



Operating our supply chain responsibly is a priority for our business



TABLE OF CONTENTS

Introduction

Letter From Kevin Brown	3
Recognition (ESG rankings & ratings)	4

Supply Chain Sustainability

Our approach to sustainability	5
Our progress in FY22	13
Supply chain — audit results	33

Appendix

How we report	40
Endnotes	41

Letter From Kevin Brown

One of the questions I've been asked the most over the last year has been "When are we going to get back to normal?"

The reality is what we are experiencing today is the new normal. The multitude of unique challenges that continue to tax global economies, governments, and communities – not to mention our professional and personal lives – will endure.

So how do we continue to make progress in an environment that is ready to put up roadblocks at every turn? We do not just accept the current situation – we embrace it. With every challenge, we actively look for opportunities to learn, adapt, and evolve.

This is the approach we take to remain the industry's most trusted supply chain and continue to meet the expectations of our customers, partners, and other stakeholders. Our long-term commitment to sustainability is a key driver of our success.

Dell Technologies' social and environmental responsibility programs enable us to sense risk in our supply chain and adjust as needed in an ever-changing world. This makes it possible for us to continue to advance each of our commitments to responsible operations: championing the people in our supply chain, protecting our planet, and building diversity among our supply base.

Collaboration is critical to driving meaningful progress. As a founding and full member of the Responsible Business Alliance, we know working closely with industry peers and community stakeholders creates a multiplier effect for progress. Partnerships in FY22 facilitated important environmental, social and governance (ESG) achievements in our supply chain. Here are some examples:

- Launched a TenSquared project through Social Accountability International (SAI) to address environmental, health and safety concerns.
- Named as a Supplier Engagement Leader by CDP for the second consecutive year for our work with suppliers to help them reduce their greenhouse gas emissions.
- Ranked No. 1 on the inaugural Climate Action Transparency Index (CATI) through the Institute of Public Affairs in China, which focuses on brands' performance on corporate- and value chain-level climate action performance.
- Recognized for the 12th consecutive year as a member of the Billion Dollar Roundtable for spending at least US\$1 billion annually with minority- and women-owned businesses.

Going forward, we'll continue to embrace the new normal and seek out opportunities to advance sustainability in our supply chain.



Kevin Brown
Executive VP, Chief Supply Chain Officer
Dell Technologies



Recognition

Dell Technologies is advancing initiatives across our ESG reporting. The following awards represent our commitment to social impact and highlight areas of excellence and areas where we will continue to enhance our performance. Explore more of our awards and recognition.



SUPPLIER ENGAGEMENT LEADERBOARD

Leader status

Recognized as a leader among the top 8% of companies assessed for supplier engagement on climate change, based on our 2021 CDP disclosure. CDP's Supplier Engagement Rating measures how effectively companies are engaging their suppliers on climate change.



INSTITUTE OF PUBLIC & ENVIRONMENTAL AFFAIRS

Corporate Information Transparency Index Master

Recognized by the IPE in China for our work with suppliers to improve environmental performance.



INSTITUTE OF PUBLIC & ENVIRONMENTAL AFFAIRS

Corporate Climate Action Transparency Index

Recognized by the IPE in China for corporate and value chain climate performance.



KNOWTHECHAIN

Score: 6th out of 49 companies

Ranked sixth in the Information and Communications Technology Sector. Began reporting to KnowTheChain as part of their 2020/2021 benchmark to operate more transparently and responsibly in addressing forced labor in global supply chains.



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.*



BILLION DOLLAR ROUNDTABLE

BILLION DOLLAR ROUNDTABLE

Achieved \$3 billion in spend

Recognized for spending at least \$1 billion annually with minority- and women-owned businesses.



ECOVADIS

Platinum medal

Awarded a platinum EcoVadis medal in 2021 for scoring in the top 1% of companies assessed across four major themes: environment, labor and human rights, ethics, and sustainable procurement.



2022 WORLD'S MOST ETHICAL COMPANIES®

Score: 10-Time honoree

Recognized in 2022 as one of the World's Most Ethical Companies® by the Ethisphere® Institute for the 10th 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.

* Gartner Press Release, Gartner Announces Rankings of the 2022 Global Supply Chain Top 25, May, 2022, <https://www.gartner.com/en/newsroom/press-releases/2022-05-26-gartner-announces-rankings-of-the-2022-global-supply-chain-top-25>

Our approach to supply chain sustainability

Sustainability in our supply chain

We partner with thousands of companies in our global supply chain to create technologies that drive human progress.

In recent years, global challenges have required new levels of resilience and innovation from Dell Technologies and from our suppliers. Amid these challenging times, our commitment to social and environmental due diligence has not changed.

Dell operates one of the largest social and environmental responsibility (SER) assurance and engagement programs in the technology sector. Through our SER initiatives, we proactively identify and mitigate issues throughout the tiers of our supply chain, including final assembly, direct and sub-tier suppliers.

We focus on the most salient human rights and environmental issues, using insights gained through our own operations, collaboration with industry partners, and engagement with stakeholders that empower us to drive responsible manufacturing practices and diversity and inclusion in our supply chain. Our collective insights underscore the need for strong partnerships with our suppliers.

Our supplier expectations for responsible and ethical business practices are informed by international standards, including the [U.N. Guiding Principles on Business and Human Rights](#), the [U.N. Universal Declaration of Human Rights](#), the [U.N. 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 Dell. The Supplier Principles form the basis for our social and environmental due diligence programs and include the following:

- All applicable laws, regulations and purchasing requirements.
- Responsible Business Alliance [Code of Conduct](#).
- [Dell Code of Conduct](#).¹
- [Dell Human Rights Policy](#).
- [Dell Responsible Sourcing Policy](#).
- [Dell Statement Against Slavery and Human Trafficking](#), compliant with the Australia Modern Slavery Act, the U.K. Modern Slavery Act and the California Transparency in Supply Chain Act.
- [Dell Vulnerable Worker Policy](#).
- Relevant [International Labour Organization](#) (ILO) conventions, including the eight fundamental conventions and conventions 1, 102, 131, 155 and 170.
- Relevant International Organization for Standardization (ISO) management systems.
- [National Institute of Standards and Technology](#) (NIST) Cybersecurity Framework.

We work closely with our suppliers to help them develop the necessary insight and capabilities to meet these requirements. Our supplier relationships and history of collaboration proved critical as we worked together amid ongoing

pandemic and supply chain challenges to find new ways to address issues and help maintain and build SER capability.

This update (previously shared in our standalone, annual [Supply Chain Sustainability Progress Reports](#)) presents a comprehensive view of the work we do to advance SER performance. One other change — we are moving from calendar year to fiscal year reporting. Beyond this, our [FY22 Environmental, Social and Governance \(ESG\) Report](#) captures our activities across our entire value chain to drive positive impact for people and the planet.

“Our social and environmental responsibility programs enable us to sense risk in our supply chain and adjust as needed in an ever-changing world. This makes it possible for us to continue to advance each of our commitments to responsible operations: championing the people in our supply chain, protecting our planet and building diversity among our supply base.”

KEVIN BROWN
EXECUTIVE VP, CHIEF SUPPLY CHAIN OFFICER, DELL TECHNOLOGIES



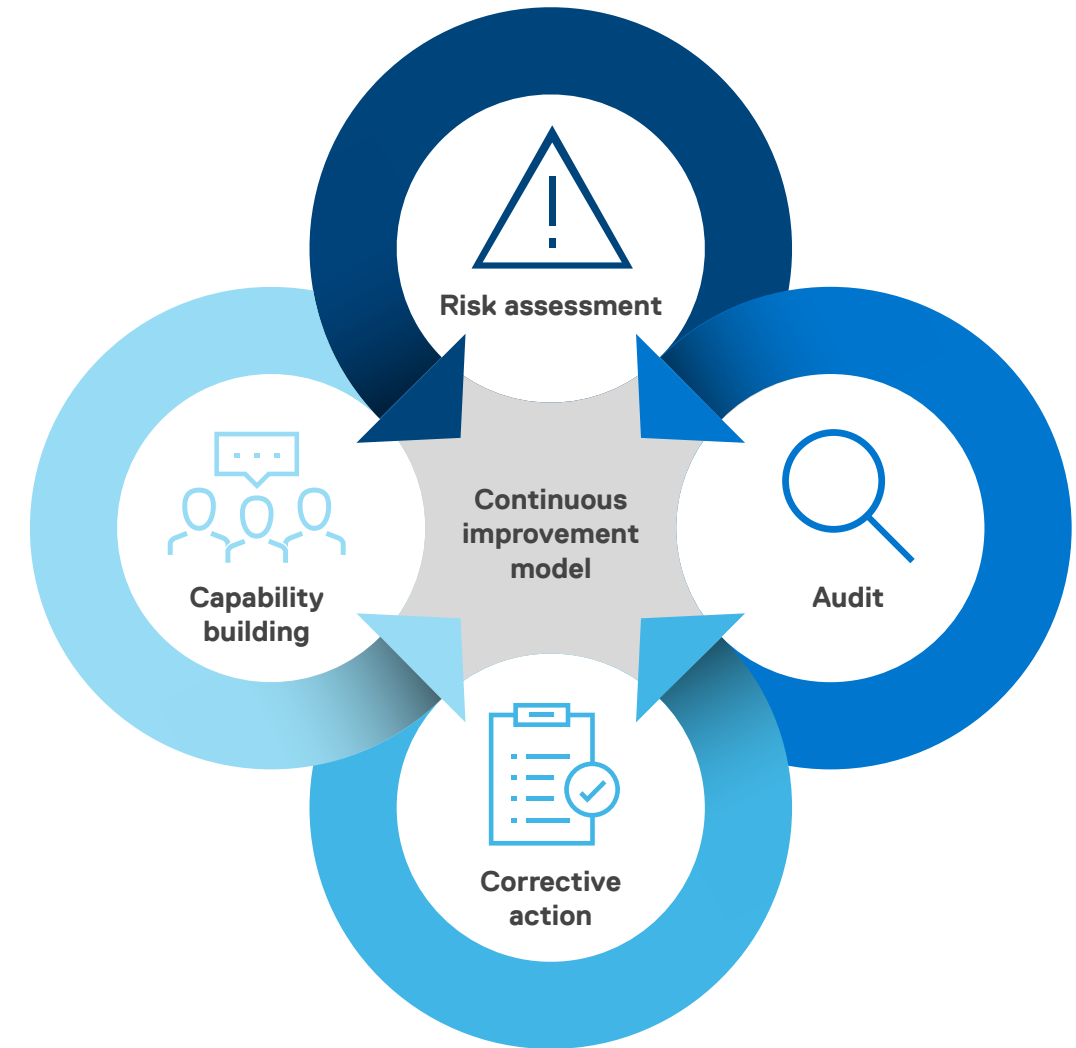
Our four-element approach to a sustainable supply chain

Dell Technologies works with suppliers that demonstrate varying levels of maturity in their own social and environmental responsibility (SER) programs. Recognizing this, we focus on building sustainable progress with our suppliers through continuous improvement.

Although we apply principles of continuous improvement across our extended due diligence efforts, we use a specific four-element approach in our 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 an audit is not needed but there is a need to drive improvement in a targeted area.

In addition, ongoing communication is critical to driving continuous improvement in supplier SER 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 and help determine future business awards, supplier resources and policy, as well as address progress toward aligned goals.

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





Risk assessment

Our engagement with suppliers at any tier — including final assembly, direct and sub-tier² — begins with an assessment of their social and environmental risks. We conduct initial risk assessments for our suppliers as part of their onboarding process before they begin to do business with Dell.

Suppliers complete a self-assessment questionnaire (SAQ) that enables us to determine risk level using the following criteria:

- Geographic location: This considers risks at the country and/or local level 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.

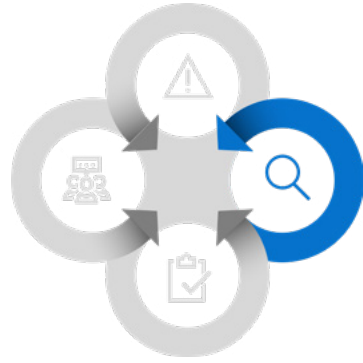
- Prior responsible manufacturing performance: This includes previous audit results and participation in our capability building efforts.
- Additional insight: This refers to information obtained by Dell social and environmental responsibility (SER) team members during regular factory visits or from independent sources, such as regulatory and third-party organizations.
- Amount of spend with the supplier: This is an indicator of our influence with the supplier and the relative size of their operations.

Based on the results of the SAQ and additional insight, we classify suppliers as low-, medium- or high-risk. Suppliers that are determined to be high risk are required to complete a third-party audit that looks at conformance to the Responsible Business Alliance [Code of Conduct](#) as part of our SER qualification process.

Our risk assessment efforts do not end here. We also monitor SER risk for our Dell factories and suppliers on an annual basis. Continuous improvement is important for our own operations, as well as those of our suppliers.



CONTINUOUS IMPROVEMENT MODEL — 2ND ELEMENT



Audit

Dell Technologies' 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 social and environmental responsibility (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 Responsible Business Alliance (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 and to improve their performance. In FY22³, 317 factories in our supply chain across 16 countries underwent audits.

Typically, our audits are all completed on-site. However, due to the ongoing impact of COVID-19,

we continued to conduct remote audits in some circumstances, as allowed by RBA guidance. These temporary measures initiated for remote audits during the pandemic have enabled us to continue to protect the health and safety of the people in our supply chain, assure the responsible manufacturing of our products, and meet customer demands while adhering to recommended COVID-19 containment measures.

Third-party, RBA-certified auditors conduct our supplier audits, which cover more than 40 topics across five areas: labor (including risks of forced labor, child labor and nonconformance with weekly working hours requirements); employee health and safety; environment; ethics; and management systems.

As part of the audit process, auditors review documents, observe daily work practices, and interview supplier management and workers independently to assess the implementation of the SER standards in the RBA Code of Conduct. In FY22, auditors conducted 12,641 confidential feedback interviews as part of the audit process.

Upon the completion of an audit, auditors issue final reports to identify areas of nonconformance with the RBA Code of Conduct. The number and severity of these audit findings — classified as priority, major, minor and risk of nonconformance — will impact a supplier's overall audit score, which ranges from zero to 200. Audit findings can lead to the third and fourth elements of the continuous improvement model: corrective action and capability building.

Improvements in supplier factory audit performance, FY22

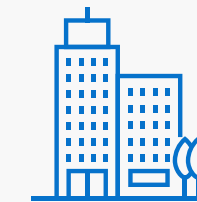


Overall **70%**

of factories that went through at least their second audit cycle improved their audit scores between cycles⁴

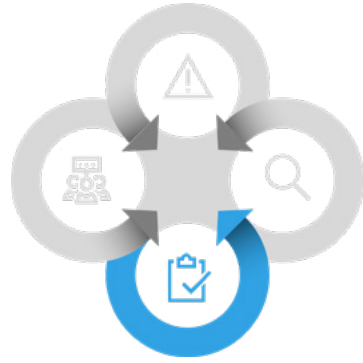


High-performing supplier factories



68%

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

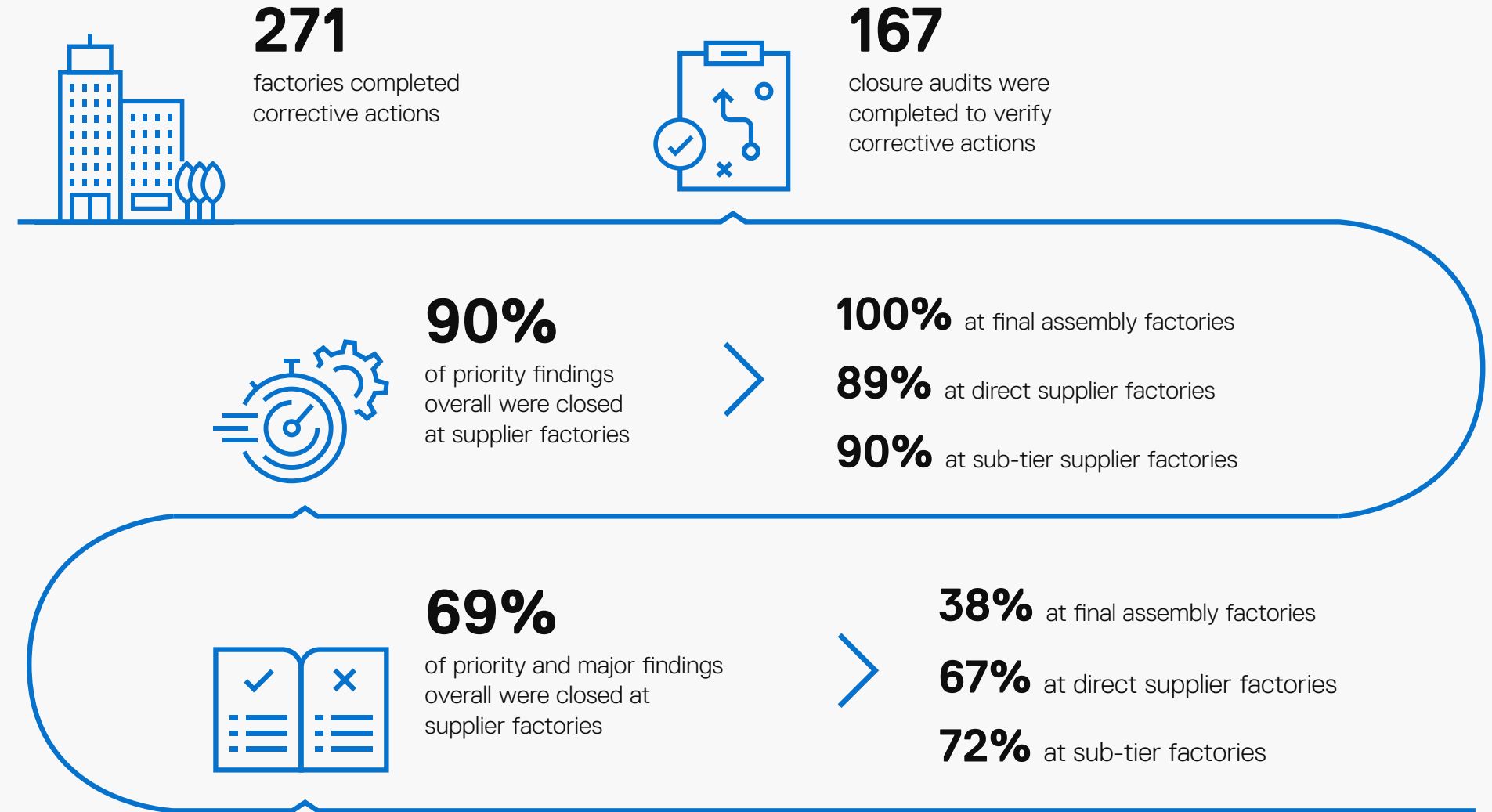


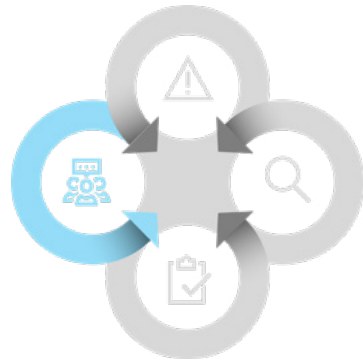
Corrective action

The next element of our framework is corrective action. When areas of nonconformance with the Responsible Business Alliance (RBA) [Code of Conduct](#) are discovered through an audit, our Dell social and environmental responsibility (SER) specialists work with the supplier to create a corrective action plan (CAP) to resolve the issues within RBA-defined timelines. Through the CAP, our team supports the supplier in identifying root causes and implementing mitigations that foster enduring improvement.

Audit findings are classified from most severe to least severe as follows: priority, major, minor and risk of nonconformance. The severity of priority and major findings requires prompt resolution. Once the supplier addresses an audit finding, it must be closed either by a second successful audit or Dell SER specialists who validate that the issue has been resolved.

Corrective actions and findings closed, FY22





Capability building

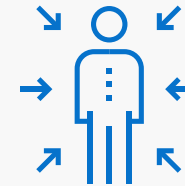
For the final element of our continuous improvement model, we provide resources for our suppliers to help build their knowledge and skills — in areas such as forced labor, health and safety, and energy efficiency — to proactively address social and environmental risks:

- **Factory consultations:** Our social and environmental responsibility (SER) specialists work directly with supplier factories to better monitor and reduce risk. Engagements are customized to support long-term improvements. In previous years, consultations were primarily held on-site at factory locations. We continued to conduct factory consultations virtually in FY22 as warranted, due to COVID-19 restrictions.
- **Dell-led trainings and webinars:** We leveraged our digital tools experience to maintain training, roundtable sessions, interactive webinars and virtual networking sessions. Targeted to supplier management and SER professionals, these

events connect suppliers with others working in sustainability, examine emerging trends and risks, and share insight into best practices.

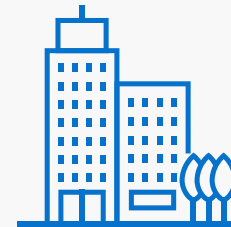
- **Self-paced online trainings:** Most supplier factories can access Dell’s online training platforms (either by computer or mobile phone), which offer digital learning opportunities for supplier management in a variety of languages. In FY22, 590 factories had access to more than 218 training sessions. We use our online trainings to both encourage proactive knowledge and performance growth and drive corrective action.
- **Frontline worker training:** We recognize that workers are important partners for us, both in monitoring factories that may not meet Dell’s expectations and in participating in actions to help factories meet our standards.
- **Dell-developed tools and resources:** We share tools we have developed with factories, often to help automate monitoring areas of concern where the local team may not have the resources. An example of this includes our corrective action toolkits that provide resources to help suppliers address some of the most common audit findings. In FY22, we added the following topics to our toolkit catalog⁵: ozone depletion substances management guidance process; reimbursement requirement for prohibited recruitment fees; early engagement audit checklist; and on-site assessment guidance for solid waste vendors.

In FY22



1,616

unique participants attended our capability building programs



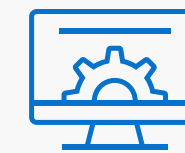
407

unique supplier factories were represented



11,791 hours

of training on social and environmental responsibility topics were completed



5,267 hours

online training



6,524 hours

in-person training sessions and webinars

Innovative change management process leads to improved safety

As part of our ESG goals, we are committed to ongoing engagement with the people who make our products. This commitment requires ongoing support and partnership with our suppliers.

In FY22, we worked with Social Accountability International (SAI) to leverage a unique change management program. Using the TenSquared approach, a peer-elected team of supplier employees and managers collaboratively work to identify root causes of workplace challenges and then identify ways to resolve them. The timeline is 100 days; the goal is to find innovative solutions to drive continuous improvement.

We engaged one of our suppliers in China to partner with us in using the TenSquared approach to identify and address their environmental, health and safety (EHS) management concerns. The supplier's peer-elected team found several challenges to address, including workers not wearing personal protective equipment (PPE) and not following other safe working procedures.

During the 100 days, our supplier's team applied the TenSquared tools and methods they learned to their internal training and evaluation processes. The team also followed a work plan, offered each other timely feedback and clearly defined the division of responsibilities. The weekly coaching meeting was especially helpful as it provided

them with time to discuss upcoming change management work and any challenges and/or achievements in implementation.

With each step in the process, the team actively communicated information about the TenSquared program with other departments and senior management to obtain maximum support and cooperation. The 100 days of focus paid off in improved occupational health standards (OHS), as well as new processes and procedures:

- “Blue Vest” observer roles were implemented. These workers, wearing blue vests, are responsible for reminding and assisting colleagues who are not fully meeting OHS personal behavior standards. New hires and recent graduates have especially benefited from the reminders these role models provide.
- Inspired by the program's momentum, top management also invested in developing efficient monitoring equipment. This technology helps take the program results to the next level by enabling improved safety practices for shifts around the clock.
- Launch and mid-point workshops for other factories in the area included best practice sharing. After observing the improvements this supplier experienced, other factories in the area have been inspired to implement similar approaches.

Throughout the process, our social and environmental responsibility specialists offered

coaching and tracked supplier progress. To leverage the learning as much as possible, Dell promoted industry best practice sharing and cross-learning among suppliers in the area. The innovative TenSquared framework for challenges is more sustainable than a traditional approach and has increased the mutual trust between Dell and our suppliers.

As a result of the efforts and OHS innovation, the supplier increased the rate of workers' compliance with safety behaviors from 79.0% to 95.2%, which they maintained into FY23. The program has also encouraged workers to engage in fixing OHS issues and has inspired more communication, respect and recognition.



“The 100-day project with Dell’s supplier resulted in several successes. Managers were very responsive and workers showed great passion for jointly identified improvement goals. Thanks to mutual respect, partnership and collaboration this supplier quickly identified and addressed critical safety issues. We appreciate Dell’s leadership in making this opportunity available in their supply chain.”

JANE LIU
SOCIAL ACCOUNTABILITY
INTERNATIONAL

Our progress in FY22

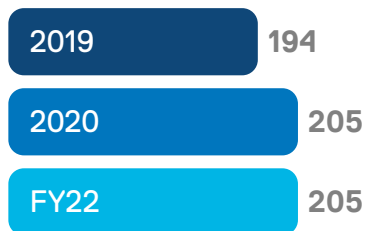
Key performance indicators*



205

Initial audits

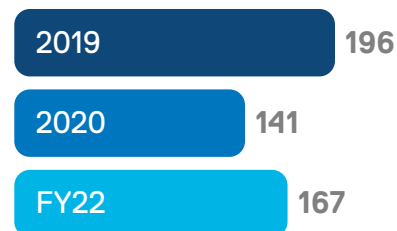
We audit high-risk factories on a two-year cycle. Selected other sites, including new supplier factories, are also audited.



167

Closure audits

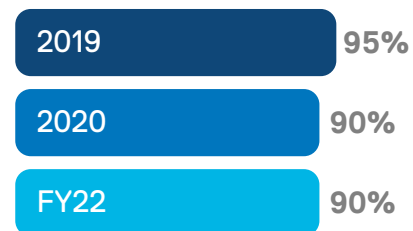
We work with suppliers to correct audit findings and arrange closure audits to confirm findings are remediated.



90%

Priority audit findings closed or downgraded⁶

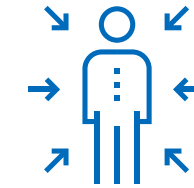
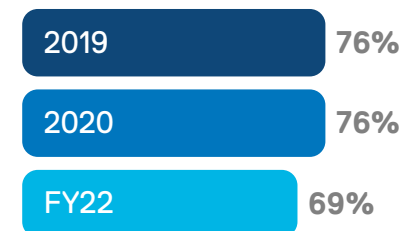
The most severe findings are prioritized for resolution. Performance is tracked cumulatively.



69%

Audit findings closed or downgraded⁷

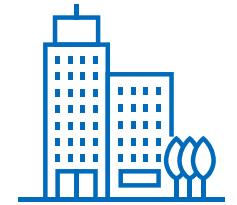
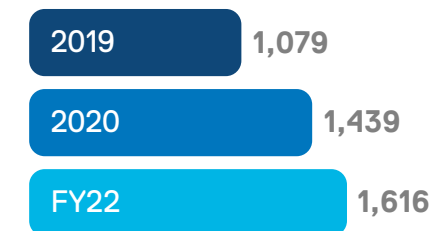
We collaborate with suppliers to remediate priority and major findings. Performance is tracked cumulatively.



1,616

Unique participants attending capability building programs

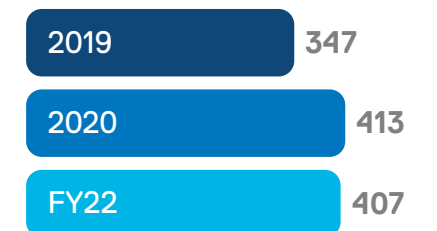
Capability building engages participants across final assembly, direct and sub-tier suppliers who can share the insights provided by training throughout their factories.



407

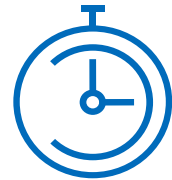
Unique factories participating in capability building programs

We track the reach of our capability building programs by the number of factories participating in our training.



* In previous years, Dell reported supply chain metrics on an annual basis. Going forward these will be reported on a fiscal year basis, unless otherwise noted.

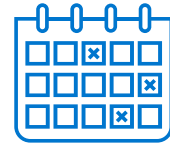
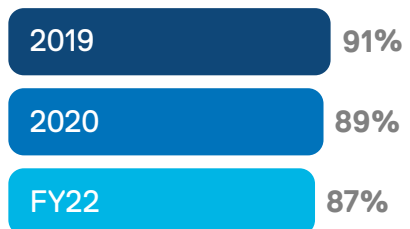
Key performance indicators*



87%

Workers who do not exceed 60 working hours per week

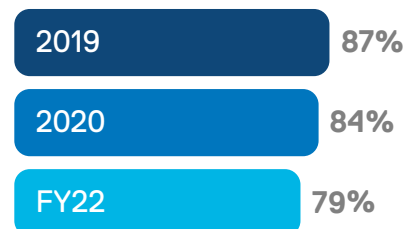
We monitored 214,919 workers in our supply chain, of which 87% did not exceed 60 working hours per week.



79%

Workers with one day of rest per week

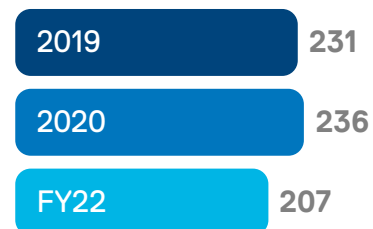
Of the 214,919 workers we monitored, 79% took at least one day of rest per week.



207

Factories with active water risk mitigation plans

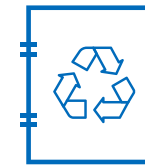
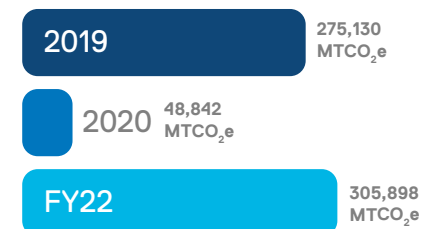
207 supplier factories in areas of water stress or with water intensive processes had active water risk mitigation plans.



305,898 MTCO₂e

Emissions avoided through energy reduction projects⁸

We encourage our suppliers to implement energy reduction projects and track their progress.



96%

Suppliers with sustainability reports

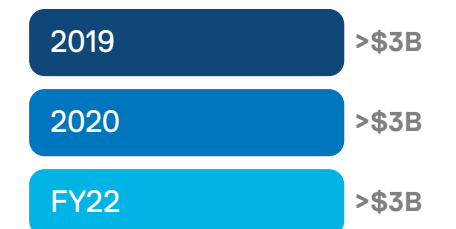
We encourage our suppliers to publish annual sustainability reports that meet the Global Reporting Initiative (GRI) requirements. This number represents suppliers by spend with sustainability reports.



>\$3B

Diverse supplier spend⁹

Dell is committed to spend \$3 billion or more annually with diverse suppliers.



* In previous years, Dell reported supply chain metrics on an annual basis. Going forward these will be reported on a fiscal year basis, unless otherwise noted.

Bettering the lives of people in our supply chain

It takes hundreds of thousands of people around the world 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 [2030 ESG plan](#) demonstrates the focus Dell places in these areas. Protecting human rights and promoting the well-being of people in our supply chain are imperative. We have set specific goals to support our work in this area, including providing safe and healthy work environments where people can thrive; delivering future-ready skills development for employees in our supply chain; and engaging with the people who make our products.

To learn more about these efforts, please view pages 57-60 of our [FY22 ESG Report](#).

In FY22, we continued to face COVID-19 impacts and global supply chain issues head-on. Despite these ongoing disruptions, Dell remained focused on our work to champion the people in our supply chain.

One area we made progress in 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 Responsible Business Alliance's (RBA's) [Validated Assessment Program](#).

In our 2020 Supply Chain Sustainability Progress Report, we reported a target audit attainment rate of 61.0%. In FY22, our social and environmental responsibility (SER) specialists worked closely with suppliers to help identify 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 68.0%.

The human rights due diligence efforts we undertake to assess and address actual or potential risks to people in our supply chain are being recognized. In our first-ever inclusion in this assessment, Dell was ranked number six out of the 49 largest information communications and technology companies (based on market capitalization) in the 2020/2021 [KnowTheChain](#) supply chain responsibility [benchmark](#). KnowTheChain is a coalition of nongovernmental organizations that use the U.N. Guiding Principles on Business and Human Rights to evaluate technology companies' actions and commitments to responsibly produce products.



“The Responsible Business Alliance relies on member engagement to drive social and environmental responsibility in global supply chains. Our Responsible Labor Initiative is an example where members like Dell Technologies are key in helping to promote due diligence and protect the rights of workers vulnerable to forced labor.”

ROB LEDERER
CEO, RESPONSIBLE BUSINESS ALLIANCE



BETTERING THE LIVES OF PEOPLE IN OUR SUPPLY CHAIN

Driving ethical recruitment practices

It is important to us that people working in our supply chain are treated fairly. In some cases, individuals who migrate away from their home countries for work are forced to pay for various aspects of their recruitment, including costs related to labor agents who facilitate their hiring, obtaining visas or undergoing 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.

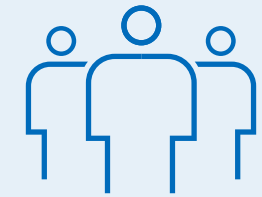
Dell does not tolerate forced labor of any kind and abides by the Responsible Business Alliance (RBA) [Code of Conduct](#), which prohibits our suppliers from charging recruitment fees to their workers, even in locations where these practices are legal. Through our social and environmental responsibility (SER) specialists' direct engagement with factories and our third-party audits, we work with supplier management and workers to identify and resolve potential issues around fees.

Due diligence efforts in this area 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 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 withheld fees. For instance, if fees are returned to affected workers through paychecks, it is important that nonaffected individuals understand why their pay does not change.
- Track the supplier's remediation progress.

Fees returned, FY22



\$505,031

in fees returned to workers

Audits reinforce responsible recruitment

Upholding and advancing respect for the fundamental human rights of all people is a priority for Dell. The Responsible Business Alliance (RBA) [Code of Conduct](#) does not allow suppliers to charge recruitment fees to their workers, even if allowed by local law. Dell partners with our suppliers to make sure they comply with the RBA Code of Conduct. If we find that recruitment fees are being charged, we expect that suppliers will reimburse the fee payment within 30 days and validate this through an RBA closure audit within 90 days.

In FY22, we found that workers at a small connector supplier in Taiwan were required to pay recruitment fees during the onboarding process. To address these findings, our SER specialists partnered with the supplier to revise their recruitment policy and onboarding processes and enhance their internal audit checklist to avoid similar findings in the future. In addition, we ensured impacted workers were reimbursed \$325,797 in fees paid.

By addressing fee payment issues when they occur in our supply chain and reinforcing responsible employment and recruitment practices, we continue to drive improvement in this area.



Taking action to address weekly working hours challenges

Dell adheres to the social and environmental standards required through the Responsible Business Alliance (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 one rest day per week.

Breaches of working hours limits are the most common audit findings among supplier factories in our industry.¹⁰ 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 to address identified risks of nonconformance and provide support in balancing orders based on supplier labor capacity.
- Capability building to provide suppliers with knowledge and tools to improve working hours performance through management systems.

Consistently meeting this standard is an ongoing challenge across manufacturing and is affected by a number of factors, including but not limited to fluctuations in customer demand, workers' earning potential, transportation issues and unexpected issues, such as the pandemic and recent global supply chain issues.

In FY22, individuals and organizations around the world continued to face numerous uncertainties and disruptions; our suppliers were no exception. For example, COVID-19 travel restrictions made it more difficult for suppliers to meet labor requirements for production demand.

As a result, we continued to see a decline in suppliers meeting the standard for weekly working hours. In FY22, our tracking covered 214,919 workers at 119 supplier factories. The vast majority of these workers — nearly 86.6% — worked 60 hours per week or less, compared with 91.0% in 2019 and 89.0% in 2020. Additionally, just over 79.0% of these workers took at least one rest day per week in FY22.



Weekly working hours compliance, FY22



214,919
employees

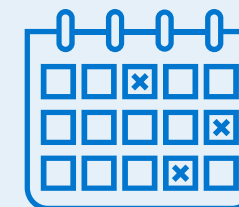
workers were monitored at 119
supplier factories



87%

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

Days of rest compliance, FY22



79%

of workers monitored took at least one rest day per week



Improved communication process creates shared commitment and progress for weekly working hours

Managing weekly working hours is a persistent challenge for suppliers and was made more difficult by the ongoing impacts of the pandemic. Not only were labor shortages an issue, but many factories were also under pressure to produce a higher product volume to meet higher demand. In addition, factories increased their reliance on external labor agencies to quickly secure the labor they needed to maintain production levels.

An audit of one of Dell's display suppliers indicated a priority finding regarding weekly working hour requirements. Dell's social and environmental responsibility (SER) specialists immediately began work with the supplier to address issues impacting weekly working hours and drive improvement.

First, our SER specialists worked with the supplier to raise the issue to senior management and gain their commitment to address the issue. Next, SER specialists identified that a key issue was communication within the supplier organization. Sales teams were agreeing to product delivery dates without understanding production constraints or labor limitations. Our specialists worked with the supplier to help them establish a better communication process between their

sales, production and human resources (HR) teams to avoid the overtime issues.

From their discussions with the supplier, our SER specialists determined that prediction and planning based on the standard of 60 hours per week was not in place. They helped the factory establish a system to accurately plan human resources and arrange a reasonable production plan and rhythm using the 60-working-hours-per-week standard. This system enabled the effective management and implementation of control standards for working hours at the operational level.

Now when the sales team receives client orders, they check with production to confirm capacity before committing to order timing. Thanks to this communication, sales can schedule a client delivery date that is based on capacity and upholds reasonable working hours. Likewise, when production receives sales forecast data, they immediately inform HR about labor needs so HR can recruit the necessary talent to meet production demands.

This improved communication process not only addressed the issue but also created a shared responsibility and commitment to limit overtime hours. As a result, the supplier's audit finding was downgraded from priority to major. The December 2020 audit showed that 68.0% of workers exceeded the 60 hours per week standard; the November 2021 closure audit showed this decreased to 13.0%.

Helping ensure 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 risks for the environment or health. In addition, we survey key suppliers to understand and monitor chemical use in our supply chain. For example, in FY22, we asked our suppliers about their understanding of our policy. Through further engagement regarding the survey results, we discovered two sites were each using one banned chemical in a support area outside of 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 offer safer alternatives, which are currently being assessed.

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 harmful 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 is a 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 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.



BETTERING THE LIVES OF PEOPLE IN OUR SUPPLY CHAIN

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 important training. This continues to be a valuable tool in how we work with suppliers to help ensure their workers receive training on 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 of developing 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, student and migrant, are eligible and encouraged to participate.

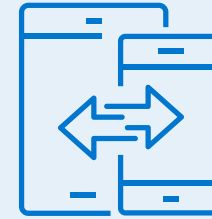
Ongoing training topics include:

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

- 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.
- COVID-19 prevention: Dell continued to offer workplace safety modules designed to address ongoing challenges of the pandemic.

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.

Mobile phone training, FY22



49,796

training hours

completed through mobile phone training courses

100

factories participated in mobile phone training courses

101,876

workers completed mobile phone training courses



BETTERING THE LIVES OF PEOPLE IN OUR SUPPLY CHAIN

Driving engagement through open communication

The people in our supply chain are in a unique position to provide insight on day-to-day factory operations. This feedback is critical in helping us validate supplier compliance with the Responsible Business Alliance (RBA) [Code of Conduct](#) and build greater context around issues and how they are being addressed.

Dell maintains a free phone helpline to ensure the people in our supply chain, as well as individuals and organizations representing them have a reliable, confidential communications channel through which 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, supplier employees and contractors can access the helpline 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.

Any allegations received through the helpline are investigated immediately and thoroughly by Dell. Methods to research allegations include unannounced visits by our social and environmental responsibility (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.



Helpline supports enforcement and education

Dell is committed to acting on concerns raised in our supply chain. Last year, we received a complaint via the helpline from an employee of one of our suppliers in China. The caller expressed concern that her request for a transfer to a different role was denied. The employee noted that her transfer request was due to her pregnancy status and the desire for a less strenuous role.

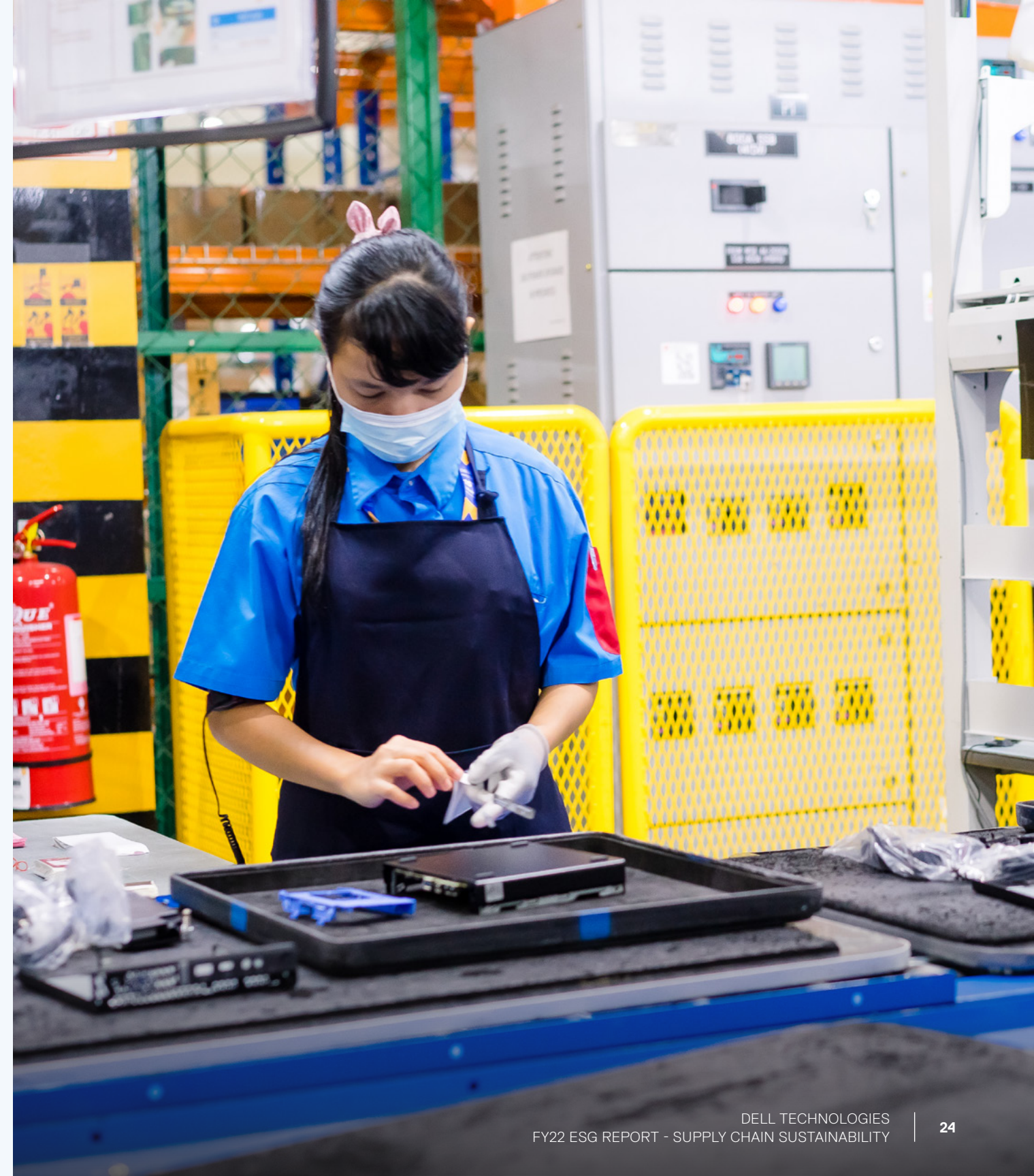
China has clear requirements regarding how employers treat pregnant and nursing workers, including bans on pregnancy-based discrimination in employment. These regulations stipulate that if a pregnant worker informs her employer that she is not able to perform her usual job, those duties must be modified.

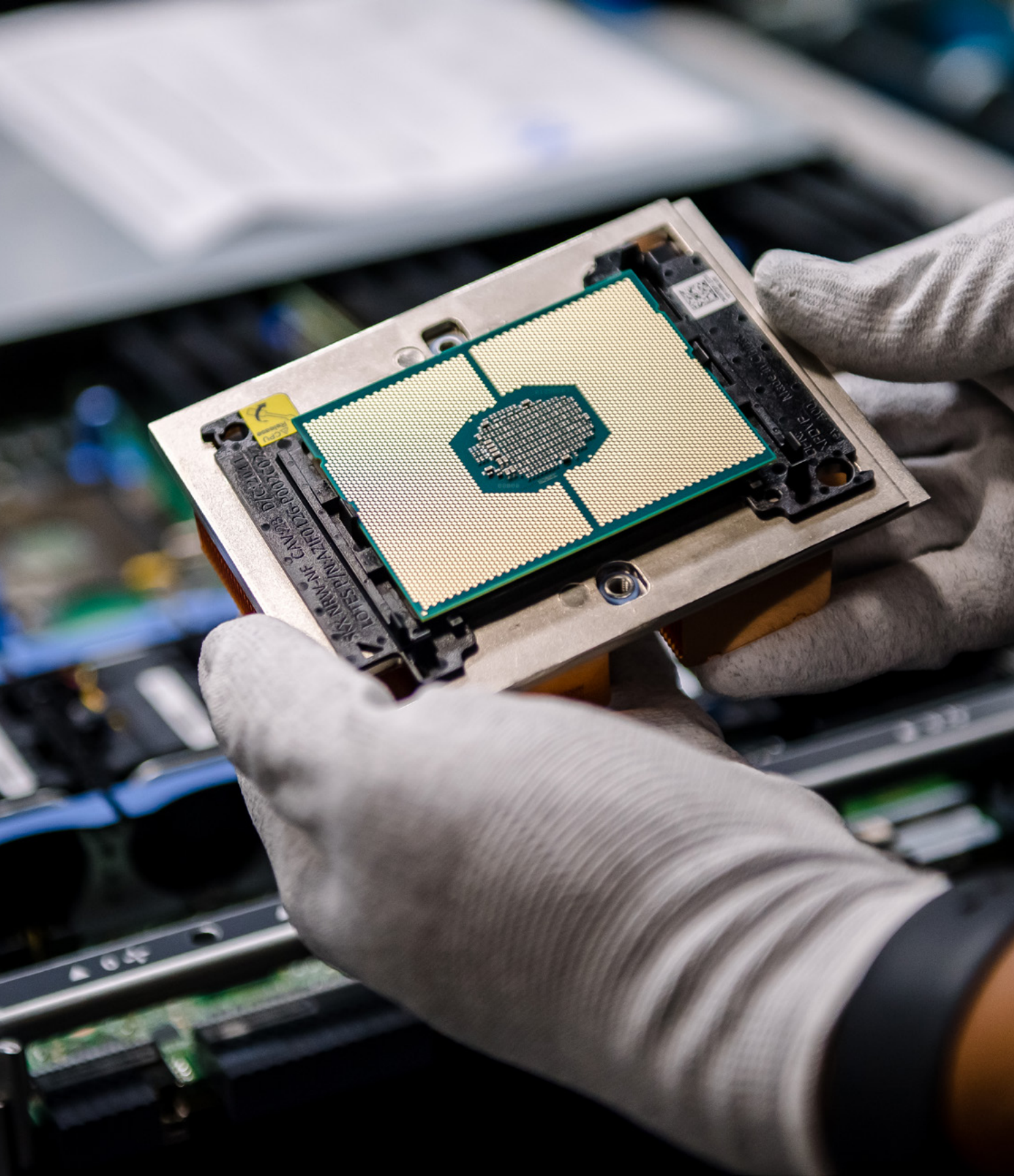
Upon learning of this employee's concern, Dell's social and environmental responsibility (SER) specialists began work with the supplier to address the health, safety and legal issues in this situation. As a first step, our specialists informed the supplier about Chinese pregnancy, confinement and nursing period laws.

We also worked with the supplier to identify if any other female workers were experiencing similar issues. Dell addressed the situation by providing the supplier with education and training materials about pregnant and nursing employee rights. We also asked the site to revise their policy and processes to implement protections for female workers.

In addition to updating the policy and processes, we collaborated with the supplier to create a checklist related to female worker rights. Using this checklist, the human resources team can identify whether similar issues arise and is empowered to act quickly to protect the workplace rights of pregnant and nursing workers.

As a result of the education and assistance our specialists provided, the pregnant employee's transfer request was approved, and she moved to a less physically demanding role.





BETTERING THE LIVES OF PEOPLE IN OUR SUPPLY CHAIN

Responsible sourcing of minerals in our supply chain

Minerals are used in many Dell products. For example, gold is used in circuit boards, and tantalum is used in capacitors. Some of these minerals are 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 avoid purchasing materials containing minerals whose mining and sale are not aligned with our responsible sourcing commitments. These commitments are underscored in the [Dell Responsible Sourcing Policy](#). We also work in coordination with industry-wide groups such as the [Responsible Minerals Initiative](#) (RMI) to promote a common approach, tools and processes that support sourcing decisions that drive improved 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 Due Diligence Guidance](#) (OECD). These include risk assessment, assurance and transparent reporting. We also track other minerals of concern, including cobalt, which is used in lithium-ion batteries.

Emphasis is placed on the identification and assurance of smelters or refiners (SORs) used to process material supplied by mines or mineral agents. 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 requirements of the OECD Due Diligence Guidance, 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](#).

To track conformance rates, we require suppliers who use 3TG and/or cobalt within their supply chain to complete the Conflict Minerals Reporting Template or the Cobalt Reporting Template to report on SORs within their own supply chains.

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. We collaborate with suppliers to develop their own capabilities and help them to remediate issues with SORs that are 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](#).

Reducing our supply chain's impact on the planet

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

Despite the ongoing challenges of the pandemic, we maintained our supply chain environmental programs and continued to see progress in the areas of greenhouse gas (GHG) emissions reduction, water stewardship and waste management through partnership with our suppliers.

To underscore the positive impact of our supply chain environmental practices, the [Institute of Public & Environmental Affairs](#) (IPE) in China ranked Dell as a [Green Supply Chain Corporate Information Transparency Index](#) (CITI) Master for 2020 and 2021. 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.¹¹
- Show that all key suppliers track their environmental performance through data systems.



Reducing greenhouse gas (GHG) emissions in our supply chain

Our carbon footprint includes emissions that our suppliers generate as they provide products or services to us. As part of our goal to achieve net zero emissions by 2050, we are partnering with our direct suppliers to reduce GHG emissions by 60% per unit revenue by 2030.¹² This target meets the Science Based Targets initiative (SBTi) criteria for ambitious value chain goals, meaning our near-term emissions reductions target is in line with current best practices. This goal is part of Dell's recently released strategy to achieve net zero GHG emissions by 2050. Our progress is detailed on page 49 of our [FY22 ESG Report](#).

To achieve this goal, we are building on work we started in 2017 to help suppliers reduce energy consumption, improve energy efficiency and source cleaner energy. Our supplier engagement strategy includes working with suppliers to set ambitious science-based targets. We collaborate with energy experts to evaluate our suppliers' data disclosed through the CDP and analyze direct feedback from internal surveys and on-site visits to develop training, consult on opportunities for improvement and share best practices. In FY22, we partnered with four key suppliers to help them identify factory energy usage, learn about renewable energy options and leverage industry tools for the development of science-based targets.

We continue to work with Dell teams around the globe to identify renewable energy options in areas where such sources are limited. As expected, this is proving to be a key challenge for our suppliers.

Although there is still much to be done, we are proud of the recognition we have received over the past year for progress we are making through collaboration with our suppliers:

- [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. 1 out of 662 companies across all industries and 48 information technology companies. Developed by IPE in 2021, this assessment focuses on brands' performance on corporate and value chain-level climate action performance.

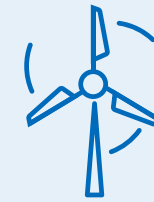
Greenhouse gas emissions reductions, FY22



305,898 metric tons

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

Amount of renewable energy used in Dell Technologies' supply chain



2,383,210,656
kilowatt-hours

“Dell Technologies is working with suppliers to reduce GHG emissions in a way that aims to drive positive climate action throughout its supply chain. We are pleased to recognize Dell at the top of our inaugural CATI ranking.”

MA JUN

FOUNDER AND DIRECTOR, INSTITUTE OF PUBLIC & ENVIRONMENTAL AFFAIRS

Collaboration drives energy efficiency one supplier at a time

Not every supplier has experience in sustainability. That's why Dell's social and environmental responsibility (SER) specialists collaborate with our suppliers and industry organizations to drive environmental improvements. These are long-term engagements focused on achieving sustainable results.

In 2018, one of our printed circuit board (PCB) suppliers joined Dell's supply chain energy efficiency program. Energy management was new to this supplier. They did not have experience in developing an energy management system that would serve as the foundation for key activities, such as setting GHG emissions reduction targets and gaining alignment with internal stakeholders to meet those targets.

Our SER specialists consulted directly with the supplier to understand the current energy usage at factory sites and made recommendations for improvement. Dell's energy-saving suggestions included:

- Installing a heat recovery system for air compressors.
- Increasing cooling tower efficiency by replacing heat exchange filters.
- Updating workshop exposure machine lighting to LED and LED illuminant replacements.

These energy-saving efforts have paid off for the supplier and for the environment. In FY22, the supplier reported a 15.0% overall reduction in energy usage since we began our engagement with them. In addition, the supplier's factories received their [ISO 50001 certification](#), which is specifically targeted to support the development of energy management systems.



REDUCING OUR SUPPLY CHAIN'S IMPACT ON THE PLANET

Working with stakeholders to support water stewardship

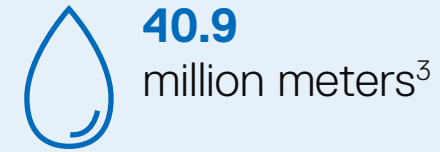
Water stewardship — the responsible planning and management of resources¹³ — is vital to a sustainable future. In addition to water use considerations around the manufacturing of our products, a number of our suppliers operate in areas of water stress.

Dell partners with suppliers in China who have water-intensive processes or operate factories located 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.¹⁴ For the past seven years, we have worked closely with these suppliers to analyze their water use, offer training, and develop and implement water management plans to achieve reductions in water use and wastewater discharge.

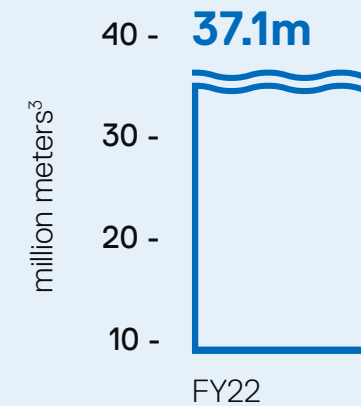
In FY22, 207 of our supplier factories implemented water management plans. Through this work, these suppliers saved 40.9 million cubic meters of fresh water and reduced the amount of wastewater they discharged by 37.1 million cubic meters.

In addition to considering our own supply chain's water use, we recognize the importance of understanding shared risk and engaging with stakeholders across the full catchment area. Reflective of this, factory water risk mitigation plans include engagement with stakeholders, such as municipal water providers, local community members and wastewater treatment plants.

Freshwater saved in FY22



Water discharge reduced



Addressing waste

Sustainable management of resources is critical to the long-term resiliency of our business and the overall health of the environment. 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. In FY22, Dell helped 21 suppliers in China reduce the amount of waste disposed of in landfills through our Zero Waste Program. These supplier sites were chosen to support this program as key strategic partners to Dell.

As part of the Zero Waste Program, our social and environmental responsibility 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. Suppliers participating in these efforts diverted 93.1% of their solid waste from landfills, either through recycling or reuse, in FY22.

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 \(GRI\)](#). Last year, 95.9% of our direct material suppliers (by spend) reported sustainability initiatives in accordance with GRI standards. Based on this information, 67.6% of Dell's direct material suppliers (by spend) reported progress in reducing waste from their operations.





REDUCING OUR SUPPLY CHAIN'S IMPACT ON THE PLANET

Driving supplier diversity beyond spend

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

One key measurement of our success is how much we spend with diverse suppliers. In FY22, Dell spent more than \$3 billion¹⁵ with diverse and small businesses. And for the 12th consecutive year, Dell also earned recognition through the [Billion Dollar Roundtable](#) (BDR). BDR recognizes and celebrates corporations that spend at least \$1 billion annually with minority- and women-owned businesses.

In addition, we prioritize sourcing from suppliers that demonstrate a strong commitment to supplier diversity within their own organizations. To drive accountability in our supply chain, we monitor the amount our key suppliers spend with diverse suppliers themselves. Last year, our suppliers spent more than \$921 million¹⁶ with diverse companies.

Spend is an important indicator of our engagement with our diverse suppliers. However,

it is only one of the ways we work to drive meaningful impact and inclusion. We continually look for strategic opportunities within our supply chain to promote diversity and inclusion beyond spend. A foundational element of our diversity initiatives includes supporting skill development for diverse suppliers.

Dell offers two opportunities for diverse suppliers to build their business competencies: our Supplier Diversity Development Program and our Women in Technology Program. Expanded capabilities enable suppliers participating in these programs to improve operational performance, which may position them to pursue new growth opportunities. The Supplier Diversity Development Program focuses on refining skill sets for our diverse suppliers at multiple levels of maturity. The goal is to help drive overall operational effectiveness and better position them for success with Dell and other large corporations.

In addition, we continually look for opportunities to give equal access to and promote small and diverse businesses that are:

- Women-owned and enterprises certified by the [Women's Business Enterprise National Council](#).
- Minority-owned and enterprises certified by the [National Minority Supplier Development Council](#).
- LGBTQIA+-owned and certified by the [National LGBT Chamber of Commerce](#).

- Disability-owned and certified by [Disability:IN](#).
- Veteran-owned and certified by the [National Veteran Business Development Council](#).
 - Qualified under the [U.S. Small Business Administration](#): Small disadvantaged businesses.
 - [Historically Underutilized Business Zone program](#).
 - Women-owned businesses.
 - Veteran-owned businesses.
 - Service-disabled veteran-owned businesses.
- International women-owned businesses certified by [WEConnect International](#).
- Chinese minority-owned businesses verified through Minority Supplier Development in China.

Supplier diversity program supports capability building for women-owned businesses

We recognize that resiliency in our supply chain depends on engaging with and supporting diverse suppliers. One way Dell achieves this is by supporting women-owned businesses and enterprises certified by the Women's Business Enterprise National Council (WBENC).

In partnership with WBENC, Dell created the Supplier Diversity Women in Tech (WiT) program to bring together women-owned suppliers in the tech sector. These businesses are all certified through WBENC and represent various aspects of technology, including cyber security, software, Internet of Things and IT manufacturing.

In 2021, a WiT member organization responded to a Dell request for proposal (RFP). The company is a Florida-based Agile software development and cloud services firm with a nearshore development hub in Colombia. Their specialty is in helping clients use the latest web, mobile, cloud, AI and data technologies. Based on how this company delivers enterprise scale digital capabilities, they became the obvious supplier choice for the project.

Our work with this supplier helped Dell expand the capabilities of our IT infrastructure analysis software tool by implementing Rapid Discovery. This new feature helps Dell's internal engineering team and external customers rapidly scan network environments and discover devices quickly and efficiently. Thanks to implementing this approach, our engineering teams can make better selling and purchasing decisions.

"The Women in Tech program, the resources, learning and networking, caused a shift in how we think about scaling and strategy," according to the supplier's CEO. "We have expanded our list of clients, including large corporations like Dell, and have experienced significant growth, resulting in being featured for the last four years on the Inc. 5000 list of the fastest-growing private companies in the U.S."

As well as gaining valuable business and educational opportunities, this supplier said they value the opportunity to become part of a supportive community of women tech entrepreneurs. They also appreciated the Dell team members, "who are there for us every step of the way."

Based on the success of the first project, Dell is planning to partner with this supplier on a second project in FY23.



Supply chain — audit results

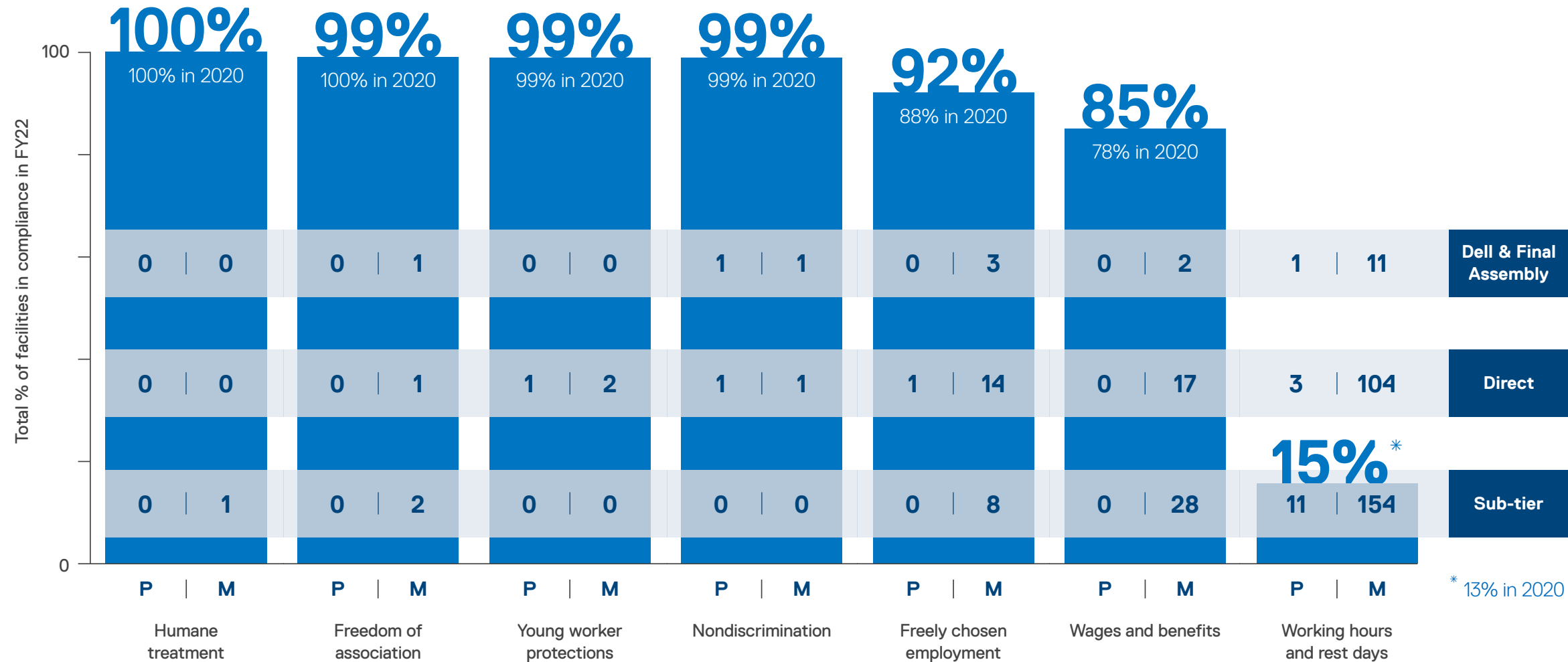
Labor and human rights

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier¹⁷

Key

- P** Priority Findings
- M** Major Findings

Results are based on audits of 317 factories. When an issue is identified, we work with the factory to correct it. At the end of FY22, 90% of priority and 69% of priority and major findings (cumulatively) had been closed.



* In previous years, Dell reported supply chain metrics on an annual basis. Going forward these will be reported on a fiscal year basis, unless otherwise noted.

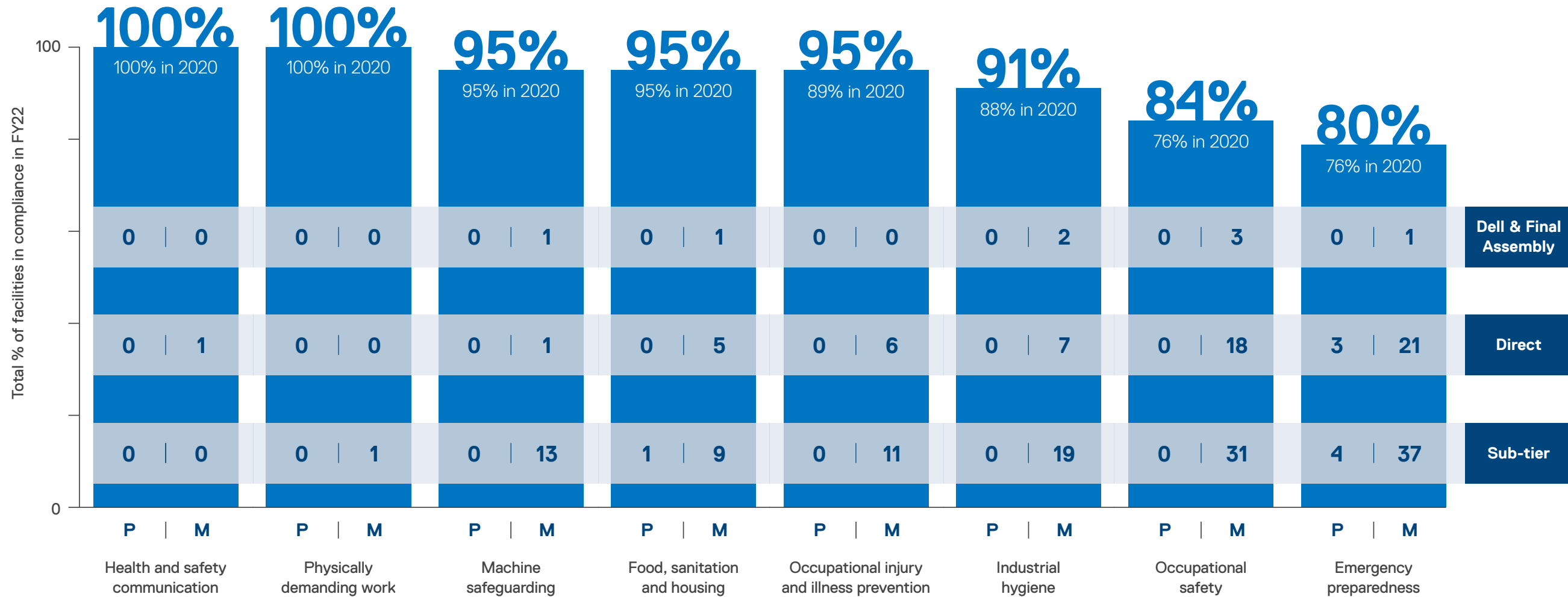
Employee health and safety

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier¹⁸

Key

- P** Priority Findings
- M** Major Findings

Results are based on audits of 317 factories. When an issue is identified, we work with the factory to correct it. At the end of FY22, 90% of priority and 69% of priority and major findings (cumulatively) had been closed.



* In previous years, Dell reported supply chain metrics on an annual basis. Going forward these will be reported on a fiscal year basis, unless otherwise noted.

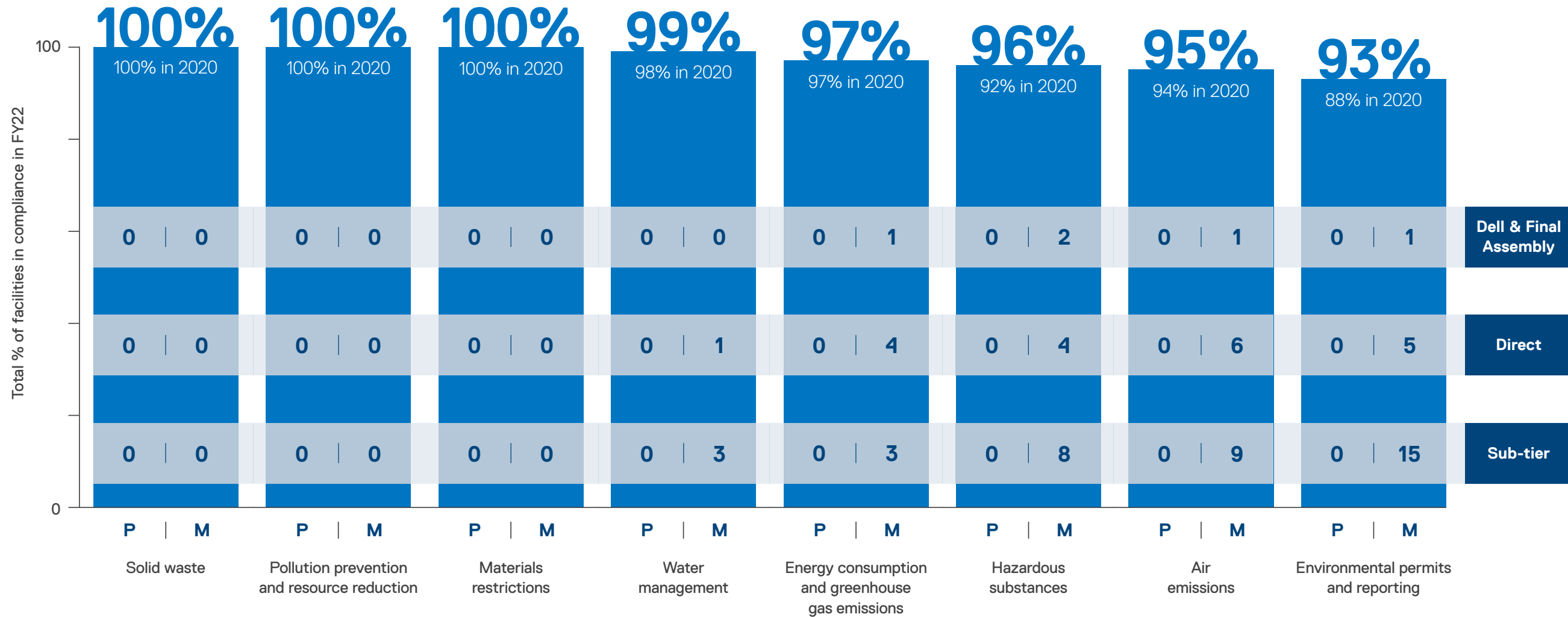
Environment

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier¹⁹

Key

- P** Priority Findings
- M** Major Findings

Results are based on audits of 317 factories. When an issue is identified, we work with the factory to correct it. At the end of FY22, 90% of priority and 69% of priority and major findings (cumulatively) had been closed.



* In previous years, Dell reported supply chain metrics on an annual basis. Going forward these will be reported on a fiscal year basis, unless otherwise noted.

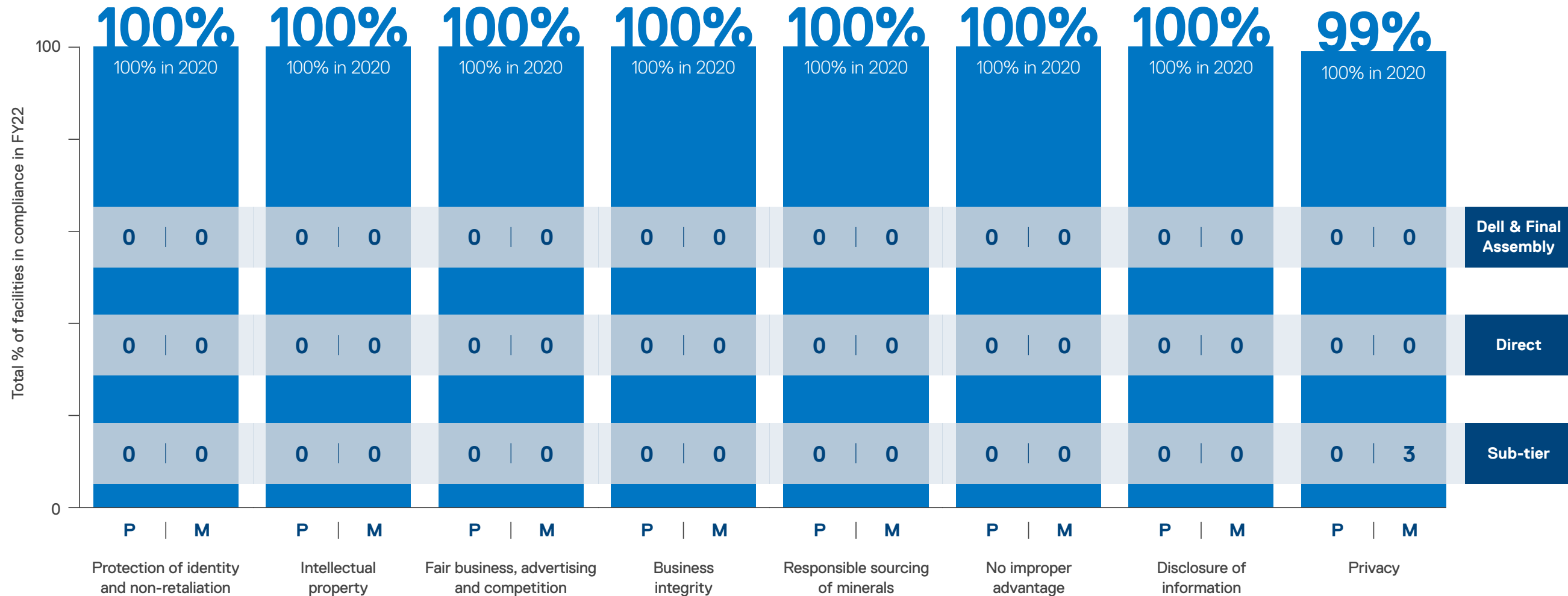
Ethics

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier²⁰

Key

- P** Priority Findings
- M** Major Findings

Results are based on audits of 317 factories. When an issue is identified, we work with the factory to correct it. At the end of FY22, 90% of priority and 69% of priority and major findings (cumulatively) had been closed.



* In previous years, Dell reported supply chain metrics on an annual basis. Going forward these will be reported on a fiscal year basis, unless otherwise noted.

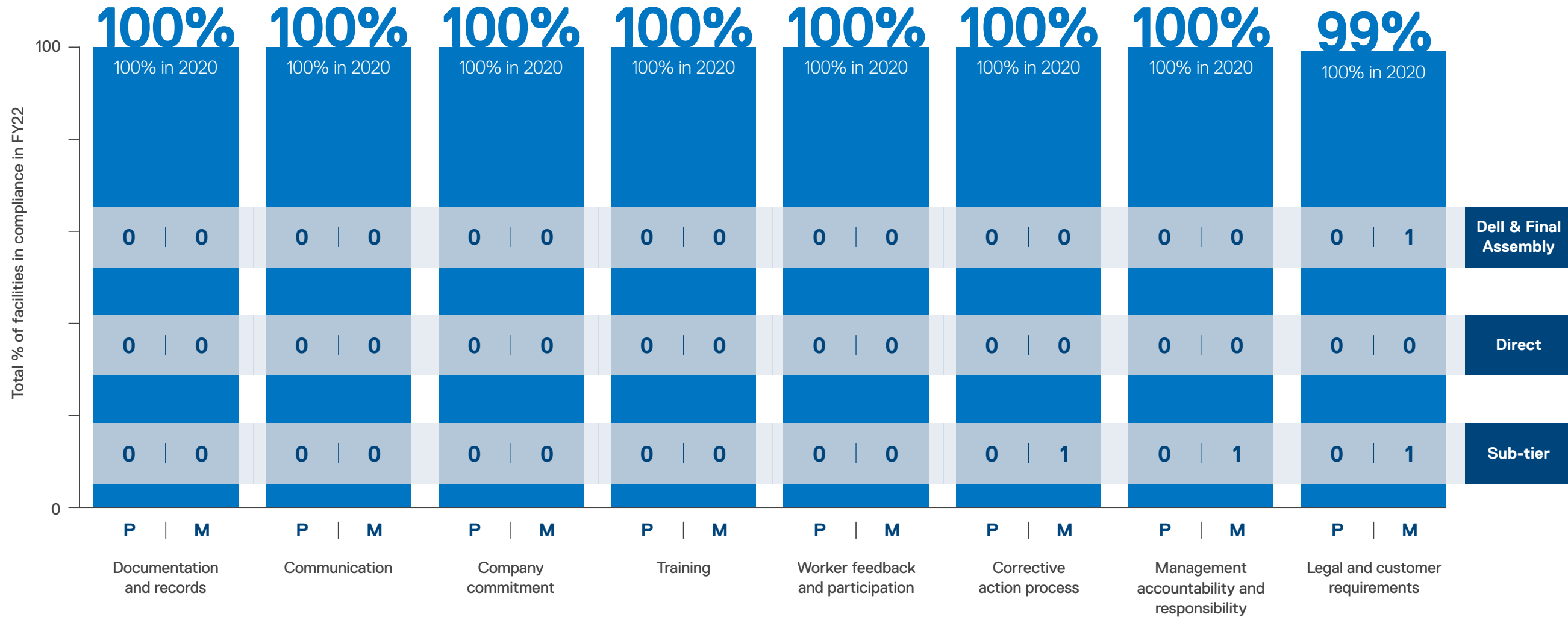
Management systems

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier²¹

Key

- P** Priority Findings
- M** Major Findings

Results are based on audits of 317 factories. When an issue is identified, we work with the factory to correct it. At the end of FY22, 90% of priority and 69% of priority and major findings (cumulatively) had been closed.



* In previous years, Dell reported supply chain metrics on an annual basis. Going forward these will be reported on a fiscal year basis, unless otherwise noted.

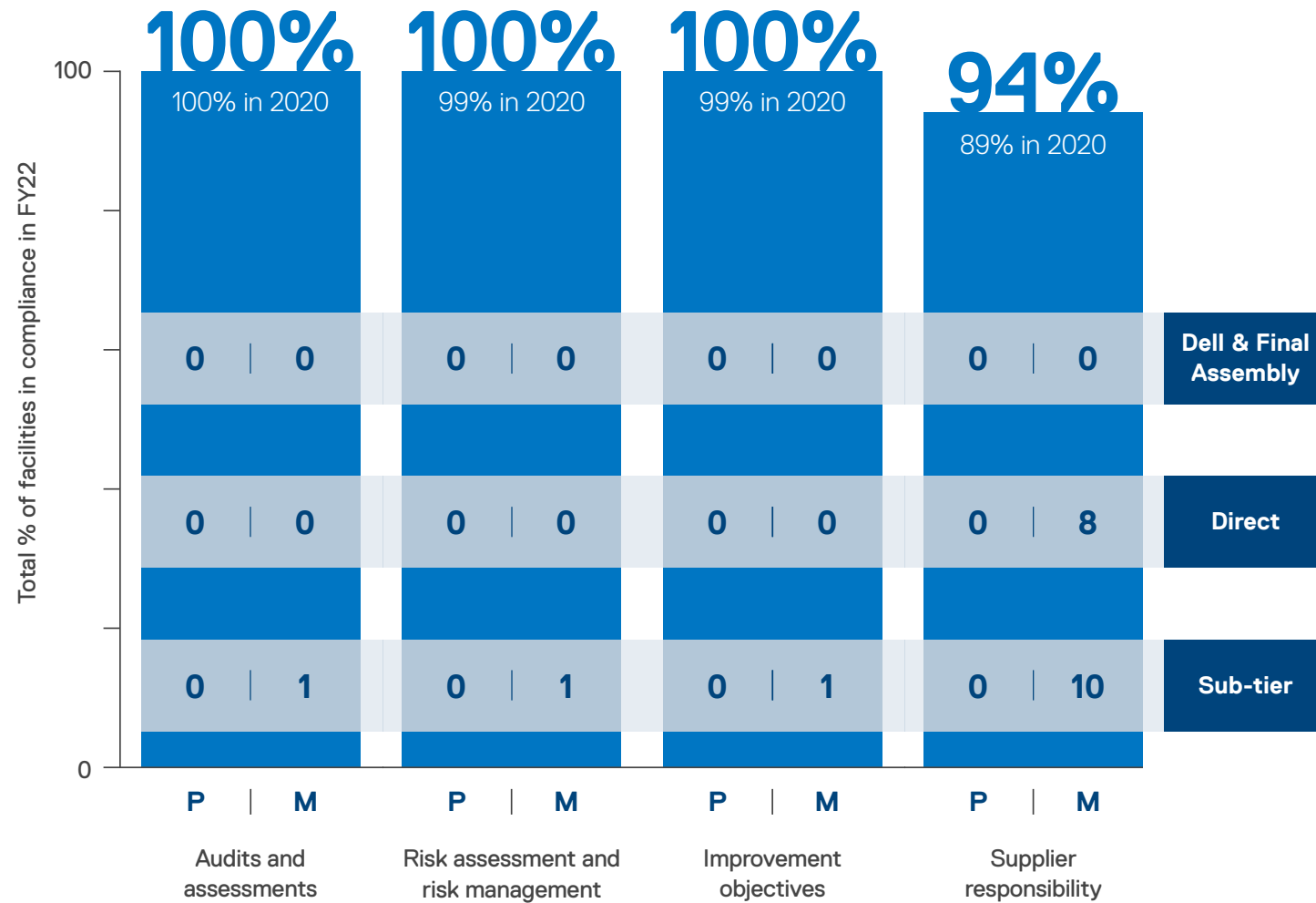
Management systems (continued)

Percentage of audited factories in compliance, with breakdown of major and priority findings of noncompliance according to supply chain tier²²

Key

- P** Priority Findings
- M** Major Findings

Results are based on audits of 317 factories. When an issue is identified, we work with the factory to correct it. At the end of FY22, 90% of priority and 69% of priority and major findings (cumulatively) had been closed.



* In previous years, Dell reported supply chain metrics on an annual basis. Going forward these will be reported on a fiscal year basis, unless otherwise noted.

How we report

This FY22 Environmental, Social and Governance (ESG) Report, combined with the other reports listed below, provides our stakeholders with a transparent picture of how Dell Technologies is delivering on our commitments. View the [current](#) and [archived](#) copies of all of our reports.



Released in November 2019, this plan articulates how we will create a positive and lasting social impact on people and the planet through 2030 and beyond — using our reach, technology and people.



View our framework reporting per GRI standards, standards by SASB and WEF's core Stakeholder Capitalism Metrics. Our GRI Index provides mapping of GRI disclosures to the TCFD's recommendations.



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



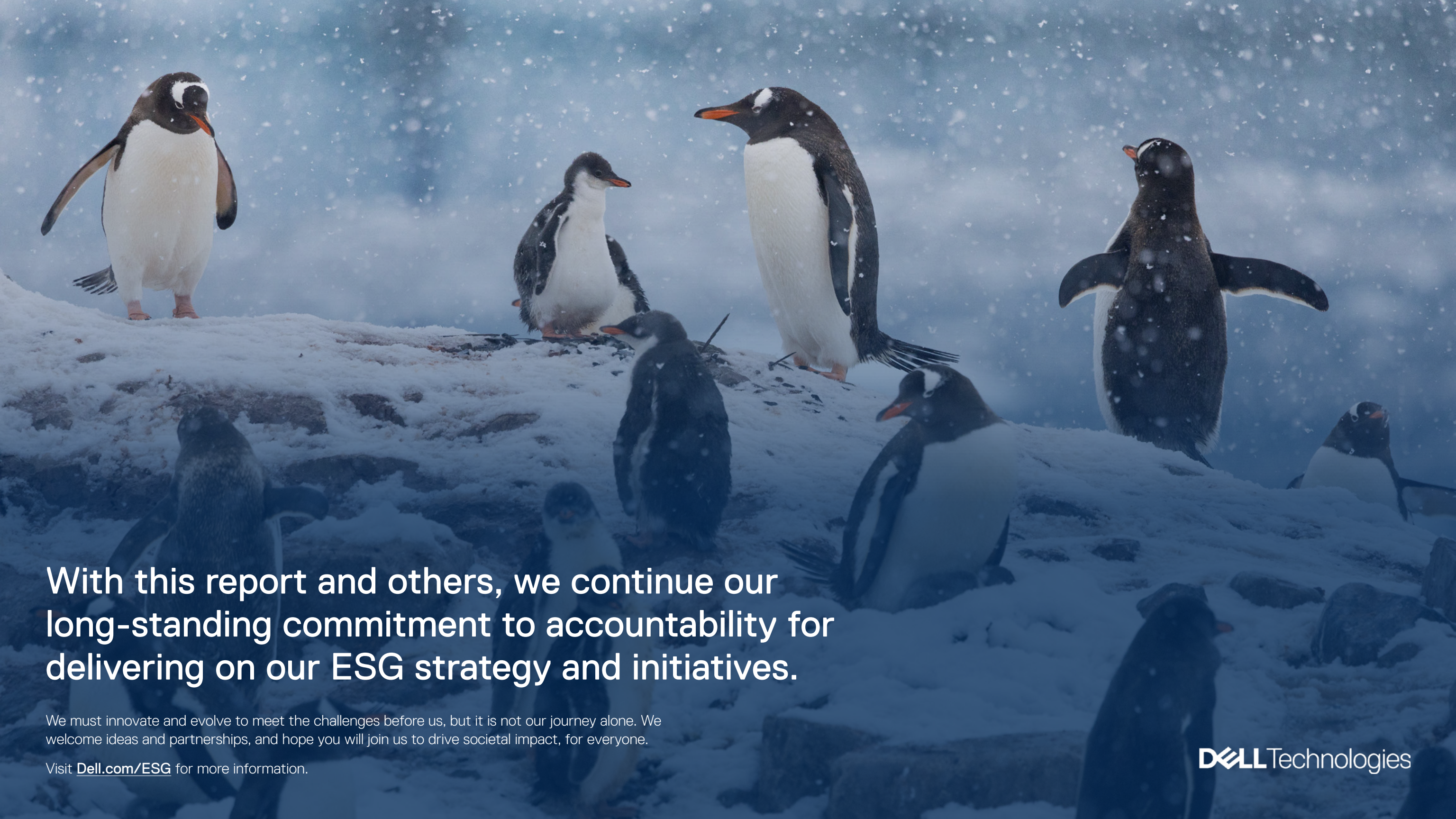
Dell Technologies regularly submits a CDP water security report that covers corporate efforts to help ensure a water-secure future.



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

Endnotes

- 1 Dell Technologies is committed to responsible business practices and ethical behavior. This includes holding our suppliers to the same high standards of excellence to which we adhere, as set forth in the Dell Code of Conduct, and as articulated in governing laws and regulations, recognized international standards and conventions, and global best practices.
- 2 Known to be in Dell Technologies' supply chain. These include second tier, third tier and beyond.
- 3 In previous years, Dell reported supply chain metrics on an annual basis. Going forward these will be reported on a fiscal year basis, unless otherwise noted.
- 4 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.
- 5 Additional corrective action toolkits are as follows: Emergency preparedness and response procedures; Ethics documentation system guidance; Labor and ethics risks (including forced labor); Personal protective equipment selection and use management; Worker protections for pregnant women and nursing mothers; Chemicals management; Ergonomic management; Environment health and safety permit management; Storm water management; and Energy efficiency and greenhouse gas emissions reduction.
- 6 Cumulative represents the calculated closure rates for findings as of Jan. 31, 2021.
- 7 Cumulative represents the calculated closure rates for findings as of Jan. 31, 2021.
- 8 The COVID-19 pandemic limited our ability to engage directly with our suppliers on energy reduction projects in 2020.
- 9 Diverse spend certificates are validated on an annual basis.
- 10 According to data collected through the Responsible Business Alliance Validated Assessment Program and reported in the [RBA 2020 Annual Report](#), page 51.
- 11 Efforts in this area include encouraging suppliers to report data to a pollutant release and transfer register (PRTR), which the Organisation 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 FY22, 265 of our suppliers reported PRTR.
- 12 Per unit revenue is a financial allocation method using supplier-reported emissions data.
- 13 Definition from the United Nations Industrial Development Organization.
- 14 Definition is based on the World Resources Institute definition for areas of medium-high water stress or higher.
- 15 Diverse spend certificates are validated on an annual basis.
- 16 This number represents the amount our suppliers spent with diverse suppliers for the period Jan. 1, 2021, through Dec. 31, 2021.
- 17 Factory compliance percentages are rounded to the nearest whole number. This accounts for instances of 100% compliance when the number of findings is greater than zero.
- 18 Factory compliance percentages are rounded to the nearest whole number. This accounts for instances of 100% compliance when the number of findings is greater than zero.
- 19 Factory compliance percentages are rounded to the nearest whole number. This accounts for instances of 100% compliance when the number of findings is greater than zero.
- 20 Factory compliance percentages are rounded to the nearest whole number. This accounts for instances of 100% compliance when the number of findings is greater than zero.
- 21 Factory compliance percentages are rounded to the nearest whole number. This accounts for instances of 100% compliance when the number of findings is greater than zero.
- 22 Factory compliance percentages are rounded to the nearest whole number. This accounts for instances of 100% compliance when the number of findings is greater than zero.



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/ESG](https://www.dell.com/esg) for more information.

DELLTechnologies