to learn, there is a powerful, two-way exchange of value. Not only do the receivers gain, the givers also experience a "helper's high" and report being happier and healthier after serving.[22] By integrating reflection with meaningful community service, Service Learning helps enrich the volunteer experience, encourages a learning mindset and builds a culture of service that extends beyond our "day jobs" to lifelong civic engagement.

Social Impact: VMware people in the community

Giving is embedded in people's journeys at VMware beginning on Day One, when we celebrate each employee joining the company by inviting them to direct a donation to their favorite cause. In 2015, we honored more than 3,400 people through Milestone Awards like the New Hire, 1-year Anniversary and 12-year Anniversary Awards, contributing more than $500,000 to the global community. After 12 years of employment at VMware, we recognize the contributions people have made to VMware and the broader technology community through a $12,000 grant to their nonprofit of choice.

Our five umbrella programs (Service Learning, Matching Gifts, Milestone Awards, Social Investments and Citizen Councils) support a wide range of avenues for our people to invest their time, talent and resources in the community. We host global campaigns and events to engage our people in giving, including Giving Back Together, our annual year-end, employee-led giving program. In 2015, we invited VMware people and their families and friends to support a social entrepreneur of their choice and give the gift of opportunity through Kiva.org microloans. The impact was powerful: 13,150 people supported 12,000 entrepreneurs in 43 countries.

This passion and commitment to service is reflected in the robust conversations that our people have in the Foundation's Socialcast group. In 2015, more than 300 people shared their #iServe stories, lighting a spark for colleagues to take action, whether contributing one of 50,000 Service Learning hours, donating a portion of the $2.28 million in Matching Gifts, or driving one of the 25 global, employee-led Citizen Councils.

90% EMPLOYEES AGREE VMWARE PROVIDES MEANINGFUL OPPORTUNITIES TO GIVE BACK

15,515 VMWARE PEOPLE PARTICIPATED IN AT LEAST ONE FOUNDATION ACTIVITY

$5.7M VMWARE CHARITABLE GIVING

Kamau W. teaches a class on a VMware Foundation Good Gigs Trek in South Africa.

The best practices for good

VMware people sharpening their VM knowledge in Hands-on Labs at Americas Tech Summit.

Our overarching approach to governance and ethics is rooted in our EPIC$_2$ values. With integrity at the heart of our values, we strive to be consistently bold yet humble, competitive yet fair and decisive yet respectful. We build and protect trusted relationships with our customers, partners, shareholders and our people.

Data Privacy and Security

Customer privacy and data security are complex and challenging issues for organizations everywhere. In an increasingly digital mobile-cloud world, cyber-attacks are rapidly growing in sophistication and scope. We're zealous about information security and privacy, and have developed comprehensive procedures and controls to help protect our customers and their infrastructures as well as our own.

Protecting Customers

We take a proactive approach to increasing customer transparency with VMware's Trust and Assurance Framework,[23] which includes four key building blocks: Reliability, Integrity, Security and Commitment. The framework helps answer customer questions about our security and development practices and shows why our customers rely on us as their most trusted IT infrastructure vendor.

Compliance in the Cloud

We are committed to delivering a cloud service that adopts industry best practices in order to meet a comprehensive set of international—and industry-specific—security and compliance standards. We adhere to rigorous security standards and are rapidly expanding coverage. Learn more about vCloud® Air cloud computing compliance and security.[24]

Privacy Notices

We respect the privacy of our customers, business partners and website visitors. We provide appropriate privacy notices through our product and service interfaces, our customer contracts and our website privacy policies. We also design our products and services with privacy in mind.

Ethics

Integrity forms the basis for the VMware Business Conduct Guidelines.[25] These guidelines are endorsed by the VMware Board of Directors and apply to all employees, directors and executive officers of VMware and its subsidiaries. They outline the standards of behavior expected beyond compliance with the law to upholding our values while building and protecting trusted relationships with customers, partners, shareholders and extended communities.

We are committed to driving ethical conduct and compliance. To us, an ethical business is a sustainable business. Therefore, in 2014, we integrated principles around sustainable business and social responsibility into our Business Conduct Guidelines. Our employees are required to complete training on our Business Conduct Guidelines as part of their initial onboarding, and every year thereafter. The Guidelines are made available in the local language for 95% of our employees. In 2015, we achieved a 93% completion rate for active employees.

We also offer employees and external parties multiple ways to ask questions or report ethics and compliance concerns. The VMware Ethics Helpline (ETICA) has two intake methods:

• Telephone: the toll-free number is staffed 24 hours a day, seven days a week, every day of the year. Professionally-trained intake specialists answer calls and guide the user through a series of questions designed to identify relevant details for the question or concern. Multinational operators are available so that callers may make reports or ask questions in their preferred language.

• Web-based system: the web-based system is available 24 hours a day, seven days a week anywhere that users have access to the internet.

ACTING WITH INTEGRITY

To us, acting with integrity at all times means:

• Be honest and ethical in all of our dealings

• Comply with all laws and seek help in cases of uncertainty

• Adhere to all VMware policies, guidelines, and rules

• Be respectful of others

• Be accountable, be responsible and meet commitments

• Do what is right

Partners with Integrity

We have established deep and valuable relationships with our partners. Our VMware Partner Network is an award-winning program that provides the framework for collaboration between VMware and our partners, offering a wide range of benefits, training, certifications and rewards to ensure our mutual success.

In addition to our Partner Code of Conduct,[26] we recently adopted the Global Technology Distribution Council (GTDC) anti-bribery and anti-corruption platform. The shared services approach reduces the due diligence costs associated with compliance by allowing VMware Partners to share their compliance information with other GTDC platform participants, thus eliminating redundancy while securely sharing results.

Anti-Corruption

We are keenly aware of the global issues related to corruption and take our role in fighting corruption seriously. Our Prohibition Against Bribery and Corrupt Practices Policy provides clear guidance and procedures related to anti-corruption and anti-bribery laws and regulations. It applies worldwide to all our directors, officers, employees and anyone working on our behalf. We also have detailed policies regarding the offering and receiving of gifts and courtesies. In addition to regular online and live, local language training on these important issues, our Ethics & Compliance team sends out regular communications about these policies, as well as examples in action to support our people.

Reports of bribery or corruption are immediately investigated and addressed. We encourage our people to utilize our ethics helpline or to contact any business, legal department or ethics and compliance leader to report any suspected unlawful or unethical behavior.

Public Policy Engagement

We support progressive public policies that align with our business goals and values. In this regard, we engaged either directly or indirectly in influencing public policy initiatives with an impact on sustainability and climate change in 2015.

"Sustainability begins with strong values and accountability within the organization. For us at VMware, this is just good business."

- Zane Rowe, Chief Financial Officer

ASSOCIATIONS VMWARE IS INVOLVED IN

Sustainability

- The City of Palo Alto Sustainable Climate Action Plan
- Silicon Valley Leadership Group
- Stanford Research Park Advisory Council
- Digital Europe Sustainability Policy Group (DSPG)

Public Policy

- IT Alliance for Public Sector (ITAPs)
- Information Technology Industry Council (ITI)
- United States Information Technology Office (USITO)
- Information Technology and Innovation Foundation (ITIF)
- National Governors Association Center for Best Practices, Cyber Security
- Republican Governors Association
- Democratic Governors Association
- Cloud Security Alliance (CSA)

Supplier Diversity

- National Minority Supplier Development Council
- Women Business Enterprise National Council
- Women Business Council Southwest
- Western Regional Minority Supplier Development Council

Sunset on the allée and water fountain (turned off as a water conservation measure) at Palo Alto HQ.

Human Rights

We support and respect the protection of internationally proclaimed human rights for all, including our employees, workers within our supply chain and people impacted by the use of our products. We are committed to acting ethically and responsibly and to use our position as a market-maker in virtualization and cloud computing technology to improve conditions within its communities.

Within the broader scope of supply chain human rights, one of our primary areas of focus is forced labor. Not only do we firmly support and comply with the slavery and human trafficking laws in the countries in which we do business, we work actively within our business circles to prohibit the use of slavery and human trafficking. For more information on what we are doing to combat this, see VMware's Commitment to Prohibit Slavery and Human Trafficking.[27]

Governance Processes

It is implicit in our philosophy of sound corporate governance to promote the long-term interest of our shareholders, maintain internal checks and balances, strengthen management accountability and ensure stakeholder trust.

Our Board of Directors sets high standards for our employees, officers and directors. As the highest governing body, it is the duty of the Board of Directors to serve as a prudent fiduciary for shareholders and to oversee the management of the Company's business. Please refer to our Corporate Governance Guidelines[28] for more information about the responsibilities of the Board of Directors. These guidelines are subject to modification if the Board of Directors deems it appropriate to meet the best interests of the company or as required by applicable laws and regulations.

Sustainability Governance

In conjunction with formalizing our Corporate Sustainability Strategy in 2015, we established a Sustainability Leadership Committee and Executive Sustainability Council to provide insight and oversight, and to drive cross-company initiatives. These efforts are led by our Vice President of Sustainability Strategy. We are working to include sustainability and social responsibility criteria in our Internal Audit annual risk-assessment process.

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Executive Sustainability
Council
        |
Sustainability Leadership
Committee
   |         |          |
Business   Operations  Sustainability
Units                  Team
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Stakeholder Engagement

We sought the insights, perspectives and experiences of an array of core stakeholders to help guide and inform our strategy and initial materiality assessment. We collaborated with internal stakeholders through interviews and global focus groups, and conducted external interviews with peers and sustainability experts. We then identified and refined material topics and subsequently prioritized focus issues through additional rounds of stakeholder conversations. Informed by the GRI Principles for Defining Report Content we undertook a process of data synthesis through which we identified relevant business priorities to both our stakeholders and our business.

Materiality Assessment

As noted earlier in this report, we completed our first materiality assessment in 2015. Through this process, we focused on first-order impacts and arrived at the following material aspects for our organization. These issues form the basis of our sustainability strategy and the content of this report under the framework of Product, Planet and People.

Environmental Impact of Products:

1. Customer energy efficiency
2. Customer reductions of GHG emissions

Operational Eco-Efficiency:

3. Energy efficiency and reduction of GHG emissions
4. Resource efficiency, including water and waste
5. Responsible procurement of goods and services
6. Responsible disposal of e-waste

Human & Social Capital:

7. Recruitment and management of global workforce
8. Diversity, equal opportunity and development
9. Employee training and development
10. Employee health and well-being
11. Ethical business practices
12. Risk and crisis management
13. Health, safety and human rights
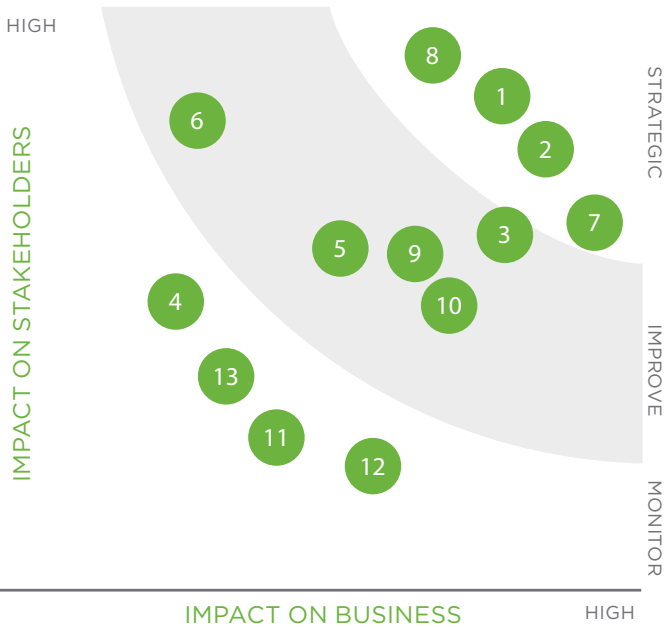
Recognizing this is our first reporting cycle, we are committed to refining our materiality process to include additional external stakeholder feedback and deeper exploration of sustainability topics. In pursuit of our goals, we are committed to promoting dialogue, collaboration and successful outcomes for our network of partners and stakeholders.

2015 GLOBAL IMPACT PERFORMANCE SUMMARY

PRODUCT

	FY2015
Revenue (US$)	$6,571 million
Greenhouse Gas (GHG) Emissions avoided	67 million MT CO_2e
Number of Patents (cumulative registered U.S. Patents)	888

PLANET

Energy & Climate Change

GHG emissions [1]	128,419 MT CO_2e
Scope 1: Direct emissions from owned/controlled operations	4,878 MT CO_2e
Scope 2: Indirect emissions from the use of purchased electricity (market-based) [2]	30,106 MT CO_2e
Scope 3: Business air travel	39,019 MT CO_2e
Scope 3: Employee commuting [3]	54,416 MT CO_2e
Scope 2: Indirect emissions from the use of purchased electricity (location-based)	71,230 MT CO_2e
GHG emissions intensity revenue metric (MT CO_2e/million US$ revenue) [4]	4.58
GHG emissions intensity employee metric (MT CO_2e/employee) [5]	3.71
GHG emissions intensity square footage metric (MT CO_2e/1,000 square feet) [6]	7.75
Energy Use	
Electricity purchased	163,329 MWh
Total Renewable Energy Credits (RECs) purchased	60,000 MWh
Renewable energy purchased (excluding RECs)	88,876 MWh
Total renewable energy purchased	148,876 MWh
Percentage of renewable energy globally [7]	71%
LEED® certifications	9
Percentage of square footage in LEED® certified space [8]	23%
Wenatchee Data Center Power Usage Effectiveness (PUE) [9]	1.25

Waste

Waste generation	806 tons
Recycling	256 tons
Compost	502 tons
Landfill	48 tons
Landfill diversion rate	94%
Waste programs implemented (as a percentage of square footage)	33%

Suppliers

Suppliers with diversity qualifications (approximate)	2%

Environmental Compliance

Enviromental Violations	0
Environmental Fines (US$)	$0

PEOPLE

	FYI2015
Employees	
Number of employees	19,223
Global gender diversity (% female)	22%
Regional gender diversity, AMER (% female)	24%
Regional gender diversity, APJ (% female)	20%
Regional gender diversity, EMEA (% female)	22%
Regular employees - under 30 years old	18%
Regular employees - 30-50 years old	72%
Regular employees - over 50 years old	10%
Total New Hires - under 30 years old	39%
Total New Hires - 30-50 years old	54%
Total New Hires - over 50 years old	7%
U.S. - African-American/Black	1.6%
U.S. - Asian	31.5%
U.S. - Caucasian/White	57.7%
U.S. - Hispanic/Latino	4.4%
U.S. - Native American/Alaska Native	0.2%
U.S. - Native Hawaiian/Pacific Islander	0.2%
U.S. - Two or more races	1.2%
U.S. - Undisclosed	3.2%
Average training per employee (hours)	32
Percentage of employees receiving regular performance and career development reviews	99%
Employees in professional development and rotation programs	2,700
R&D technical courses completed	7,000
Business Conduct Guidelines training completed [10]	93%
Employee engagement [11]	87%
Employee awareness of company values [11]	88%
Employee perception of VMware's sustainable business practices as positive [11]	82%
Return to work and retention rates of employees who took parental leave [12]	88%
Injury rates	0
Fatalities	0
Community	
VMware Charitable Giving (US$)	$5,718,000
VMware Matching Gifts (included in total above) (US$)	$2,660,000
Employee Service Learning (hours)	49,955
Employees who participated in charitable activities	15,515
Employees who participated in charitable activities (percentage)	81%
Global nonprofits supported	3,600
Employee sentiment on giving back	90%
Public Policy	
Company political contributions (US$)	$0
Board of Directors gender diversity (% female)	14%

GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURES

	Description	Cross-Reference or Response	Section
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	VMware Global Impact Report 2015	A Message from Our CEO

Organizational Profile

	Description	Cross-Reference or Response	Section
G4-3	Name of the organization	VMware, Inc.	
G4-4	Primary brands, products, and services	VMware 2015 Global Impact Report; VMware 2015 Form 10-K [29]	About Us
G4-5	Location of the organization's headquarters	3401 Hillview Avenue, Palo Alto, California 94304 USA	
G4-6	Number of countries where the organization operates, and names of countries where either the specifically relevant to the sustainability topics covered in the report	VMware Global Impact Report 2015	VMware at a Glance
G4-7	Nature of ownership and legal form	VMware 2015 Form 10-K	
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	VMware Global Impact Report 2015; VMware 2015 Form 10-K	VMware at a Glance
G4-9	Scale of the organization	VMware Global Impact Report 2015; VMware 2015 Form 10-K	VMware at a Glance
G4-10	Total number of employees by employment contract and gender	VMware Global Impact Report 2015	VMware at a Glance
G4-12	Describe the organization's supply chain	VMware Global Impact Report 2015	Thriving Planet
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	VMware 2015 Form 10-K	
G4-16	List memberships of associations and national or international advocacy organizations	VMware Global Impact Report 2015	Governance

Material Aspects and Boundaries

	Description	Cross-Reference or Response	Section
G4-17	List all entities included in the organization's consolidated financial statements and if any of these are not covered in the report	VMware 2015 Form 10-K	
G4-18	Explain process for defining report content and Aspect boundaries and implementaiton of the Reporting Principles for Defining Report Content	VMware Global Impact Report 2015	Governance
G4-19	List all the material Aspects identified in the process for defining report content.	VMware Global Impact Report 2015	Governance
G4-20	For each material Aspect, report the Aspect Boundary within the organization	VMware Global Impact Report 2015	Governance
G4-22	Note any restatements of information provided in previous reports, and the reasons for such restatements.	Not Applicable	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Not Applicable	

Description	Cross-Reference or Response	Section

Stakeholder Engagement

	Description	Cross-Reference or Response	Section
G4-24	List of Stakeholders	VMware Global Impact Report 2015	Governance
G4-25	How identifed/selected stakeholders	VMware Global Impact Report 2015	Governance
G4-26	Frequency and type of engagement for each stakeholder group (and whether any of the engagement was undertaken specifically as part of the report preparation process)	VMware Global Impact Report 2015	Governance
G4-27	Key topics/concerns by group	VMware Global Impact Report 2015	Governance

Report Profile

	Description	Cross-Reference or Response	Section
G4-28	Reporting period	January 1, 2015 - December 31, 2015	About this Report
G4-29	Date of most recent report	VMware Global Impact Report 2015	
G4-30	Reporting cycle (annual)	Annual	
G4-31	Contact point for questions	GIR_Sustainability@vmware.com	
G4-32	Which "in accordance" option	VMware Global Impact Report 2015	About this Report
	Table identifying the location of the Standard Disclosures in the report	GRI Content Index	
	Link to External Assurance Report	VMware Global Impact Report 2015	About this Report
G4-33	Policy and practice for external assurance	VMware Global Impact Report 2015	About this Report

Governance

	Description	Cross-Reference or Response	Section
G4-34	Governance structure (committees of the highest governance body responsible for decision-making on economic, environmental and social impacts)	VMware Global Impact Report 2015	Governance

Ethics and Integrity

	Description	Cross-Reference or Response	Section
G4-56	Values, principles, standards and norms of behavior such as codes of conduct	VMware Global Impact Report 2015	Governance
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	VMware Global Impact Report 2015	Governance
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	VMware Global Impact Report 2015	Governance

SPECIFIC STANDARD DISCLOSURES

Aspect: ECONOMIC PERFORMANCE

	Description	Cross-Reference or Response	Section
G4-EC1	Direct economic value generated and distributed	VMware 2015 Form 10-K	

	Description	Cross-Reference or Response	Section
SPECIFIC STANDARD DISCLOSURES			
Aspect: ENERGY			
G4-EN3	Energy consumption within the organization	VMware Global Impact Report 2015	Thriving Planet
G4-EN5	Energy intensity ratio for the organization	VMware Global Impact Report 2015	Thriving Planet
G4-EN6	Reduction of energy consumed	VMware Global Impact Report 2015	Thriving Planet
Aspect: WATER			
G4-EN8	Total water withdrawal by source	VMware Global Impact Report 2015	Thriving Planet
Aspect: EMISSIONS			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	VMware Global Impact Report 2015	Thriving Planet
G4-EN16	Energy indirect GHG emissions (Scope 2)	VMware Global Impact Report 2015	Thriving Planet
G4-EN17	Other indirect GHG emissions (Scope 3)	VMware Global Impact Report 2015	Thriving Planet
G4-EN18	GHG emissions intensity	VMware Global Impact Report 2015	Thriving Planet
G4-EN19	Reduction of GHG emissions	VMware Global Impact Report 2015	Thriving Planet
Aspect: PRODUCTS AND SERVICES			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	VMware Global Impact Report 2015; VMware 2016 CDP Climate Change Information Request	Transformative Products
Aspect: EMPLOYMENT			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	2015 Global Impact Performance Summary	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	https://careers.vmware.com/	
G4-LA3	Return to work and retention rates after parental leave, by gender	2015 Global Impact Performance Summary	
Aspect: TRAINING AND EDUCATION			
G4-LA9	Average hours of training per year per employee, by gender, and by employee category	VMware Global Impact Report 2015	Empowered People
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	VMware Global Impact Report 2015	Empowered People
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	2015 Global Impact Performance Summary	
Aspect: DIVERSITY AND EQUAL OPPORTUNITY			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	2015 Global Impact Performance Summary	
Aspect: EQUAL REMUNERATION FOR WOMEN AND MEN			
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	VMware Global Impact Report 2015	Empowered People
Aspect: CUSTOMER PRIVACY			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	VMware Global Impact Report 2015	Governance

Meet Rosie, our beloved first pet. She now has 14 other rescued turtle friends in the pond at Palo Alto HQ.

ENDNOTES

1. PwC. PwC Opinion and Assertion [for VMware], June 30, 2016. Web, vmware.com/go/PwC-opinion-And-Assertion-2016

2. 67 Million MT CO_2e was calculated by IDC in "The Green Benefits of Virtualization: Energy, CO_2 Emission Reductions from Reductions in Server Deployments." August 2016. The homes equivalency figure was calculated using EPA's GHG Equivalency Calculator, accessed July 1, 2016. https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator.

3. 128,419 MT CO_2e is VMware's 2015 carbon footprint. The homes equivalency figure was calculated using EPA's GHG Equivalency Calculator, accessed July 1, 2016. https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator.

4. VMware Awards, accessed July 1, 2016, http://www.vmware.com/company/news/media-resources/press-kits.html#awards

5. IEEE Spectrum. "Interactive: Patent Power 2015." Web, http://spectrum.ieee.org/static/interactive-patent-power-2015

6. VMware. How VMware Virtualization Right-sizes IT Infrastructure to Reduce Power Consumption, accessed July 1, 2016, https://www.vmware.com/content/dam/digitalmarketing/vmware/en/pdf/vmware-reduce-power-consumption-wp.pdf

7. IDC Executive Brief, sponsored by VMware, Green IT: Virtualization Delivers Energy and Carbon Emissions Reductions, October 2016. Web, vmware.com/go/IDC-Green-IT-Virtualization-October-2016

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9. Temkin Group. Tech Vendor NPS Benchmark, 2015. Web, http://temkingroup.com/research-reports/tech-vendor-nps-benchmark-2015/

10. William McDonough + Partners. VMware Corporate Campus, accessed July 1, 2016, http://mcdonoughpartners.com/projects/vmware-corporate-campus/

11. Scope 3 emissions related to employee commuting were based on an estimate. Our methodology assumed that 85% of our employees drive in single-occupancy vehicles and have a 30 mile round-trip commute.

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17. Supplier Diversity Program, accessed July 1, 2016, http://www.vmware.com/company/supplier-diversity.html

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19. VMware Foundation. VMware Good Gigs – Vietnam, accessed July 1, 2016, https://www.youtube.com/watch?v=oHGu99FnFvs

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28. VMware Corporate Governance Guidelines, accessed July 1, 2016, http://s2.q4cdn.com/112802898/files/doc_downloads/GovDocs/Corporate_Governance_Guidelines.pdf

29. VMware 2015 Form 10-K, accessed July 1, 2016, http://s2.q4cdn.com/112802898/files/doc_financials/2015/2015-Annual-Report.pdf

2015 GLOBAL IMPACT PERFORMANCE SUMMARY ENDNOTES

1. Scopes 1, 2 (market-based) and 3 are included.

2. The market-based method reflects the emissions from the electricity that a company is purchasing, which may be different from the electricity that is generated locally ("location-based").

3. Our employee commuting is an estimate and conservatively assumes that 85% of our global workforce drives alone daily. We are working to refine our methodology toward greater accuracy.

4. Scope 2 (market-based)/Revenue (in millions)

5. Scope 2 (location-based)/Employee count

6. Scopes 1 & 2 (market-based)/Square Footage (in thousands)

7. REC purchase only eligible toward U.S. consumption (116,050 MW)

8. LEED® occupied office space includes VMware leased office space within a LEED® certified building

9. Our Wenatchee Data Center is in East Wenatchee, Washington, U.S.

10. Excludes employees who are on some type of formal leave

11. Based on VMware's Voice of VMware 2015 annual survey results

12. In 2014, VMware had 353 birth events. 88% of those employees with birth events remained employed with VMware within 12 months of the birth event

Palo Alto HQ, glowing at dusk.