



Now is the moment

—
To champion social and environmental
responsibility across our supply chain

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Letter from Kevin Brown

The ideas and goals behind Environmental, Social and Governance (ESG) have long been a part of how Dell Technologies does business. Every day, in thousands of interactions with suppliers, customers, partners and team members, we are steadfast in our commitment to being the industry's most trusted supply chain, and meeting the expectations of these stakeholders.

It's not easy. The past three years have created unprecedented challenges across the global supply chain, requiring new levels of innovation and resilience from Dell Technologies and our suppliers.

Our vision is a future that drives human progress. It requires a continued commitment to supporting the people in our supply chain, protecting our planet and building diversity among our supply base.

This approach is nothing new for Dell. Our Social and Environmental Responsibility (SER) assurance and engagement program is one of the largest in the industry. We're able to proactively recognize and address issues in Dell-owned facilities and those of our suppliers.

As a condition of doing business with Dell, we require all partners and suppliers to adhere to a stringent set of guiding principles, which provide the basis for our SER programs.

We prioritize environmental impact and human rights. We leverage our operations experience and collaboration with industry partners to promote safe and responsible manufacturing, diversity and inclusion. And, we are committed to protecting our planet and collaborating with stakeholders to take action on climate change.

While we still have work to do, we are proud of our progress. Some of our FY23 highlights include:

- Named a CDP Supplier Engagement Leader: Our efforts to cascade climate action across our supply chain helped Dell Technologies earn this ranking.
- Ranked No. 2 out of 825 companies – and 87 IT companies – on the Climate Action Transparency Index (CATI). This assessment focuses on brands' performance on corporate and value chain-level climate action performance.
- Completed Round 2 of the TenSquared project, along with 22 high-risk manufacturing process assessments with suppliers.
- Recognized for the 13th consecutive year as a member of the Billion Dollar Roundtable for spending at least US \$1 billion annually with minority- and women-owned businesses.

We do not rest on these accomplishments. We continue to push ourselves. We'll never stop innovating and finding ways to improve. In FY23, for example, we increased our engagement with suppliers to support the achievement of our updated target to reduce the absolute emissions associated with the goods and services we purchase (scope 3, category 1) by 45% by 2030.

Innovation and finding solutions to complex challenges is nothing new for our team members at Dell Technologies. It's part of who we are and what we do, and we'll continue to find ways to make a positive impact on the communities and lives of those around us.



Kevin Brown
Executive Vice President and
Chief Supply Chain Officer
Dell Technologies



Recognizing ESG success

Dell Technologies is advancing initiatives across our ESG impact areas. The following FY23 awards represent our commitment to driving impact and highlight areas of excellence. Explore more of our [awards and recognition](#).



ECOVADIS

Platinum medal

Awarded a platinum EcoVadis medal in 2022 for scoring in the top 1% of companies assessed across four major themes: environment, labor and human rights, ethics, and sustainable procurement.



SUPPLIER ENGAGEMENT LEADERBOARD

Leader status

Recognized as a leader for supplier engagement on climate change and the transition toward a net-zero sustainable economy.



WORLD'S MOST ETHICAL COMPANIES®

Score: 11-time honoree

Recognized in 2023 as one of the World's Most Ethical Companies by the Ethisphere Institute for the 11th time, affirming Dell's robust programs and commitment to integrity.



INSTITUTIONAL SHAREHOLDER SERVICES ESG

Score: Prime status

Achieved prime status by fulfilling the ISS' strong ESG requirements regarding sustainability performance in our sector in 2021.



BEST PLACE TO WORK

Score: 100%

The DEI serves as a benchmark that helps companies build a road map of measurable, tangible actions to achieve disability inclusion and equality.



FAST COMPANY'S WORLD CHANGING IDEAS AWARDS

Score: 2023 Company of the Year

Selected as Fast Company's World Changing Company of the Year and winner of CSR category in recognition of Dell's efforts to address the digital divide and climate change.



FORBES

Score: 10th out of 750 companies

Recognized in the top 10 of the World's Best Employers for excelling in topics such as image, economic footprint, talent development, gender equality and social responsibility.



GLOBAL TOP 25 SUPPLY CHAIN

Ranked among the 2022 leaders

For 2022, the Top 25 and Masters companies embraced four macro trends: The CSCO as Chief Ecosystems Officer, Self-Stabilizing Supply Chains, Progress on Broader Sustainability Agenda and Human-Centric Digital Automation.*



AMERICA'S MOST LOVED WORKPLACES

Score: 1st out of 100 companies

Recognized as a company that puts respect, caring and appreciation for our employees at the center of our business model. This honor is based on employee surveys and analysis.

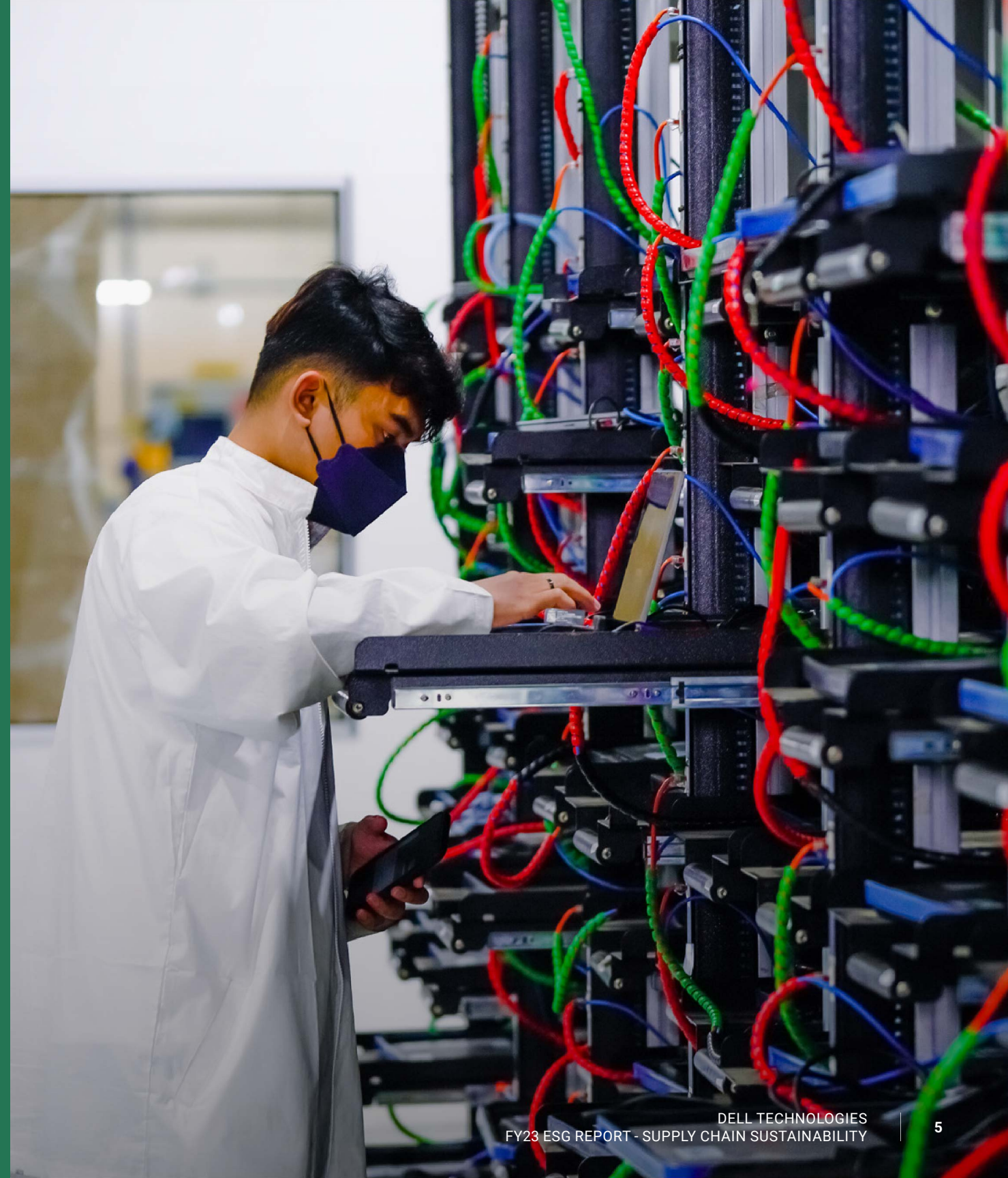
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Driving sustainability in our supply chain

As a global company, Dell Technologies has an incredible opportunity to positively impact the environment and people. This opportunity is significantly increased when including the thousands of suppliers who are essential to our ability to create technologies that drive human progress.

We don't simply navigate the challenges in our operations – we embrace them to bolster our resilience. Each challenge offers us a chance to learn, adapt and grow. Maintaining this approach has enabled us to build one of the most dependable and durable supply chains in the industry and enables us to deliver what our customers, partners and other stakeholders need. In addition, our enduring dedication to sustainability is a key factor in our continued success.

The Dell Social and Environmental Responsibility (SER) assurance and engagement program is one of the largest in the technology sector. We proactively recognize and tackle issues within both Dell-owned factories and those of our suppliers, including final assembly, direct and sub-tier¹ suppliers.





SUPPLY CHAIN SUSTAINABILITY

Elevating collaboration

We prioritize human rights and environmental issues, leveraging our operations experience and collaboration with industry partners to promote responsible manufacturing, diversity and inclusion. Strong partnerships with our suppliers are essential for our shared success, and the following information provides an overview of our approach.

Adhering to leading supplier principles

Our expectations of Dell's suppliers for responsible and ethical business practices are informed by international standards, including the [United Nations Guiding Principles on Business and Human Rights](#), the [United Nations Universal Declaration of Human Rights](#), the [United Nations Convention on the Rights of the Child](#) and other relevant U.N. conventions.

Adherence to our [Supplier Principles](#) is a condition of doing business with us, and it forms the basis for our social and environmental due diligence programs. We work closely with our suppliers to help them develop the necessary insights and capabilities to meet these requirements. In recent years, our collaborative supplier relationships proved critical in the face of a variety of supply chain challenges. As we lean into a new normal post-pandemic, we are as committed as ever to ensuring our supply chain remains one of the most trusted in the industry.

“Dell Technologies continues to expand the size and scope of our ESG responsibility programs to ensure we deliver on our promises to our customers and the communities where we live and work. We’re committed to championing the people in our supply chain, protecting our planet and building diversity among our supply base. It’s simply the right thing to do.”

KEVIN BROWN, EXECUTIVE VICE PRESIDENT AND CHIEF SUPPLY CHAIN OFFICER, DELL TECHNOLOGIES

Our four-element approach to a sustainable supply chain

Dell works with suppliers that demonstrate varying levels of maturity in their own corporate sustainability programs. Recognizing this, we focus on building sustainable progress with our suppliers through continuous improvement.

We use a specific four-element approach in our SER audit program. This continuous improvement model is a framework for advancing supplier performance that includes risk assessment, supplier audits, corrective action plans and capability building. We refer to each activity in the model as an element, rather than a phase or step, because suppliers do not always move through the elements sequentially. For example, the results of a risk assessment may indicate that an audit is unnecessary, but there may be a need to drive improvement in a targeted area.

Ongoing communication is critical to driving continuous improvement in supplier sustainability performance. This includes communication among our suppliers, SER specialists and auditors. We also share SER performance metrics alongside other key indicators, such as cost and quality, as part of our supplier quarterly business reviews (QBRs). Key executives attend QBRs, help determine future business awards and address progress toward aligned goals.

We strive to work with our suppliers to improve their sustainability performance. However, in rare circumstances where it is evident that continued poor performance will not be resolved through further engagement, we may terminate our business relationship with a supplier.





Social and environmental risk assessment

Our engagement with suppliers at any tier — including final assembly, direct and sub-tier — begins with an assessment of their social and environmental risks. As part of our onboarding processes, we conduct rigorous initial risk assessments of our suppliers prior to commencing a business relationship.

We refresh suppliers' sustainability risk levels every year through our internal risk assessment tool and calibrate by a supplier self-assessment questionnaire (SAQ) to determine risk level using the following criteria:

- Geographic location: This considers regional risks around social concerns, such as child labor and forced labor, and environmental risks, such as water quality and air pollution.

- Commodity: This considers specific risks associated with manufacturing, such as labor intensity, manufacturing processes and paints or chemicals involved in the production of a commodity.
- Prior responsible manufacturing performance: This includes previous audit results and participation in our capability-building efforts.
- Additional insight: This refers to information obtained by Dell team members during regular and unannounced factory visits or from independent sources, such as regulatory and third-party organizations.

Based on the results of the SAQ and additional insight, we classify suppliers as low-, medium- or high-risk. Suppliers deemed high-risk must complete a third-party audit that determines conformance with the Responsible Business Alliance (RBA) [Code of Conduct](#). In addition, we audit a portion of medium- and low-risk strategic partner suppliers to determine if their risk is rising.

We also monitor SER risk for our Dell factories and suppliers annually. Continuous improvement is important for our operations, as well as those of our suppliers.





Comprehensive audit program

The Dell audit program is one of the largest in the technology sector – both in terms of number of audits conducted and reach across the supply chain. It is designed to identify sustainability risks in our supply chain and enable suppliers to both mitigate issues and build their SER capabilities. In addition, we engage our suppliers in targeted assessments and programs to drive more opportunities for improvement.

We expect our suppliers to adhere to the RBA [Code of Conduct](#). Audits help monitor suppliers' compliance with the RBA Code of Conduct and highlight any areas of concern, which in turn helps Dell work with suppliers to take action to improve their performance. In FY23, 348 factories in our supply chain across 15 geographic locations were audited.

Audit process

Our suppliers are audited by RBA-certified third-party auditors who cover over 40 topics across five areas: labor (including risks of forced labor, child labor and noncompliance with weekly working hour requirements), employee health and safety, environment, ethics and management systems.

Auditors review documents, observe work practices, and independently interview management and workers² to assess SER standards implementation according to the RBA Code of Conduct.

In FY23, auditors conducted 14,711 confidential feedback interviews as part of the audit process. After completion, auditors issued final reports identifying areas of noncompliance with the RBA Code of Conduct. The severity and number of these audit findings, classified as priority, major, minor and risk of noncompliance, will impact a supplier's overall audit score, which ranges from zero to 200.

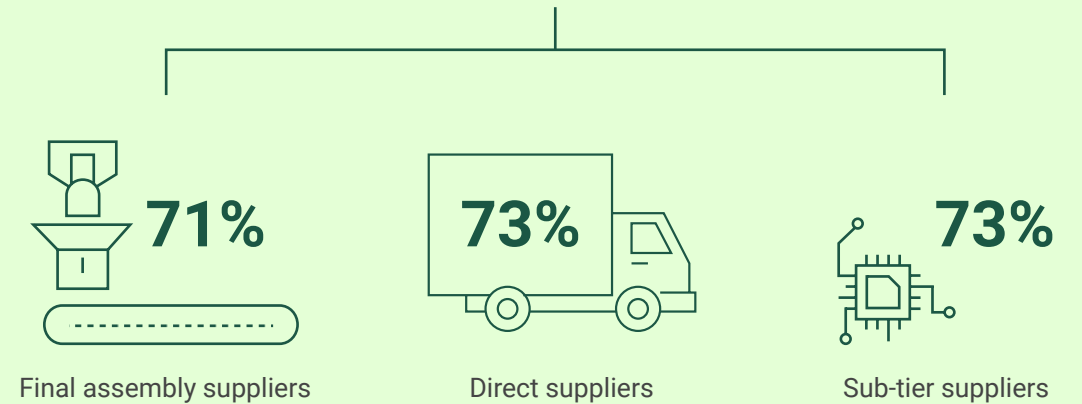
Audit findings may result in corrective action and the implementation of capability-building elements of the continuous improvement model. You can learn more about our supply chain audit results in the [By The Numbers](#) section of this report.

FY23 improvements in supplier factory audit performance



Overall 73%

of factories that went through at least their second audit cycle improved their audit scores between cycles³



High-performing supplier factories



79%

of factories are high performing, based on their audit scores (scoring at least 180 out of 200 available points for final assembly factories or 160 out of 200 for other factory tiers and no priority findings)



Creating and supporting corrective action plans

The next element of our framework is corrective action. When areas of nonconformance with the RBA [Code of Conduct](#) are discovered through an audit, our Dell SER specialists work with the supplier to create a corrective action plan (CAP) to resolve the issues within RBA-defined timelines. Through a CAP, our team supports the supplier to identify root causes and implement mitigations to drive continuous improvement.

The severity of priority and major findings requires prompt resolution. Once the supplier addresses an audit finding, it must be closed by a second successful audit or Dell SER specialists, who validate that the issue has been resolved.

Addressing critical labor findings

Dell does not tolerate forced labor or child labor in any form. We undertake due diligence to assess and address risks of modern slavery in our supply chain, including:

- Proactively addressing issues with new and potential suppliers, prior to formal audits.
- Coordinating with procurement, including SER representatives and executives, to ensure immediate closure of critical labor findings.
- Requiring suppliers to build internal audit and governance mechanisms to prevent future instances if critical labor audit findings occur.
- Ensuring both suppliers in scope and employees in supplier-facing roles within our procurement and operations organizations complete Dell's required annual human rights training.

Comprehensive details can be found in the Commitment to Human Rights section of our [FY23 ESG Report](#).

FY23 corrective actions and findings closed



268

Factories that completed corrective actions



170

Closure audits completed to verify corrective actions



92%

of priority findings closed at supplier factories

100%

at final assembly factories

100%

at direct supplier factories

88%

at sub-tier factories



70%

of priority and major findings closed overall at supplier factories

78%

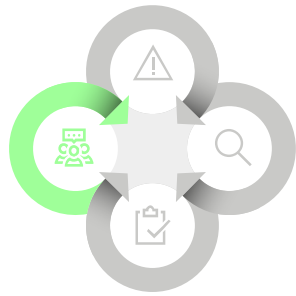
at final assembly factories

72%

at direct supplier factories

69%

at sub-tier supplier factories



Providing resources for capability building

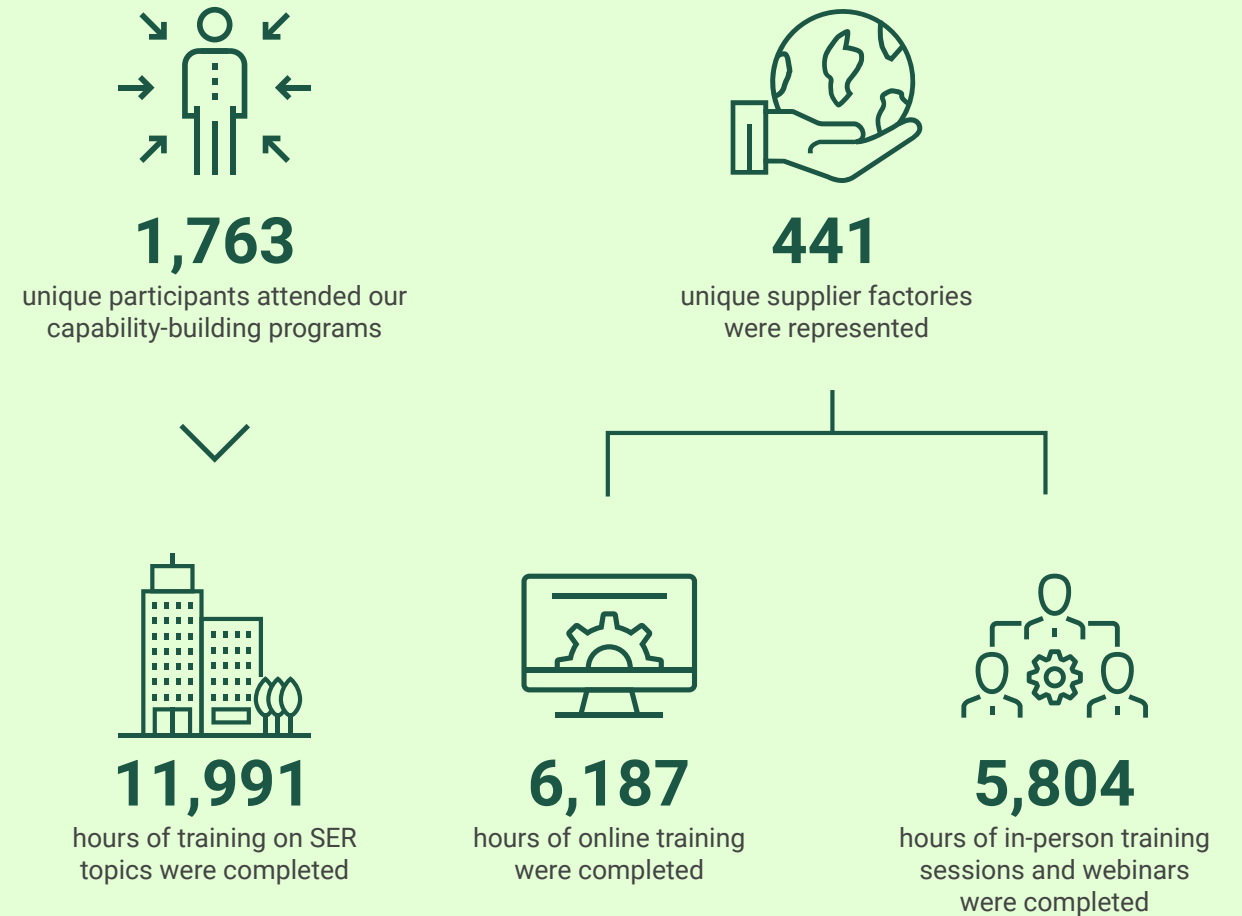
To proactively address social and environmental risks, we provide resources to suppliers for knowledge and skills building in areas such as forced labor, health and safety, and energy efficiency.

- **Factory consultations:** Our SER specialists work directly with supplier factories to better monitor and reduce risk. Engagements are customized to support long-term improvements.
- **Dell-led training and webinars:** We leveraged our digital tools experience to deliver training, roundtable sessions, interactive webinars and virtual networking sessions. Targeted to supplier management and SER professionals, these events connect suppliers with sustainability leaders, examine emerging trends and risks, and share insight into best practices.

- **Self-paced online training:** We are working hard to reduce the risks faced by frontline workers in our supply chain through high-risk manufacturing process risk assessment and mitigation. Our online training programs, offered in various languages, encourage proactive knowledge and performance growth, and drive corrective action. Mobile access makes our platform even more accessible, allowing convenient interaction with our SER specialists. In FY23, 668 factories had access to more than 326 training sessions.
- **Frontline worker training:** We recognize that workers are essential partners for us in monitoring factories and in participating in actions to help factories meet our standards. This training is accessible through mobile devices.
- **Dell-developed tools and resources:** Not all companies throughout our supply chain have the resources and experience to create a robust sustainability management framework. To assist these suppliers, we have developed tools to help automate monitoring of areas of concern. One example of this is our frequently asked questions (FAQ) library.

To support our suppliers as they prepare for RBA audits, we developed an online question-and-answer (Q&A) system to provide quick and accurate answers to common SER management questions. The system was created in collaboration with internal and external experts, making it accessible to companies of any size or level of sustainability management experience.

FY23 capability-building program engagement





CONTINUOUS IMPROVEMENT MODEL

Resolving health and safety issues through our TenSquared program

In FY23, we continued the TenSquared program by engaging a second round of key suppliers, increasing the cumulative number of suppliers to eight. The TenSquared approach is one that engages a peer-elected team of supplier employees and managers who work together to identify root causes of workplace challenges and then identify innovative ways to resolve them, all within 100 days.

Each participating supplier brought their most challenging environmental, health and safety (EHS) management concerns to the TenSquared program, expecting to resolve it successfully. The topics from participating suppliers covered EHS hotspots, such as reducing fire risks in warehouse areas and reducing occurrences of accidents resulting in work injuries.

Each supplier formed a dedicated work team, including members from management and frontline workers, to proactively resolve these issues and achieve a preset goal within 100 days.

These proactive actions include:

- Conducting a worker survey to understand worker concerns, incidents and historical data collection, among others.
- Team brainstorming to identify risks, risk classification and assessment.
- Communicating with diverse stakeholders to encourage engagement and collect effective improvement suggestions.
- Ensuring support for improvements, including financial and technical support and production flexibility.
- Keeping on track with weekly team meetings to monitor improvement action and implementation progress.
- Attending program training events, such as a launch and midterm workshop, to build capability, and conducting impact surveys among production workers to evaluate improvement, impact and achievements. These surveys also allowed opportunities to provide feedback on further improvements.

Positive feedback from management and frontline workers

Suppliers participating in the program said that the innovative thinking skills they developed helped them effectively solve challenging issues, and the improved communication between management and workers fostered alignment. Further, setting practical and immediate actions to achieve goals made the process efficient.

Frontline workers who participated in the program expressed their interest and excitement in being valued and respected during the TenSquared program implementation — something they had never previously experienced as part of their daily work. Senior management committed to rolling out the TenSquared program in their organizations and integrating TenSquared safety culture into their business conduct culture.

Reducing greenhouse gas (GHG) emissions in our supply chain



Dell is committed to protecting our planet and collaborating with stakeholders across our value chain to address the effects of climate change. We drive sustainability efforts through every aspect of our business and hold our suppliers to the same level of accountability.

We have continued to prioritize our supply chain environmental programs and are taking steps to reduce GHG emissions, promote water stewardship and expand waste management systems through partnerships with our suppliers.

Our supply chain carbon footprint (scope 3, category 1) includes emissions that our suppliers generate as they provide products and services to us. In FY23, we developed ambitious near-term targets to support our [net zero goal](#). Dell set a target to reduce absolute scope 3 GHG emissions from purchased goods and services by 45% by 2030.

This new goal can drive greater impact by pushing us to reduce overall GHG emissions regardless of how much we grow our business.

We are committed to decreasing our footprint, and we understand that collaboration with our suppliers – both direct and indirect – is essential.





Continued progress through supplier engagement

To reach our target of reducing absolute scope 3 GHG emissions from purchased goods and services by 45% by 2030, we recognized that our current programs needed to be more ambitious. In FY23, we launched an emissions supplier engagement program to collaborate with a strategic subset of suppliers and develop the road map that will help us achieve our absolute reduction target.

To inform our new target, we worked with a select group of suppliers at different stages in their emissions reduction journey to understand their climate goals, constraints and opportunities. We discussed the scope of their existing initiatives, setbacks and areas that needed support. We also explored broader trends in customer demands around emissions reduction and ways to ensure alignment and harmonization.

This feedback and communication informed the full launch of our emissions supplier engagement program. To help us reach our target, we have engaged a broad scope of suppliers. We have worked closely with our procurement teams to help suppliers understand and meet our expectations.

We recommended an approach, including the following steps, and will continue to enable and partner with suppliers moving forward.

We encourage suppliers to:

- Report scopes 1, 2 and 3 (category 1) information annually through [CDP Supply Chain](#).
- Submit [letter of commitment](#) to set near-term and net zero (1.5 degrees Celsius) aligned targets with the [Science Based Targets initiative \(SBTi\) net zero standard](#).
- Publicly declare a target year for meeting or exceeding [RE100 expectations](#).
- Join CDP Supply Chain and set up a program to engage respective upstream suppliers.
- Reduce overall scopes 1, 2 and 3 (category 1) emissions.

We are asking our suppliers to assist us in achieving our goal and improving our knowledge of challenges we will collectively overcome to get there.

Our supply chain positive impact recognition

To underscore the positive impact of our supply chain environmental practices, the [Institute of Public and Environmental Affairs](#) (IPE) ranked Dell as a [Green Supply Chain Corporate Information Transparency Index](#) (CITI) Master for 2020, 2021 and 2022. We are one of only two companies to earn this recognition.

To qualify as a CITI Master, a company must:

- Rank as a top performance brand in the annual CITI ranking.
- Maintain high performance standards in their supply chain environmental management.⁴
- Show that all key suppliers track their environmental performance through data systems.

Although there is still much to be done, we are proud of the recognition we received in FY23 for our collaboration with suppliers and progress in this area:

- [CDP](#) Supplier Engagement Leader: Our efforts to cascade climate action across our supply chain helped Dell earn this ranking.
- [Climate Action Transparency Index](#) (CATI): Ranked No. 2 out of 825 companies across all industries and 87 information technology companies. Developed by IPE in 2021, this assessment focuses on brands' performance on corporate and value chain-level climate action.



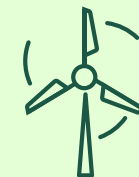
GHG emissions reductions



68,170 metric tons

of carbon dioxide equivalent of GHG emissions were avoided through energy consumption reduction projects at supplier factories

Amount of renewable energy used in Dell's supply chain



1.5B kWh

Energy efficiency program results in real change

In FY23, we continued our supply chain energy efficiency program, which provides support to 60 suppliers by reviewing energy data, analyzing direct feedback from internal surveys and on-site visits, reviewing energy management systems, consulting on opportunities for improvements and sharing best practices. As part of this program, we provided technical suggestions on energy-saving actions and shared field energy efficiency best practices with suppliers.

Energy-saving opportunities

An example of this program in action is when we visited the site of a painting supplier to find opportunities to save energy in their production, their senior management enthusiastically invited our energy experts to their newly built factory. We helped them investigate high-energy consumption facilities and systems, like factory layouts, building thermal insulations and energy-intensive machines, and we suggested ways to reduce consumption levels.

The factory senior management accepted all improvement suggestions and will consider them before the new factory goes into production.

This is just one example of how our supply chain energy efficiency program can drive suppliers to take multiple actions to improve their systems and reduce energy used in manufacturing.

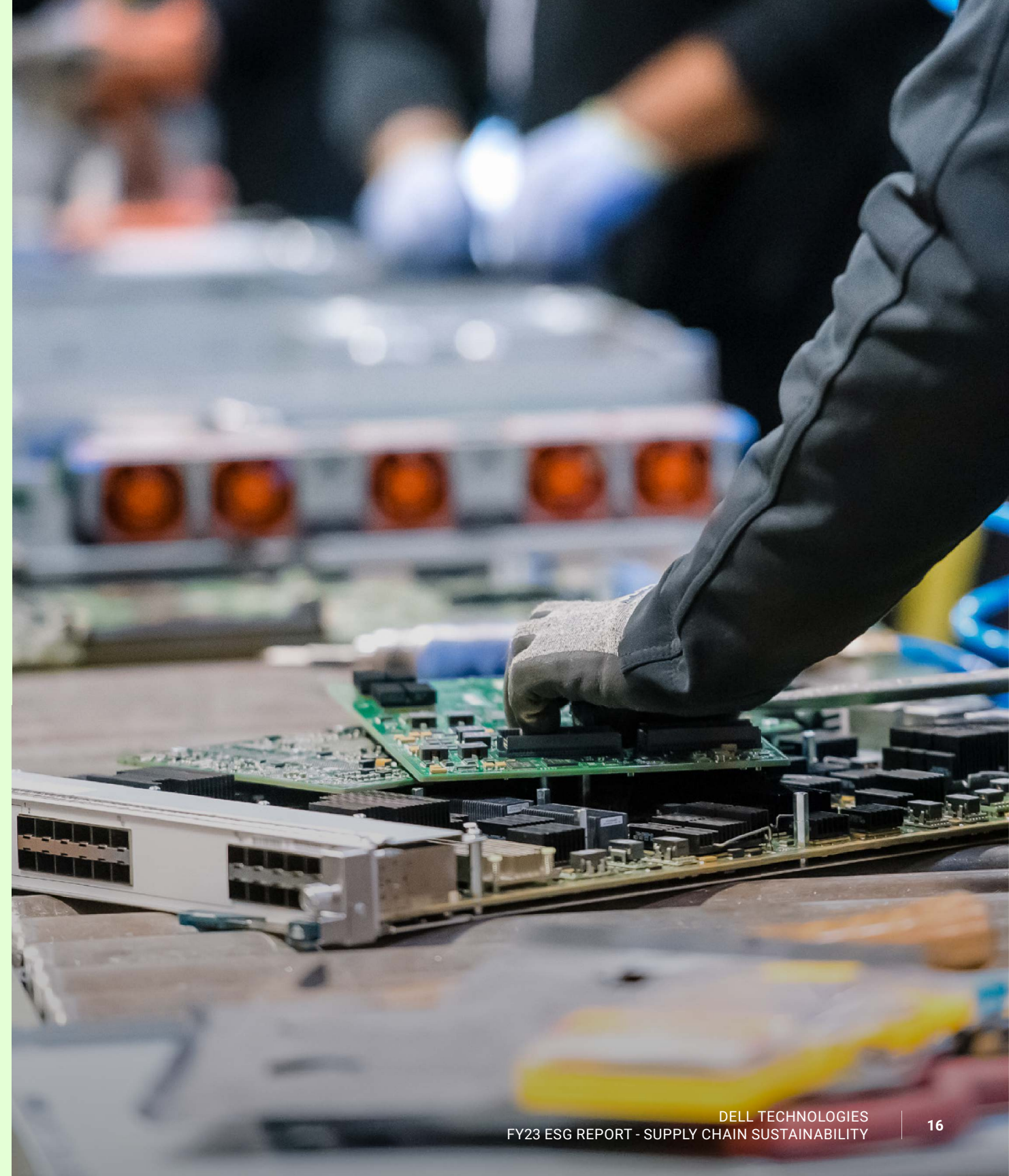
Energy-saving transformation

Another great example is our work with one of our mechanical suppliers who joined the program in 2021.

As a result of the program, the supplier took the following actions:

- Built an energy management system aligning with [ISO 50001](#) and obtained third-party certification in September 2022.
- Successfully set their aggressive reduction targets for 2025 and 2030, with a review cadence to monitor the progress.
- Implemented multiple energy-saving actions to reduce their energy consumption and GHG emissions. Actions include a green modeling program, constant temperature-controlling engineering, recycling water thermal insulation and robotic electrical-saving programs.
- Developed diverse energy-saving plans for continuous improvements.

We will continue to collaborate with our suppliers to find more energy efficiency opportunities to advance sustainability and reduce our operational impact on the planet.





REDUCING OUR SUPPLY CHAIN'S IMPACT ON THE PLANET

Working with stakeholders to support water stewardship

Water stewardship – the responsible planning and management of resources⁵ – is vital to a sustainable future. In addition to water use considerations around the manufacturing of our products, several suppliers operate in water-stressed areas.

Dell partners with suppliers who have water-intensive processes or operate factories in water-stressed areas where at least 20% of renewable surface and groundwater is withdrawn annually and is insufficient to meet a region's needs.⁶ For the past eight years, we have worked closely with these suppliers to analyze their water use, offer training, and develop and implement water management plans to reduce water use and wastewater discharge.

We recognize the importance of engaging with stakeholders across the entire catchment area to mitigate shared water risks in our supply chain. Therefore, our suppliers include municipal water providers, local community members and wastewater treatment plants in their factory water risk mitigation plans. To support these efforts, we promoted international Water Stewardship Standards and encouraged suppliers to use the Corporate Water Stewardship Assessment, Collaboration and Project Management Tool. In FY23, we conducted online training sessions on water management elements from Information & Communication Technology Water Stewardship Assessment Criteria to close any gaps in suppliers' Water Stewardship.



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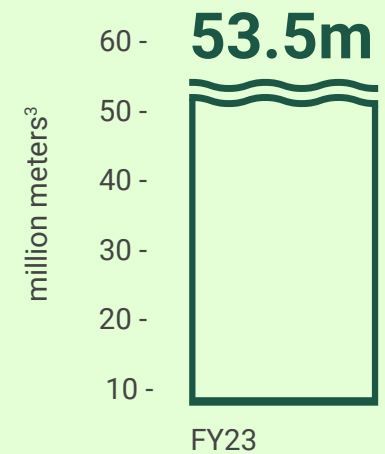
of our supplier factories implemented water management plans

Freshwater saved in FY23



58.9 million meters³

Reduced the amount of wastewater they discharged by



Sustainable management of resources

Sustainable management of resources is critical to our long-term business resilience and global environmental health. As part of our efforts in this area, we collaborate with suppliers to identify alternatives to reduce or reuse waste that would otherwise be sent to landfills.

As part of the Zero Waste Program, our SER specialists provide expertise to help suppliers ensure safe disposal practices and reduce waste. Beyond following disposal standards for solid and hazardous waste, we help suppliers implement solutions that include reuse, recycling, composting, anaerobic digestion and incineration.

In addition to our Zero Waste Program, we expect our suppliers to align with our expectations for transparency about their environmental impacts by publishing sustainability reports in accordance with the [Global Reporting Initiative \(GRI\)](#).

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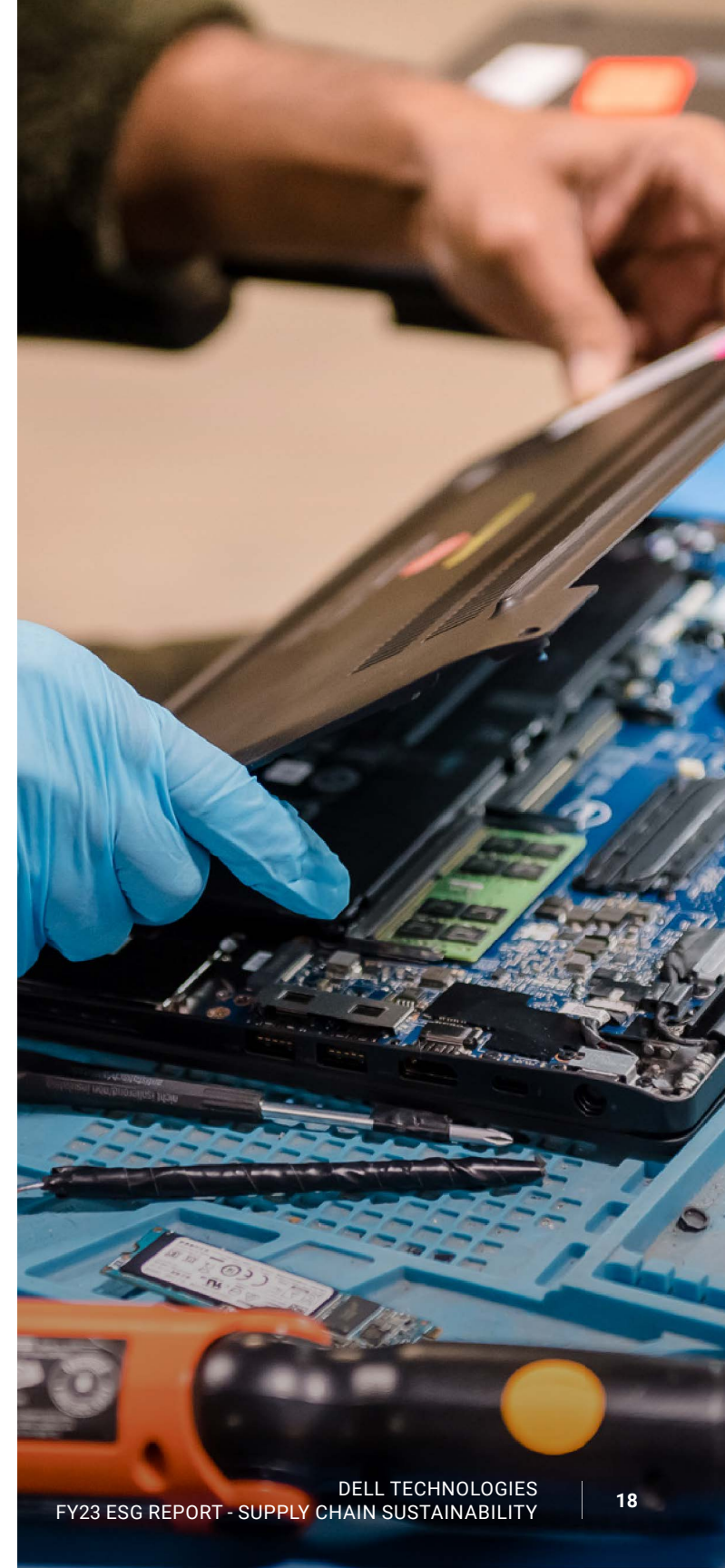
In FY23, Dell Technologies helped 21 suppliers reduce the amount of waste disposed of in landfills through our Zero Waste Program. Supplier sites were chosen to support this program because they are key strategic partners of Dell.

92.9%

Suppliers participating in these efforts diverted 92.9% of their solid waste from landfills, either through recycling or reuse, in FY23.

89.3%

Last year, 89.3% of our direct material suppliers (by spend) reported sustainability initiatives in accordance with GRI standards. Based on this information, 64.5% of Dell's direct material suppliers (by spend) reported progress in reducing waste from their operations.



Protecting human rights and promoting the well-being of people

It takes hundreds of thousands of people worldwide to make our products. We are committed to partnering with our suppliers to help protect human rights for all in our supply chain. This includes treating all people with respect and dignity, not tolerating forced labor in any form and consistently providing safe working conditions.

Our environmental, social and governance (ESG) goals demonstrate the focus Dell places on these areas. Protecting human rights and promoting the well-being of people in our supply chain is imperative. Learn more about Dell's Commitment to Human Rights in our [FY23 ESG Report](#) and approach to [future-ready skills development](#) within this FY23 ESG Report.

One area in which we made progress is our suppliers' target audit score attainment rate. Dell sets target audit scores for suppliers (at least 180 out of 200 for final assembly factories and 160 out of 200 for other factory tiers), which align to high performance based on the [RBA Validated Assessment Program](#).

We made significant progress in increasing the rate of suppliers who attained our target audit scores. In FY23, our SER specialists worked closely with suppliers to help identify the root causes of issues and drive improvement. Additionally, we engaged across our procurement organization and directly with suppliers' senior-level leadership to emphasize SER expectations. This resulted in a target audit attainment rate of 79%, compared to 68% the previous year.

Just as we enlist the help of our suppliers to build our products, we collaborate with organizations that can educate our suppliers on the importance of operating sustainably.

An example is Dell's promotion of programs such as the Mekong Sustainable Manufacturing Alliance in Southeast Asia. This program is made possible by a partnership between [ELEVATE](#) and the [U.S. Agency for International Development \(USAID\)](#). The alliance program aims to improve vulnerable populations' health, livelihoods and well-being; foster sustainable economic growth; and achieve greater development outcomes in the Mekong region. Our participation supports the work to help factories make positive choices to help them remain competitive in the global market while having a positive impact on the environment, employees and local communities.

“The Responsible Business Alliance appreciates the efforts of its members like Dell Technologies, which are actively engaged in the 2023 triennial RBA Code of Conduct revision process. Input from members and stakeholders is crucial to ensuring the code continues to improve conditions for workers and the environment, maintains its relevance to international norms, and addresses emerging issues and regulations affecting global supply chains.”

ROB LEDERER, CEO, RESPONSIBLE BUSINESS ALLIANCE

Driving ethical recruitment practices

It is important that people working in our supply chain are treated fairly. In some cases, individuals who migrate away from their homes for work are forced to pay for various aspects of their recruitment, including payments to labor agents who facilitate their hiring, fees for obtaining visas or the cost of required preemployment health exams. As a result, these workers may find themselves indebted to their employers or at risk of falling victim to forced labor.

Dell does not tolerate forced labor of any kind. We abide by the Responsible Business Alliance (RBA) [Code of Conduct](#), which prohibits our suppliers from charging recruitment fees to their workers, even in locations where these practices are legal. By addressing fee payment issues when they occur in our supply chain and reinforcing responsible employment and recruitment practices through our SER specialists, we continue to drive improvement in this area.

Due diligence efforts include conducting confidential interviews with supplier management and, separately, with workers as part of regular audits. We also take immediate action to investigate any allegations related to recruitment fees that are received through our helpline, media sources or nongovernmental organization (NGO) reports.

If we learn that a supplier is not following recruitment fee practices as required by the RBA Code of Conduct, we:

- Educate the supplier on why such fees are unacceptable.
- Coach the supplier on effective ways to return fees. For instance, if fees are returned to affected workers through paychecks, unaffected individuals must understand why their pay does not change.
- Track the supplier's remediation progress.

FY23 recruitment fees returned



\$2,383,089

in fees were returned to workers



Educating and influencing through collaboration

Our efforts go beyond working directly with our suppliers. We leverage our experience and reputation to collaborate with peers and NGOs to educate suppliers and policymakers about the damage recruitment fees cause in hopes of bringing about more significant change – thus, bettering the lives of those within our supply chain.

Understanding evolving international requirements on labor: practical engagement in Taiwan

The Taiwan Forced Labor Prevention Initiative is a collaborative effort of eight multinational companies, including Dell, committed to improving working conditions and human rights in their supply chains. As part of this initiative, Dell and collaborators provided small to medium enterprises with access to free training on forced labor risks in their supply chains.

This training was created in partnership with [Work Better Innovations](#), a research consultancy that specializes in labor rights and ethical business practices.

The training focused on explaining the International Labour Organization's (ILO) 11 Forced Labor Indicators, which are used to identify forced labor risks in supply chains.

By attending the training, Dell's suppliers were able to learn how to identify and mitigate forced labor risks in their supply chains and understand what global multinationals like Dell are looking for in terms of business and human rights.

This training helped to ensure that Dell's suppliers are aware of their responsibilities and are taking the necessary steps to ensure that forced labor is not present in their operations. By investing in supplier training and education, Dell is taking an active role in combating forced labor and ensuring that our operations align with international labor standards.



Addressing weekly working hours challenges

Dell adheres to the social, environmental and ethical industry standards required by the RBA Code of Conduct. The RBA Code of Conduct limits factory line workers to a maximum of 60 working hours per week or the limit stipulated by local law (whichever is stricter) and requires that employees and contractors have a minimum of one rest day per week.

Breaches of working hour limits are the most common audit findings among supplier factories in our industry.⁷ Although overtime is voluntary, excessive working hours impact work-life balance and, in some cases, increase health and safety risks. As such, this is an important area of focus for us, and we are committed to working with our suppliers to improve overall compliance with the industry standard.

Our strategy with suppliers includes the following actions:

- Weekly monitoring of factories with known risks of nonconformance based on past audit performance. This provides an early indicator of potential deviation from the standard.

- Collaboration with original design manufacturers to address identified risks of nonconformance, for example, creating a window where customer lead time can be adjusted or identifying when orders can be moved.
- Capability building to provide suppliers with knowledge and tools to improve working hours performance through management systems.

Working hour limits vs. uncertainty

Consistently meeting this standard is an ongoing challenge across manufacturing and is affected by several factors, including but not limited to fluctuations in customer demand, workers' desire to work voluntary overtime, transportation challenges and continuing global supply chain issues.

Our SER specialists work with our suppliers to identify and resolve challenges to meeting working hour limits. For example, when one supplier demonstrated consistent challenges over time, the SER specialists initiated a series of discussions that determined the problem was exacerbated by ongoing pandemic labor shortages and increased demand. Their discussions with the supplier determined the problem was one of communication breakdowns between the sales and production departments. As a result, the immediate issue was addressed by improving the communication

process, and a sustainable change was established by implementing shared responsibility of the working hours challenges and reinforcing a commitment to limit overtime.

As a result, we saw an improvement in suppliers meeting the standard for weekly working hours. In FY23, our tracking covered 206,991 workers at 122 supplier factories. The vast majority of these workers – nearly 88.4% – worked 60 hours per week or less, compared with 86.6% in FY22. Additionally, just over 81.7% of these workers took at least one rest day per week, every week in FY23.

FY23 weekly working hours compliance



206,991

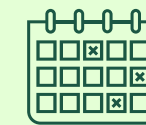
workers were monitored at 122 supplier factories



88.4%

of workers met the 60-hours-or-less-per-week standard

Days of rest compliance, FY23



81.7%

of workers monitored took at least one rest day per week, every week



Helping ensure the safe use of chemicals

Our work with suppliers to improve health and safety in the workplace includes taking action on the use of process chemicals. We are reducing exposure to potentially harmful process chemicals through our [Chemical Use Policy](#). We have also developed [Guidelines for Management of Manufacturing Process Chemicals](#) to help suppliers implement best practices for managing chemicals that pose environmental or health risks. In addition, we surveyed 65 suppliers to understand and monitor chemical use in our supply chain.

Dell also collaborates with the [Clean Electronics Production Network \(CEPN\)](#) to further industry efforts to protect people in our supply chain from potentially harmful process chemicals. CEPN brings together stakeholders from across the industry to identify priority chemicals that could pose a high risk of damaging impacts. Our ongoing involvement with CEPN includes active participation in the Worker Engagement and Process Chemical Reporting workgroups. These efforts helped drive the development of the Toward Zero Exposure program, of which Dell was a founding signatory.

The Toward Zero Exposure program:

- Creates a road map for process chemical management informed by suppliers, nongovernmental organizations and subject matter experts.

- Supports companies in assessing the use of process chemicals, strengthening the culture of worker safety and engagement, reducing worker exposure to identified priority chemicals and substituting them with safer alternatives.
- Measures and reports outcomes, expands the impact and reaches into deeper supply chain tiers.

A CEPN process success story

As part of this engagement in FY22, we discovered two sites were each using paint containing a banned chemical in a support area outside the primary production area. While each site followed the hierarchy of controls and provided appropriate personal protective equipment, we engaged their chemical management staff to assess safer alternatives.

In FY23, having gone through the CEPN process, we found a supplier who successfully used a safer paint. Since then, the two sites mentioned above have adopted the safer alternative, which provides an excellent representation of how the CEPN process can work to benefit suppliers.

Improving high-risk manufacturing process risk assessment

We are taking proactive steps to protect our frontline workers' health and safety by conducting risk assessments in our supply chain. This includes evaluating safety management systems, operation control, machine safeguarding, hazardous material management, risk monitoring and emergency preparation through document review, conference interviews, on-site visits and face-to-face interviews with their environmental, health and safety (EHS) management team and frontline workers.

In FY23, we completed 22 high-risk manufacturing process supplier risk assessments. These assessments were conducted for suppliers involved in the processes below, as they tend to have increased chances of EHS risks.

- Painting
- Plating
- Anodizing
- Magnesium-aluminium polishing
- Die-cast
- Smelting
- Cleaning
- Massive chemical handling

In addition, we designed our program assessment tool to collect, analyze and evaluate suppliers' overall performance as it relates to metrics aligned with industry best practice.

Post-assessment, we communicated the results to suppliers and collaborated on solutions to close the gaps. We also shared good practices collected from best-performing suppliers and encouraged lower-performing suppliers to take appropriate actions to remedy gaps.

On a quarterly basis, we continue to track efforts toward continuous improvement, grading suppliers on their overall performance and integrating their achievements into quarterly business review performance scorecards.

Through such actions, we continue to demonstrate our commitment to providing healthy work environments for the people who build our products.



Delivering health, safety and employee rights knowledge through mobile phones

Digital learning through mobile phones enables many of the people working in our supply chain to have consistent access to vital training. This continues to be a valuable tool in how we work with suppliers to help ensure their workers receive training on key areas, such as health and safety protocols and awareness of labor rights.

Mobile phone learning is a collaborative initiative between Dell and our suppliers. We cover the costs to develop the training modules; our suppliers make them available to their workers and cover the cost of Wi-Fi to ensure internet access. All frontline workers, including direct, temporary, students and migrants, are eligible and encouraged to participate.

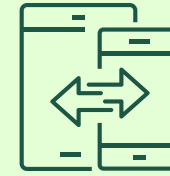
Ongoing training topics include:

- **Labor rights:** Policies banning recruitment fees; contract requirements; pay structures; rules around voluntary overtime; requirements for factories to pay social insurance benefits; right to paid leave and holidays; grievance mechanisms; and right to resign.

- **Health and safety:** Safety training; guidelines on the use of process chemicals; how to use personal protective equipment; the importance of daily machine safety checks; and fire and emergency procedures.
- **Personal development (optional for workers):** Financial literacy, career development and communication skills.

Mobile phone learning opportunities increase knowledge and skills and improve safety. In addition, workers are empowered by ensuring their understanding of their rights and the availability of grievance mechanisms to help identify areas of nonconformance with standards in their factories.

FY23 mobile phone training



108,657

training hours completed through mobile phone training courses

103

factories participated in mobile phone training courses

83,166

workers completed mobile phone training courses





Gathering insight through open communication

The people in our supply chain are uniquely positioned to provide insight into day-to-day factory operations. This feedback is a critical input to help us validate supplier compliance with the RBA [Code of Conduct](#) and build greater context around issues and how they are addressed.

Dell maintains a free phone helpline, available in multiple languages, to ensure that the people in our supply chain, individuals and organizations representing them, have a reliable, confidential communications channel to share concerns or suggestions.

A third-party, nongovernmental organization with expertise in worker feedback channels manages the helpline on our behalf. Available 24 hours a day, seven days a week, the helpline can be accessed by supplier employees and contractors outside the workplace, reinforcing the confidentiality of their feedback.

In addition, workers who participate in audit interviews are provided with information cards that include the helpline number and details as an alternative way to provide anonymous feedback.

Dell immediately and thoroughly investigates any allegations received through the helpline. We thoroughly research these allegations, which may include unannounced visits to factories by SER specialists and/or third-party auditors. Depending on the nature of any findings, SER specialists will work with suppliers to develop corrective action plans to address areas of nonconformance. In cases of severe (priority and/or major) findings, suppliers may be required to complete a third-party closure audit to resolve the issue.

Actions like these further our efforts to provide open communication, enforcement and education on health, safety and legal issues, and protection of workers' rights.

Sourcing minerals responsibly

Minerals are an important component of many Dell Technologies products. For example, circuit boards contain gold, and capacitors contain tantalum. Some of these minerals are potentially mined in conflict-affected and high-risk areas. While we do not purchase minerals directly from mines, smelters or refiners, our expectations for responsible sourcing extend throughout our supply chain.

It is our goal to purchase materials containing minerals whose mining and sale are aligned with our responsible sourcing commitments. These commitments are underscored in the [Dell Responsible Sourcing Policy](#). We also coordinate with industry-wide groups such as the [Responsible Minerals Initiative](#) (RMI) — a Dell sustainability leader sits on the RMI steering committee to further our commitments and actively drive progress. RMI and organizations like it promote a common approach, tools and processes that support sourcing decisions that drive improved and consistent overall regulatory compliance.

Our responsible sourcing efforts focus on key “conflict minerals” (tin, tungsten, tantalum and gold — known as 3TG) and follow the recommendations

established by the [Organisation for Economic Co-operation and Development \(OECD\) Due Diligence Guidance](#). These include risk assessment, assurance and transparent reporting. We also track other minerals of concern, including cobalt, used in lithium-ion batteries, and mica, used as an electrical insulator.

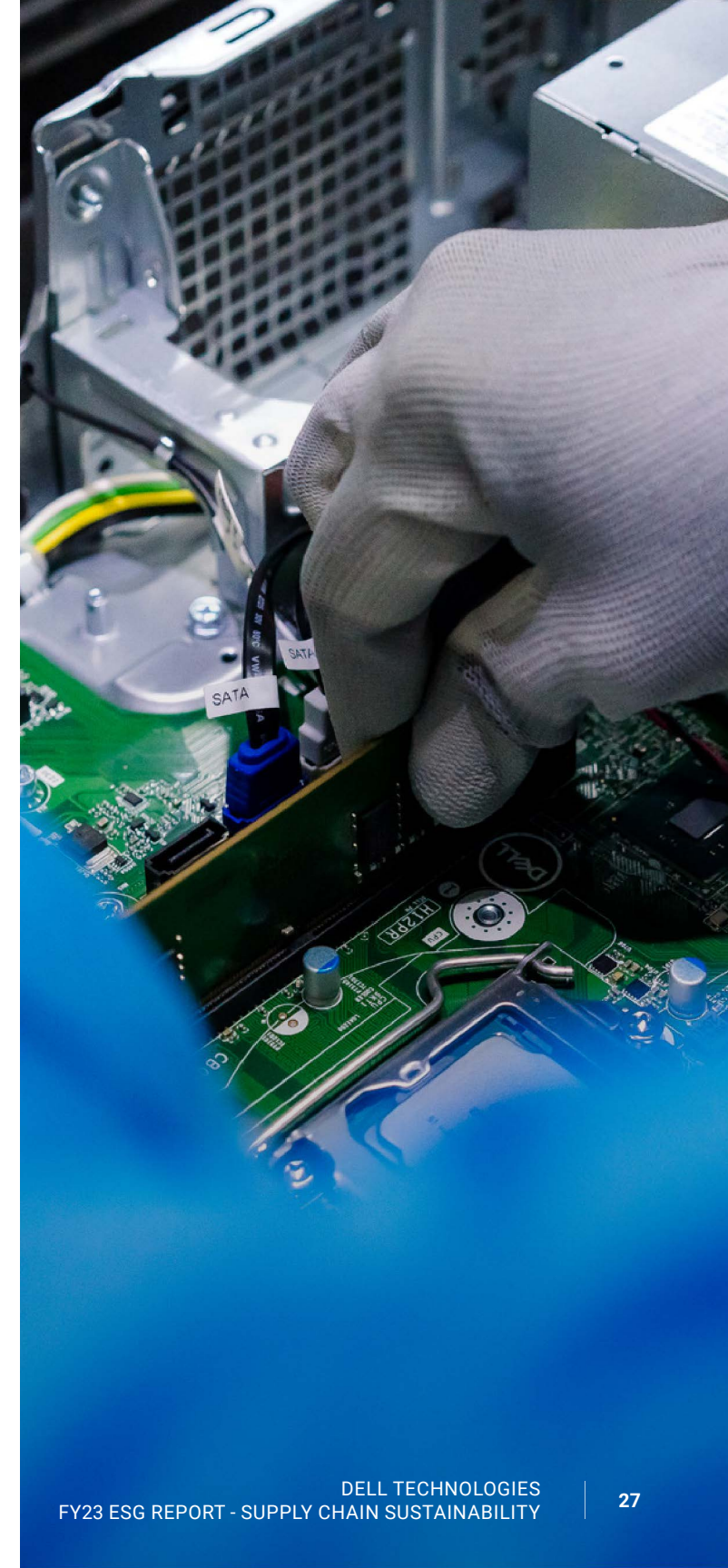
Our approach places an emphasis on identifying and assuring smelters or refiners (SORs) used to process material supplied by mines or mineral processors. This includes an independent, third-party assessment of management systems and sourcing practices to validate conformance with the [Responsible Minerals Assurance Process](#) (RMAP). The sector-wide RMAP standards meet the OECD Due Diligence Guidance requirements, the [Regulation \(EU\) 2017/821 of the European Parliament](#) and the [U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act](#). Dell annually files a [Conflict Minerals Disclosure report](#) with the U.S. Securities and Exchange Commission.

Tracking conformance rates

To track conformance rates, we require suppliers who use 3TG within their supply chain to complete the Conflict Minerals Reporting Template. In addition, to extend our due diligence process, we have engaged with the RMI to use the Extended Minerals Reporting Template for those suppliers using cobalt or mica.

Because the sourcing of minerals is an ever-changing landscape, we are committed to watching this space closely to protect the lives and health of the people in our supply chain.

Given the many supply chain tiers involved and the size of smelting and refining operations, multiple suppliers will likely include some of the same SORs in their reporting. Therefore, we collaborate with suppliers to develop their capabilities and help them remediate issues with SORs not participating in any third-party assurance program to achieve conformance or remove them from their supply chains. More information is available in our [Conflict Minerals Disclosure report](#).



Seeking opportunities for diversity and inclusion

Dell Technologies seeks opportunities to drive diversity within our supply chain as part of our commitment to responsible business practices. We have well-established initiatives to identify and support qualified businesses owned by individuals of diverse backgrounds to deliver products that meet the needs of our global customer base.

One essential measurement of our success is how much we spend with small and diverse businesses. In FY23, Dell spent more than \$3 billion⁸ with small and diverse businesses, showing our continued commitment to small and diverse supplier spend. And for the 13th consecutive year, Dell also earned recognition through the [Billion Dollar Roundtable](#) (BDR), which recognizes and celebrates corporations that spend at least \$1 billion annually with minority- and women-owned businesses.

Diversity within our suppliers' organizations

We prioritize sourcing from suppliers who demonstrate a solid commitment to supplier diversity within their own organizations. To drive accountability in our supply chain, we monitor

how much our key suppliers spend with small and diverse suppliers. Last year, our suppliers spent more than \$406 million⁹ with small and diverse companies. That amount was less than in previous years.

Our Tier 1 suppliers' spend with small and diverse suppliers declined in FY23, which was the result of a challenged PC market throughout the year, resulting in fewer PC-related component purchases.

Simplifying diversity tracking

We have also digitally transformed some of our processes, making it easier for suppliers to maintain their small and diverse supplier status with us. This enables procurement teams to more easily identify which suppliers meet the small and diverse supplier threshold.

While spend is an important indicator of our engagement with our small and diverse suppliers, it is only one of the ways we work to drive meaningful impact and inclusion. We continually identify strategic opportunities within our supply chain to promote diversity and inclusion beyond spend.





DRIVING SUPPLIER DIVERSITY IN OUR SUPPLY CHAIN

Skills development support

One element of our supplier diversity initiatives is the support of skills development for small and diverse suppliers. To provide these suppliers with the most effective tools, we partner with third parties who specialize in relevant skills development. We also support our suppliers through one-on-one mentoring to build their capabilities.

This collaboration will serve both Dell and our suppliers as we continually look for opportunities to give equal access to and promote small and diverse businesses that are majority-owned and operated by women, minorities, members of the LGBTQ+ community, veterans, service-disabled veterans, members of the disabled community, disadvantaged persons and those located in a historically underutilized business zone (HUBZone). In addition, we recognize businesses that are qualified under the [U.S. Small Business Administration](#) or certified by the following:

- [Women's Business Enterprise National Council](#)
- [WEConnect International](#)
- [National Minority Supplier Development Council](#)
- [National LGBT Chamber of Commerce](#)
- [Disability:IN](#)
- [National Veteran Business Development Council](#)
- [Minority Supplier Development China](#)
- [Ministry of Micro, Small and Medium Enterprises in India](#)
- [Canadian Aboriginal and Minority Supplier Council](#)
- [South African Supplier Diversity Council](#)

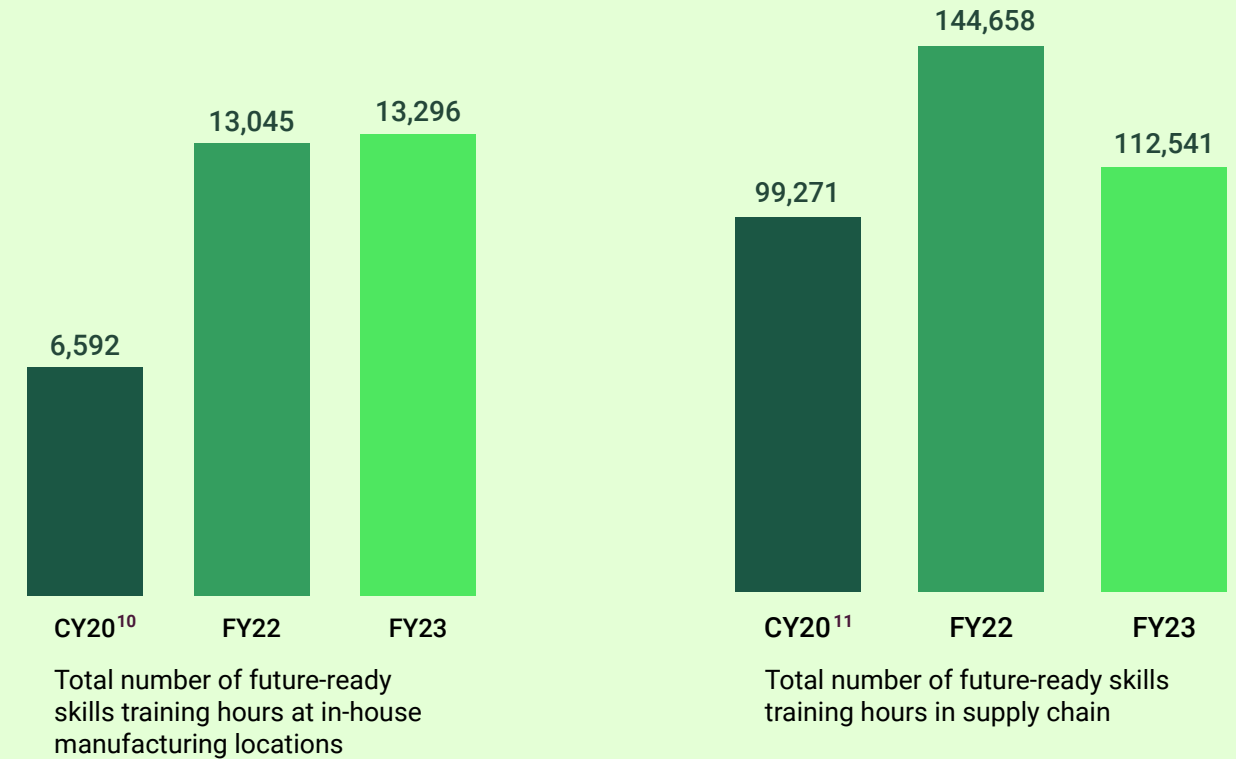
Preparing our supply chain with future-ready skills

Today, the supply chain industry continues to face an ongoing talent gap due to the impact of digital transformation. The skills gap not only makes it difficult to source new talent for digitized jobs, but also makes it more important than ever to retain and up-level existing talent. That's why in FY23 Dell continued our work on the Future-Ready Skills training program pilot. This unique three-year pilot program is building future-ready skills for supply chain workers in partnership with two key suppliers. This program provides professional and personal skill-building opportunities that help build digital literacy and essential skills for their frontline workers, grassroots line leaders and engineers.



Each year through 2030, we will deliver future-ready skills development for workers in our supply chain

Performance to date*



* Please see our Goals Dashboard in our [FY23 ESG Report](#) for more progress, scope and measurement of this goal.

By the Numbers



By the Numbers

Detailed, three-year performance trends on key metrics provide an additional layer of transparency into our work and allow readers to follow our progress. Each year, we report on material indicators from across our business. Some tie directly to the goals set forth in our environmental, social and governance (ESG) plan for 2030, while others provide additional insight into other business indicators relevant to various stakeholders.

We complement this information with our framework reporting per the [Global Reporting Initiative \(GRI\)](#) standards, the standards by the [Sustainability Accounting Standards Board \(SASB\)](#) Standards, and on the [World Economic Forum's core Stakeholder Capitalism Metrics](#). Our GRI Index also provides mapping of GRI disclosures to the Task Force on Climate-related Financial Disclosures' recommendations. In addition, we respond to CDP [water security](#) and [climate change](#) questionnaires, rounding out our robust global ESG reporting.



BY THE NUMBERS

METRICS	FY21	FY22	FY23	NOTES
Greenhouse Gas (GHG) Emissions Measured in metric tons of carbon dioxide equivalent (MT CO ₂ e)				
Scope 1 and scope 2 market-based greenhouse gas (GHG) emissions	216,300	203,700	199,100	All facilities globally, including leased spaces, plus company- owned and leased transportation. ¹²
Scope 1 GHG emissions	44,200	45,600	45,800*	
Scope 2 GHG emissions, market-based	172,200	158,100	153,300*	All facilities globally, including leased spaces. ¹³
Scope 2 GHG emissions, location-based	356,900	337,600	330,600*	
Scope 3 GHG emissions – category 1, purchased goods and services ¹⁴	8,767,800	13,708,700*	N/A	The FY22 year over year emissions increase was primarily driven by improvements in supplier-reported emissions data, providing a more complete view of our upstream supply chain footprint. This improvement, combined with an increase in sales, is responsible for the increase from our FY20 baseline. Future reporting will include recalculated historical data as available and deemed necessary.
Scope 3 GHG emissions – category 3, upstream fuel- and energy-related activities	105,500	143,000	129,500*	Upstream emissions associated with the purchased fuels and electricity used in Dell Technologies operations.
Scope 3 GHG emissions – category 4, upstream transportation/ distribution	1,098,200	1,350,600	1,123,500*	Per the Global Logistics Emissions Council (GLEC) Framework scope 3, category 4 guidelines, this figure includes the well-to-wheel (WTW) emissions from outsourced logistics transportation and distribution contracted by Dell. Downstream transportation and distribution from customer pickup orders is also included in Dell's upstream transportation and distribution figure. ¹⁵
Scope 3 GHG emissions – category 6, business travel	61,400	19,600	54,800*	Scope 3, category 6 covers business travel by Dell team members, including emissions from air and rail travel, hotel stays and rental car fuel emissions.
Scope 3 GHG emissions – category 11, use of sold product ¹⁶	13,100,000	13,590,000	14,410,000*	In FY23, our scope 3 emissions from use of sold product increased 6% from the previous year, driven primarily by data improvements in our calculation. Additionally, this represents a 2.3% decrease from our FY20 baseline. Future reporting will include recalculated historical data as available and deemed necessary. The scope of this data includes all server systems, storage systems, networking systems, displays, client notebook and desktop systems, including Precision and Alienware.
Total number of future-ready skills training hours at in-house manufacturing locations	6,592 (CY20) ¹⁷	13,045	13,296	In FY23, Dell-badged team members completed 13,296 hours of future-ready skills training at our in-house factories. We attribute our progress to stakeholder communication and strategic content to target learner development.
Total number of future-ready skills training hours in supply chain	99,271 (CY20) ¹⁸	144,658	112,541	In FY23, Dell recorded 112,541 future-ready skills training hours through our pilot program with two suppliers. We saw a decrease in training hours due to COVID related site restrictions.

Numbers have been rounded to the nearest 100. Totals may not sum.

*Third-party assurance for Scopes 1, 2 and 3 greenhouse gas emissions, total energy, renewable electricity, packaging and water withdrawal is currently underway. An updated version of this report will be provided once these figures are assured.

SUPPLY CHAIN KPIS AND AUDIT RESULTS

Detailed three-year performance trends on supply chain key metrics provide an additional layer of transparency into our work and allow readers to follow our progress. Prior to FY22, Dell reported supply chain metrics on an annual basis.

KEY PERFORMANCE INDICATORS	CY20	FY22	FY23	NOTES
Initial audits	205	205	251	We audit high-risk factories on a two-year cycle. Selected other sites, including new supplier factories, are also audited.
Closure audits	141	167	170	We work with suppliers to correct audit findings and arrange closure audits to confirm findings are remediated.
Priority audit findings closed or downgraded	90%	90%	92%	The most severe findings are prioritized for resolution. Performance is tracked cumulatively. ¹⁹
Audit findings closed or downgraded	76%	69%	70%	We collaborate with suppliers to remediate priority and major findings. Performance is tracked cumulatively. ²⁰
Unique participants attending capability building programs	1,439	1,616	1,763	Capability building engages participants across final assembly, direct and sub-tier suppliers who can share the insights provided by training throughout their factories.
Unique factories participating in capability building programs	413	407	441	We track the reach of our capability building programs by the number of factories participating in our training.
Workers who do not exceed 60 working hours per week	89%	87%	88%	We monitored 206,991 workers in our supply chain, of which 88% did not exceed 60 working hours per week.
Workers with at least one rest day per week, every week	84%	79%	82%	Of the 206,991 workers we monitored, 82% took at least one day of rest per week.
Factories with active water risk mitigation plans	236	207	192	192 supplier factories in areas of water stress or with water intensive processes had active water risk mitigation plans.
Total number of SER training hours provided to Dell's global supply chain team members	61,124	61,587	120,648	In FY23, Dell provided 120,648 hours of social and environmental training to supply chain team members. Our progress greatly accelerated due to expanded mobile training programs to improve workers' health and safety.
Emissions avoided through energy reduction projects (in MT CO ₂ e)	48,842	305,898	68,170	In FY22, suppliers realized large energy savings through investments in upgraded equipment and facilities. In FY23, this equipment was fully operational, so we saw a decrease in emissions avoided through energy reduction projects.
Suppliers with sustainability reports	95%	96%	89%	We encourage our suppliers to publish annual sustainability reports that meet the GRI requirements. This number represents the amount of suppliers by percent of procurement spend with sustainability reports.
Diverse supplier spend ²¹	>U.S.\$ 3 billion	>U.S.\$ 3 billion	>U.S. \$ 3 billion	Dell is committed to spend \$3 billion or more annually with diverse suppliers.

Labor and human rights

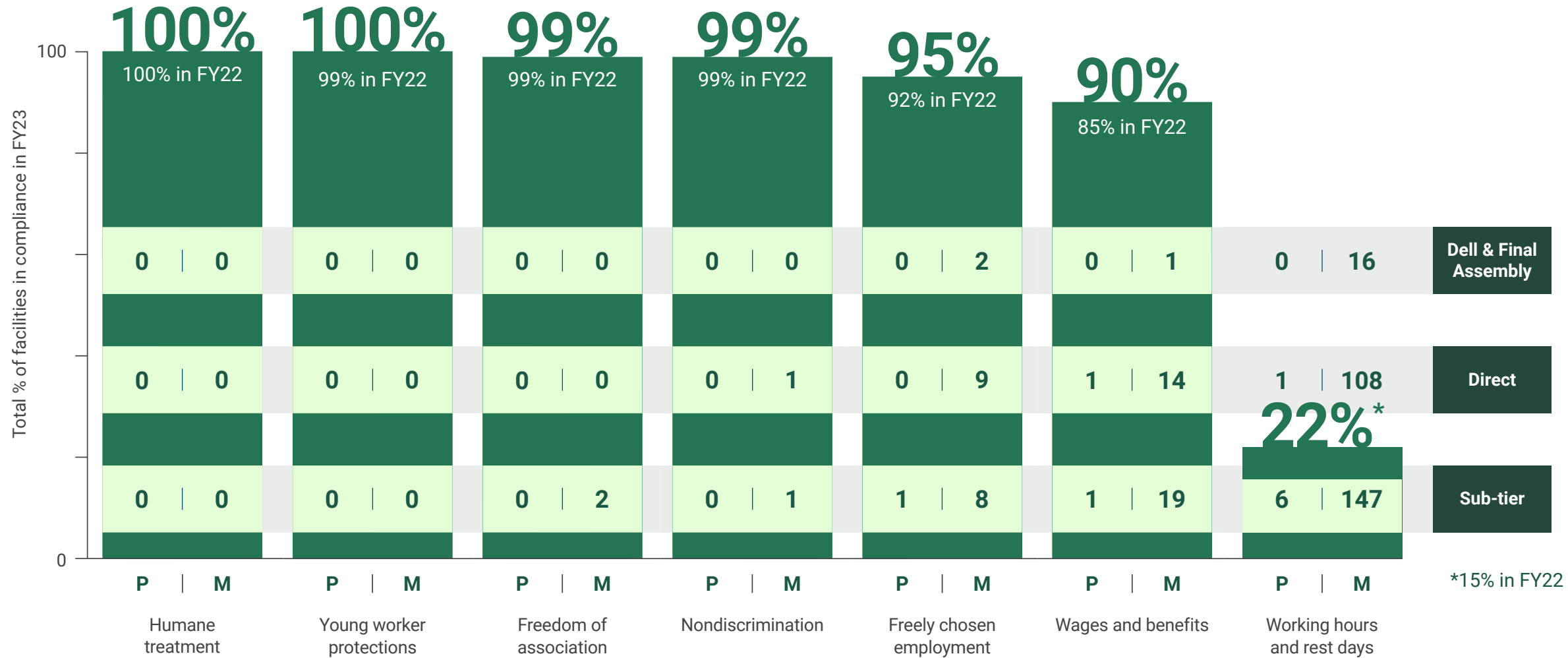
Key

P Priority Findings

M Major Findings

Results are based on audits of 348 factories. When an issue is identified, we work with the factory to correct it.

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier



Employee health and safety

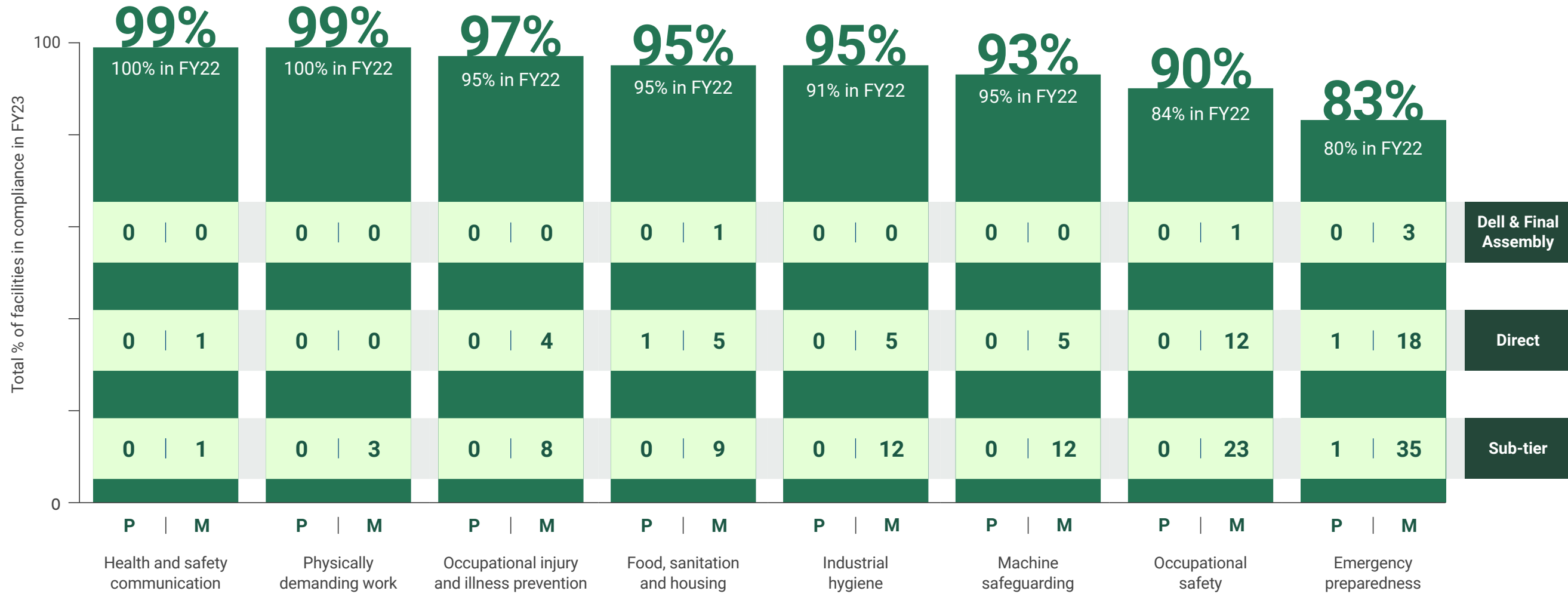
Key

P Priority Findings

M Major Findings

Results are based on audits of 348 factories. When an issue is identified, we work with the factory to correct it.

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier



Environment

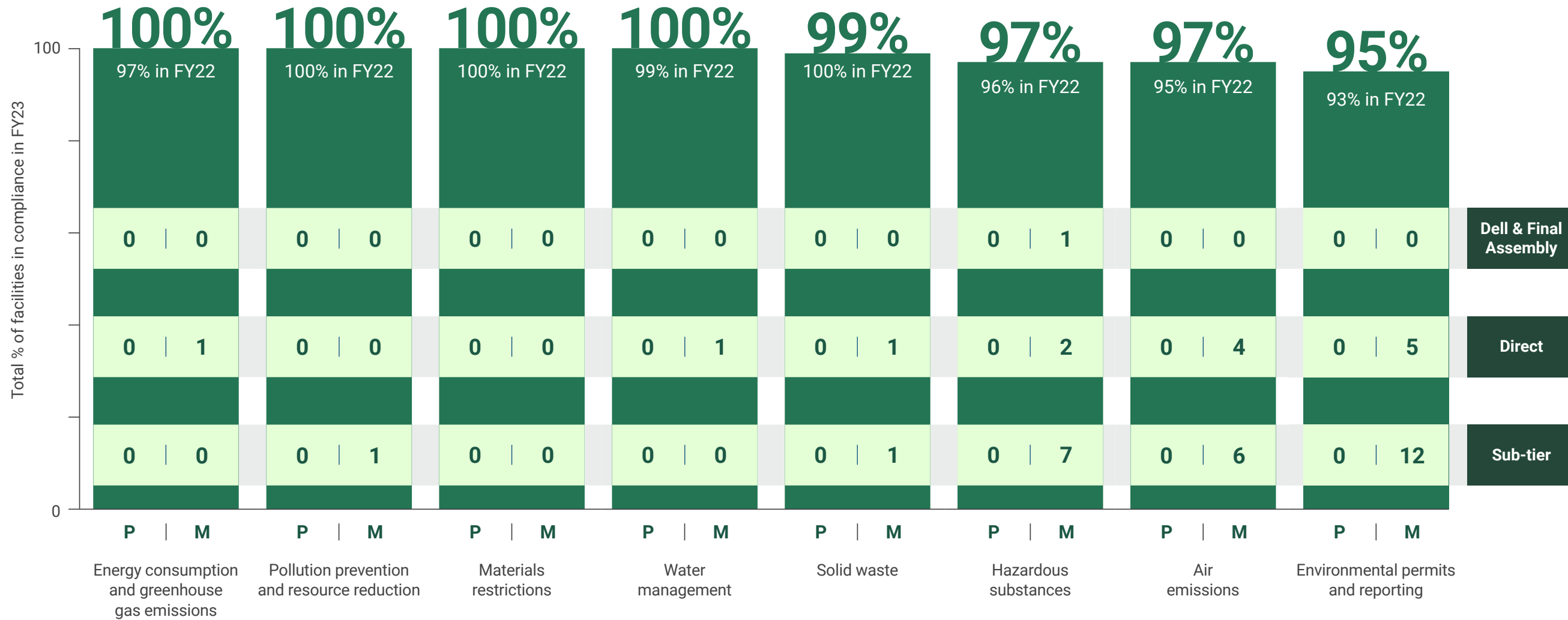
Key

P Priority Findings

M Major Findings

Results are based on audits of 348 factories. When an issue is identified, we work with the factory to correct it.

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier



Ethics

Key

P Priority Findings

M Major Findings

Results are based on audits of 348 factories. When an issue is identified, we work with the factory to correct it.

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier



Management systems

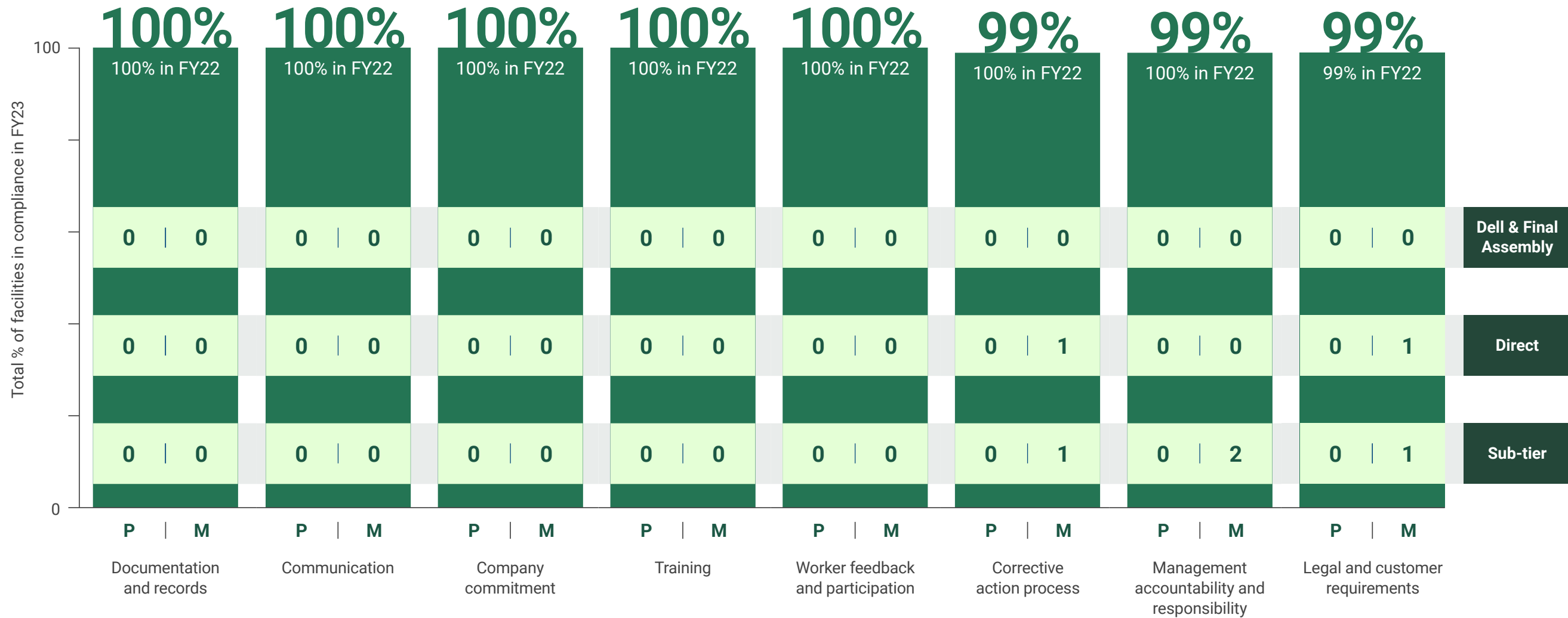
Key

P Priority Findings

M Major Findings

Results are based on audits of 348 factories. When an issue is identified, we work with the factory to correct it.

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier



Management systems (continued)

Key

P Priority Findings

M Major Findings

Results are based on audits of 348 factories. When an issue is identified, we work with the factory to correct it.

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier



Appendix



How we report

This FY23 Environmental, Social and Governance (ESG) Report, combined with the other reports listed below, provides our stakeholders with a transparent picture of how Dell is delivering on our commitments. View the [current and archived copies](#) of all of our reports.



Reporting to ESG Standards and Frameworks

View our framework reporting per Global Reporting Initiative (GRI) standards, Sustainability Accounting Standards Board (SASB) standards and the World Economic Forum's (WEF) core Stakeholder Capitalism Metrics.



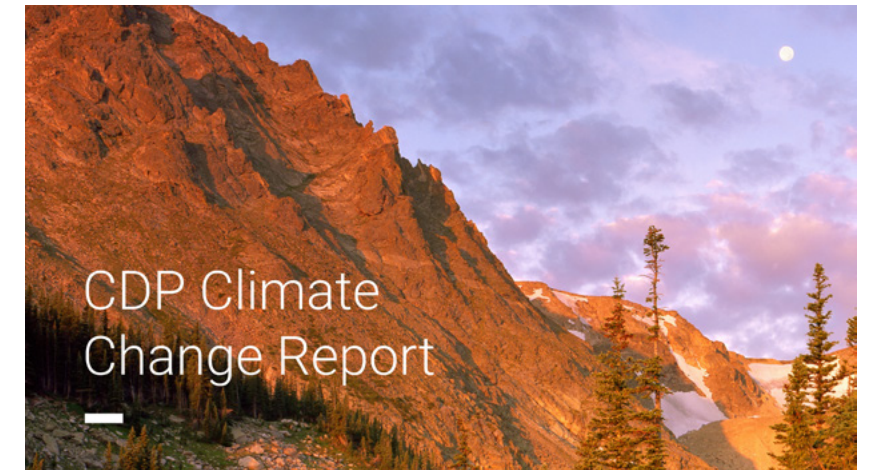
Responsible Minerals Sourcing Report

We support, respect and uphold the internationally recognized human rights of all people, and responsible sourcing of minerals is part of our global approach.



CDP Water Report

Dell Technologies annually submits a CDP water security report that covers corporate efforts to help ensure a water-secure future.



CDP Climate Change Report

Dell Technologies annually submits a CDP climate change report that covers corporate efforts to reduce climate risks.

Endnotes

- 1 Known to be in Dell Technologies' supply chain. These include second tier, third tier and beyond.
- 2 Workers refer to all types of direct employees of the supplier and contract labor, including but not limited to temporary, student and dispatch labor.
- 3 An audit cycle includes an initial audit and closure audits to confirm that findings from an initial audit have been addressed. This improvement is based in factories that improved their initial audit scores between cycles, which is an indicator of long-term improvement.
- 4 Efforts in this area include encouraging suppliers to report data to a pollutant release and transfer register (PRTR), which the Organization for Economic Co-operation and Development considers a tool for governments to provide data to the public regarding the amount of chemicals and pollutants released to air, water and soil transferred off-site for treatment or disposal. For FY23, 242 of our suppliers reported PRTR.
- 5 Definition from the United Nations Industrial Development Organization.
- 6 Definition is based on the World Resources Institute definition for areas of medium-high or higher water stress.
- 7 According to data collected through the Responsible Business Alliance Validated Assessment Program and reported in the [RBA 2021 Annual Report](#).
- 8 Small and diverse spend certificates are validated on an annual basis.
- 9 This number represents the amount our suppliers spent with small and diverse suppliers for the period Jan. 1, 2022, through Dec. 31, 2022.
- 10 In previous years, Dell reported supply chain metrics on an annual basis.
- 11 In previous years, Dell reported supply chain metrics on an annual basis.
- 12 FY21 has been restated to reflect structural changes associated with divestitures and outsourcing since FY20.
- 13 FY21 has been restated to reflect structural changes associated with divestitures and outsourcing since FY20.
- 14 The FY22 scope 3, category 1 data has been calculated using improvements in the supplier reported allocated emissions data not currently available for previous years' figures. Future reporting will include recalculated historical data as available and deemed necessary. More precise data, along with increased spend are responsible for the increase in FY22 scope 3, category 1 emissions. Additionally, due to the one-year lag in supplier emissions data, progress against the current year is not available.
- 15 For scope 3, category 4 emissions, Dell uses the Global Logistics Emissions Council (GLEC) framework and well-to-wheel emissions factors.
- 16 The FY23 scope 3, category 11 data has been calculated using a country-specific emission factor, not previous years' figures. Future reporting will include recalculated historical data as available and deemed necessary. The improvement to our calculation by using more precise data is responsible for the increase in FY23 scope 3, category 11 emissions.
- 17 In previous years, Dell reported supply chain metrics on an annual basis.
- 18 In previous years, Dell reported supply chain metrics on an annual basis.
- 19 Cumulative represents the calculated closure rates for priority findings as of July 31, 2022.
- 20 Cumulative represents the calculated closure rates for findings as of January 31, 2022.
- 21 Diverse spend certificates are validated on an annual basis.

An aerial photograph of the ocean showing a series of white-capped waves breaking in a rhythmic pattern across the frame. The water is a deep, vibrant blue-green color. A dark blue rectangular box is overlaid on the center of the image, containing white text.

With this report and others, we continue our long-standing commitment to accountability for delivering on our ESG strategy and initiatives.

We must innovate and evolve to meet the challenges before us, but it is not our journey alone. We welcome ideas and partnerships, and hope you will join us to drive societal impact for everyone.

Visit Dell.com/impact for more information.