Dell Technologies
Global Climate Principles

Climate change and its consequences are an immediate and global concern. As a leading technology provider with global operations, a global supply chain and a global customer base, we are subject to the growing acute and chronic risks created by climate change. At the same time, climate change issues present an opportunity for our business to demonstrate our commitment to our company's purpose. It also allows us to demonstrate that our products and services can be a part of the solution and do so in a way that is relevant to our business – that it is possible to do good and do well at the same time.

The significance of climate change

The accumulation of greenhouse gases (GHGs) in our atmosphere has led to noticeable changes in natural systems, including changes to migration patterns and growing seasons. Ocean acidification and increasing ocean temperatures are damaging marine ecosystems. Rising sea levels are increasing risks to coastal communities and commercial facilities. Further still, the increasing frequency and severity of weather events – such as temperature extremes, wildfires, tropical cyclones, and droughts – are putting many of Earth's inhabitants at greater risk irrespective of location.

As climate-related impacts become more apparent and climate-driven disasters become more frequent and more significant, organizations across the globe are working to accelerate action on climate issues. The need for society to transition to a low-carbon economy is clear and compelling, and required to meet the goals of the Paris Agreement. This transition, though, will not be just about enabling humanity to avoid worst-case climate change scenarios; it will also be about transforming our world through innovation, climate-focused programs and initiatives, and environmentally positive investment.

Climate and Dell Technologies' corporate purpose

Dell Technologies is a purpose-driven company. That purpose – "We create technologies that drive human progress" – drove the efforts that led to the November 2019 launch of our environmental, social and governance (ESG) plan and goals. The plan is comprised of four primary pillars, with the "Advancing Sustainability" pillar hosting Dell's work on climate initiatives, goals and action. We summarize this work with this statement: "We protect the planet and inspire our customers and partners to do the same."

- Dell Technologies' program of climate action supports and is aligned with The Paris Agreement on Climate Change.
- Dell understands that our carbon footprint extends across our entire value chain. Accordingly, Dell architects its goals and programs to include Scope 1, Scope 2, and all material Scope 3 categories, regardless of goal timeframe.

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Dell Technologies' connection to climate change and climate action

There are both risks and opportunities for Dell Technologies associated with climate change. We face growing, acute and chronic physical risks driven by climate change globally. These risks do not present the same challenges in every location, so our response must be both global and local while looking across our entire value chain. Beyond the physical risks, we must address the potential transition risks that will arise as society accelerates action on climate.

In line with our company purpose, we have a responsibility to manage the emissions associated with our footprint. This is why we have a goal to reach net-zero greenhouse gas emissions across Scope 1, Scope 2 and all material Scope 3 categories by 2050.

At the same time, climate change issues can offer enormous opportunities. While the Information Technology sector collectively accounts for approximately 2% of global emissions, Dell believes technology has an important role to play in reducing the other 98%. Our capabilities, products, services, and technologies can help our customers meet their climate goals, help their value chains to reduce their carbon footprint, and help the world directly address climate change mitigation and adaptation. These two overarching issues – Dell's exposure to climate-related risks and the opportunities for our technology – drive our approach to, and programs for, climate action.

Dell is deeply connected to climate change, through:

- Exposure to acute and chronic physical risks
- The footprint of our products and operations
- Exposure to transition risks created by global decarbonization
- The potential for our capabilities, products, services and solutions to be leveraged for climate solutions

Dell Technologies' framework for climate action

Our approach to climate action has four facets: *Resilience, Responsibility, Customers* and *Technology*. Each of these demands different actions and initiatives within our business. Together, they enable Dell Technologies to engage on climate across our entire enterprise.

Resilience

The effects of climate change are increasingly evident, frequent and severe. Because of this, risks that may have seemed far off and inconsequential are becoming material both to commercial enterprises and public organizations.

When potential risks evolve into real crises, organizations can find addressing other climate issues or climate action challenging. Protecting the business is, therefore, the foundation of climate action. Dell Technologies understands that we are not exempt from these risks – either physical or transitional – and we are committed to managing climate-related risks in the same manner as other issues concerning our enterprise.

- Dell fully supports the recommendations of the [Task Force on Climate-related Financial Disclosures (TCFD)](#).

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Responsibility

Dell Technologies contributes to climate change through the carbon footprint of our operations and products. In the long-term, our footprint will shrink as the world moves to a low-carbon economy. In the interim, however, Dell is responsible for understanding, measuring, and, to the best of our ability, managing that footprint.

Dell's carbon footprint involves all parts of our value chain. The largest contributions to Dell's footprint come from our supply chain and the energy used by our customers to operate our products. Dell addresses these contributions through our commitment to our long-term sustainability goals, and through various initiatives and actions to make progress against those goals. Additionally, Dell believes the ambition level of these goals must be aligned with the most aggressive global targets for managing climate change.

In April 2021, Dell extended its program of 2030 and 2040 climate-related goals by launching our net-zero goal, publicly stating our commitment to reach net-zero carbon emissions across our greenhouse gas inventory by 2050. In support of this goal, Dell also intends to develop a strategy for neutralizing that part of our emissions inventory we are not otherwise able to abate. For all of these, and any future climate-related goals, Dell intends to align its ambition level and goal detail with relevant guidelines provided by the Science-Based Targets initiative.

- Dell's long-term approach to managing our contribution to climate change is a commitment to reach net-zero carbon emissions across our full greenhouse gas inventory by 2050, inclusive of Scope 1, Scope 2 and Scope 3 carbon emissions.
- Dell has additionally committed to a series of interim climate-related goals as part of our commitment to ESG – these goals are listed in the Annex to this document.
- As of April 2021, Dell's 2030 climate-related goals have been reviewed and validated by the Science-Based Targets initiative (SBTi). Dell intends to align our net-zero goal, and any future climate-related goals with the guidelines and requirements of the SBTi as appropriate guidelines are published.
- As additional guidance on the topic becomes available, Dell will develop and incorporate a strategy for neutralization of unabated carbon emissions into its program of climate-related goals.
- Dell is committed to reporting on the progress made towards achievement of these goals annually as part of our ESG report and other public disclosures.

Customers

Customer interest in climate issues takes many forms, including risk assessment, corporate responsibility, organizational culture, and market opportunity. Many of our customers want to know that their suppliers share their values. Some have significant supply chain engagement programs – and, as one of their suppliers, we participate. And, while our customers certainly look to reduce the footprint of their IT products, they also look to IT to reduce their footprint in other areas as well.

Perhaps even more important, while the technology sector accounts for only about 2% of global emissions, applying that technology to address the causes and consequences of climate change offers an opportunity to make change in the other 98% at an even greater scale. Because our products and technology are typically components of larger systems and projects, our customer relationships and engagements create many of Dell Technologies' most significant opportunities for climate action.

Whether our climate-related connections to our customers are due to risk, responsibility, opportunity or organizational values, we are committed to assisting them in their journeys.

- Dell's commitment to net zero emissions enables us to better manage our contribution to our customers' carbon footprint.

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- Our portfolio of products and services can help our customers manage their overall footprint.
- Dell's relationships with our customers and their integration of our products and services into their own systems and projects aimed at addressing climate impacts potentially represents an even greater opportunity for meaningful change.

Technology

Addressing climate change requires new technologies, development of new or expanded climate solutions and significant operational transitions for many of the world's regions and economic sectors. Because of our role as a leader in Information Technology, Dell Technologies will contribute to many of these through its product and services portfolio, its capabilities and its voice.

The opportunities for Dell in this space are broad. Our commercial customer base connects Dell to climate issues across all economic sectors; our public sector customer base connects Dell to climate issues across all regions. Dell products and services support technology solutions in a number of areas, including cloud, edge, and high-performance computing, big data and data analytics, and AI and machine learning. The solutions developed by Dell customers and leveraging Dell product are deployed in fields as varied as precision agriculture, energy production, transportation and building management.

The role of our products, services and technologies provides Dell with its greatest opportunities to make a difference and do so in a way that is relevant for its business.

- Dell's connections to climate solutions span across all economic sectors and geographic locations.
- Dell's most significant opportunities to assist in the fight against climate change are in the roles that our products, services, and technologies can play in climate solutions that are either based on or enabled by Information Technology (IT).
- Dell believes that the relevance of IT-based climate solutions to Dell's business goals and metrics will increase as the effects of climate change become more evident and organizations across the planet ramp up investment in climate-related solutions for adaptation and mitigation.

Governance and goals

A strong program for climate action requires a comprehensive strategy, a set of processes to ensure that related initiatives are in place to support the strategy, demonstrable progress on both internal and public climate goals, and regularly scheduled strategy reviews and updates.

Climate strategy development and operational control

Climate issues affect Dell Technologies across the breadth of the company. Accordingly, climate strategy must be developed and managed using an approach that is inclusive of all internal organizations with connections to climate issues, regardless of scope and impact categories. This includes issues related to both climate risk and potential climate-related business opportunity.

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Dell's climate strategy is internally managed by Dell's Corporate Sustainability team within our Environmental, Social and Governance (ESG) organization. Dell's Corporate Sustainability team provides the framework and high-level goals, while working with affected functional organizations on their specific plans and area-specific strategies. The climate strategy is approved by Dell's Global Sustainability Council, which includes representation from key functional organizations. The strategy is reviewed by, and progress is reported to, Dell's Environmental, Social and Governance (ESG) Executive Steering Committee, which is responsible for overseeing the company's ESG strategy and most material topics.

Operationally, climate-related risks are incorporated into Dell's corporate risk management processes and managed by the affected organizations. Identified risks also provide important guidance to our overall corporate-level climate strategy.

- Dell's climate strategy is reviewed and tracked through a multi-level approach, ultimately with the highest-level risk oversight managed by the Audit Committee of Dell's Board of Directors.
- The process for identification and management of climate-related risks is incorporated into Dell's corporate risk management processes, which includes governance by key internal bodies such as Dell's Global Risk & Compliance Council (GRCC).

Dell Technologies' Commitment to ESG

Dell Technologies has a long history of action on climate and related issues. We were on the White House steps during the launch of the EPA's ENERGY Star program in 1992. We published our first corporate and social responsibility report in 1998. We were a founding member of the Electronics Industry Citizenship Coalition (now the Responsible Business Alliance) in 2004. And, in October 2013, we launched our Legacy of Good program – our first comprehensive program of long-term sustainability goals covering all aspects of Dell's business.

In November 2019, we completed Legacy of Good, and launched our second-generation ESG plan designed to drive social and environmental impact. Comprised of four pillars, the primary features are long-term 2030 goals on inclusion, transforming lives, ethics and privacy, and sustainability. The latter pillar, "Advancing Sustainability" focuses on three areas – accelerating the circular economy, protecting the planet from environmental damage change, and championing the people who make our products.

Dell's sustainability goals serve multiple purposes. Two of the most important are driving internal activities and programs, and publicly reporting on the progress we are making on our aspirations. Dell communicates progress on these goals annually through our ESG report and a number of public, governmental and NGO-sponsored reporting mechanisms. Details on these goals are provided in the Annex to this document.

- Dell drives progress on our climate-related ambitions through a program of long-term sustainability goals that cover all material aspects of Dell's carbon footprint (see document Annex for a full listing of these goals).

Engagement

The complexity and scale of climate issues limit what organizations can do on their own. Climate action requires engagement across a wide variety of internal and external stakeholders. Through Dell Technologies' engagement with others, our teams learn, collaborate, teach, support and inform – and these efforts assure external stakeholders we are behaving appropriately and responsibly.

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- Dell believes the strengths of our internal and external relationships build capabilities and create opportunities for climate action.
- Dell commits to keeping our stakeholders informed as to our progress through regular reporting on its climate-related operational initiatives, such as supply chain engagement and the carbon footprint associated with our products and services.

Internal engagement

Our employee community is a significant asset in Dell Technologies' programs for climate action. Many are also personally interested in, and motivated to, environmental stewardship. Our Planet Employee Resource Group (ERG), as a proof point, is one of the largest employee groups at Dell. Our team members expect their employer to be a responsible corporate citizen. In turn, we rely on our team members to help tackle these issues. Our task is to properly communicate to them how Dell is connected to climate-related risks and opportunities and how they can make a difference in their roles with the company.

To fully leverage the ambition and energy of our team members, Dell regularly informs our internal community as to our progress on climate issues and constantly looks for ways to enable our employees in their own approach to climate action.

- Dell considers our employee community to be a key stakeholder in, and contributor to Dell's work on climate action.

External engagement

External engagement is an important tool for Dell Technologies to achieve success within our program of climate action. These issues are large and challenging, and we know that assistance from our external stakeholder and both enable and accelerate our work. Effective engagement, however, is a two-way street. We also know that we are frequently in a position to support our key stakeholders as they tackle their goals and work on their initiatives. This enables us to deliver greater value to our stakeholders and demonstrate that we share the values of the commercial and public climate communities in which we participate.

Direct engagement with customers and partners

The climate-related needs of our customers and business partners are a particular focus for Dell. Many of our customers and partners have climate strategy goals similar to Dell's. They are looking to manage their climate-related risks, measure and manage their carbon footprint, and realize their own climate-related opportunities. Risk identification and management is particularly important for our public sector customers who directly experience the consequences of climate change. Dell's relationships with our customers and partners are not just important for creating business value within Dell, they are the keystone of our corporate culture.

- Supporting our customers' climate programs demonstrates that Dell shares their concerns about climate, is interested in their success, and can deliver value to their business.
- Dell is a member of our customers' supply chains and accepts the responsibilities for performance, transparency, and engagement that the role demands.

Participation in climate-related initiatives

As the consequences of climate change become clearer, Dell expects an increasing number of climate-related initiatives. Traditionally, these have been driven by non-profit, mission-based organizations and governments. Recently, however, these have been joined by other initiatives created by individual commercial entities and industry organizations.

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Dell believes participation in these initiatives is valuable. Industry organization initiatives provide Dell an opportunity to work with our peers on climate issues. Collaboration can also take the form of collective industry engagement with other climate actors, most notably governmental and policy organizations, and mission-based non-governmental organizations (NGOs). Engagement in other commercial initiatives directly supports Dell's programmatic goals, as well as enables Dell to support the efforts of key external stakeholders. Lastly, engagement in public-sector and civil society initiatives demonstrates our commitment to supporting global efforts and creates opportunities for us to assist those directly.

- Dell is and will continue to be a participant in public and private climate initiatives that are aligned with our climate related ambitions and those of our key stakeholders, such as the CDP Supply Chain program and the Renewable Energy Buyers Alliance (REBA)

Advocacy and engagement on issues of climate policy

The scale of climate issues is such that global progress requires significant cooperation between the private and public sectors. Engagement with policymakers and regulators enables Dell to learn how it can best support global efforts, to communicate where external support can make Dell's work on climate more effective, and to work with governments to develop and implement climate solutions.

To that extent, Dell has identified a number of areas where policy initiatives can help Dell to leverage our capabilities and portfolio for accelerated global progress on climate. Dell will work with public organizations on these topics and will be a public advocate to help communicate the potential for policy to drive progress on climate issues.

Specifics on policy that enable Dell to be a stronger contributor to climate action can be found in the Annex to this document.

- Dell believes public policy can accelerate and amplify climate action success, particularly in the areas of climate research, mitigation and adaptation solutions. It can also enable the transition to a low-carbon economy while addressing risks to affected industries and regions.
- Dell frequently participates in and supports programs for climate action, including the World Economic Forum's "Alliance of CEO Climate Leaders", the "We Mean Business Coalition", and the RE100.
- Dell is committed to work with public entities, including the U.S. Administration, on climate change actions and policies.

Other climate-related engagement

A number of other organizations, most notably the socially responsible investor community (SRIs) and the analyst community, look for engagement with Dell as a means for assessing Dell's climate-related performance and positions. These organizations use this information to provide guidance and insights to others, including decisions related to company investments and overall industry trends.

- Dell welcomes climate-related engagements with socially responsible investors and the analyst community and believes that transparency on performance is aligned with our corporate purpose and supports our long-term progress on climate issues.

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Investment

Making progress on climate does not come without cost. Tackling climate and supporting the needs of our stakeholders require Dell Technologies to develop new capabilities, new approaches to energy sourcing and an innovative portfolio of products and services.

- Dell understands that its program of climate action requires investment in processes, capabilities, programs and innovative products, services, and solutions, and that these investments will return significant business value back to Dell.

Operational processes, capabilities, and initiatives

Our business is constantly evolving to adapt to change. Business environments, markets and customer needs are dynamic, requiring us to respond appropriately. Dell Technologies' processes and capabilities for managing climate-related issues are no different.

Effective climate action requires Dell to re-examine many parts of our business. Doing so includes and is not limited to risk management, resource use, and measurement and reporting of climate-related metrics. Our investment to make these changes can come in several forms – investment in our people, investment in our processes, and investment in our tools.

- Dell invests in processes, capabilities and tools that support its ambitions for climate action.

Product carbon footprint

Dell Technologies is committed to using science to assess where investment can have the most powerful effect on reducing product carbon footprint. For example, we have found the majority of the carbon footprint of our client systems (notebooks and desktops) occurs upstream in our supply chain. Dell is working to reduce this footprint both through design and material choices, as well as supplier engagement focused on operational energy footprint and energy sourcing.

For many of our enterprise products, including most server systems, the carbon footprint hotspot occurs in our customers' facilities as a result of the energy required by our products in operation. Our products' energy needs are driven by a number of factors, including our component suppliers' design, our system implementations, our customers' operational practices, and, in some cases, pure physics.

Making progress on reducing Dell's product carbon footprint also requires innovation and investment. These investments, however, return business value back to Dell, our suppliers and our customers - most frequently in the area of energy costs, energy-related infrastructure, and energy-related features, such as battery life.

- Dell invests in initiatives to reduce our products' manufacturing carbon footprint and operational energy requirements. Innovations resulting from these investments support our customers' needs for reduced energy costs as well as progress on their carbon footprint goals.
- Dell's goals, including our commitment to reduce the emissions intensity of our supply chain activities, help us and our suppliers focus on climate-positive improvements.

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Neutralization of unabated carbon emissions

While Dell Technologies has a wide range of strategies in place to reduce its carbon emissions, we understand that, while the world's grids are decarbonizing, there be will residual carbon emissions associated with the manufacturing and use of our products. A net-zero commitment requires organizations like Dell to supplement their reduction activities with programs and initiatives that remove greenhouse gases from the atmosphere.

The guidelines for credible neutralization programs have, as of April 2021, not been finalized. In fact, Dell expects these guidelines to evolve significantly in the short- and medium-term. Regardless, we will have to put a GHG neutralization strategy in place to address that share of our GHG emissions we cannot abate. This strategy will likely require investment in future programs, though it is difficult, at this time, to anticipate the level of investment that will be required.

- Dell's net-zero goal will also include a focus on strategies for neutralizing unabated carbon emissions. We will follow generally accepted guidance on the nature of these types of programs as that guidance becomes available.

Climate-positive solutions

While Dell must ensure our resilience to climate change and reduce then eliminate our contribution to the problem, Dell's biggest opportunity to make a difference is in the role our technology can play in climate research and in IT-based climate solutions. Many of these solutions include development and deployment of system transformations, particularly around energy, land use, waste, water, transportation, manufacturing and buildings.

High-performance computing, cloud storage and computing, virtualization, big data analytics and edge computing are just a few examples of how IT supports advanced climate research and innovative mitigation and adaptation solutions. Dell continually invests in further development of these technologies, as well as the capabilities required to build, deploy and manage complex IT-based solutions.

- The role that Dell's portfolio of products, services and technologies play in climate research and solutions create Dell's most significant opportunities for effective climate action.

Through governance and goals, internal and external engagement, and investment in our operations and portfolio, Dell is in a strong position for climate action. Our intent is to ensure continued resilience of our business to the effects of climate change, reduce and eventually eliminate our contribution to climate change, serve our customers' climate-related needs and interests to the best of our ability and focus our technology on climate-positive solutions. Through these areas of focus, and with the power of our enterprise and our employee community, our commitment is to make good on our purpose to create technologies that drive human progress.

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Annex

Dell Technologies' current sustainability goals

With respect to climate action, Dell Technologies' most relevant sustainability goals are:

We commit to reach net-zero greenhouse gas emissions across Scopes 1, 2 and 3 by 2050.

We will partner with our direct material suppliers to meet a science-based greenhouse gas emissions reduction target of 60% per unit revenue by 2030.

We will reduce Scopes 1 and 2 greenhouse gas emissions by 50% by 2030.

In FY24, we will release a new 2030 goal to reduce the carbon emissions associated with the use of sold product.

We will source 75% of electricity from renewable sources across all Dell facilities by 2030 – and 100% by 2040.

By 2030, for every product a customer buys, we will reuse or recycle an equivalent product. 100% of our packaging will be made from recycled or renewable material. More than half our product content will be made from recycled or renewable material.

Dell Technologies positions on advocacy and policy

Pairing public policy and Information and Communication Technologies (ICT) enables innovative and effective approaches for addressing climate change. Dell Technologies supports public policy to address climate change, particularly policy which:

- Fosters continued research into the mechanics and impacts of climate change,
- Drives investment in the research, development and deployment of climate change mitigation and adaptation solutions, with specific focus on those solutions that enable sustainable development and offer economic opportunity for a growing world population,
- Encourages early and beyond-required actions on a level playing field across regions and solutions, including consistency on the implementation, magnitude and timing of taxes on carbon emissions, and
- Accelerates the transition to a low-carbon economy, while supporting industries and regions as they manage related transition risks.
- Supports global standards for the reporting and disclosure of climate performance data, including information on climate-related risks and opportunities, governance of climate issues, and greenhouse gas inventories for Scope 1, Scope 2, and those Scope 3 categories that make a material contribution to an organization's overall footprint.

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