Dell's Water Policy Principles

Water Stress and Water Quality is an Emerging Global Issue

Water stress and water quality are emerging as some of the most important global issues of the 21st century. Trends related to population and economic growth, resource management and climate change are all leading to a more water-constrained future[1]. By 2025, two-thirds of the world's population could exist under conditions of water stress and 1.8 billion people may be living in countries or regions with absolute water scarcity[2]. This poses a threat not only to these regions, but also to the countries and regions that have either geographic or economic connections to them. Both individuals and businesses are at risk, whether one considers a population's base water requirements and health or the exposure of its businesses to droughts, volatile weather, flooding, water supply and water quality.

Dell recognizes water scarcity as a global issue. Water issues cross regional and national boundaries and affect activities hundreds or thousands of miles away from their source. As a multinational company with team members, suppliers and customers distributed across the globe, Dell has an important role to play in understanding and managing its water-related footprint and in promoting IT-enabled solutions that address these issues to the benefit of all concerned.

Water-related Issues and Dell

Dell's focus on water issues covers three broad areas:

- Managing Dell's activities as a responsible corporate citizen,
- Managing water-related risks to business operations, and
- Understanding the role of Information Technologies in addressing water issues.

The first two of these represent Dell's water footprint, covering water use in its supply chain and operations, and water use driven by the deployment of its products. Traditionally, both Dell's direct use of water and water-related use driven by Dell products has been limited. Dell, however, remains committed to understanding and managing these impacts.

. While Dell's direct water consumption is relatively low, water is an integral part of Information and Communications Technology (ICT) component manufacturing processes.

Dell is aware that, in order to reduce risks associated with component supply disruptions[3], it must engage with its supply chain on these issues and develop a deeper understanding of the relationship between its suppliers and water availability and quality.

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[1] For more information on Dell's Climate Change Policy Principles, please visit http://i.dell.com/sites/content/corporate/corp-comm/en/Documents/DellClimatePolicyPrinciples.pdf .

[2] A population faces "water stress" when the annual water supply is less than 1700 cubic meters per person. A population faces "absolute water scarcity" when the annual water supply is less than 500 cubic meters per person. (http://www.un.org/waterforlifedecade/scarcity.shtml)

[3] For example, flooding in Thailand from October of 2011 to mid-January in 2012 resulted in severe disruptions to hard drive production that lasted through 2012.

The third item is driven by the potential for Dell products and services to be put to use in addressing and mitigating this global problem. Information and Communication Technologies have proven to be a significant factor in many solutions addressing environmental issues. Dell believes issues around water availability and quality are no different and expects Information Technology will be a key enabler of future solutions addressing these issues.

Dell's Commitments and Water Policy Principles

To address the focal points of direct impact, supply chain risk and technology application, Dell has adopted the following principles with respect to water issues:

- Dell will measure and manage its direct water-related impacts
- Dell will engage with its suppliers and customers on water issues
- Dell will report the status and results of its efforts
- Dell will collaborate with key stakeholders

Impact Measurement and Management

Dell's commitment to being a responsible steward of water resources starts with measuring and understanding its direct impacts. This includes measurements of water consumption across all of Dell's global operations, including office environments, factories and data centers.

Using this insight, Dell has driven, and will continue to drive, initiatives to improve its management of water resources. Dell's commitment includes efforts for:

- Tracking and reporting the water consumption in Dell's global real estate portfolio
- Improving water use efficiency, particularly in Dell facilities that are located in water-stressed areas
- Incorporating water-efficient technology into the design of new Dell facilities

Engagement

Dell realizes that the impacts of its business extend beyond its direct operations. Not only must Dell look upstream to its supply chain, but it must also look downstream at the potential water-related impacts of its products, services and solutions. In order for Dell to have visibility and influence over these issues, it must continue and expand its engagements with its suppliers and customers.

In response to this, Dell encourages its suppliers to:

- demonstrate a commitment to the measurement and management of water consumption,
- identify water-related risks,
- set goals for improving water efficiency and managing risks, and
- report on water consumption and progress to goals.

Transparency

It is not enough to measure and manage. Dell realizes that its broader stakeholders want to be kept aware of Dell's progress on these issues. Dell is also aware that transparency in reporting aggregated numbers and issues helps assure outside entities that Dell's initiatives and progress are credible and represent meaningful approaches to water-related issues. To that end, Dell will continue to report its water-related impacts and findings at the country level.

Collaboration

Improving global water management efforts requires collaboration among governmental entities, non–governmental organizations, communities, individuals, suppliers and customers. Dell has established engagements with various organizations worldwide to focus on water and will continue to look for opportunities to expand its collaboration efforts. These efforts may include, but are not limited to:

- Awareness of water-related issues throughout Dell's value chain
- Investigation and implementation of analysis and reporting tools
- Processes for identification and mitigation of water issues