Inspired by possibility, guided by purpose
Inspired by possibility, guided by purpose

Each year we strive to be better — to create technology that can change the world, technology that makes a positive difference in the lives of our customers. It’s our commitment to being a responsible corporation. In fiscal year 2010, we continued our corporate responsibility work to guide us in better understanding — and balancing — our needs as a business and our role in improving the lives of those around us.

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Notes: Information in this fiscal year 2010 summary report does not reflect the Perot Systems acquisition (unless otherwise noted). Underlined key words hyperlink to more information.
Successful, innovative companies tend to aspire to a greater purpose that goes beyond the bottom line. At Dell, we have always believed that technology should be about enabling human potential. This belief has been a core part of our culture for the past 26 years, and today we define our company’s purpose around that singular idea: delivering technology solutions that enable people everywhere to grow and thrive.

We have a clear responsibility to our customers, employees and shareholders in bringing our purpose to life. That responsibility extends to the communities we serve and the planet we call home.

In my visits with customers, I’ve been inspired to see how our technology solutions and corporate initiatives are empowering people everywhere to achieve their goals and dreams.

Young people around the world are gaining the skills needed to become lifelong learners and tomorrow’s leaders through access to technology gained from our Connected Classroom and YouthConnect programs.

Hospitals are realizing the efficiency gains and patient care improvements that come with electronic medical records systems and streamlined IT operations.

Entrepreneurs and small business owners — who play a key role in driving the growth of our global economy — continue to inspire us all by leveraging Dell technology in unique ways to compete with significantly larger and more established businesses.

Helping people achieve more in their lives is both a direct result of our business and a rallying cry for our corporate responsibility programs. Solving the challenges we face regarding education, health care, the economy and our planet requires a combination of purpose-led business strategies and thoughtful global citizenship initiatives.

This report focuses on fiscal year 2010 corporate responsibility accomplishments and some of the challenges we faced. The year saw many firsts for Dell and our industry. To help make it easier for our customers to be environmentally conscious, we became the first technology company to add sustainable bamboo to our packaging portfolio. Our company also was the first to ban electronic waste exports to developing countries, and I’m happy to see others in our industry now doing the same.

We also maintained excellence in incredibly impactful programs. We continued to support diverse suppliers and again are honored to be a member of the Billion Dollar Roundtable, having spent more than $1 billion with women- and minority-owned suppliers in the United States. Our giving efforts reached more than 1 million children this year. And for the sixth consecutive year, we earned a perfect score with the Human Rights Campaign.

We’re proud of these accomplishments, and we understand there will always be more to do. As we balance business priorities with our commitment to corporate responsibility, we promise to thoughtfully consider every stakeholder in the decisions that we make. Doing so will keep us true to our purpose and our responsibilities.

Delivering on our commitments
1 million children impacted by Dell giving

Industry’s 1st to ban the export of e-waste to developing countries

$27.4 million in global giving

201,227 hours of team member volunteer services, with an estimated economic impact of more than $4.1 million

Maintained industry’s 1st worldwide free consumer recycling program

6th time perfect score on Human Rights Campaign Corporate Equality Index

1st computer manufacturer to offer sustainable bamboo packaging

More than $2 billion annual spend with diverse suppliers
Fiscal year 2010 meaningful milestones (continued)

- Recycled 484 million pounds of equipment since 2006
- Employee Resource Groups in 31 global locations
- Recognition for work-life advances in the United States, France and Slovakia
- 2nd annual work/life survey showed that use of formal flexible work solutions almost doubled to 21%
- 25% of global electricity needs were met by renewable sources
- Dell YouthConnect launched in 8 countries
- Increased supplier quarterly business reviews by 54%
- Shipped products built with more than 7.2 million pounds of post-consumer recycled plastic, equivalent to recycling more than 263 million water bottles
Progress to goals for fiscal year 2010

Corporate responsibility

Increase communications about corporate responsibility to customers, stakeholders and team members ✓

Add dynamic, online links to dell.com within the summary report for additional content ✓

Environmental responsibility

Advance strategy to become the greenest technology company on the planet through our Enviro 2.0 business platform ✓

Make laptop and desktop products 25 percent more energy-efficient by calendar year 2010 ✓

Produce mercury-free laptops by calendar year 2010 ✓

Implement server-managed power management for customers worldwide to avoid 40,000 tons of carbon dioxide emissions between FY08 and FY12 ✓

Double the number of 80 PLUS® Gold, Silver and Bronze power supply units (PSUs) available to customers ✓

Eliminate 20 million pounds of packaging by calendar year 2012 ✓

Increase sustainable content in cushioning and corrugated packaging by 40 percent by FY12 ✓

Achieve 75 percent curbside recyclability of packaging components ✓

Eliminate all remaining uses of brominated flame retardant (BFR) chemicals and polyvinyl chloride (PVC) plastics by calendar year 2009, including tetrabromobisphenol-A in circuit boards; in line with our Chemical Use Policy and the Precautionary Principle and with consideration for Chemicals for Priority Action identified by the Convention for the Protection of the Marine Environment of the Northeast Atlantic (OSPAR), eliminate the use of all BFRs and PVC in our products worldwide ★

Reduce global greenhouse gas (GHG) emissions by 15 percent per dollar of revenue from calendar year 2007 to 2012; achieve net zero global GHG emissions by calendar year 2008 and maintain that level through calendar year 2012 ★

Reduce GHG emissions from Dell products by 25 million tons through improved product performance and preconfigured systems with Energy Smart operational settings ★

Social responsibility

Enhance and expand Dell YouthConnect to impact more students, particularly in Morocco, the UK, France, South Africa and China ✓

Increase team member volunteerism from 36 to 50 percent of team member population ★

Achieve a 1 percent pre-tax charitable giving goal ✓

Launch a new value proposition to drive team member engagement ✓

Maintain Human Rights Campaign perfect score for the sixth year ✓

Increase retention of women globally and African-Americans and Hispanics in the U.S. ★

Double Employee Resource Group participation rate ★

Measure flexible work solutions progress with second annual survey, increasing participation to 21 percent ✓

Maintain status on Working Mother 100 Best Companies list ✓

Increase executive-level participation in diversity efforts ✓

Sustain commitment to HIV and AIDS prevention and treatment ✓

Corporate accountability

Complete 62 Dell audits at Tier 1 suppliers for compliance verification ✓

Engage 35 suppliers in e-Learning training to build supplier capability ★

Increase Electronic Industry Citizenship Coalition (EICC) Code of Conduct and Dell audits of our suppliers ✓

Enhance development of new and existing diverse suppliers ★

Participate in EICC Extractives Work Group and Mineral Traceability Study ★

Encourage all Tier 1 suppliers to publish a corporate responsibility report ★

Sustain Billion Dollar Roundtable achievement through spending with diverse suppliers ✓

Update the Dell Code of Conduct through innovative methods for gathering team member input ★

Increase takeback volume totals to a worldwide cumulative 1 billion pounds of collected equipment by calendar year 2014 ★

Recycle 125 million kilograms (about 275 million pounds) of equipment by calendar year 2009 ✓

Increase team member engagement by seeking commitment to living green ★

Further reduce worldwide facilities’ GHG emissions by 40 percent by calendar year 2015 ★

Recycle or reuse 99 percent of nonhazardous manufacturing wastes by calendar year 2012 ★

Status key

Completed ✓ In progress ★ Goal changed/restated ★
## Dell by the numbers

### Our communities

<table>
<thead>
<tr>
<th>Focus</th>
<th>Unit of measure</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Team member volunteers</strong></td>
<td>Percentage of team members</td>
<td>35%</td>
<td>36%</td>
<td>42%</td>
<td>Strong team member engagement throughout the world with site and country leads</td>
</tr>
<tr>
<td><strong>Children impacted through giving programs</strong></td>
<td>Number of children</td>
<td>NA</td>
<td>NA</td>
<td>1 million</td>
<td>Support provided through 26 YouthConnect partnerships in eight countries, more than 120 partnerships with U.S. nonprofit organizations and a variety of business sponsorships and programs; FY10 first year reporting</td>
</tr>
<tr>
<td><strong>Pre-tax profits charitable giving</strong></td>
<td>Percentage of dollars</td>
<td>NA</td>
<td>0.74%</td>
<td>1.34%</td>
<td>FY09 first year reporting</td>
</tr>
<tr>
<td><strong>Diverse supplier spending</strong></td>
<td>Billions of dollars</td>
<td>$2.4</td>
<td>$2.5</td>
<td>$2.1</td>
<td>Achieved Billion Dollar Roundtable</td>
</tr>
<tr>
<td><strong>Total cash contributions</strong></td>
<td>Millions of dollars</td>
<td>$15.30</td>
<td>$20.40</td>
<td>$22.38</td>
<td>Includes contributions from Dell and the Dell Foundation</td>
</tr>
<tr>
<td><strong>Total product contributions</strong></td>
<td>Millions of dollars</td>
<td>$0.90</td>
<td>$4.10</td>
<td>$5.05</td>
<td>Dell only</td>
</tr>
<tr>
<td><strong>Giving outside of U.S.</strong></td>
<td>Percentage of total giving dollars</td>
<td>12%</td>
<td>20%</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td><strong>Giving in U.S.</strong></td>
<td>Percentage of total giving dollars</td>
<td>88%</td>
<td>80%</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td><strong>Tier 1 suppliers participating in Carbon Disclosure Project (CDP)</strong></td>
<td>Percentage of suppliers participating</td>
<td>NA</td>
<td>94%</td>
<td></td>
<td>Tier 1 suppliers defined as 95 percent of Dell suppliers as measured by our spend. CDP numbers are reflective of previous fiscal year. These values will be published by CDP later this year.</td>
</tr>
<tr>
<td><strong>Tier 1 suppliers participating in CDP — disclosed response</strong></td>
<td>Percentage of suppliers opting to disclose</td>
<td>NA</td>
<td>86%</td>
<td></td>
<td>CDP numbers are reflective of previous fiscal year. These values will be published by CDP later this year.</td>
</tr>
<tr>
<td><strong>Tier 1 suppliers attending workshop</strong></td>
<td>Number of suppliers</td>
<td>NA</td>
<td>49</td>
<td>58</td>
<td>Number of suppliers, not attendees</td>
</tr>
<tr>
<td><strong>Sub-tier suppliers attending workshop</strong></td>
<td>Number of suppliers</td>
<td>NA</td>
<td>31</td>
<td>43</td>
<td>Number of suppliers, not attendees</td>
</tr>
<tr>
<td><strong>Supplier Capability Building workshops</strong></td>
<td>Number of meetings</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Supplier stakeholder engagements</strong></td>
<td>Number of suppliers engaged</td>
<td>NA</td>
<td>76</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td><strong>Supplier audits</strong></td>
<td>Number of total audits</td>
<td>NA</td>
<td>46</td>
<td>62</td>
<td>Dell and EICC audits</td>
</tr>
</tbody>
</table>

### Our people

<table>
<thead>
<tr>
<th>Focus</th>
<th>Unit of measure</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Women on the Board of Directors</strong></td>
<td>Percentage</td>
<td>15%</td>
<td>18%</td>
<td>9%</td>
<td>Resignation by a female Board member in FY10</td>
</tr>
<tr>
<td><em><em>People of color</em> — Board</em>*</td>
<td>Percentage</td>
<td>9%</td>
<td>9%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td><strong>Women team members</strong></td>
<td>Percentage</td>
<td>33%</td>
<td>33%</td>
<td>32%</td>
<td>Global</td>
</tr>
<tr>
<td><strong>Women total managers</strong></td>
<td>Percentage</td>
<td>26%</td>
<td>25%</td>
<td>26%</td>
<td>Global</td>
</tr>
<tr>
<td><em><em>People of color</em> — team members</em>*</td>
<td>Percentage</td>
<td>32%</td>
<td>31%</td>
<td>29%</td>
<td>U.S. only</td>
</tr>
<tr>
<td><em><em>People of color</em> — total managers</em>*</td>
<td>Percentage</td>
<td>20%</td>
<td>19%</td>
<td>19%</td>
<td>U.S. only</td>
</tr>
<tr>
<td><strong>Employee Resource Group participation</strong></td>
<td>Percentage</td>
<td>NA</td>
<td>5%</td>
<td>10%</td>
<td>FY09 first year reporting; estimates</td>
</tr>
<tr>
<td><strong>Employee Resource Group locations</strong></td>
<td>Number of locations</td>
<td>NA</td>
<td>27</td>
<td>31</td>
<td>FY09 first year reporting; growth reflects expansion in Asia Pacific-Japan</td>
</tr>
</tbody>
</table>

* Hispanic/Latino, African-American, Native Hawaiian, Asian, American Indian and two+ races
<table>
<thead>
<tr>
<th>Focus</th>
<th>Unit of measure</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our people (continued)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Rights Campaign Corporate Equality Index score</td>
<td>Scoring between 1-100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>Achieved perfect score on measures regarding a company's commitment to an inclusive workplace for lesbian, gay, bisexual and transgender team members</td>
</tr>
<tr>
<td>Mentorship opportunities</td>
<td>Number enrolled in MentorConnect</td>
<td>NA</td>
<td>660</td>
<td>4,702</td>
<td>FY09 first year reporting</td>
</tr>
<tr>
<td>U.S. team members who are members of the fitness center</td>
<td>Percentage</td>
<td>20%</td>
<td>18%</td>
<td>19%</td>
<td>Dell team members only</td>
</tr>
<tr>
<td><strong>Occupational health and safety metrics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recordable injury/illness rate</td>
<td>Cases per 100 FTEs**</td>
<td>0.47</td>
<td>0.41</td>
<td>0.28</td>
<td>Global; calendar years 2007, 2008, 2009</td>
</tr>
<tr>
<td>DART*** rate</td>
<td>Cases per 100 FTEs**</td>
<td>0.29</td>
<td>0.26</td>
<td>0.15</td>
<td>Global; calendar years 2007, 2008, 2009</td>
</tr>
<tr>
<td>Work-related fatalities</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Global; calendar years 2007, 2008, 2009</td>
</tr>
<tr>
<td><strong>Our planet</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process hazardous air pollutants generated</td>
<td>Metric tons</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>Very low or none</td>
</tr>
<tr>
<td>Volatile organic compound (VOC) emissions</td>
<td>Metric tons</td>
<td>—</td>
<td>3.7</td>
<td>1.8</td>
<td>Fixed equipment only; no process VOC emissions</td>
</tr>
<tr>
<td>Scope 1 greenhouse gas (GHG) emissions</td>
<td>Metric tons</td>
<td>35,128</td>
<td>30,780</td>
<td>29,189</td>
<td></td>
</tr>
<tr>
<td>Scope 2 GHG emissions</td>
<td>Metric tons</td>
<td>400,035</td>
<td>375,472</td>
<td>337,311</td>
<td>Before subtraction for green electricity purchases</td>
</tr>
<tr>
<td>Scope 2 net GHG emissions</td>
<td>Metric tons</td>
<td>386,504</td>
<td>313,837</td>
<td>261,177</td>
<td>After subtraction for green electricity purchases</td>
</tr>
<tr>
<td>Scope 3 GHG emissions</td>
<td>Metric tons</td>
<td>93,382</td>
<td>65,076</td>
<td>73,401</td>
<td>Global-business air travel only</td>
</tr>
<tr>
<td>GHG emissions intensity</td>
<td>Metric tons/ million $ revenue</td>
<td>7.12</td>
<td>6.65</td>
<td>7.01</td>
<td>Calculated from Scope 1 + Scope 2 total GHG emissions</td>
</tr>
<tr>
<td>GHG emissions intensity (net)</td>
<td>Metric tons/ million $ revenue</td>
<td>6.90</td>
<td>5.64</td>
<td>5.55</td>
<td>Calculated from Scope 1 net + Scope 2 net total GHG emissions</td>
</tr>
<tr>
<td>Electricity consumed (total)</td>
<td>Million kilowatt-hours (kWh)</td>
<td>638.2</td>
<td>619.9</td>
<td>556.2</td>
<td>Includes green electricity purchased and generated on-site</td>
</tr>
<tr>
<td>Green electricity consumed</td>
<td>Million kWh</td>
<td>22.8</td>
<td>122.7</td>
<td>150.1</td>
<td>Green electricity purchased and generated on-site</td>
</tr>
<tr>
<td>Other energy consumption</td>
<td>Million kWh</td>
<td>—</td>
<td>123.6</td>
<td>119.8</td>
<td>Includes heating, back-up generators and small vehicle fleet</td>
</tr>
<tr>
<td>Process wastewater generated</td>
<td>Cubic meters</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>No industrial wastewater from Dell's own operations</td>
</tr>
<tr>
<td>Hazardous waste generated</td>
<td>Metric tons</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>Not reported — very low or none</td>
</tr>
<tr>
<td>Nonhazardous waste generated</td>
<td>Metric tons</td>
<td>90,655</td>
<td>99,998</td>
<td>52,609</td>
<td>Manufacturing and fulfillment facilities; recycling figures for FY09 and FY10 include small amounts of waste incinerated for energy recovery; FY09 number is a correction to FY09 report</td>
</tr>
</tbody>
</table>

* Numbers do not include Dell Services team members who were added through the Perot Systems acquisition in November 2009.

** Full-time equivalent employees

*** Days away, restricted or transferred (due to workplace injury or illness)

1 Correction to original printed report
## Focus on Waste Recycling and Reuse Rate

<table>
<thead>
<tr>
<th>Focus</th>
<th>Unit of Measure</th>
<th>FY08</th>
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<th>FY10</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office copy paper, post-consumer</td>
<td>Percentage</td>
<td>95.1%</td>
<td>96.2%</td>
<td>96.1%</td>
<td>Manufacturing and fulfillment facilities; includes incineration for energy recovery</td>
</tr>
<tr>
<td>waste (PCW) recycled content</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>U.S. only. In January 2008, we began using 100% PCW recycled-content paper in our Texas and Tennessee operations, replacing the mainly 30% recycled content paper that was purchased during the past few years. As of September 2009, all large offices in the U.S. were using 100% recycled content paper.</td>
</tr>
<tr>
<td>Catalog paper, PCW recycled content</td>
<td>Percentage</td>
<td>45%</td>
<td>45%</td>
<td>41%</td>
<td>U.S. only. Many paper mills and independent landowners during the past year have found it advantageous to obtain certification of their woodlands through FSC. Not only has Dell sought out FSC-certified paper mills, but we have also successfully encouraged our existing suppliers to seek FSC certification.</td>
</tr>
</tbody>
</table>

## Water Consumption (Total)

<table>
<thead>
<tr>
<th>Focus</th>
<th>Unit of Measure</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased (municipal &amp; private)</td>
<td>Percentage</td>
<td>—</td>
<td>—</td>
<td>86%</td>
<td>FY10 first year reporting</td>
</tr>
<tr>
<td>Effluent (reused)</td>
<td>Percentage</td>
<td>—</td>
<td>—</td>
<td>8.0%</td>
<td>FY10 first year reporting; various nonpotable uses including landscaping</td>
</tr>
<tr>
<td>On-site wells</td>
<td>Percentage</td>
<td>—</td>
<td>—</td>
<td>5.6%</td>
<td>FY10 first year reporting</td>
</tr>
<tr>
<td>Surface and other sources</td>
<td>Percentage</td>
<td>—</td>
<td>—</td>
<td>0%</td>
<td>FY10 first year reporting; a small amount of rainwater is collected for reuse (not measured)</td>
</tr>
</tbody>
</table>

## Number of sites reporting water use

<table>
<thead>
<tr>
<th>Focus</th>
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<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage</td>
<td>32</td>
<td>64</td>
<td>60</td>
<td>Four sites previously reporting have closed.</td>
</tr>
</tbody>
</table>

## GHG Emissions Reduction from Dell Products through Improved Product Performance and Preconfigured Systems with Energy Smart Operational Settings

- Implemented server-managed power management for customers worldwide, and we are on target to achieve our 25 million tons goal by FY12; progress toward goal: 83%

## Use of Brominated Flame Retardants (BFRs) and Polyvinyl Chloride (PVC)

- By the end of 2011, all newly introduced Dell personal computing products will be BFR-, chlorinated flame retardant (CFR)- and PVC-free. However, achieving this goal is contingent on when the industry identifies acceptable alternatives that will lower product health and environmental impacts without compromising product performance.

## Lead and BFR Avoidance

- Exceeded our goals: Lead by 30%; BFRs by 37%

## Packaging Reduction

- Eliminated the use of 8.7 million pounds of packaging, achieving 44% of goal to eliminate 20 million pounds by 2012
### Our planet (continued)

<table>
<thead>
<tr>
<th>Focus</th>
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<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curbside recyclability of packaging</td>
<td>Percentage</td>
<td>—</td>
<td>—</td>
<td>57%</td>
<td>Molded pulp, high-density polyethylene (HDPE) cushion, EPE (foam), bamboo and corrugate; progress toward goal: 75.9%</td>
</tr>
<tr>
<td>components</td>
<td>Percentage</td>
<td>—</td>
<td>—</td>
<td>32.88%</td>
<td>Achieved nearly 32.9% increase in sustainable content in packaging; recycled content in EPE, HDPE, corrugate; progress toward goal: 94%</td>
</tr>
<tr>
<td>Sustainable content in cushioning and</td>
<td>Percentage</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>corrugated packaging</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global recycling</td>
<td>Number of locations</td>
<td>71</td>
<td>72</td>
<td>71</td>
<td>In FY11 program expanded into six additional countries.</td>
</tr>
<tr>
<td>Expansion of free Dell-branded takeback</td>
<td>Number of audits</td>
<td>39</td>
<td>34</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>program</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worldwide cumulative takeback volume totals</td>
<td>Million kilograms</td>
<td>58</td>
<td>61.3</td>
<td>69.4</td>
<td></td>
</tr>
</tbody>
</table>

### Our accountability

<table>
<thead>
<tr>
<th>Focus</th>
<th>Unit of measure</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>Millions of dollars</td>
<td>$61,133</td>
<td>$61,101</td>
<td>$52,902</td>
<td>See the Form 10-K report for more information.</td>
</tr>
<tr>
<td>Team members</td>
<td>Number</td>
<td>88,200</td>
<td>78,900</td>
<td>96,000</td>
<td>Approximately 36,600 are located in the U.S., and approximately 57,700 are located in other countries. Our acquisition of Perot Systems added 23,800 regular team members.</td>
</tr>
<tr>
<td>Corporate political contributions</td>
<td>NA</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>Corporate political contributions are illegal at the federal level and in most other jurisdictions. Even in jurisdictions where permissible, Dell does not make corporate political contributions. Learn more about our policy.</td>
</tr>
<tr>
<td>Compliance with the political contribution</td>
<td>Number of criteria</td>
<td>8</td>
<td>10</td>
<td>10</td>
<td>11 total criteria. See Dell’s Public Policy page.</td>
</tr>
<tr>
<td>evaluation criteria used by the Center for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political Accountability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Audit Committee</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Compensation Committee</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board meetings held or scheduled</td>
<td>Number of meetings</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Ongoing stakeholder engagements</td>
<td>Number of engagements</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>In FY10 held an in-person session and two calls with socially responsible investors at our corporate headquarters to review environmental strategy; held a transparency and content review of the annual corporate responsibility report at the Ceres conference; co-hosted a multi-industry event on extractives at a Business for Social Responsibility (BSR) workshop</td>
</tr>
<tr>
<td>Code of Conduct training</td>
<td>Percentage of required team members who took the training</td>
<td>NA</td>
<td>100%</td>
<td>100%</td>
<td>FY09 first year reporting</td>
</tr>
<tr>
<td>Ethics Hotline</td>
<td>Number of calls and online inquiries</td>
<td>NA</td>
<td>495</td>
<td>273</td>
<td>FY09 first year reporting</td>
</tr>
</tbody>
</table>
Goals for fiscal year 2011 and beyond

**Environmental responsibility**

**Sustainable operations**
- Achieve 50 percent PCW for paper used in our U.S. catalogs
- Sustain 25 percent of Dell’s catalog fiber from FSC-certified sources
- Drive toward zero waste by recycling or reusing 99 percent of nonhazardous manufacturing waste by 2012
- Reduce fresh water use by 5 percent by 2013
- Reduce global GHG emissions by per dollar of revenue 15 percent from 2007 to 2012, and maintain net zero global GHG emissions

**Product and packaging stewardship**
- Make laptop and desktop products 25 percent more energy-efficient by calendar year 2010 compared to systems offered in May 2008
- Reduce GHG emissions from Dell products by 25 million tons through improved product performance and preconfigured systems with Energy Smart operational settings
- Avoid 40,000 tons of carbon dioxide emissions by implementing server-managed power management for customers worldwide between FY09 and FY12
- Maintain the lead among our competitors in approved 80 PLUS certified power supply program
- Make all newly introduced Dell personal computing products BFR- and PVC-free
- Avoid 100,000 tons of lead and 600,000 tons of BFRs between FY04 and FY12
- Eliminate 20 million pounds of packaging by 2012
- Achieve 75 percent curbside recyclability of packaging components
- Increase sustainable content in cushioning and corrugated packaging by 40 percent

**Global recycling**
- Increase takeback volume totals to a worldwide cumulative 1 billion pounds of collected equipment by 2014

**Social responsibility**

**Communities**
- Impact 1 million children through Dell’s giving efforts
- Engage at least 50 percent of Dell team members in community involvement
- Achieve a 1-percent of pre-tax profits charitable-giving goal
- Sustain commitment to HIV and AIDS prevention and treatment
- Increase EICC and Dell audits of our suppliers to more than 100 audits
- Encourage all Tier 1 suppliers to publish a corporate responsibility report
- Participate in EICC Extractives Work Group and Mineral Traceability Study

**People**
- Sustain commitment to a diverse and inclusive workforce
- Sustain commitment to key external marketplace initiatives
- Engage team members with opportunities to participate in Employee Resource Groups
- Achieve workplace transformation

**Corporate accountability**

**Ethics and compliance**
- Attain 100-percent eligible team member completion rate in ethics and compliance education (annual training)

Note: All goals are to be completed by fiscal year 2011 unless otherwise noted.
Our commitment to our communities

Connecting communities to a better, more promising tomorrow

Together with our stakeholders, we are a force for positive change around the world. The power of collective knowledge and working partnerships can help us address some of the world’s most pressing social issues. The goal is to create a more promising tomorrow for communities everywhere, and we have a responsibility to actively contribute our time, technology and know-how to do so. How do we do that? We rally together — as a global business and as team members — and get involved, sharing our talents to help others.
Impacting 1 million children around the world

In a village in India, a young girl smiles and watches a Bollywood movie — and practices her reading as she sings along with Planet Read’s Same Language Subtitling program.

She is one of a million children who have been connected to a more promising tomorrow through our efforts.

As we continue to refine our giving programs, our communities remind us not to lose sight of ways in which we can touch individual lives. In 2008, we set an aspirational goal to give back 1 percent of our annual pre-tax profit to our communities. In fiscal year 2010, we reached that goal, as shown in Figure 1. But for us, it’s not just about the money — it’s about the lives that were affected as a result of those donations.

Unleashing the potential of our youth by closing the technology gap

Imagine what would be possible if everyone around the world had access to technology. Dell’s signature giving program, Dell YouthConnect, works with organizations across the globe to give young people access to the education and technology they need to realize their dreams. Through cash and in-kind grants, these partnerships help to improve lives through education and technology and to inspire the next generation to unleash their unique potential.

Providing technology access and promoting educational success can make a significant difference in a child’s life. In February 2009, the first grants were awarded in India, and the program quickly expanded to Brazil, Mexico, China, Morocco, South Africa and the United Kingdom.

In January 2010, the program’s expansion into France was announced. Since the inaugural grants, the program has touched more than 350,000 youth through $8 million in cash and in-kind grants to charitable organizations. Through the expertise and experience of outstanding partners like the Sci-Bono Discovery Center in South Africa, the Dell YouthConnect program is addressing key issues in underserved areas.

Figure 1: FY10 Dell Giving highlights

<table>
<thead>
<tr>
<th>Donor</th>
<th>Cash</th>
<th>Product</th>
<th>FY10 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate/Dell Foundation</td>
<td>$10,242,269</td>
<td>$4,050,549</td>
<td>$14,292,818</td>
</tr>
<tr>
<td>Business</td>
<td>$4,142,431</td>
<td>$1,005,702</td>
<td>$5,148,133</td>
</tr>
<tr>
<td>Employee-directed</td>
<td>$7,999,751</td>
<td>$0</td>
<td>$7,999,751</td>
</tr>
<tr>
<td>Total</td>
<td>$22,384,451</td>
<td>$5,056,251</td>
<td>$27,440,702</td>
</tr>
</tbody>
</table>

Corporate responsibility comes to life. Read about bringing math, science and technology to students in Africa.
While all of our Dell YouthConnect partners have created exceptional projects, here are a few highlights:

» Building a better tomorrow through education: The Energy and Resources Institute (TERI), headquartered in New Delhi, India, has been tackling environmental issues for more than 35 years. TERI addresses rising global concerns through innovative and sustainable solutions. Working with TERI, the Dell YouthConnect program reaches more than 300 schools and 30,000 students across India.

» Supporting project-based learning: The China Youth Development Fund has been working with Dell to build 25 Dell Learning Centers (DLCs) in 15 different cities in China to help migrant students learn computer skills. In addition, in 10 DLCs it runs the Dell Cup robotics program, which teaches science and technology while enhancing students’ creativity and confidence.

» Giving youth new direction and hope: For 15 years, the Center for Digital Inclusion (CDI) has empowered underserved groups throughout the world to use information and communication technologies as tools to exercise their full capacities as citizens and tackle the issues that affect their communities. At CDI Vinde a Mim (Hortolândia, Brazil), the Dell YouthConnect and CDI collaboration provided five students with opportunities for employment. One such student was an 18-year old male who was a resident in one of the poorest neighborhoods. He was involved in drug trafficking and to stay off the streets, he started participating in activities at CDI Vinde a Mim for two shifts per day. He excelled in the computer course and was nominated for an internship at Dell. This young man has now been working at Dell’s Brazil facility for six months. According to him, this opportunity was essential in giving his life a new direction.

Corporate responsibility comes to life. Read more success stories.

Closing the technology gap in the U.S.

Another way we reach today’s youth is through the Dell Foundation, which awards grants in the U.S. In fiscal year 2010, the Dell Foundation awarded 82 Equipping Youth Grants and more than 100 open grants, ranging in value from $1,000 to $10,000, in communities where Dell has facilities.

Equipping Youth grants are two-year affiliations with nonprofit organizations. The grants offer direct financial assistance to programs that empower youth to learn and excel in a digitally driven economy. Dell provides three types of Equipping Youth grants: Healthy Communities, Connected Communities and Literate Communities.

Inspiring social innovation and entrepreneurs

To spur the minds of innovators and encourage the entrepreneurial efforts of the world’s youth, we’ve proudly collaborated on the following projects:

» Clinton Global Initiative: Building on his lifetime in public service, former U.S. President Bill Clinton established the Clinton Global Initiative (CGI), which convened its fifth annual meeting in 2009. All CGI members make a “Commitment to Action,” a unique feature of CGI membership that translates practical goals into meaningful and measurable results. Dell is a member of CGI and has made an official commitment through Dell YouthConnect. CGI also hosted a University Summit that Dell’s Paul Bell, president, Global Public, helped to kick off in February at the University of Texas at Austin.
Rallying together, the Dell Team makes a difference around the world

Most people take vacations to relax. For Pearce Clune, one of our product managers based in Dubai, vacation often involves packing steel-toe boots and a hard hat for 10 days of intense manual labor. Working with the Niall Mellon Township Trust, Pearce gives his heart and energy to the charity’s annual South African Building Blitz. The 2009 Building Blitz drew nearly 1,000 volunteers from Ireland, Germany, the United Kingdom and Dubai, who came together to provide quality housing for some of the poorest South African townships.

Pearce is one of nearly 30,000 team members who give back to communities through our One Dell: One Community program.

Dell is full of silent heroes — team members who are making a difference without calling attention to their efforts. Yet we know they are out there, working side by side with charitable organizations to contribute in meaningful ways. Our One Dell: One Community program rallies team members to share their time and talents in our communities.

In fiscal year 2010, team members touched the lives of thousands of our neighbors. They joined projects to address disaster relief, childhood hunger, HIV and AIDS, and homelessness to name a few. Overall, they contributed more than 200,000 volunteer hours, up from 145,000 hours last year. These contributions represented an economic impact of more than $4.1 million.

Access more information about Dell team member giving at www.dell.com/giving.

Social Innovation Competition: Dell and the University of Texas sponsored Dell’s Social Innovation Competition, designed to encourage college students throughout the world to submit creative ideas to address critical human needs through innovation. The 2009 winner, Gardens for Health, received $50,000 for their groundbreaking idea.

Children’s Climate Forum: In partnership with UNICEF, Dell YouthConnect provided 160 laptops to the international youth ambassadors attending the 2009 Children’s Climate Forum in Copenhagen. The event was held prior to the United Nations Climate Change Conference (COP15). At the forum, 160 young people from 44 countries had the opportunity to voice their concerns and ideas to influence world leaders. After the event, UNICEF distributed the laptops to select young climate change activists to continue championing young people’s views on this issue. Read what one student had to say.

Access more information about closing the technology gap at www.dell.com/giving.
Matching the financial contributions of our team

Take a look at John Gron’s calendar. Each week he volunteers somewhere in his community. In addition to his full-time job as a manager in Dell Services’ Enterprise Expert Center, John works with more than 13 organizations in Oklahoma City. He lends his time and talents to a variety of causes and touches the lives of the young, the elderly and many in between. Plus, John provides a financial contribution that is matched by Dell.

In fiscal year 2010, $8 million went back into our communities, thanks to the contributions of our Dell team members. These same communities received an additional $7.38 million because of the Dell matching contribution. This year, we enhanced the Direct Giving program by:

» expanding outside of the U.S. and Canada to include India
» matching up to $10,000 per team member, doubling the $5,000 offered last year
» allowing the payroll deduction option to be selected at any time throughout the year

Access more information about Dell team members giving at www.dell.com/employeegiving.

Responding to global disasters

As a community partner, we come together in times of crisis to help those in need. In fiscal year 2010, Dell responded to several natural disasters, with the crisis in Haiti receiving the greatest attention. Working quickly to provide immediate aid for those in need, we gave corporate and team member donations totaling more than $1.4 million, participated in the Haiti Relief and Rebuild Taskforce and supported NetHope’s relief efforts. We continue to stay in contact with our team members, customers and emergency response organizations to help rebuild the communities where disasters have occurred.

Raising HIV and AIDS awareness with our customers

Every day we use our computers to connect and collaborate with others.

Dell customers can also use our products to help change lives through our continuing partnership with (PRODUCT)RED™ — a program that is helping to eliminate HIV and AIDS in Africa. When customers purchase Dell (PRODUCT)RED products, part of the proceeds go to the Global Fund to provide HIV health and community support programs. And because (PRODUCT)RED items don’t cost more than equivalent non-(PRODUCT)RED items, this contribution is at no additional cost to the customer.

Though only 10 percent of the world’s population lives there, Africa is home to 67 percent of those living with HIV, and 20 million people on the continent have died from AIDS. (PRODUCT)RED was created to harness the power of companies and consumers to address this emergency. To date, (PRODUCT)RED partners and events have generated $150 million for the Global Fund. These funds have reached more than 5 million people through HIV education, prevention and treatment programs.

Access more information about Dell’s newest (PRODUCT)RED products at www.dell.com/joinred.
Building a diverse supplier network

A woman-owned business helped us to advance our recycling initiatives by providing a way to safely destroy and recycle hard drives. Dell’s collaboration with this creative company, along with many others of its kind, demonstrates the value of building alliances with a diverse group of suppliers — businesses whose ideas might not otherwise be represented. And it just makes sense for us to partner with suppliers that reflect the diversity of our team members and customer base.

In June 2008, the Billion Dollar Roundtable (BDR) — a top-level forum for advancing the practice of supplier diversity — added Dell as a member. The honor recognized our commitment of more than $1 billion in annual supply-chain spending with minority- and woman-owned suppliers. As one of 16 members, alongside companies such as Johnson Controls and IBM, we can now join forces with other BDR businesses to champion the practice of supplier diversity. We continue to qualify for BDR membership annually.

We were honored to receive additional recognition for our efforts in building supplier diversity:

» The Women’s Business Enterprise National Council (WBENC) selected us as one of America’s Top Corporations for Women’s Business Enterprises for 2009.

» DiversityBusiness.com included us in their Top 50 Organizations for Multicultural Business Opportunities. We topped their list as the number one corporation in America for providing multicultural business opportunities.

» National Veteran Owned Business Association (NaVOBA) selected Dell as one of the 10 Best Corporations for Veteran Owned Businesses in 2010, and the winners were featured in Vetrepreneur magazine, a publication for veteran business owners.

Besides providing diverse suppliers with access to procurement opportunities, we invest in the growth of diverse businesses through many innovative programs. A great example is our Supplier Development Program, through which Dell executives mentor certified diverse suppliers to drive supply chain excellence, advancing their businesses with Dell and other corporations.

As a global company, Dell always looks for innovative ways to support diverse business growth in countries where we have customers. The Dell team has transformed supplier diversity from a U.S. domestic initiative into a global strategy. Our global strategy helps well-performing U.S.-based diverse suppliers expand overseas to mirror our global sourcing strategy. It also supports underutilized businesses in countries where we have a significant customer base. For example, Dell executives lead the China Committee of National Minority Supplier Development Council (NMSDC), which spearheaded the historic effort of creating China’s first national supplier diversity program.

“Dell has proven itself to be a leader and innovator in advancing supply-chain opportunities for diverse suppliers. Dell is a company built on direct engagement with its customers, and it follows a similar approach in building relationships with diverse suppliers. We welcome the ideas and commitment Dell will bring to the Billion Dollar Roundtable.”

— William Moon, Chairman, Billion Dollar Roundtable
Promoting global citizenship through a responsible supply chain

We are committed to operating in a responsible manner in all areas of our business. That responsibility extends to our global supply chain as well. We expect our suppliers to demonstrate ethical behavior and sustainable social and environmental practices (including clean water and air discharges), while ensuring the health and safety of people as well as fundamental human rights and dignity (including child-free labor and the absence of slavery).

**Leveraging an industry leader, EICC**

Every Dell supplier is required by contract to operate in full compliance with the laws, rules and regulations of the countries in which it operates and is required to adopt and actively pursue conformance to the Electronic Industry Citizenship Coalition (EICC) Code of Conduct.

Using the industry-standard tools that have been developed by the EICC and the Global eSustainability (GeSI) Initiative, including the Self-Assessment Questionnaire, we ask suppliers to provide documented evidence of their commitment to implement our Supplier Principles through a self-assessment tool that uses the following criteria:

- **Commitment and Policy**
- **Implementation and Operation**
- **Self-Monitoring and Corrective Action**
- **Management Review and Continuous Improvement**

**Measuring supplier performance**

Our commodity managers complete a quarterly business review (QBR) scorecard that includes measuring suppliers’ social and environmental performance. Figure 2 shows the progress of our supplier QBRs during the year.

The key issues of supplier noncompliance focused on labor issues (such as excessive working hours), occupational health and safety, and environment (for example, wastewater discharge). Dell worked with the suppliers identified to define and implement management systems or corrective actions.

We are committed to transparency and integrity in our operations and in those of our suppliers. By working together, suppliers at every level can drive positive change throughout our industry.

**Figure 2: FY10 supplier quarterly business review score summary**

<table>
<thead>
<tr>
<th>Score</th>
<th>% Suppliers</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>46%</td>
<td>Implementation in place</td>
</tr>
<tr>
<td>-1</td>
<td>32%</td>
<td>Implementation in place with minor gaps</td>
</tr>
<tr>
<td>-2, -3</td>
<td>16%</td>
<td>Implementation in place with mid gaps</td>
</tr>
<tr>
<td>-4, -5</td>
<td>1%</td>
<td>Implementation not in place or requested information not provided</td>
</tr>
<tr>
<td>NA</td>
<td>5%</td>
<td>Small business or supplier of end-of-life product</td>
</tr>
</tbody>
</table>

**Areas for improvement**

- Organization & implementation plan
- Process & compliance
- Sub-tier awareness
- Focus on labor

93% of target suppliers* are in an improvement trend

*76 target suppliers. Target suppliers are defined as Dell’s top spend, Tier 1 suppliers. Data does not directly correlate to supplier compliance.
Building supplier awareness and capability
A sustainable and winning supply chain creates a superior experience for our customers. To ensure high work standards and ethical behavior during all business cycles, we have partnered with suppliers to implement the EICC Code of Conduct with a focus on labor, environmental matters, and health and safety management systems. In fiscal year 2010, Dell hosted the sixth supply chain Social and Environmental Responsibility (SER) workshop in Shanghai, China, where more than 50 Dell Tier 1 and 2 suppliers came together to learn and share best practices.

During the workshop, we shared how Dell’s coordination and collaboration efforts with channel partners are helping to build a socially and environmentally responsible supply chain. These efforts include compliance with our corporate Code of Conduct, process and management system establishment, corporate expectations of our suppliers with regard to climate impact initiatives, and sub-tier supplier management in corporate responsibility. Key topics included the Carbon Disclosure Project, management of working hours and corporate responsibility performance evaluation tools. Participant feedback was positive, and Dell will sponsor more workshops in the future to further help our suppliers build their corporate responsibility capability.

We are committed to becoming more transparent with our stakeholders. We publicly disclose the list of our top suppliers (based on spend). We also share our carbon emissions on the Carbon Disclosure Project Web site and request that all suppliers do so as well.

Addressing minerals and extractives
The grave human rights violations noted in “Engaging with our industry to ensure global human rights” on page 20 make it critical for us to ensure that conflict minerals are not part of our supply chain. As a result, we have raised our suppliers’ awareness and requested their due diligence in avoiding procurement of known conflict minerals.

Targeting global citizenship challenges
As we continue to extend our corporate responsibility efforts to our supply chain, we are working to address the following key challenges:

» Suppliers have minimal knowledge of greenhouse gas (GHG)/climate change reporting.
» Suppliers need clear expectations to support environmental initiatives.
» Suppliers focused on internal corporate responsibility improvements are not active in the sub-tier supply chain.

Complexity of regional environments include:
— laws (different legal requirements)
— government (different level of enforcement)
— workers’ expectations (different expectations from workers in developing countries)
— practices that are regionally acceptable, but violate the letter and intent of the EICC Code of Conduct

» Training, monitoring and auditing are costly.
» Transparency: supplier approval is needed to publicly provide audit details.

Setting expectations for managing GHG emissions
Our suppliers play an important role in helping us with our holistic climate framework. In that framework, we outline our expectations for our suppliers, which include:

» publicly disclosing annual GHG emissions through participation in the Carbon Disclosure Project
» establishing a public goal for reducing operational GHG impacts
» setting expectations for Tier 2 suppliers to manage and publicly disclose emissions per GHG protocol
Engaging with our industry to ensure global human rights

It’s our duty as a socially responsible company to understand how the acquisition of materials used in our products affects human rights in local communities. Minerals, such as tin, tantalum, tungsten and gold are used in numerous products, including electronics. One area in which these minerals are mined is the Democratic Republic of Congo (DRC), where grave human rights violations have been reported in the mining industry in certain areas of the country.

While the mining of these minerals occurs many layers deep in our supply chain — often making it difficult to trace a mineral’s origin — we are committed to finding ways to make certain that no part of our supply chain contributes to these atrocities.

We support the goals of the Conflict Minerals Trade Act, which promotes transparency and procurement from a socially and environmentally responsible supply chain.

Working closely with other businesses has helped us move toward bringing transparency and accountability to the electronics supply chain. For example, in August 2009, we joined other leaders in the electronics industry in a call to action. Through a joint press release, sustainability leaders from these companies invited all industries with tantalum, tin, gold and cobalt minerals in their products to a meeting in San Francisco to discuss the next steps in resolving this issue. More than 50 people attended the workshop facilitated by Business for Social Responsibility. Since that time, additional multi-industry meetings have occurred, and we are making great strides in our work to create a chain-of-custody verification process.

We have implemented the following strategies to build awareness within our own supply chain:

» sending letters to our suppliers requesting that they proactively undertake due diligence and continuous monitoring of both direct and indirect supply chains to avoid procurement of conflict minerals (from Eastern DRC and Central Africa, specifically)

At this time, Dell is not considering an outright ban or embargo, as this will unfairly impact legitimate mining operations in the region. However, we do believe that our suppliers should have a clear understanding of our position on conflict minerals and be held accountable for the selection of materials being procured for our products.

» increasing the level of management review and oversight of this issue at Dell

» continuing to work on this issue with our peers in the EICC

We’ll continue to lead the conversation with our industry peers and our suppliers. And we’ll encourage everyone who has products that contain these minerals to join us in this effort.

As a member of the Electronic Industry Citizenship Coalition (EICC) and adhering to its Code of Conduct, we have taken the following actions:

» helped to advance agreement for a certification program that assures socially and environmentally responsible sourcing of tantalum

» collaborated on a process to ensure that smelters document materials that originate in DRC and surrounding countries to trace the product to the mine of origin

» encouraged industry dialogue in an effort to eradicate atrocities in the DRC

» helped shape language regarding conflict materials in the U.S. financial reform bill in the summer of 2010

Access more information about ensuring supplier responsibility at www.dell.com/supplierresponsibility.
Challenges

As we continue our efforts to connect communities to a more promising tomorrow, we continue to address these three challenges:

» ensuring adherence to all financial and other regulations when providing contributions to a non-governmental organization outside of the U.S.

» continuing our efforts to find ways to make certain that no part of our supply chain contributes to violations of human rights, and partnering with industry leaders to engage in dialogue on how to move forward

» aligning Dell’s capabilities and resources in meaningful ways to address our key giving priorities

Conclusion and moving forward

Where others see limitations, we see possibilities. That’s why we join together to share our time, skills and donations to address many of our communities’ greatest issues. At the same time, we honor our commitment to our purpose and values by holding ourselves and our supply chain to high standards of ethical behavior. It is not an easy road to take, but it is the road we have chosen, and we are committed to follow its course.

Though many of the world’s problems can seem insurmountable, it is not in our nature to turn away from such challenges. By listening carefully to the needs of our communities and keeping in close touch with their concerns, we can continue to make a difference and inspire others to do the same.

Access more information at www.dell.com/communities.
Our commitment to our people

Inspiring every team member to embrace and live Dell’s purpose

We want to help our customers do and achieve more. That’s why we are committed to being a place where our team members come together to find meaningful work, engage with talented co-workers and create innovative solutions for a diverse customer marketplace. When we combine our diverse experiences and creativity, we create a culture that inspires winning, where we all can embrace and live our purpose in everything we do.
Embracing diversity and inclusion for an authentic workplace environment

In fiscal year 2010, our heritage of diversity and inclusion continued to evolve at every level of the company. Our commitment to equal opportunity for all of our team members — along with best-practice pay and promotion policies — have helped ensure that all team members, including women and minorities, continue to advance in our business.

We also saw more team members participate in our flexible work solutions and pursue career growth by connecting with a mentor. Further, we’ve strengthened our focus on ensuring team member success through an updated performance management system and increased opportunities for career growth through networking, formal classes and certification programs.

In addition, we recognize that our team members’ health and wellness are central to our success. As a result, we maintain our strong commitment to healthy living by providing programs that contribute to the well-being of our team members and their families.

Richard Barner and his wife have two young children. Both parents have demanding work schedules. Richard is a high-level employee in Dell’s World Wide Procurement department; his wife is a professor at the University of Texas at Austin, School of Pharmacy. Work-life balance is an everyday priority.

Richard openly communicates with his manager about his commitment to work-life balance. “It’s a conversation you must have early on when you begin a working relationship with your manager or management team,” he says. Richard recalls a meeting he had to politely excuse himself from to pick up his children from school. The following day the executive who was leading the meeting told Richard he admired him for attending to his family responsibilities. Richard appreciates that other managers he’s worked for at Dell have had similar responses. “I’ve been measured by the ‘whole work’ I produce, not by the amount of time I’m in the office.”

Diversity and inclusion are fundamental to our passion for delivering technology solutions that enable organizations to succeed. Our commitment to diversity and inclusion is deeply rooted in our values and is an integral part of many of our initiatives.

Each team member brings remarkably different talents, perspectives, and life and career experiences to help us achieve our purpose for our customers. We believe that for our team members to do their best work, a commitment to a culture of inclusion is essential. Inclusion is an environment where people feel valued, supported, respected, involved and engaged.
By embracing how we are alike in our commitment to fulfilling our purpose and by celebrating how we are different in how we think and how we work, we create an environment where everyone can succeed. Every person at Dell wants the same chance to grow, develop and achieve. That’s why Dell is a meritocracy, where everyone has the opportunity to deliver extraordinary results and be recognized for their efforts.

**Strengthening our diversity and inclusion leadership**

Diversity and inclusion are a central part of our culture from India to Brazil and from the U.S. to Australia. Our purpose, our values and our leadership underscore that diversity and inclusion are important to the success of the individual — and the company. Taking ownership to ensure accountability is our Global Diversity Council, which is chaired by our founder and CEO, Michael Dell. Our global, diverse leadership team serves as an advocate for diversity and inclusion, establishes global priorities, fosters sharing of best practices, and holds business functions accountable for managing workforce and marketplace diversity in pursuit of our business objectives.

During fiscal year 2010, Dell’s Global Diversity Council made significant progress in three key areas:

- **Providing strong, visible leadership and clear expectations for diversity and inclusion accountability**
  - All members of Dell’s Executive Leadership Team (ELT) are now accountable for ensuring that their business units have appropriate diversity and inclusion goals.

- **Integrating diversity and inclusion accountability into our talent and performance management**
  - Our annual Tell Dell survey measures our team members’ perceptions of engagement, leadership and culture — across the globe. We use this data in our talent and performance management processes all the way up to our Board of Directors.

- **Welcoming a world-class external diversity advisor**
  - Michael Dell has been actively engaged in leading key diversity and inclusion efforts — from chairing the Global Diversity Council to hosting numerous meetings with diverse groups of team members. For the first time, this year he hosted a company-wide meeting for Employee Resource Groups (ERGs), where he shared his thoughts on the importance of diversity and answered questions.

- A regional executive-level council for diversity and inclusion was launched in 2009. Featuring 12 executives from every country in the Asian region, the council tracked their progress on communication, recruitment, retention, representation and engagement.

- The Leadership Education for Asian Pacifics recognizes Dell

With the addition of Shantanu Narayen to Dell’s Board of Directors in fiscal year 2010, the Leadership Education for Asian Pacifics, Inc. (LEAP) highlighted Dell in a report that measures Asian Pacific American inclusion on boards of Fortune 100 companies.

For more information, see the press release and the report.
Herman, a former U.S. Secretary of Labor. Herman works directly with both our Global Diversity Council and our Diversity Policy and Governance Council. She guides us in moving Dell diversity policies forward and reviews our compensation and promotion policies to ensure that they continue to be fair and equitable.

Transforming the workplace for greater flexibility

The best way to get fresh ideas is through innovation. One way innovation can be achieved is through diverse teams made up of people from varying backgrounds and fields of expertise — or simply, a mix of team members who think and work differently. To make the most of these diverse perspectives, it’s important to provide the right tools and resources to ensure success.

Two years ago, with input from senior leaders, managers and team members, a company-wide Global Work-Life survey was conducted to better understand work-life challenges and implement a company strategy. The results jump-started many activities throughout fiscal year 2010. A second annual Global Work-Life survey was conducted in July 2009. The survey results showed:

» Workplace engagement is higher for team members who use flexible work solutions and who have leaders who support work-life flexibility.

» The use of flexible work solutions increased, with 21 percent of survey respondents indicating they use formal flexibility solutions, up from 12 percent in 2008.

» Team member awareness of work-life initiatives increased; however, only 33 percent indicated that work-life information is readily available.

» Barriers to flexibility remain and include a perceived lack of senior management support.

» An increasing workload has the greatest negative impact on managing work and life balance.

The Global Work-Life survey results were communicated across the company through internal executive blogs, executive panels, staff presentations, business-unit town hall meetings and other channels. To facilitate change and advance work-life integration, we consulted with each region and business unit to help them support local work-life actions.

Based on the survey results, it was important that team members hear directly from senior leaders that they are serious about integrating work-life balance into our culture. Chief Financial Officer Brian Gladden and vice presidents from different business units participated in a panel discussion to share their perspectives on our work-life initiative. Participants also discussed how they personally weave work-life balance into their own hectic schedules. More than 350 team members listened by phone or live Webcast.

While we continue to make progress, there is still much more to do, and we are continuing to raise awareness about the resources we have developed in the past year. The internal MyLife portal and the new Global and Virtual Teaming Toolkit were created to provide team members and managers the resources needed to adapt to our ever-changing work environment.


Access more information about our work-life initiatives at www.dell.com/flexiblework.
Our diversity and inclusion engagement around the world

1. The BRIDGE ERG celebrated Black History Month with a keynote address by Chef Jeff Henderson, the first African-American named Chef de Cuisine at Caesars Palace in Las Vegas and, later, executive chef at Café Bellagio.

2. During Gay Pride Month, our PRIDE ERG welcomed keynote speaker Lisa Sherman, the executive vice president and general manager for Logo — the first ad-supported basic cable network and multi-platform entertainment brand for lesbian, gay, bisexual and transgender (LGBT) viewers.

3. Thurmond Woodard, former chief diversity officer for Dell, was inducted as the first member practitioner into the Johnnetta B. Cole Global Diversity and Inclusion Institute. Woodard received the award posthumously in recognition of his highly successful career as a diversity and inclusion executive and for his contributions to the development and support of the next generation of diversity practitioners.

4. Dell Chief Marketing Officer Erin Nelson spoke with more than 300 members of WISE — Dell’s female ERG. She discussed executive presence, the importance of building your own brand, and her personal experiences mentoring women through Dell’s Taking the Stage program.

5. For the third consecutive year, Dell ranked in the U.K. Times newspaper’s annual report of the top 50 companies where women want to work.

6. Dell France achieved the Equality Label certification from the French government and AFAQ AFNOR for the second time.

7. In 2009, Dell in Slovakia won the prestigious award of Family Friendly Employer for the third time.

8. Lisa Mink, Dell’s director of diversity and inclusion, hosted an informal communication session with members of Singapore’s ERGs.


10. Women in Search of Excellence (WISE) launched its first resource group at the Dell Global Business Centre site in Malaysia, as well as at Dell offices in Mexico, Panama, India and Brazil. WISE supports efforts to recruit, retain and offer professional and personal development to women at Dell.

11. True Ability was formed in 2007 by team members in Brazil to address mobility barriers and safety issues for team members with disabilities. This year the group became an official ERG, started a U.S. chapter and adopted a goal to expand into additional regions.

Engaging with partners to promote diversity and inclusion in the marketplace

With a global customer base that is so diverse, we must actively work together with key partners to advance diversity and inclusion. Following are highlights from fiscal year 2010.

Employment Non-Discrimination Act

We joined the Human Rights Campaign (HRC) and the Business Coalition for Workplace Fairness, a group of leading U.S. employers, to support the passage of the Employment Non-Discrimination Act (ENDA). The ENDA would provide basic protections against workplace discrimination on the basis of sexual orientation or gender identity. The current ENDA bill (H.R. 3017) mirrors Dell’s existing corporate anti-discrimination policies, and we are proud to lend Dell’s name in support of this federal legislation. Work force diversity has always been a pillar of Dell’s competitive advantage. Promoting an environment that values individual differences and engages people in decision making helps to build a strong, diverse work force of talented team members.

The power of authenticity and networking

Dell sponsored the 2009 Odyssey Network Ultimate Business Conference. Odyssey is a network of 600-plus executive women from a variety of occupations — doctors, entrepreneurs and elected officials, to name a few. This primarily African-American group connects annually to network, train and conduct business in a relaxed setting. The partnership with Odyssey helps build our diversity and product brand within a group that has large buying power and whose members are decision makers within their companies. It also serves as a development tool for internal talent and talent sourcing.

Team members as the essence of innovation

We participated in the National Society for Hispanic MBA (NSHMBA) conference in a new way this year, in partnership with aDellante, our Hispanic ERG. The conference is held every year during Hispanic Heritage Month — a U.S. observance that celebrates the culture and traditions of U.S. residents who trace their roots to Spain, Mexico, and the Spanish-speaking nations of Central America, South America and the Caribbean. Traditionally, we sponsor the opening-day keynote address. This year, we approached the keynote in an innovative fashion by featuring a panel of key Latino talent from across Dell. The panel theme was “Employees as the Essence of Innovation.”

Each of the team members discussed their individual contributions to Dell — accomplishments that demonstrate innovation, leadership and diversity, while also celebrating their unique heritage. In addition, Dell facilitated an open Twitter session during the keynote.
Building confidence and capabilities by investing in the talent of our people

Giving our team members the confidence and capabilities to grow, learn and develop helps them to build strong and lasting relationships with each other, and, ultimately, with our customers and communities.

Making the right connection

Mentoring at Dell assists team members in making connections. Our fiscal year 2010 survey of those participating in a mentoring relationship found that 75 percent rate their mentoring relationship as good or excellent. More than 75 percent also believe that their mentoring relationship has been beneficial to their career development.

Every year, thousands of our team members take advantage of professional growth opportunities by moving into new roles, getting involved with a mentor, networking, attending formal training and obtaining new certifications.

Our online MentorConnect tool is a key resource for team members at all levels to improve performance and increase engagement — keys to delivering results that make a positive difference.

MentorConnect launched in June 2009 with great success. Currently, more than 57 percent of mentoring relationships at Dell are cross-business, and 84 percent are cross-functional.

Maximizing competencies and skills to drive team member success

More than a set of courses, Dell’s Global Leadership Development curriculum uses multiple approaches to enhance the learning experience. In this curriculum, team members interact with their peers in face-to-face and virtual networks, gain a deeper understanding of their leadership styles, and gather in-depth knowledge through leader-based sessions and computer-assisted business simulations. The programs target different levels of team members ranging from the executive to the individual contributor, as shown in Figure 3.

Our Accelerated Development Programs — Leadership Edge, Leadership Excel and Emerging Leaders — focus on a select set of Dell leaders. Participation in these programs is by nomination only. The programs are designed to heighten participants’ performance, capabilities and contributions. Program participants are expected to take a proactive role in their own development, teach others and serve as role models for Dell leadership globally.

Recognizing team member performance

We believe our team members should have the chance to deliver extraordinary results for our customers and be recognized with rewards and opportunities. And we know that engaging in clear and meaningful performance discussions is a critical component in this process.

In response to the fiscal year 2009 Tell Dell survey feedback, we developed better methods to explain the connection between job performance and rewards, and refreshed our performance, promotion and pay strategy. In fiscal year 2010, we enhanced performance dialogue by adding a
voluntary self-assessment conversation. We also asked managers to share with their teams how they performed in relation to their peers.

**Listening and responding to our team members**

Our annual Tell Dell survey is just one of many tools team members can use to provide feedback about the company. Other ways include blog postings, Employee Storm and direct communication with managers. In fiscal year 2010, we enhanced the Tell Dell survey based on input from our team members.

**Promoting health and wellness by encouraging smart and proactive decisions**

So that team members can perform at their best, our Global Health and Wellness programs provide healthy solutions, advice and awareness that can keep us fit and healthy. Our programs and policies focus mainly on prevention and assisting team members with making simple and cost-effective health care decisions.

**Knowing the power of prevention**

Team members can make healthy decisions for themselves and their families through our Well at Dell program. The program offers a free, confidential, personal health survey that helps determine an individual’s level of health risk. Survey results are used to create a health improvement program tailored to the participant.

Well at Dell offers a variety of programs to help team members improve and manage their health. Dell wants to ensure that team members join the best program for their individual health risks and needs. Therefore, Dell’s programs vary by geographic location, team member needs and cultural preferences. We strive to make joining a program as convenient as possible.

**Protecting team member health and safety**

Dell’s workplace health and safety programs continue to improve. Our calendar year 2009 global recordable injury case rate improved to 0.28 cases per 100 full-time equivalent employees (FTEs) based on 2,000 work hours a year per employee, a 31 percent reduction. Our global lost-time days away, restricted or transferred (DART) rate for calendar year 2009 improved to 0.15 cases per 100 FTEs, a 43 percent reduction.

Feedback from team members and management indicated that Tell Dell is a useful dialogue tool and that it was time to refresh the content and process. As a result, we launched an updated survey in May 2009. The improvements helped to garner an 83 percent participation rate, and more than 70 percent of our team members said Tell Dell is a tool that is used to change and improve the company.

[Access more information about our talent management focus areas.]

[Read more about our health and wellness programs at www.dell.com/careers.]
Challenges

As we continue to transform and focus on achieving a winning culture, we have some key challenges to address. In partnership with our team members, customers and other stakeholders, we must effectively express the importance of developing a diverse work force that reflects our global customer base and an inclusive culture where everyone’s differences are valued. That’s why we’ve expanded the definition of diversity to encompass inclusion. Clearly communicating that the two go hand in hand is imperative as we embrace our differences to build a better community.

And though the number of team members who know about and use our flexible work solutions has increased, we can still do more to build flexibility into our culture. Providing accessible resources and tools, as well as removing barriers to work-life integration, must remain a strong focus for us. In addition, we must continue to help our team members and their families understand the importance of living a healthy life. Becoming the best and healthiest individuals possible means we can better deliver results that have a positive impact on our co-workers, our customers and our communities.

Conclusion and moving forward

People develop and excel in an environment that celebrates the unique perspectives they bring every day to work — a place where they can be authentic and know their opinions are valued and their accomplishments are recognized. At Dell, we are convinced that a creative, diverse work force drives our success and that of our stakeholders. So we continue to advance programs that allow our team members to connect with each other, expand their skills, better balance work and life, and maintain the health and well-being of themselves and their families.

In support of our stakeholders, Dell recognizes that an effective and integrated People strategy is the basis for transforming our company. Throughout fiscal year 2011, we will focus on three tenets of our People strategy: act globally, inspire winning and celebrate achievement. We also plan to launch revised signature human resources and people processes that better align with our updated purpose and values. Processes such as our performance management system and Tell Dell set Dell apart and are each powerful on their own. Together, they will help us set a clear path for developing and delivering the best technology on the planet for our customers.

Our strategy aims to help us connect with our customers and with each other in an enduring, meaningful way so that we can do our best work and inspire one another. Our relationships are critical to our success. The personal and emotional connections we make energize our shared passion and our commitment to our customers, our colleagues and our company. It’s those connections that bring meaning to our daily work and our careers.

Access more information about our people commitment at www.dell.com/diversity.
Our commitment to our planet

Preserving the planet’s finite resources so future generations can prosper

A greener world is important to our customers. That means it’s important to Dell. Green is not about limitation or sacrifice; it’s about possibility. Every day, our customers have the opportunity to make sustainable choices, but they don’t want to compromise on cost, performance or reliability to shrink their environmental footprint. We believe customers shouldn’t have to. We strive to make sure that people and companies don’t have to trade one priority for another. That’s why we are finding ways to help make “being green” easy.
At Dell, we are committed to making “being green” easier, more efficient and more cost-effective for our customers. We make this a reality by delivering practical products and services that have an impact on real environmental issues such as climate change, packaging, e-waste, power efficiency and recycling.

Recycling to put more green in, less waste out

Dell helps customers do more to reduce, reuse and recycle. Select products are made with recycled materials, and all Dell products can be recycled through our recycling programs. Figures 4, 5, 6 and 7 on page 33 show our recycling progress by region and program.

Banning the export of electronic waste

We have surpassed our commitment to recover hundreds of millions of kilograms of used computer equipment for responsible recycling by 2012. This year, we also tackled unauthorized shipping of electronic waste by becoming the first major computer company to officially ban the export of nonworking electronics to developing countries. This includes all electronic waste that we generate in our global operations and collect through our takeback programs.

Last fiscal year, we announced our Enviro 2.0 strategy, focusing on global recycling, product and packaging solutions, sustainable operations, climate leadership, engagement and empowerment, and services and solutions. In fiscal year 2010, we made solid progress in each of these areas.

Dell’s Individual Producer Responsibility Policy

Our Individual Producer Responsibility Policy is based on more than a decade of experience providing recycling and reuse services directly to our customers. To meet consumers’ needs to retire end-of-life products as a part of the total value of the Dell direct relationship, we provide:

» free takeback and responsible disposition for any Dell-branded product from individuals

» free takeback and responsible disposition for any brand of electronic product when an individual purchases a similar new product from Dell

Dell is expanding these same standards globally across all consumer product lines and continually working to expand recovery and recycling operations to countries where our business grows.

Dell is committed to transparent and effective goal-setting and public reporting on our end-of-life recovery programs.

We accept responsibility for continually improving the environmental design aspects of our products and their end-of-life management. Dell encourages this same level of responsibility from other producers throughout the electronics industry.

“Too many companies are still exporting used, nonworking electronic equipment to developing countries, supposedly for repairs. We applaud Dell for being the first to prohibit export of nonworking electronics to developing countries. Dell’s policy on electronic waste export is now the strongest in the industry and demonstrates Dell’s leadership as a global environmental citizen.”

- Barbara Kyle, National Coordinator of the Electronics TakeBack Coalition

Access more information about this policy at www.dell.com/recycling.
Dell does not report worldwide sales by region; therefore, we do not share worldwide recovery in relation to sales.

Figure 4: Worldwide recovery by region

Figure 5: Worldwide recovery by collection program

Figure 6: FY10 worldwide recovery by collection method and region

Figure 7: ARS* worldwide recovery by collection program

Access more information about recycling at www.dell.com/recycling.
Extending our worldwide recycling network

Through our recycling programs for consumers, small and medium businesses, large enterprises and governments worldwide, as of January 31, 2010, Dell has recycled 484 million pounds (220 million kilograms) of equipment since 2006.

Consumers can now recycle computer equipment through our extensive free and convenient computer recycling program in more than 70 countries around the world.

In the U.S., Dell offers five programs ranging from at-home pickup to drop-off at a local Staples store or Goodwill. Dell added 445 more Reconnect sites through our Goodwill partnership in fiscal year 2010, for a total of 1,900 participating Goodwill stores. This five-year-old Reconnect program has kept more than 96 million pounds of e-waste out of landfills and created about 250 green jobs.

Our business customers can make the return of unwanted computer equipment both more responsible and more secure with our extensive business recycling and asset recovery services. To help ensure environmental and legislative compliance, Dell handles the logistics of properly disposing of used equipment in an environmentally responsible way that meets local regulatory guidelines. We are proud to say that Dell’s standards meet or exceed applicable regulations.

Introducing packaging solutions for the planet

Dell provides practical, innovative packaging solutions that minimize impacts on the planet and make it easy for customers to do the same.

Always striving to find a better way, we have created a metric for packaging improvement. It’s called the 3 Cs:

» Cube — reduce the size
» Content — use recycled or sustainable materials
» Curb — ensure that it is easily recyclable

Bamboo packaging

Last year, we pledged to reduce cube-size packaging materials for our desktops and laptops by 10 percent and to increase the use of recyclable materials by 40 percent by 2012. As we march toward achieving these goals, we’ve sought creative, renewable alternatives to traditional packaging. In this way, we can reduce negative impacts to the planet and help our customers do the same.

In November 2009, we became the first technology company to offer bamboo packaging for our products. Bamboo is fast-growing, it replenishes the soil and it makes for sturdy lightweight packaging material. We discovered that bamboo serves as a great alternative to molded paper pulp, foams and the corrugate often used in packaging. In fiscal year 2010, we used bamboo cushions to cradle and protect our Inspiron Mini 10 and 10v inside an outer box that is made from 25 percent post-consumer materials. In fact, more than 50 percent of our Inspiron platforms are packaged in bamboo.

We plan to expand our use of bamboo packaging to more products in fiscal year 2011, while researching how we can use other sustainable agricultural products as packaging material.
20 million pounds saved from landfills
Our joint efforts with our stakeholders and customers are adding up: Dell is on track to simplify and revolutionize computer packaging and keep approximately 20 million pounds of packaging materials out of landfills from 2008 through 2012. By 2012, we are committed to:
» Eliminate 20 million pounds of packaging. Progress: 44 percent to goal with a reduction of 8.7 million pounds of packaging
» Achieve 57 percent curbside recyclability of packaging components. Progress: 75.9 percent to goal with molded pulp, high-density polyethylene cushion (HDPE), EPE (foam), bamboo and corrugate
» Increase sustainable content in cushioning and corrugated packaging by 40 percent over the 2008 baseline of 25 percent. Progress: 94 percent to goal with recycled content in EPE, HDPE and corrugate

Continuing to build greener products
The International Chemical Secretariat, ChemSec, issued an April 2010 report showcasing 28 electronics manufacturers that have eliminated brominated flame retardants (BFRs) and polyvinyl chloride (PVC) from their products. ChemSec’s report states, “Companies in the IT and communications sector are at the forefront when it comes to eliminating the use of these substances.” The report lists 155 IT and communications products that are either PVC/BFR-free or almost free — meaning that only minor parts, such as in the external power cord or the circuit board, contain BFRs or PVC.
Ten Dell products are listed, including three OptiPlex desktops, our Mini 3i phone and all of our monitors.
In our commitment to help customers minimize their impact on the planet, we’re eliminating substances of concern from our products. We restrict the use of cadmium, hexavalent chromium, lead, mercury, polybrominated biphenyls and polybrominated diphenyl ethers in Dell-branded products. We have also established public goals to phase out remaining uses of lead and other non-regulated substances — including BFRs and PVC — in advance of legal requirements. By the end of 2011, all newly introduced Dell personal computing products will be BFR- and PVC-free.
That said, legislation is an important part of ending the industry’s use of these substances. In 2006, the European Union established the Restriction of Hazardous Substances (RoHS) directive to restrict the use of cadmium, hexavalent chromium, lead, mercury and certain halogenated flame retardants (PBBs and PBDEs) in electronic products. EU legislators are now considering adding PVC and BFRs to the list of restricted substances.
At Dell, we support including BFRs and PVC in the RoHS directive, as well as a full ban on these substances in IT, telecommunications and consumer equipment by 2015.

Multipack for businesses
Our customers expect us to find ways to make smarter use of materials, so we’re always looking for the business practices that add up to a greener way of working. For example, we created a packaging system for large orders that combines multiple products into one box called a multipack.
Access more information about packaging at www.dell.com/packaging.
**Helping to minimize customers’ environmental footprint through green products and solutions**

Developing greener products is essential to helping our customers minimize their environmental footprint. Our goal is to build products with more computing power while saving energy costs and conserving resources. In short, more “green” equals less energy consumption, less waste and lower costs.

To develop greener products, we address the resources and ingredients used to build them, the amount of energy they consume, the packaging that protects them and the recyclability of the products. We ask, “Is there a more energy-efficient solution? What environmentally responsible yet reliable materials are available? Can these materials be recycled?”

We are constantly looking for better ways to build greener products without building in additional costs or stripping out important features.

**Using greener materials, offering greener products**

Products are only as green as what goes into them, so we focus on getting the components right.

- In 2010, we transitioned all of our new laptop displays to light-emitting diode (LED), which eliminates the use of mercury. This technology has already been incorporated in the Dell Latitude E4200, E4300, E6400, E6400 ATG and E6500, and we are committed to expanding the list of mercury-free, LED-based products in future offerings.

- The plastic materials used in select mainstream OptiPlex systems and monitors in 2009 included more than 7.2 million pounds of post-consumer recycled plastic. That’s equivalent to recycling more than 263 million water bottles.

- By the end of 2011, all newly introduced Dell personal computing products will be free of PVC, BFRs and chlorinated flame retardants (CFRs). However, achieving this goal is contingent on when the industry identifies acceptable alternatives that will lower product health and environmental impacts without compromising product performance.

- We are proactively eliminating the four chemicals expected to be restricted when RoHS is updated around 2014: hexabromocyclododecane (HBCDD), bis(2-ethylhexyl)phthalate (DEHP), butyl benzyl phthalate (BBP) and dibutyl phthalate (DBP). As of July 1, 2010, all newly designed Dell products are free of these four chemicals.

**Driving energy efficiency**

Our customers seek to work as efficiently as possible, and we aim to build products to help them be efficient. All Latitude, Precision and OptiPlex systems can be configured for ENERGY STAR compliance and are among the most energy-efficient in the industry. In fact, Dell was the first company to offer ENERGY STAR 1.0 for server families and the first to achieve 80 PLUS Gold power-supply energy efficiency for a server power supply unit. In fiscal year 2010, we had more than 135 products registered for Electronic Product Environmental Assessment Tool (EPEAT). Our laptops and desktops are being designed to consume up to 25 percent less energy by the end of calendar year 2010 compared to systems offered in May 2008. Dell estimates that customers using desktop power management features and settings have saved a total of more than $4 billion on energy costs.

Access more information at www.dell.com/energy.

**Transitioned new laptop displays to LED, which eliminates the use of mercury**

**Doubled the number of rated PSUs from 14 to 28**

**Offered more energy-efficient laptop and desktop products**
Reducing our own footprint

Being environmentally responsible goes beyond selling greener products and services. Dell understands that reducing our own environmental footprint is the responsible thing to do, so our commitment to promoting a healthier and cleaner planet starts in our own backyard.

Reducing energy consumption

Energy-efficient operations enable us to conserve resources, reduce emissions and trim our operating costs.

» During the last three years, Dell has completed more than 170 improvement projects in its facilities. These upgrades are estimated to reduce energy usage by 36 million kWh, avoid generating 21,000 metric tons of greenhouse gas (GHG) emissions, and save roughly $5.8 million each year.
As a result of virtualization, by the end of 2009, Dell’s internal IT organization saved enough electricity annually to power roughly 2,000 average American homes for one year.

By applying our “green efficiency” approach, Dell IT has achieved more than $29 million in energy savings to date and indefinitely postponed the need to build a new data center to support our internal operations.

### Investing in renewable energy to lower our greenhouse gas emissions

Dell recognizes that climate change is real and must be mitigated, and we support efforts to reduce global emissions to levels guided by evolving science. We aspire to purchase as much electricity from clean and renewable sources of energy as practical. This, along with our ongoing energy-efficiency improvements, will help us to meet our pledge to reduce GHG emissions. Highlights of our accomplishments thus far include:

- We currently power our entire Round Rock, Texas, headquarters campus plus seven of our facilities in the U.S. and Europe with 100 percent purchased renewable electricity.
- In fiscal year 2010, we sourced 25 percent of our global electricity from renewable sources such as wind and solar.
- We are one of the top five purchasers of renewable electricity in the U.S. (according to the Environmental Protection Agency’s Fortune 500® Partners rankings April 2010) — and we are the top computer-maker purchaser (U.S. only).

Dell’s manufacturing site in Hortolândia, Brazil, has solar panels on the roof to heat water for the building’s kitchen and cafeteria areas. This is expected to save 76,000 kWh each year.

Our headquarters’ parking lot in Round Rock, Texas, is the home of solar arrays that are designed to produce 131,051 kWh of renewable source electricity. This alternative source of electricity will allow us to avoid generating 221,000 pounds of GHG emissions each year, roughly equivalent to planting 23 acres of pine forest every year.

We’ve pledged to continue to maximize our green power purchases, reduce our own operational emissions and responsibly offset the remainder. In 2007, we announced a goal to further increase operational efficiency by reducing global GHG emissions by 15 percent per dollar of revenue (a carbon-intensity measurement) from 2007 to 2012, and to offset our facilities’ operations worldwide. We’ve also committed to further reduce our absolute global operational GHG emissions 40 percent by 2015. Figures 8 and 9 show GHG emissions by intensity and scope. A few highlights of our progress to these goals include:

- Scope 1 emissions for Dell decreased by more than 5 percent. Much of this was due to a reduction in the use of diesel-powered back-up electrical generators in India. (Generator use in India is related to the reliability of the municipal electricity.)
- Total on-site fuel consumption decreased by 3 percent.
» Scope 2 emissions (from purchased electricity) for Dell decreased by 10 percent. Some of this was due to facility closures (Dell reduced its building footprint by about 4.6 percent from the prior year), and some was due to continued energy-efficiency improvement activities in our buildings and data centers. Electricity consumption per floor space decreased 6 percent from the prior year.

» Green electricity purchases increased by more than 22 percent. Purchased and on-site-generated green electricity rose to 150 million kWh. Net Scope 2 emissions (subtracting renewable-source electricity) decreased by more than 16 percent.

» Scope 3 business air-travel emissions increased by nearly 13 percent as a result of an increase in business travel.

» In the fourth quarter of fiscal year 2010, Dell acquired Perot Systems, and we have been tracking the combined GHG totals since that time. These are as follows: Scope 1 GHG emissions — 31,387 metric tons; Scope 2 GHG emissions — 361,885 metric tons; net Scope 2 emissions — 285,851; and Scope 3 GHG emissions — 76,550. The consolidated information is in the data we submitted for the Carbon Disclosure Project.

Dell also is ensuring that our operations are focused on sustainable business practices.

» Waste recycling or reuse: In fiscal year 2010, our manufacturing operations continued to maintain a high recycle and reuse rate. A small amount of waste-to-energy incineration is included in this number.

» Forest protection: We are continuing our efforts to reduce the use of virgin tree fiber and increase the use of forest-friendly paper.

» Logistics: Dell remains focused on providing customers with timely and damage-free deliveries in an environmentally responsible way by working with industry-leading logistics and transportation providers who are seeking their own environmental efficiencies.

» Environmental management systems: Dell maintains ISO 14001:2004 certification in most of its manufacturing operations worldwide. Our global product development and takeback/recycling programs also are certified to ISO 14001.

» Safety: We continue to maintain workplace safety and occupational health levels that are better than industry averages. See page 29 for details.

» Greener building: We continue our progress toward greening our buildings and operations by following Leadership in Energy and Environmental Design (LEED) guidance. During fiscal year 2010, we completed 54 improvement projects, with a projected annualized savings of 3,200 metric tons of carbon dioxide.

» Regulatory compliance: Dell strives to comply with all regulatory guidelines and laws. In fiscal year 2010, we did not receive any environmental fines. However, the following safety compliance issues were addressed during the year:

— Our Alienware subsidiary in Miami was issued an "other than serious" citation related to a leaking forklift battery and an unmarked electrical circuit breaker by the U.S. Occupational Safety and Health Administration (OSHA). A fine of $2,250 was paid to OSHA.

— Dell's Brazil factory operations paid approximately $2,854 in fines related to some incomplete records identified during a 2008 government agency inspection.

Corporate responsibility comes to life. Read about Dell’s Newsweek Green ranking, recognition by Technology Business Research and more.

Read more about how we are reducing our own footprint.

Check out the Dell Green Store.
Dell is committed to reducing GHG emissions beyond its own operations. To do this, we have adopted a strategy that takes into account the GHG impacts of our products and our suppliers. We look at each stage of the product life cycle — from developing, designing and sourcing through manufacturing and operations, order fulfillment, customer use and product recovery. Figure 10 shows how these focus areas work together.

We can have an even greater impact on GHG-emissions reduction by looking outside our own operations to those of our suppliers. We have set expectations with our Tier 1 suppliers, who represent 95 percent of our total spend, to manage, improve and report their GHG emissions as a consideration for awarding business. Dell has set supplier quality standards requiring primary suppliers to report GHG impacts through the Carbon Disclosure Project, set public GHG improvement goals and establish requirements for their own suppliers to manage and disclose GHG impacts. For fiscal year 2009, 94 percent of our Tier 1 suppliers participated in the Carbon Disclosure Project, and 86 percent publicly disclosed their information. Fiscal Year 2010 numbers will be published later this year.
Fostering stakeholder engagement and empowerment

By working together with our customers, partners and other stakeholders, we can accomplish more in helping to preserve the planet for future generations.

**Policy advocacy**

We are continuing our efforts to engage in policy advocacy and help promote active participation in industry solutions. In fact, we engaged with the European Union in support of their legislation that all products must consume less than 1 watt in off mode.

**Plant a Tree program**

Our Plant a Tree program offers customers in the U.S., Canada, and Europe, Middle East and Africa (EMEA) the opportunity to plant trees to offset the GHG emissions related to the use of their computers. Thanks to our customers, the Plant a Tree program has successfully planted 258,000 trees since 2007. These trees will absorb an estimated 287,000 metric tons of carbon dioxide over the next 100 years according to calculations by our partners at The Conservation Fund and Carbonfund.org. We continue to work with customers to help us plant more than half a million trees across the globe by 2012. Learn more.

**Industry leadership**

Dell is leading industry consortia projects aimed at developing BFR- and PVC-free technologies with the Environmental Protection Agency, International Electronics Manufacturing Initiative (iNEMI) and High Density Packaging User Group. Dell is also working with the Joint Electron Device Engineering Council to develop standards. Read more.

Dell continues to work closely with industry groups to drive environmental and sustainability leadership.

» We are working with numerous industry groups such as EPEAT, TCO, iNEMI and SPC to help drive standards development.

» We joined the Prince’s Rainforests Project, a campaign established by the Prince of Wales to raise awareness for the link between rain forests and climate change and the need to stop deforestation. Click here, and under the “Watch our Videos” link scroll to the “Corporate leaders” video to see Michael Dell and other business leaders.

» Dell joined the Sustainability Consortium, a group of companies and academics convened by Walmart in 2008 to convey the environmental attributes of goods, in much the same way that nutritional labels are used for food. It’s an incredibly complex endeavor, given that most of a product’s environmental footprint stems from the supply chain of partners who may not be at a point where they track their footprint by product or process.

Access more information about our engagement at www.dell.com/earth.
Challenges

We continue to manage the challenges we faced in fiscal year 2010 and are working with industry groups and stakeholders to address these issues:

» minerals and extractives
» carbon-based labeling
» embedded carbon values
» global infrastructure for proper handling of waste materials and end-of-life electronics
» helping the supply chain develop the capability and capacity to use viable alternative materials needed to realize our goal of eliminating all remaining uses of BFRs and PVC in our new products — including TBBPA in circuit boards — in advance of regulation, and as acceptable alternatives are identified.

Conclusion and moving forward

We remain committed to our Enviro 2.0 business focus areas. We share the earth with our customers, team members and communities, and we know their input and engagement is essential. Working together, we believe we can create a healthy, sustainable future.

What we do today greatly impacts tomorrow. We take this idea seriously. Resources are finite. Climate change is real. Though there may be differing opinions about how we can make a difference, we know that finding smarter ways to use dwindling resources makes us more efficient and saves money. More importantly, preserving our planet’s precious resources will enable future generations to prosper.

Access more information about our environmental efforts at www.dell.com/earth.
Our commitment to accountability

Moving our business forward responsibly

Offering our customers thoughtful ways to make technology work harder for them is the foundation of our business. When we are successful, our customers are successful — and so are our partners and shareholders. For this reason, we have an obligation to operate more efficiently, optimize returns, engage with stakeholders and act with integrity. Together with team members, customers, partners and shareholders, we met the challenges of fiscal year 2010 with optimism and an unwavering drive to offer products and services that help our customers succeed.
Presenting financial year 2010

This year presented opportunities to creatively address the challenges of a weakened economy while honoring obligations to all of our stakeholders. The focus was on simple and straightforward communication with our team members during a time of change and uncertainty. We looked for ways to streamline our business while targeting areas for responsible growth. And, above all, we continued to collaborate with customers to come up with efficient, affordable and accessible technology to make their lives easier. Figure 11 shows our revenue by business, while Figure 12 outlines our revenue by categories of products and services.

Fiscal year 2010 was both a proud and a challenging time for our company. We celebrated 25 years of serving our customers, yet we also faced a tough economic situation, as did many businesses around the globe. In a blog posting to team members about 2009 priorities, Michael Dell wrote, “We will need to address people costs in new, creative ways and in a manner that gives our employees more choices than in the past as we address the current economic uncertainties. While we are doing what it takes to invest in our future, our first priority remains doing right by our customers and employees.”

And we focused on doing just that. The economic challenge became an opportunity to transform our business and our culture. Our Executive Leadership Team made a commitment to our team members to break down bureaucracy, foster an environment of inclusive decision making and invest in our people.

For our team members, this commitment meant an ongoing effort to listen, commit and deliver — all the more critical in an environment of high stress and uncertainty.

“Assuring people feel valued by Dell may be more challenging in a period of cost reductions, but that’s exactly what we intend to do. We will continue to make cost-cutting decisions in ways that are smart for our business and minimize the effect on individuals.”

— Dell Executive Leadership Team

**Figure 11: Net revenue by reportable business segment**

<table>
<thead>
<tr>
<th>Business segment</th>
<th>Dollars (in millions)</th>
<th>Percentage of net revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Enterprise</td>
<td>$14,285</td>
<td>27%</td>
</tr>
<tr>
<td>Public</td>
<td>$14,484</td>
<td>27%</td>
</tr>
<tr>
<td>Small and Medium Business</td>
<td>$12,079</td>
<td>23%</td>
</tr>
<tr>
<td>Consumer</td>
<td>$12,054</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Figure 12: Total net revenue by product and services categories**

<table>
<thead>
<tr>
<th>Product/services category</th>
<th>Dollars (in millions)</th>
<th>Percentage of net revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servers and Networking</td>
<td>$6,032</td>
<td>11%</td>
</tr>
<tr>
<td>Storage</td>
<td>$2,192</td>
<td>4%</td>
</tr>
<tr>
<td>Services</td>
<td>$5,622</td>
<td>11%</td>
</tr>
<tr>
<td>Software and Peripherals</td>
<td>$9,499</td>
<td>18%</td>
</tr>
<tr>
<td>Mobility</td>
<td>$16,610</td>
<td>31%</td>
</tr>
<tr>
<td>Desktop PCs</td>
<td>$12,947</td>
<td>25%</td>
</tr>
<tr>
<td>Total net revenue</td>
<td>$52,902</td>
<td>100%</td>
</tr>
</tbody>
</table>
Responsing to economic challenges with increased efficiency and strategic growth

From our global corporate Headquarters in Round Rock, Texas, we operate principally in one industry while managing our business in four global customer-oriented operating segments: Consumer, Large Enterprise, Public, and Small and Medium Business.

Like many businesses around the world, we faced challenges from the economic slowdown that began in the second half of fiscal year 2009. In fiscal year 2010, our overall net revenue decreased year-over-year. Our Commercial segment — which accounted for 77 percent of our total revenue for the year — was affected by a decrease in IT spending. And though our Consumer segment experienced significant unit demand growth year-over-year, a shift to lower-priced products and competitive pricing pressures caused a decrease in revenue and profitability.

Fortunately, during the second half of fiscal year 2010, the IT industry saw initial signs of economic recovery. As a result, our unit shipments during the fourth quarter of fiscal year 2010 improved year-over-year for all of our segments. Overall, we’ve noted strengthening demand in the Commercial segments and continued growth in the Consumer segment. We believe that as the global economy continues to recover, our revenue in fiscal year 2011 should improve compared to fiscal year 2010.

We owe it to our customers and shareholders to advance the business by operating more efficiently, especially in tough economic times.

That’s why in fiscal year 2010 we focused on balancing liquidity, profitability and development by targeting profitable growth opportunities. We added more than 3 million square feet of office and data center space worldwide. We closed a manufacturing plant in Limerick, Ireland, and a business center in Twin Falls, Idaho. In addition, we sold our remanufacturing facility in Lebanon, Tennessee, and a business center in Pasay City, Philippines. At the end of fiscal year 2010, a business center in Coimbatore, India, was under construction.

In this challenging environment, we also took steps to adopt a more variable-cost manufacturing structure, reduce operating expenses and improve our working-capital management. We plan to close our Winston-Salem, North Carolina, manufacturing facility in fiscal year 2011 and have announced the sale of our Lodz, Poland, manufacturing facility.

We’re beginning to see positive results from our strategy and expect its benefits to carry into next year, especially if revenue growth returns and provides increased operating leverage. Moving forward, we’ll continue our efforts to reduce costs and drive greater efficiency.

Our customers rely on us to provide affordable solutions that are customized to their needs and easy to use. And that’s where we will focus our efforts in all areas of the enterprise, including servers, storage, services and software.
Managing our business and strengthening our governance

Corporate responsibility and sound sustainability practices require strong leadership, oversight and accountability in all areas of our business. In fiscal year 2010, Dell’s leadership took steps to further define and align our corporate citizenship responsibilities.

**Dell Executive Leadership Team and Board of Directors**

Guiding our strategy across our global, customer-focused organization is the job of Dell’s Executive Leadership Team (ELT).

Dell’s Board of Directors is responsible for oversight and supervision of Dell’s overall affairs. The Board maintains the following committees to help carry out its oversight responsibilities: audit, leadership development and compensation, finance, and governance and nominating.

**Political Disclosure and Accountability policy**

Our team member and corporate political activities are outlined in Dell’s Political Disclosure and Accountability policy. This year the socially responsible investor community shared concern about our possible reaction to the Supreme Court decision in Citizens United versus U.S. Federal Election Commission. Our public statement states that, at this time, Dell does not plan to alter its current practice regarding political contributions.

**Sustainability as a duty of the Governance and Nominating Committee**

To bolster our strong commitment to corporate responsibility and sustainability, we amended our Governance and Nominating Committee’s charter to include environmental, social and governance considerations as follows:

The Committee “review(s) and report(s) to the Board on a periodic basis with regards to matters of corporate responsibility and sustainability performance, including potential long- and short-term trends and impacts to our business of environmental, social and governance issues, including the company’s public reporting on these topics."

**Strategic council on sustainable opportunities**

As part of our commitment to doing business responsibly, Dell’s leadership is implementing a sustainability governance model to ensure executive awareness and alignment in key risk areas. This evolving process enables the ELT and Board of Directors to keep informed of various risks and opportunities. Dell’s vice president of corporate responsibility and director of sustainability meet on a regular basis with the Sustainability Council.

Dell is a member of the following socially responsible investment indices:

» 100 Best Corporate Citizens
» Calvert Social Index
» Dow Jones Sustainability North American Index
» Dow Jones Sustainability World Index
» Dow Jones Sustainability U.S. Index
» FTSE4Good
» KLD Large Cap Social Index
» KLD Broad Market Social Index
» KLD Select Social Index
» KLD Catholic Values 400 Index
» KLD Global Sustainability Index
» KLD North American Sustainability Index
» KLD Large Mid Cap Social Index
» KLD’s Domini 400 Social Index

Access more information about our governance at www.dell.com/fingovmgmt.
Strengthening customer relationships by living our values

Our passion for making a positive difference in the lives of others drives everything we do. Making a difference for our customers means listening to their feedback and then acting on what they tell us they need. It means innovating in ways that allow them to use technology to achieve their goals and live their dreams. We use these relationships and insights from our customers and stakeholders to continuously improve and learn — responsibly.

As we continue to evolve in service of our customers, our values guide the decisions we make and the actions we take. Our values have been a part of Dell since inception and have always been grounded in three principles:

» delivering results that make a positive difference
» leading with openness and optimism
» winning with integrity

Valuing stakeholders’ voices

By being the best we can be, our stakeholders benefit. That’s why listening carefully to their specific needs is critical to our shared success. Dell makes it a priority to engage with a range of stakeholders — from our formal sustainability group to our involvement with Business for Social Responsibility to our connection with socially responsible investors.

In the fall of fiscal year 2009, we started the process of reviewing with stakeholders our environmental strategy, known internally as “Enviro 2.0.” After six conference calls, each on a different pillar of our strategy, we held an in-person session in February 2009 at our corporate headquarters in Round Rock, Texas. With approximately 25 participants from varying backgrounds, we had a tough but productive dialogue. It was this candid stakeholder feedback that prompted us to:

» restate our commitment to a precautionary approach to materials and set a new date for BFR/PVC elimination
» publish our list of top-spend suppliers on the Web
» redesign the corporate responsibility Web site by adding critical content and making the navigation easier

There were issues that we didn’t agree on — for example, public policy. Some stakeholders would like to see us take a more public position on topics that are important to them. Dell does not typically make public statements on the actions of other organizations or upcoming legislation. We engage where we feel we can be effective and on the issues that affect our core business.

Overall, stakeholder engagement gives us two-way dialogue, an opportunity to learn and a critical evaluation of our planned actions. We value the role they play and encourage open and honest debate in a safe environment. This effort allows us to have the confidence that we are aware of and take action on the interests of our stakeholders.

Dell hosted a stakeholder dialogue at the Ceres Conference in May 2010. Ceres staff members, along with the Dell team, facilitated discussions on how Dell can advance its commitment to transparency, make information more accessible to a range of audiences and produce an informative corporate responsibility report. The results from those discussions are detailed on page 48.

Access more information about stakeholder engagement at www.dell.com/stakeholder.
### Acting on stakeholder feedback regarding corporate responsibility reporting and sustainability communications

<table>
<thead>
<tr>
<th>Stakeholder feedback</th>
<th>Dell response</th>
</tr>
</thead>
</table>
| **Targeting different audiences and materiality** Stakeholders told us that Dell needs to define what is material to Dell and be transparent about those issues — even if progress is not advancing as quickly as expected. Additional feedback included:  
  • Provide investors information for evaluation but also engagement/dialogue on the topic  
  • Be transparent about the decision-making process | Dell understands that multiple audiences are visiting our corporate responsibility Web site for various reasons. That’s why we provide “Dell by the numbers,” an at-a-glance list of meaningful milestones, a topic index, the site structure and more.  
We explain our materiality process on our site and will continue to enhance the information as necessary. |
| **Goals and target** Stakeholders told us that Dell is doing a solid job on reporting “numbers” and suggested areas to expand:  
  • Add more goals or details on labor and human rights  
  • Consider elevating the “Dell by the numbers” summary so users can find it easily | We are working toward providing a constant set of “Dell by the numbers” that demonstrates our progress on focus areas. For the fiscal year 2010 report, we have added more than 50 new items to the list.  
In addition, in early 2010, a Web link was added to the right-side navigation of the corporate responsibility report site to provide simple access to our numbers. |
| **Financial reporting** Stakeholders strongly encouraged Dell to consider “one report,” an integrated financial and corporate responsibility disclosure tool. Additional commentary included:  
  • It is critical to have sustainability information as part of financial disclosure because mainstream investors do not read corporate responsibility reports.  
  • Financial bundlers, such as Bloomberg, take data from the Form 10-K and integrate it into product offerings.  
  • Dell has an opportunity to reinvent the Management Discussion and Analysis section of its annual reports. | Dell is taking steps to provide more information about our sustainability efforts in our financial disclosures. In fiscal year 2010, additional information was added to the sustainability section in our Form 10-K. While Dell is considering more integration of financial and corporate responsibility disclosures, this is not a priority for fiscal year 2011.  
We are committed to providing stakeholders a simple, productive online experience. In our quest to provide real-time content, Dell added more than 100 pages of new content to its corporate responsibility Web site in fiscal year 2009. We are now focused on the following:  
  • Enhancing our topic index  
  • Improving our search functionality (Improvements were made in May 2010.)  
  • Hyperlinking content and Web links in the right-side navigation bar for easy cross-referencing to relevant information. |
| **Usability and accessibility** Stakeholders told us that Dell is generally doing a good job of providing information in an accessible, transparent format. Key feedback about the Web site included:  
  • Add a content index or site map  
  • Provide better understanding of how topics/sites are connected  
  • Show on the left-side navigation bar what is available on the larger site  
  • Cross-reference to other relevant information  
  • Provide the ability to download information to build customized reports  
  • Improve search functionality | We are committed to providing stakeholders a simple, productive online experience. In our quest to provide real-time content, Dell added more than 100 pages of new content to its corporate responsibility Web site in fiscal year 2009. We are now focused on the following:  
  • Enhancing our topic index  
  • Improving our search functionality (Improvements were made in May 2010.)  
  • Hyperlinking content and Web links in the right-side navigation bar for easy cross-referencing to relevant information. |

Access more information about our stakeholder feedback at www.dell.com/stakeholderfeedback.
Engaging team members in further establishing our ethical standards

Dell’s Code of Conduct is titled “Winning with Integrity” because that sums up our business philosophy. We are committed to winning in the marketplace, but we are equally committed to doing the right thing. We would rather lose than win by illegal or unethical means. That is how we define “integrity” at Dell: it means complying with the law and our own rules and commitments, as well as behaving in accordance with our ethical principles. We are driven to serve our customers and stakeholders by being competitive and successful, but only with honesty and integrity.

The Code of Conduct is the statement of Dell’s expectations for our business behavior. It is the foundation on which our ethics and compliance policies are built. Our current Code has served us well, but the last major revision was in 2002, and our company has changed significantly since then.

The Global Ethics & Compliance Office launched an interactive engagement to rewrite the Code of Conduct. During the summer of 2009, team members provided feedback on the current Code using e-mail or social media, keeping in mind that the Code applies to everyone at Dell, regardless of role, level or location.

We asked team members to review the following sections of the Code:

» Dell’s higher standard
» Personal conduct and our work environment
» Financial statement integrity and company records
» Conflicts of interest and personal integrity
» Gifts and other business courtesies
» Use of company assets and resources
» Dealing with others
» Raising/resolving issues and concerns

Following are some of the questions we asked them to consider:

» Are these the right values we should be focusing on?
» Are there others?
» Are these values clear and understandable?
» Are these values universally applicable regardless of business unit or geographic location?

The new Code of Conduct goes into effect in the second quarter of fiscal year 2011.

We wanted to make sure our new Code is aligned with our business structure and priorities and is written in a way that helps everyone understand what is expected of them.

Bring your purpose to life in every corner of the company

“We believe a healthy community and a safe planet are necessary for our customers to be able to realize their dreams.

This means achieving commercial success in a way that honors ethical values and respects people and the natural environment. In addition to being the right thing to do, a meaningful corporate responsibility strategy has an enormous impact on a company’s reputation and brand perception.

We also can’t overlook the link between corporate responsibility and financial and operational performance. In fact, many investors consider conscientious companies to be more secure investments that will have long-term business value because their commitment to enduring business practices will help sustain our world.”

— Erin Nelson, Dell Senior Vice President and Chief Marketing Officer

Access more information about our ethics and compliance at www.dell.com/ethics.
Advancing our commitment to working legally and ethically

**FY10 key accomplishments**

- **Held team members, managers and leaders accountable for ethics and compliance performance**
  - Worked with Human Resources to begin incorporating ethics and compliance metrics into compensation decision-making and performance management; created first draft of an ethics and compliance scorecard for Executive Leadership Team members to drive ownership of ethics and compliance performance into the business; used Tell Dell ethics question results to counsel managers who did not meet applicable standard; provided ethics review as part of executive promotion process.

- **Ensured that team members, managers and leaders understood ethics and compliance expectations**
  - Provided general, heightened and maximum awareness ethics and compliance training for team members, managers and leaders; incorporated annual required Code of Conduct and ethics and compliance training into compensation decision-making and performance management; communicated multiple ethics and compliance messages to team members, managers and leaders through multiple delivery vehicles.

- **Took action to ensure that ethics and compliance program meets Federal Sentencing Guideline's effectiveness standard**
  - Implemented activities learned through benchmarking of other companies’ recognized best-practice ethics and compliance programs; designed and built program around Open Compliance and Ethics Group (OCEG) “Red Book” Capability Model; continuously networked and shared knowledge with ethics and compliance experts at third-party trade associations (such as OCEG, Compliance and Ethics Leadership Council, Ethics and Compliance Officer Association, Society of Corporate Compliance and Ethics, Ethisphere Institute, and Business Ethics Leadership Alliance); received first-ever OCEG certification for Foreign Corrupt Practices Act (FCPA) compliance program design.

- **Aligned ethics and compliance program activities with business strategies**
  - Continued improvements to our ethics and compliance governance structure through oversight by Audit Committee and Governance/Nominating Committee, assurance through Global Ethics and Compliance Council (GECC) composed of selected members of the Executive Leadership Team, and day-to-day management by vice president-level Chief Ethics and Compliance Officer and her Global Ethics and Compliance Office staff; ensured alignment with business strategies by providing regional and business unit focus and coverage, facilitating a Compliance Leadership Forum composed of compliance subject-matter experts, and enhancing relationships with key internal partners in Audit, Legal, Human Resources, Information Technology and Security.

**Challenges**

Our business, operating results, financial condition and prospects are subject to a variety of significant risks, many of which are beyond our control. From weak global economic conditions to intense competition to a reliance on vendors for products and components, these and other important risk factors may cause our actual results in future periods to differ substantially from those we currently expect or desire. More information is available in our fiscal year 2010 Form 10-K.

**Conclusion and moving forward**

Focusing on fiscal responsibility while acting with integrity is the right thing to do for our customers, shareholders and partners. We owe it to them to work efficiently and generate profitability so that we can continue to create innovative technology solutions and sustain our efforts to be transparent. By strengthening all elements of corporate accountability, we enable ourselves, our customers and partners to be the best they can be.

Access more information about our accountability at www.dell.com/corporateaccountability.

Access more information about:
- GRI rating
- Topic index
- Acknowledgments and credits
- Verification