



# FY13 Corporate Responsibility Summary Report



The power to do more

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*Five-year-old Brooke Hester is a patient in the first FDA-approved personalized medicine trial for pediatric cancer, which Dell supports by donating technology and expertise.*

# Letter from Michael Dell



For 29 years Dell has been helping our customers bring their dreams to life. That is the philosophy that guides our business, but it's also the inspiration behind our commitment to corporate responsibility.

We are working with governments, NGOs, researchers, private enterprises and our industry peers to address important societal issues from better health care to a cleaner environment. We are doing this with our own groundbreaking innovations, and also by providing the technological power that fuels the big ideas of our customers, partners and team members.

A great example is Project Ophelia, an ultra-compact device we developed that enables users to transform any capable display into a thin client. These devices, which are about the size of a USB stick, are extremely energy efficient — you can run 16 of them on the same energy it takes to run a compact fluorescent light bulb. And because of their portability and efficiency, we are exploring ways to deploy them in remote areas of the world to bring education to and expand horizons for people with limited or no previous access to the power of technology.

We've partnered with physicians and researchers to develop a high-performance computing system that speeds the analysis of pediatric cancer patients' tumor cells and enables medical professionals to collaborate virtually in real time. Dell technology and support, combined with the innovation and expertise of these partners, is making it possible for doctors to begin administering personalized treatment to children within days of diagnosis instead of months.

In our own operations, we are using technology and social media to mobilize our greatest philanthropic resource — our global team. We are helping team members connect directly to charities through an innovative online community where they can volunteer, give and engage others in a cause. Last year the Dell team collectively logged more than 700,000 volunteer hours, almost 70 percent more than the year before and well above our goal.

This report details our recent progress, achievements and steadfast commitment to put our technology solutions to work where they can do the most good in the world. I'm very proud of all we're doing, within Dell and in partnership with others, to power the possible for people and the planet we all share.

A handwritten signature in blue ink that reads "Michael Dell". The signature is fluid and cursive.

Michael Dell  
Chairman and CEO  
Dell Inc.

# Our commitment

**Dell Powering the Possible is our commitment to put technology and expertise to work where it can do the most good for people and the planet.**

Guided by our values and inspired by our purpose, we take action to strengthen our communities, benefit the environment, and engage our people in a diverse and inclusive workforce. Programs and initiatives in these three action areas fuel our efforts to power what's possible, helping to achieve social and environmental progress.

Dell  
Powering  
the Possible



**Environment**

- Designing for the Environment
- Reducing our Impact
- Green Packaging and Shipping
- Customer Use
- Recycling

**Communities**

- Children's Cancer Care
- Youth Learning
- Disaster Relief
- Social Entrepreneurship
- Community Service

**People**

- Workforce Commitment
- Diversity and Inclusion
- Marketplace Relationships
- Leadership and Development

## Our multidimensional commitment

As a global technology leader, we have a deep responsibility to serve our people, our communities and the environment we all share. Our actions in these areas — whether through formal initiative or everyday team member commitment — complement one another, and come together as a holistic approach to corporate responsibility.

## Letter from Trisa Thompson



At Dell, we are building a strong foundation for sustainability — one that allows us to succeed as a business while encouraging positive change and reducing our own environmental impact. As a purveyor of technology, we are also committed to empowering our customers to do the same.

Last year, we launched our commitment to [Powering the Possible](#), a holistic corporate responsibility platform pledging to put our technology and expertise to work where it can do the most good for people and the planet. For the past year, we've been working on a long-term corporate responsibility plan that builds upon that platform, encompassing our stakeholder relationships and impacts across the entire value chain.

Today we are sharing the highlights of our FY13 work across our corporate responsibility action areas. This report will feel lighter and shorter than previous ones, due to the fact that later this year we will publish a more comprehensive, forward-looking report. In it, we will launch a framework of 2020 goals across our corporate responsibility focus areas: the environment, communities and our people. These goals will present a cohesive, ambitious roadmap for what our company will look like by the end of this decade, and for how all parts of our value chain roll up to our larger corporate responsibility vision. We remain committed to a transparent and [comprehensive reporting approach](#), an integral part of the rich [dialogue we have with stakeholders](#).

We already have a strong base to build upon. We've developed a robust [strategic giving program](#) through enduring partner relationships, as well as a wide-reaching [global recycling program](#) and a truly innovative [support system for our team members](#). Though we're defining goals for the future, Dell continues to build on past commitments to deliver on our multiyear objectives. For example, we achieved our long-term recycling goal — to collect 1 billion pounds of e-waste — a full year ahead of schedule.

Moving forward, we have the exciting opportunity to continue working with suppliers and customers to make the production and use of IT more efficient, as well as to leverage the power of IT to address other areas of our customers' operations. We also recognize that meeting our corporate responsibility commitments requires strong, continuous focus in areas of challenge. Even with all the right intentions, making progress is not easy. We feel proud of what we've achieved, but certainly acknowledge that much remains to be done, especially as easy improvements like lighting retrofits are behind us. This is particularly evident in our supply chain, where effective [supplier standards](#) cannot be established by just one company. For this reason, Dell recognizes that stakeholder and industry engagement promotes better standards.

Powering the Possible is not just our platform, it is our inspiration. At Dell, we are committed to catalyzing the best of what we do and who we are to facilitate the progress we hope to see. We truly strive to put our technology and expertise to work where it can do the most good for people and the planet.

Trisa Thompson  
VP, Corporate Responsibility  
Dell Inc.

## FY13 Challenges and opportunities

Dell is a member of the global technology industry, which has connected the world in incredible ways. Now a colleague across the world can feel as familiar as one across town. As we work more closely with partners, suppliers and industry peers worldwide, we discover that we all want the same things — a positive work environment, a strong community and a healthy planet. And we know that in an increasingly flat world, we must collaborate to achieve these inter-related goals. However, our approaches often vary widely depending on our cultures, our resources and the regulatory environments in which we operate.

In FY13, achieving harmonization and collaboration across a diverse group of stakeholders during a time of organizational change continued to be our greatest challenge to meeting our corporate responsibility goals.

### Achieving consistency

As both a supplier and a customer in the technology industry, Dell has a robust process to understand how the [chemicals and materials used inside our products](#) and during our manufacturing processes affect humans, plants and animals. Materials usage laws and regulations differ around the world, and suppliers' levels of transparency and accountability can also vary.

In FY13, we continued to strengthen accountability among our supplier base, but the industry needs consistent approaches to prioritizing materials and impacts. We will outline our planned efforts in this area — which will require collaboration among industry leaders, academia, nongovernmental organizations (NGOs), governments, customers and suppliers — in our upcoming 2020 goals framework.

### Creating global sustainability metrics

Sustainability measurement is still evolving. Some aspects, like the link between energy consumption and climate impacts or the effects of [electronics waste](#) on the environment and human health, are beginning to be understood. However, to effect change, we must be able to consistently measure the full environmental impact of our products throughout their [entire lifecycle](#). Understanding the interplay of system processes and measuring the right operational impacts will again require a collaborative approach across many industries.

### Driving standards across complex supply chains

Dell's suppliers and partners are a direct extension of our own impacts and responsibility. While we have comprehensive systems to align suppliers' standards with our own, customers are demanding more information about our suppliers' activities. We are more transparent about our supply chain but recognize there is more we can do. This includes revisiting what information we are able to share. We know customers and investors use such information to make buying decisions and NGOs hold companies publicly accountable to the actions of their entire supply chain. Our 2020 goals framework will reflect the need to work industry-wide to drive standards, metrics and consistent reporting systems across our supply chain. Only then can we fully measure and manage the impact of our products and services.

### Leveraging diverse groups to promote positive change

As we work to strengthen our communities and the environment, Dell's greatest asset is our [diverse workforce](#), which mirrors the marketplace we serve. Our key challenge lies in fostering an inclusive, innovative culture while successfully integrating new Dell team members who join the company through our acquisitions. In addition to training and mentoring, [volunteerism](#) continues to be a unifying force. We will continue encouraging team members to lend their unique skills to our community initiatives, while also developing stronger impact measurements that show us all how we're making a difference.

## FY13 Progress to goals and commitments

Each year, Dell provides a snapshot of the current progress to previously stated goals. With this year's summary report, we are highlighting various goals material to the past 12 months, including an update on progress. A [complete listing](#) with status is available at our website.

Achieved	Achieve our goal of offering EPEAT®-registered models (in the U.S. and Canada) for all newly launching Dell commercial end-user computing products by the close of FY13*
Not achieved	Reduce global greenhouse gas emissions per dollar of revenue by 15% (2007-2012)
In progress	Reduce worldwide facilities' greenhouse gas emissions by 40% by 2015
In progress	All newly introduced Dell personal computing products will be BFR-, CFR- and PVC-free** as the industry identifies acceptable alternatives that lower product health and environmental impacts without compromising product performance
Achieved	Increase Dell electronics takeback volume totals to a worldwide cumulative 1 billion pounds of collected equipment by 2014
In progress	Launch responsible recycling infrastructure and compliance programs in Brazil, Australia, China and Africa — our FY13 focus areas
Achieved	Promote and foster team member volunteering to achieve 500,000 volunteer hours in FY13
In progress	Provide technology access and drive learning outcomes for underserved students in information and communications technology skills
In progress	Move the Dell Social Innovation Challenge from an annual competition to become the year-round community for university-level social entrepreneurs to engage, learn and thrive
In progress	Use high-performance computing, cloud technology and genomics to advance the science of personalized medicine and identify targeted treatments for children with cancer
Achieved	Launch pilot education program to train people managers on ethical leadership and decision making
Achieved	In FY13, Dell will launch its first global online education module that fosters appreciation of team member cultural differences
Achieved	Strengthen engagement with stakeholders by formally adding an SRI Roadshow to the FY13 event plan and increase transparency around our supply chain
Not achieved	Conduct at least 50 third-party validated audits at our supplier facilities, doubling our goal stated in FY12
Achieved	Launch new information lifecycle management policy and training to help team members identify confidential information and learn the proper steps for protecting, managing and disposing of it

\* Does not include Dell Wyse products (Wyse acquired after goal was set)

\*\* Dell will adopt the BFR/CFR/PVC-free definition as set forth in the iNEMI Position Statement on the Definition of 'Low-Halogen' Electronics (BFR/CFR/PVC-free). Plastic parts contain <1,000 ppm (0.1 percent) of bromine (if the Br source is from BFRs) and <1,000 ppm (0.1 percent) of chlorine if the Cl source is from CFRs, PVC or PVC copolymers. All printed circuit board (PCB) and substrate laminates contain bromine/chlorine totaling less than 1,500 ppm (0.15 percent), with maximum chlorine of 900 ppm (0.09 percent) and maximum bromine of 900 ppm (0.09 percent). Service parts after purchase may not be BFR/CFR/PVC-free.

# By the numbers

## Environment

Sustainable operations	Unit of measure	FY11	FY12	FY13	Comments
Process hazardous air pollutants generated	Metric tons	—	—	—	Very low or none
Volatile organic compound (VOC) emissions	Metric tons	3.6	13.0	11.9	—
Scope 1 GHG emissions	Metric tons	33,675	38,569*	38,738	Direct emissions
Scope 2 GHG emissions	Metric tons	390,271	395,360*	407,556	Before subtraction for green electricity purchases
Scope 2 net GHG emissions	Metric tons	322,596	326,778*	322,898	After subtraction for green electricity purchases
Scope 1 + 2 net emissions	Metric tons	356,322	365,347*	361,636	—
Scope 3 GHG emissions	Metric tons	112,679	98,407	75,189	Global business air travel only
Scope 3 travel per employee	CO2e/employee	1.09	0.90	0.68	—
GHG emissions intensity	Metric tons/ million \$ revenue	6.89	6.99*	7.84	Calculated from Scope 1 + Scope 2 total GHG emissions
GHG emissions intensity (net)	Metric tons/ million \$ revenue	5.79	5.89*	6.35	Calculated from Scope 1 net + Scope 2 net total GHG emissions
Electricity consumed (total)	Million kilowatt-hours (kWh)	662.7	672.8*	709.7	All electricity purchased or generated on-site
Green electricity consumed	Million kWh	128.2	129.6	160.5	Green electricity purchased from suppliers or generated on-site
Other energy consumed	Million kWh	140.1	135.3*	149.3	Liquid and gas fuels used in buildings and vehicles
Total energy consumed	Million kWh	802.8	808.1*	859.1	—
% of Green electricity	Percentage	19.3	19.3	22.6	Percentage of total electricity consumed
Process wastewater generated	Cubic meters	—	—	—	No industrial wastewater from Dell operations
Hazardous waste generated	Metric tons	—	—	—	Not reported — very low or none
Nonhazardous waste generated	Metric tons	32,095	17,302	14,293	Manufacturing and fulfillment facilities
Waste recycling and reuse rate	Percentage	95.2	98.0	96.1	Manufacturing and fulfillment facilities; data includes a small amount (<4%) incinerated for energy recovery
Office copy paper	Percentage PCW recycled content	100	52	75	Now includes more sites in Europe, Middle East and Africa (EMEA); U.S. sites still at 100%; much of Asia Pacific-Japan and all of Latin America not included
Direct marketing paper	Percentage PCW recycled content	43	35	36	Total across all regions; FY12 and FY13 show all paper used for direct marketing, FY11 was catalog only
Dell catalog fiber from Forest Stewardship Council-certified sources	Percentage	77	86	93	FY12 and FY13 show all direct marketing paper, FY11 was catalog only
Water consumption (total)	Cubic meters (1,000s)	1,952	2,262	1,979	Includes manufacturing and other locations globally where water usage is measured (approximately 78% of total building space)
Water intensity	Cubic meters per m <sup>2</sup> of building space	1.15	1.33	1.42	—

\* FY12 figures adjusted to reflect more complete data

**BFR** = Brominated Flame Retardant   **CO2e** = CO2 equivalent   **GHG** = Greenhouse gas   **MTCO2e** = Metric tons CO2 equivalent   **PCW** = Post-consumer waste



### Product and packaging stewardship

	Unit of measure	FY11	FY12	FY13	Comments
GHG emissions reduction through improved product performance and preconfigured systems with Energy Smart operational settings	Million tons	23.88	26.88	29.80	—
Packaging reduction	Million pounds	6.0	5.9	5.3	—
Curbside recyclability of packaging components	Percentage	53.0	70.0	76.1	—
Sustainable content in cushioning and corrugated packaging	Percentage	33.3	39.8	42.0	—

### Global recycling

Expansion of free Dell-branded electronics takeback program	Number of locations	78	79	78	FY12 overstated by one
Audits of Tier 1 environmental partners	Number of audits	65	91	76	Consolidated the number of partners we use
Worldwide cumulative electronics takeback volume totals	Million kilograms	288.1	375.5	459.5	Equivalent to more than 1,013,000,000 lbs., exceeding our 1 billion-pound goal

## Communities

	Unit of measure	FY11	FY12	FY13	Comments
Team member volunteers	Percentage	21	41	56	—
Children impacted through giving programs	Number of children in millions	2.0	2.7	3.0	Number of children in millions to date
Charitable giving as percentage of pre-tax profit	Percentage	1.04	1.04	1.37	Calculated based on prior 3-year average
Total cash contributions	Millions of U.S. dollars	31.0	33.4	34.5	—
Total product contributions	Millions of U.S. dollars	4.2	10.7	9.2	—

## People

	Unit of measure	FY11	FY12	FY13	Comments
Women on the board of directors	Percentage	8	15	15	—
Women team members	Percentage	33	33	32	—
Women managers	Percentage	26	25	24	—
People of color — board	Percentage	16	15	15	—
People of color — team members	Percentage	29	29	29	—
People of color — managers	Percentage	19	20	21	—
Employee Resource Group (ERG) participation	Percentage	5	10	10	More than 10,000 team members are engaged in one or more ERGs globally
Employee Resource Group locations	Number of locations	49	65	95	—
Human Rights Campaign Corporate Equality Index score	Scoring between 1 and 100	100	100	100	Maintained perfect score on measures regarding Dell's commitment to an inclusive workplace for lesbian, gay, bisexual and transgender team members

## Occupational health and safety metrics

Recordable injury/illness rate	Cases per 100 Full-Time Equivalents (FTEs)	0.22	0.16	0.14	Data is for calendar years 2010, 2011 and 2012
Days Away, Restricted, and Transferred (DART) rate	Cases per 100 (FTEs)	0.14	0.08	0.07	Data is for calendar years 2010, 2011 and 2012
Work-related fatalities	Number	0	0	0	Data is for calendar years 2010, 2011 and 2012

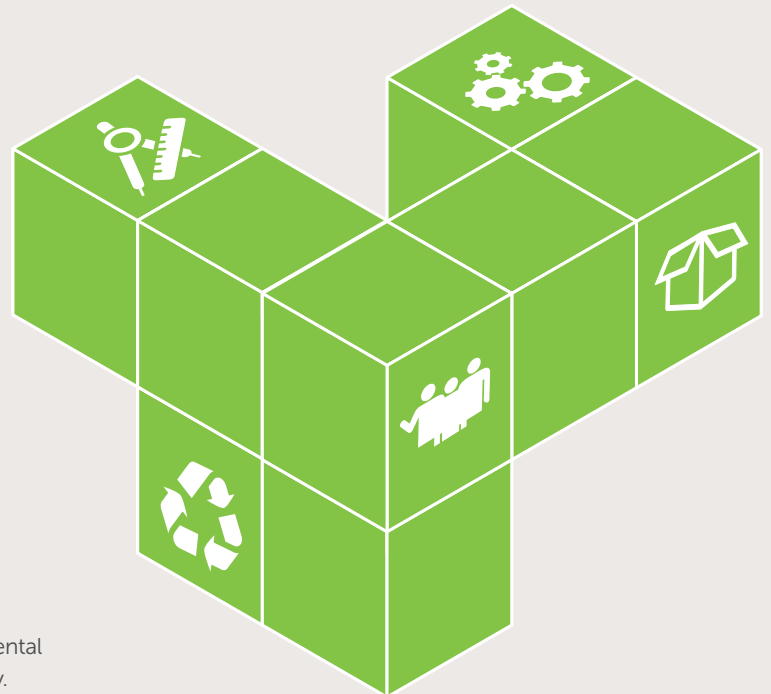
## Supply Chain

	Unit of measure	FY11	FY12	FY13	Comments
Tier 1 suppliers participating in CDP	Number of Tier 1 suppliers participating	49	62	64	—
Tier 1 suppliers attending workshop	Number of suppliers	81	95	75	Number of suppliers, not attendees
Sub-tier suppliers attending workshop	Number of suppliers	60	15	25	Number of suppliers, not attendees
Supplier capability building workshops	Number of meetings	2	2	1	Number of meetings held
Supplier stakeholder engagements	Number of suppliers engaged	78	80	114	Suppliers only
Supplier audits	Number of total audits	119	125	133	—
Diverse supplier spending	Billions of U.S. dollars	3.04	2.93	3.44	Requalified for Billion Dollar Roundtable

## Governance

	Unit of measure	FY11	FY12	FY13	Comments
Net revenue	Millions of U.S. dollars	61,494	62,071	56,940	See Form 10-K report for more information
Team members	Number	103,000	109,400	111,300	—
Corporate political contributions	Contributions	None	None	None	Even in jurisdictions where permissible, Dell does not make corporate political contributions; learn more about our policy at <a href="http://dell.com/publicpolicy">dell.com/publicpolicy</a>
Compliance with the political contribution evaluation criteria used by the Center for Political Accountability	Number of criteria	9/10	54/72	54/70	—
Independent Audit Committee	—	Yes	Yes	Yes	—
Independent Compensation Committee	—	Yes	Yes	Yes	—
Board meetings held or scheduled	Number of meetings	12	6	12	—
Ongoing stakeholder engagements	Number of engagements	5	5	8	—
Code of Conduct training	Percentage of required team members who took the training	100	100	100	—
Ethics Hotline	Number of calls and online inquiries	749	746	1,070	FY13 includes hotline and web form inquiries/cases logged

From product design to end-of-life recycling and everything in between, we consider the environment at every stage of a product's lifecycle. Our environmental programs and initiatives help Dell and our customers to reduce consumption and minimize environmental impact.



#### Designing for the Environment

We design our products to have minimal environmental impact without sacrificing performance or reliability.



#### Reducing our Impact

We use resources responsibly, avoiding waste in all its forms, and work with our supply chain to do the same.



#### Green Packaging and Shipping

Through creative packaging design, innovative materials use and better logistics, we help businesses and homes reduce their waste.



#### Customer Use

Our technology solutions reduce the environmental impact of customers' IT while helping them achieve their sustainability goals.



#### Recycling

Our easy, localized recycling programs help keep more electronics out of landfills and personal stockpiles.

# Environment

At Dell, our goal is to help customers put technology to work in ways that help the planet — such as powering smart grids and efficient data centers — while minimizing the environmental impact of our own products and operations. To tackle these challenges, we draw upon a deeply embedded culture of innovation and environmental stewardship, optimizing each phase of our products' lifecycles.

FY13 was a year of achieving long-term goals such as collecting 1 billion pounds of e-waste and meeting our [packaging reduction commitments](#). It was also a year for setting higher standards in the industry, as we were among the first to introduce EPEAT®-registered printers. From reducing greenhouse gas emissions to building global recycling networks, the challenges we face are great but our commitment is even greater.

## FY13 Performance highlights



### Designing for the Environment Improving material use

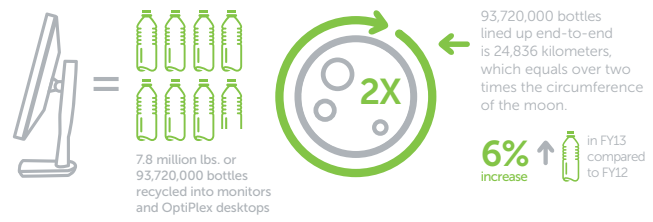


Dell continued to close the recycling loop by using 7.8 million pounds (3,542,556 kg) of recycled-content plastics in flat-panel monitors and OptiPlex desktops — an increase of 6 percent over FY12.

Collecting materials is only one part of the recycling equation: it takes [using recycled content](#) to begin to close the loop. In both our flat-panel monitors and [OptiPlex desktops](#), we use recycled-content plastic from sources such as beverage bottles and CD cases to create the plastic housing of desktops and backing of monitors.

The 7.8 million pounds of recycled-content plastic we used last year is the equivalent of approximately 93.7 million 1-liter plastic water bottles — roughly the same in weight as 50 space shuttles.

Beyond the use of recycled-content plastics, we continue to apply our [stringent chemical use policy](#) and follow the precautionary principle. As such, we remain committed to seeking industry-wide solutions for eliminating the use of brominated flame retardants (BFRs), chlorinated flame retardants (CFRs) and polyvinyl chloride (PVC) — an effort we continue to work toward proactively. All [XPS laptop products](#), including our award-winning [XPS 12](#), are BFR-, CFR- and PVC-free.



## Designing for the Environment

## Supporting green procurement programs



To further drive harmonization among voluntary environmental standards in the industry, Dell collaborated with EPEAT® to create an imaging products category for their registry. We also began registering products with EPEAT in four new countries.

Managed by the nonprofit Green Electronics Council (GEC), [EPEAT](#) provides a comprehensive, multi-stakeholder developed standard for customers to compare products based on environmental qualities. The worldwide registry is used as an environmental procurement requirement by large public and private institutions.

We worked with GEC and a multi-stakeholder group as part of the Institute of Electrical and Electronic Engineers (IEEE) 1680.2 Work Group that developed a green rating system for printers, scanners and copiers. We now offer many [EPEAT-registered printer products](#) in the U.S.

We also offer approximately 200 other [EPEAT-registered commercial and consumer products](#) in the U.S. We are registered with EPEAT in eight additional countries — including Japan, Mexico, Switzerland and the United Kingdom, which were added this year. Additionally, we began collaborating with GEC and industry stakeholders to expand EPEAT categories to include servers in future updates. We apply the same design standards to many of our products that, to date, we cannot register, including our [XPS 10](#) and [Latitude 10](#) tablets (classified as slates by the U.S. Environmental Protection Agency (EPA)).

This work occurred alongside our ongoing collaboration with the [EPA's ENERGY STAR program](#), helping develop new standards for everything from tablets to the data center (servers, storage and networking) that enable customers to easily identify the most energy-efficient products.



## Reducing our Impact

## Cutting resource use, finding alternatives



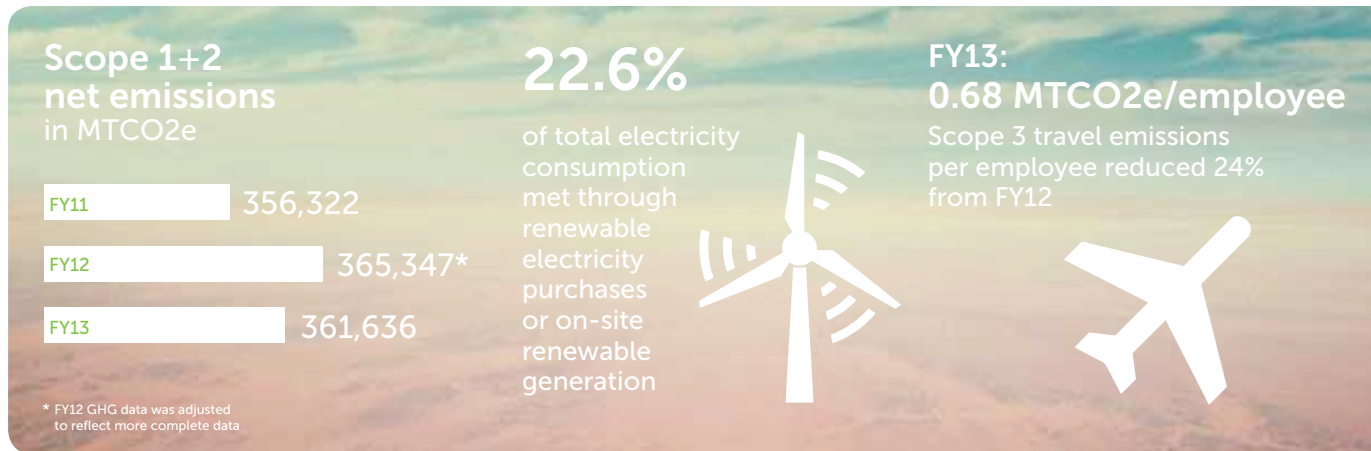
Dell furthered its commitment to finding alternative energy sources by doubling the number of facilities that purchase 100 percent of their electricity from renewable sources.

Sixteen Dell facilities were purchasing 100 percent of their [electricity needs from renewable sources](#) such as wind, water and solar by the end of FY13 — up from seven facilities in FY12. Four other facilities purchased at least some portion of their electricity from renewably generated sources. This includes our headquarters in Round Rock, Texas, which has purchased 100 percent renewable electricity since 2007.

Our global renewable electricity purchases in FY13 totaled 160,451 MWh, or 22.6 percent of our total consumption (mostly through contracts with local utilities and some on-site generation; Dell does not purchase renewable energy credits on the open market). In the U.S., we continued to qualify as a Top 50 National Purchaser in the [U.S. EPA's Green Power Partnership program](#), as we have since July 2008.

Reducing our Impact

## Managing our emissions



In terms of Dell’s own operations, FY13 was a mixed year: business acquisitions brought increased emissions, tempered by some notable efficiencies.

In FY13, year-over-year [Scope 1 emissions](#) increased slightly, in part due to [business acquisitions](#). Recent Dell acquisitions (including those from FY12 in their first full year, plus FY13 acquisitions) came with energy-intensive research and development activities that have led to higher electricity usage.

Our net Scope 2 emissions decreased by 1.2 percent due in part to additional renewable energy purchases.

However, our acquisitions, combined with the increased role of data and technology centers in our shifting business model and a year of decreased revenues, resulted in missing our 5-year goal of a 15 percent reduction in net emissions intensity. At the end of FY13, our net emissions intensity was 10.8 percent lower than in FY08 (unadjusted basis).

We continue to work toward better measurement of Scope 3 emissions in multiple categories. Our Scope 3 (indirect) emissions associated with business air travel decreased approximately 24 percent from FY12 as a result of reduced travel, made possible in part by increased use of conference call technology.



Green Packaging and Shipping

## Improving packaging recyclability



We achieved the last of our long-term packaging goals, which was to make more than 75 percent of desktop and laptop packaging material recyclable at curbside or compostable.

This “curb” goal (met early in FY13) was the third of our [3Cs packaging goals](#). It is designed to help customers by making packaging of desktops and laptops easier to recycle. In late FY12, we also surpassed our “cube” goal of reducing desktop and laptop packaging volume by 12.1 percent, as well as our “content” goal of increasing the amount of recycled packaging content we use by 40 percent.

The [strategy behind these packaging goals](#) remains in place, including the use of innovative, renewable materials like the bamboo and mushrooms in our cushioning. In FY13, we further reduced packaging volume by replacing rigid boxes with envelopes for shipments of more than 500 items such as software and cables. Used in Europe, North America and Asia, the move reduced packaging weight for these shipments by 73 percent.



## Customer Use

## Helping customers reduce environmental impact



In FY13, Dell continued to provide customers with solutions that delivered results while minimizing environmental impact in the form of greater energy efficiency, reduced energy use and even qualifications for sustainable operations.

In some cases, Dell end-to-end solutions radically change the way a customer operates, and their newfound efficiency helps them recognize environmental savings. For our customer [Amerijet®](#), a Florida-based cargo shipping company, we delivered a new data center, complete with new blades, storage, networking, software and more. This solution helped them cut facilities operational costs by 60 percent while achieving a 96 percent reduction in the time needed to print manifests and close flights — turning their IT into a business enabler. The improved energy efficiency also helped cut associated emissions. By virtualizing their servers, Amerijet also reduced the space needed for their IT equipment, enabling the company to grow in the future without taking on a larger physical space.

We also continued to deliver tools to help customers manage their resources efficiently. Two studies from Principled Technologies® conducted in [September](#) and [October 2012](#) showed that [Dell OpenManage Power Center](#), when used to manage a [Dell PowerEdge R720 server](#), provided more precise power limiting than the tested competitors. The difference between actual power used

by the Dell equipment and the power limit researchers set was 2 percent or less. The smaller gap allows administrators to maximize the number of servers in a data center's total power capacity. Customers can save money by increasing data center density in this way. Both reports also demonstrated that OpenManage Power Center achieved a greater performance per watt and supported higher working temperatures than the competitors. This helped illustrate the [Fresh Air capabilities](#) of our latest generation of PowerEdge servers, which are warranted to operate at higher temperatures.

Dell's acquisition of Wyse last year also provided us with a new resource for delivering energy savings in creative ways. For example, [the College of Business Administration at the University of Nebraska-Omaha](#) wanted to improve students' access to technology while achieving the college's goal of earning [Leadership in Energy and Environmental Design \(LEED\) certification](#) for their new building. By turning to desktop virtualization and [Dell Wyse thin clients](#), the university was able to deploy and manage twice as many computers with the same staff. They also used 93 percent less energy than the computers they replaced, and are projected to save \$125,000 over the next five years. The energy savings helped the university earn Gold LEED status for the building.



# Our global recycling options

Dell's goal is to offer safe, [responsible recycling solutions](#) to all of our customers globally. We were the first in the industry to ban the export of non-working electronics and e-waste to developing countries and we work hard to develop convenient technology recycling programs available to communities worldwide.



## Free Consumer Recycling

79 countries

We have partnered with shipping companies to provide free mail-back recycling of Dell-branded electronics equipment.



## Asset Resale and Recycling Services

44 countries

For our business customers, the Asset Resale and Recycling Services provide the logistical and disposal capabilities to recover and dispose of owned and/or leased equipment in a secure and environmentally safe way.



## Printer Supplies Recycling

51 countries

We make it easy for consumers and businesses to recycle toner and ink cartridges by offering free options for single, bulk box or pallet returns.



## Dell Reconnect

U.S. & Canada

Through the Dell Reconnect program (a Dell and Goodwill® partnership), customers can recycle any brand of computer equipment, in any condition, for free at one of the more than 2,000 participating Goodwill locations.



## National Cristina Foundation

U.S. & Canada

Through our longstanding partnership with the National Cristina Foundation™, it is easy for customers to donate used computers, software and peripherals.



## Camara

Ireland & Haiti

Our partnership with Camara allows customers' donated technology to be used for improving education and livelihood skills in disadvantaged communities around the world.



Recycling

# Reaching an electronics recycling milestone



**Dell achieved our long-term recycling goal — to collect 1 billion pounds of e-waste — a full year ahead of schedule.**

In FY13 we recycled more than 170 million pounds (77,497,028 kg) of electronics globally, putting us past the 1 billion pound takeback goal we set in 2008. This cumulative total — roughly the equivalent of 46 million average desktops — would fill London’s Royal Albert Hall more than twice over.

During the past five years we’ve worked toward achieving our target by making it easy for customers to [recycle with Dell](#), increasing the types of items we recycle and ensuring we offer recycling in markets where we sell. Each move into a new country brings unique, recycling-related infrastructure challenges, legislative requirements and cultural norms, which we navigate by [working with local governments and stakeholders](#).



**46 million average desktops**

would fill Royal Albert Hall more than twice over. The volume of the auditorium is slightly more than 3 million cubic feet.

Environment: Global Highlights

# Achievements & recognition

- Award
- Designing for the Environment
- Reducing our Impact
- Green Packaging and Shipping
- Recycling



**Canada**

Launched Printer Supplies Recycling program

Expanded regulated recycling services in British Columbia, Quebec and Manitoba



**Europe**

Received *Green IT's* 2012 Green IT Award for Manufacturer of the Year

Added Dell products to the EPEAT® registry in the United Kingdom and Switzerland

Worked with EuroVAprint printer industry consortium to set more ambitious energy efficiency goals for printer products

Re-launched an enhanced Printer Supplies Recycling program

**Japan**

Received Minister of the Environment Award for recycling used ink cartridges

Added Dell products to the EPEAT registry in Japan



**Australia**

Became a founding member of Australia and New Zealand Recycling Platform (ANZRP) arrangement and signatory to the Australian Packaging Covenant

Expanded electronics takeback recycling programs



Explore more recognitions at [dell.com/awards](http://dell.com/awards)



**United States**

#4 on *Newsweek's* Greenest Companies in the U.S.

Received City of Plano's 2012 Environmental Excellence Award for our composting program in Plano, Texas, which diverted more than 20 tons of waste from landfills in FY13



**Latin America**

Launched Asset Resale and Recycling Service in Colombia and Mexico

Launched Printer Supplies Recycling program

Added Dell products to the EPEAT registry in Mexico



**China**

Expanded electronics takeback recycling programs



**India**

Expanded electronics takeback recycling programs in Dell Carry-In Service Centers nationwide

Working with community and nonprofit organizations, we go beyond funding to apply technology, expertise and volunteerism toward solving pressing social challenges. Together we create comprehensive, long-term programs that transform the communities we serve.



### Children's Cancer Care

We design technology solutions to help our research partners accelerate treatments for pediatric cancer, and also offer support to patients' families.



### Youth Learning

We work with community and nonprofit organizations to close the learning gap for millions of youth lacking technology education access.



### Disaster Relief

Our technology and expertise power critical, widespread disaster response, and our compassion and giving bring local relief.



### Social Entrepreneurship

We provide the world's university students with mentoring, connections and funding needed to put their ideas for solving social problems into action.



### Community Service

We empower our team members to use their unique skills and expertise to support the causes they are most passionate about.

# Communities

When it comes to solving some of the world's most pressing social issues, Dell believes we can do the most good by leveraging our technology, resources and know-how. We've combined these assets to develop thoughtful giving initiatives focused on youth learning, children's cancer care, social entrepreneurship and disaster relief, and we have cultivated deep, long-term relationships with nonprofit organizations in each area.

FY13 was all about amplifying our community programs using the strategies and technology solutions we created with our partners over the past few years. From dramatically improving the processing time of pediatric cancer patients' genetic data, to driving paradigm shifts in disaster relief response, to engaging a record number of Dell team members in volunteerism, this was truly a year of transforming the way we empower communities.

## FY13 Performance highlights



Children's Cancer Care

### Time-saving technology



Using Dell high-performance computing, pediatric cancer researchers can now compress the time it takes to analyze a patient's molecular data from 10 days to six hours.

[Translational Genomics Research Institute® \(TGen\)](#) is one of our core partners in the world's first [FDA-approved personalized medicine trial](#) for pediatric cancer. The big data involved in such trials leads to long analysis times as well as repeated exchanges among multiple experts to make sense of the data. Together with TGen,

the [Van Andel Institute®](#) and the Neuroblastoma and Medulloblastoma Translational Research Consortium, our goal is to accelerate cancer genome analysis and enable teams of scientists and doctors to more easily share and apply that molecular information to personalize each child's cancer treatment.

This year, [Dell experts worked closely with TGen](#) to deliver a high-performance computing solution for genomic research. By optimizing Dell hardware and software applications, we've significantly accelerated the time it takes to analyze and process a patient's molecular data.

We also delivered the TGen-Dell KIDS Cloud, which stores huge amounts of critical clinical and molecular patient information and enables professionals across the world to collaborate on targeted care strategies using that information. It will also allow them to access collective clinical experience and outcomes to refine future treatments.



# From months to a matter of hours...

Through our multimillion dollar, multiyear commitment of technology solutions and team member volunteerism, [Dell's Children's Cancer Care initiatives](#) help empower clinical researchers and doctors around the world.

## Shortening time to treatment

We developed a deeper understanding of the obstacles our children's cancer care partners face during the process of developing treatments. We used these insights to strategically optimize the hardware and software of our donated high-performance computing solution. As a result, our research partners can now compress the time it takes to analyze a patient's molecular data from 10 days to six hours.



By optimizing our high-performance computing, we enabled researchers to analyze and store massive amounts of genetic data more quickly than ever before. Each patient has around 30 terabytes of data — the equivalent of 30 million books.



We also delivered a cloud solution that makes it much easier and faster for medical professionals to map tumor characterizations to the treatment database. This means children's doctors can then start care plans sooner.



Youth Learning

## Partnering to grow global learning opportunities



**Dell provided technology access and educational opportunities to nonprofit partners in 15 countries, who work with more than 5 million people in underserved communities.**

We expanded our [Youth Learning](#) initiatives into four new countries — Ireland, Nigeria, the Philippines and Singapore — bringing greater technology access to a total of 15 countries and more than 2,600 community locations worldwide.

We directly reached 304,000 youths and trained more than 11,000 educators by working with local charities to develop technology education programs that help close the learning gap.

Also in FY13, our technology donations to these programs had a halo effect, as an additional 1.3 million students and 4 million people in surrounding communities had access to the systems for their own learning.

Overall, we engaged with 68 [Youth Learning partners](#) around the globe, including the [Girls Scouts of the USA](#), [Agastya International Foundation](#) in India, and [Action for Children](#) in the United Kingdom. The partner programs we support range from mobile science labs serving remote areas to information and communication technology skills training for children in need.



Disaster Relief

## Delivering a digital lifeline



**Dell enabled the American Red Cross to fundamentally change their disaster response by launching the Red Cross Digital Operations Center (DigiDOC), the world's first social media command center for humanitarian aid.**

We [donated DigiDOC's technology](#) and worked with the [Red Cross](#) to create a social media training program for staff and volunteers based on our own successful model of engaging customers via social media.

The Red Cross successfully activated DigiDOC during Hurricane Sandy, Hurricane Isaac and several tornadoes and wildfires in 2012. During Hurricane Sandy alone, the Red Cross tracked more than 2 million posts.

[Dell technology enables DigiDOC](#) to aggregate vast amounts of social media data and make it actionable. Responders can now use Twitter, Facebook and other channels to:

- Dispatch vital emergency information quickly to large audiences.
- Analyze community trends, such as blocked roadways or massive clean-up efforts, and adjust service delivery accordingly.
- Provide one-on-one support to people who are scared and suffering.



Social Entrepreneurship

## Empowering today's big thinkers



The Dell Social Innovation Challenge (DSIC) engaged more of the world's student social entrepreneurs by expanding our university partner program to a total of 817 schools globally.

The DSIC continued its positive growth by providing young social entrepreneurs with the mentorship, training, connections and prize money needed to put their ideas into action. In conjunction with The University of Texas at Austin, we invited university students to submit their nonprofit

and for-profit innovations for solving the world's most pressing issues — such as environmental sustainability, poverty, education, health and women's rights.

Students from 105 countries submitted 1,570 innovations. Increased marketing outreach also attracted more than 250,000 students, educators and investors to join the DSIC global online community at [DellChallenge.org](http://DellChallenge.org). Community members discussed students' innovations, shared best practices, made valuable business connections and advanced ideas. More than 750 Dell team members served as judges and mentors, volunteering over 2,100 hours to help students refine their projects.

The DSIC's 2012 grand prize winner, [Essmart](#), received \$50,000 to bring solar lighting, water filtration, clean-burning stoves and other essential technologies to rural India.



countries represented by submitted projects; online community grew to 250K



student innovations submitted



mentoring hours served by over 750 Dell team members to help students refine their projects



Social Entrepreneurship

## Expanding opportunities for students

Dell launched the Dell Education Challenge, a new competition focused on finding solutions to today's biggest challenges in K-12 education.

To encourage student social innovators to share and advance their ideas with the global DSIC community year-round, we launched the [Dell Education Challenge](#) as a spotlight challenge complementing the larger \$50,000 grand prize competition.

Students from around the world submitted more than 400 projects, which addressed issues ranging from training teachers to educating children living in slums.





Community Service

## Record increase in volunteerism



**Dell team members spent 707,000 hours volunteering, totally shattering our company goal of 500,000 hours and marking a three-fold increase in volunteerism since 2010.**

That increase resulted from more people pitching in — 56 percent of our global team members volunteered this year, up from 41 percent in FY12. It also came from deeper regional support for volunteerism. Asia Pacific-Japan had the highest participation rate with 69 percent of team members volunteering, followed by Latin America at 58 percent. Europe, Middle East and Africa doubled its participation rate over the prior year.

We also grew our network of Dell Champions — local team member community service leaders of volunteerism — from 600 to 800 worldwide, and introduced Regional Giving Councils, which allow leaders to share community service best practices.

Additionally, we added skills-based volunteer matching to our internal, online Powering the Possible Portal. This enables team members to find volunteer opportunities that utilize their unique skills, from planning events to installing equipment. The portal also allows team members to share photos and results from volunteer events, which helps keep others [engaged in community service](#).



**707,000  
volunteer  
hours**



**56% team  
member  
participation**



**800 community  
service leaders**

Communities: Global Highlights

# Achievements & recognition



Award



Children's Cancer Care



Youth Learning



Community Service

## North America

Team members volunteered 334,990 hours, the highest total of any Dell region

## Canada

Named one of the Top 50 Socially Responsible Corporations in Canada by Jantzi-Sustainalytics



## Ireland

Received Chambers Ireland CSR Awards for Excellence in Community for volunteerism and Excellence in Communication for support of Daffodil Day



## Europe, Middle East and Africa

Doubled number of employee volunteer hours from 47K in FY12 to 93K in FY13

## China

#7 on FORTUNE China's Top 100 Most Responsible Companies

Received the China Charity Award, the top governmental honor for charity from the Ministry of Civil Affairs



## United States

Named Computerworld Honors Laureate for Emerging Technology for our support of Children's Cancer Research



## Africa

Impumelelo named Dell one of South Africa's Top Empowered Companies

## India

#10 on FORTUNE India's Top 50 Most Admired Companies



## Asia Pacific-Japan

Achieved highest volunteerism rate of any Dell region, with 69% of team members participating



Explore more recognitions at [dell.com/awards](http://dell.com/awards)

As a global company, it's critical that we build strong, inclusive teams that draw upon diverse perspectives to effectively collaborate on meeting our strategic goals. We continually invest in worldwide programs and partnerships to attract, develop and retain talented people who reflect our diverse marketplace.



#### Workforce Commitment

We believe a fully engaged workforce is a competitive advantage and work to keep our people healthy, happy and committed to excellence.



#### Diversity and Inclusion

We focus on cultivating a diverse workforce that is reflective of the global marketplace.



#### Marketplace Relationships

We create mutually beneficial partnerships with organizations that advance marketplace, community and workplace diversity.



#### Leadership and Development

Our team members enjoy a vast array of programs to increase skills in their current role and develop leadership skills for the future.

# People

Mirroring the global customer base we serve, our workforce is more diverse than ever before with nearly two-thirds of Dell team members working outside the U.S. It's also increasingly mobile, as more team members take advantage of our flexible work solutions. We believe that multicultural teams with access to flexible work solutions are happier, more productive and more innovative — all traits that translate into competitive advantages for Dell.

In FY13, we continued to invest in initiatives — both internal and external — that build a fully engaged, inclusive workforce. This was a year where we creatively applied our technology toward programs that connect team members, help them grow their careers and further our goal of being an Employer of Choice. We're extremely proud of our award-winning programs. The investments we make in our team members are, and will always remain, an enduring priority at Dell.

## FY13 Performance highlights



### Workforce Commitment

## Connecting and collaborating



**Dell increased investments in our Connected Workplace program, enabling 1 in 5 global team members to work in some type of flexible capacity.**

We now offer [Connected Workplace](#) in 37 locations across 26 countries. Team members can choose from seven flexible work solutions including work-from-home and part-time work arrangements, variable daily work times and job sharing.

The flexibility provided by Connected Workplace is a key driver of team member engagement, as revealed by the annual Tell Dell survey. The program also avoids an estimated 13 million kWh of energy, 6,785 metric tons of greenhouse gas emissions (as CO2e) and more than \$14 million in annualized expenses.

In addition, we expanded Dell's global wellness initiatives in FY13. We enhanced our services through our on-site wellness clinic locations and began providing e-visits and online prescription refills. The Global Employee Assistance Program also expanded to cover 60 countries, bringing work-life resources and tobacco cessation services to more than 30,000 team members and their families.



Diversity and Inclusion

## Providing eye-opening experiences



Dell's new Appreciating Differences learning module reached more than 60,000 team members.

Appreciating Differences virtual training, which Dell developed and refined using team member feedback and focus groups, encourages team members to challenge their perceptions of different cultures and consider their everyday interactions with diverse colleagues.

This is our first globally mandated diversity training for all Dell team members. We designed it to foster an environment of inclusion in which all team members have the best possible opportunity to grow and thrive. To date, more than 60,000 team members have taken the training, including new hires and team members from recently acquired companies.

Diversity and Inclusion

## Supporting a global workforce

Dell grew Employee Resource Group (ERG) participation by 45 percent worldwide and received DiversityInc's top award for corporate ERG programs.

We now have 95 [Dell ERG](#) chapters globally, with more than 10,000 team members engaged in one or more groups. We added two new groups – Planet, which focuses on the environment and sustainability efforts, and Virtus, which supports military interests. Through our new online ERG community, we are also making it easier for team members to join Dell ERGs and form connections based

on shared ethnicity, gender, nationality, lifestyle or sexual orientation.

Our ERG members connect not only for networking and mentoring opportunities, but also to drive business innovation by applying unique perspectives to solve business challenges. For example, the [True Ability](#) ERG contributes to the development of products for customers with disabilities while GenNext uses its youthful perspective to shape our social media vehicles.

Citing such industry-leading activity as well as our executive leaders' support of ERGs, DiversityInc recognized Dell as the [2012 Top Company for Resource Groups](#).




**Adelante**  
Hispanic Community



**GenNext**  
Young Professionals



**True Ability**  
Abilities, Special Needs



**Asians in Motion**  
Asian Community



**Planet**  
Environment



**Virtus**  
Military Community



**B.R.I.D.G.E.**  
Black Community



**Pride**  
LGBT Community



**Wise**  
Global Women

## Employee Resource Groups grow worldwide

Dell's Employee Resource Groups (ERGs) connect team members who share common traits like ethnicity, gender, nationality, sexual orientation, interests, passions and hobbies. In FY13, more team members than ever took advantage of the valuable personal and professional development opportunities that ERGs provide. DiversityInc recognized Dell as its [2012 Top Company for Resource Groups](#).



10,000  
team members



95  
chapters globally



45% growth  
since FY12



DiversityInc's  
#1 company in global  
ERG strategy & impact



2 new  
ERGs launched





## Marketplace Relationships

## Expanding opportunities



Dell expanded support for women and under-represented groups in the marketplace by deepening relationships through the Dell Women's Entrepreneur Network (DWEN), Catalyst and other global and local groups.

We hosted our third annual [Dell Women's Entrepreneur Network \(DWEN\)](#) in New Delhi, India, connecting female founders, CEOs and leaders of high-growth companies around the world.

We also helped create the [Catalyst Research Center for Career Pathways](#), which tracks never before studied trends and demographics related to women's careers in order to help researchers uncover why gender and achievement gaps exist and how they differ from country to country.

This is part of [Dell's multiyear, \\$1 million commitment to Catalyst](#), a leading nonprofit membership group dedicated to expanding opportunities for women in business.

Additionally in FY13, we continued our support of the Dell Thurmond Woodard Fellowship with the [United Negro College Fund](#), and we provided outreach, sponsorship and in-kind donations to [other organizations](#) focused on the advancement of women and minorities, including Asia Society, National Urban League, Out and Equal Workplace Advocates, the Human Rights Campaign and Tri-Caucus.



## Leadership and Development

## Driving breakthrough thinking



Dell introduced new leadership programs, which helped us achieve global reach and complete our development of an end-to-end learning experience at all levels.

We designed [leadership trainings](#) for entry-level leaders to executives, recognizing the importance of inspiring leaders and their role in enabling Dell's strategy.

In FY13 we launched a Foundations of Leadership program for more than 1,000 new Dell leaders as well as a new director program co-facilitated by Dell executives. We also introduced training for experienced leaders and programs focused on diversity and inclusion. For executives, we launched the Inspirational Leader at Dell program.

Additionally, we significantly expanded our existing Leadership Imperative learning experience to 90,000 team members, up from 10,000 in FY12. This training series guides team members through our business strategy and provides them with examples of leaders demonstrating key behaviors required for Dell's success: collaboration, engagement and innovation.

People: Global Highlights

# Achievements & recognition

 Award
  Workforce Commitment
  Marketplace Relationships
  Diversity and Inclusion



**United States**

Achieved a perfect score on the Human Rights Campaign's Corporate Equality Index for 8th consecutive year

Received 2012 *Work-Life Seal of Distinction* from WorldatWork's Alliance for Work-Life Progress

#9 on DiversityBusiness.com's Top 50 Organizations for Multicultural Business Opportunities

**Ireland**

Named to the Top 100 Best Workplaces list by The Great Place to Work Institute

Marie Moynihan, Vice President Global Talent Acquisition, named one of the Women's Executive Network's Top 25 Most Powerful Women

**Germany**


Recognized as one of Germany's Top Employers by the CRF Institute

**United Kingdom**

Named one of *The Times* Top 50 Employers for Women

Received the Agile Workplace Award from Opportunity Now for Dell's Connected Workplace




  
 Explore more recognitions at our [website](#)

**United States (cont.)**

Recognized as Platinum award winner of the Best Employers for Healthy Lifestyles by National Business Group on Health

Honored as DiversityInc's 2012 Top Company for Resource Groups

#16 on *Woman Engineer* magazine's Top 50 Employers

**Brazil**

#5 on Best IT & Telecom Companies to Work For in Brazil by The Great Place to Work Institute & *Computerworld* magazine

#11 on Best Brazilian Companies to Work For by *Epoca* magazine

**India**

#6 on LinkedIn's Top 10 Most In-Demand Employers

**Malaysia**

Ranked #30 on Malaysia's 100 Leading Graduate Employers 2012 by the country's university students



# Supply Chain

Dell's global supply chain is a highly complex and diverse network of interconnected companies that serve as an extension of both our operations and our values. We collaborate closely with our suppliers to deliver products and services to our customers on time, every time. But we also work just as closely with them to ensure they uphold the same social and environmental responsibility standards we set for ourselves — not just because it's right for our business but it's also, quite simply, the right thing to do. Like others in our industry, we face many challenges to maintaining consistent responsibility among suppliers. For example, U.S. law requires us to trace the source of certain materials in our products. However, many of our suppliers do not face such legislation in their countries. As another example, we audit suppliers' working hours, yet our suppliers are not always held accountable to local laws. Varying international standards make it difficult to achieve transparency to all stages of a supply chain.

To address these challenges, we continued working in FY13 with fellow industry leaders whose supply chains overlap with ours. By working on capability building activities such as the IDH Electronics Program, we are helping suppliers build self-accountability for social and environmental responsibility. We also enhanced our supplier training programs to build internal leadership and deepen our commitment to cultivating a supply chain that reflects the diversity of our marketplace. By helping our suppliers enhance their own management systems, processes and culture, we can develop diverse, responsible organizations that collectively elevate our entire industry.

## Responsible Supplier Selection

### Strengthening responsibility criteria

Dell continued to improve its global supplier selection process by formally adding social and environmental responsibility (SER)-related criteria.

By asking all potential Dell suppliers questions about their SER performance and policies during our supplier selection process, we can make more informed procurement decisions.

Under the new process, we would exclude potential suppliers during the qualification phase if they failed to meet our [SER standards](#), which include criteria for clean water and air discharges, worker health and safety, and [fundamental human rights](#) and dignity. Dell requires suppliers to submit greenhouse gas emissions reports to the [Carbon Disclosure Project](#) and measure and set reduction goals for water and waste.

## Supplier Capability Building

### Driving continuous improvement

Dell continued comprehensive supplier engagements designed to build internal ownership and self-accountability for social and environmental responsibility.

Through these engagements, we brought suppliers together with various subject matter experts in social or environmental responsibility. Additionally, we hosted SER trainings for 90 percent of our Tier 1 suppliers and began training Tier 2 and Tier 3 suppliers as well. Key topics covered included precarious work, environmental issues such as water and carbon emissions, and Dell requirements related to [conflict minerals](#), slavery and human trafficking.

We continued to supplement this training with regular third-party audits. We analyzed the results of these audits — as well as industry trends and stakeholder feedback — to identify topics for capability-building training, webinars and case studies.



Supplier Capability Building

# Empowering accountability

Dell engaged eight of its suppliers to join the IDH Electronics Program — an industry effort to improve working conditions and environmental performance.

The [IDH Electronics Program](#) is a multi-stakeholder effort developed by the [Sustainable Trade Initiative \(Initiatief Duurzame Handel, or IDH\)](#), civil society organizations and leading electronics companies including Dell. Together with participants HP, Nokia, Philips and Apple, we are going beyond supplier auditing to address working conditions.

In FY13, we worked collaboratively with our eight new participating suppliers within the IDH framework, which builds suppliers' capabilities to improve worker-management communication, elevate working conditions and reduce attrition. Our process included assessments that defined work plans and helped identify next steps for each supplier.

Supplier locations by country



Human Rights in the Supply Chain

# Collaborating to improve standards



Dell continued working toward a conflict-free supply chain by adhering to the Dodd-Frank Act and tracing the sources of minerals we use.

Under the [Dodd-Frank Wall Street Reform and Consumer Protection Act](#), the U.S. Securities and Exchange Commission requires companies to publicly disclose their use of conflict minerals that

originated in the Democratic Republic of the Congo or adjoining countries.

In FY13, we continued following the industry standard we helped establish in FY12, requiring all Dell suppliers to follow the [Electronic Industry Citizenship Coalition-approved Conflict-Free Smelter Program](#) audit protocols to confirm their smelters are conflict-free. Our actions included reaching out to executives of [all our current suppliers](#), requiring them to commit to upholding [our requirements](#) and providing due diligence data. We published a [white paper summarizing our efforts](#).

Additionally, Dell monitors and utilizes credible voluntary standards related to human rights. We are incorporating the [UN Guiding Principles](#) where appropriate into standard business practices in normal business cycles over the next several years.

Supplier Diversity

# Deepening our commitment



Dell spent more than \$3 billion with diverse suppliers and continued supporting their growth through intensive training and mentoring programs.

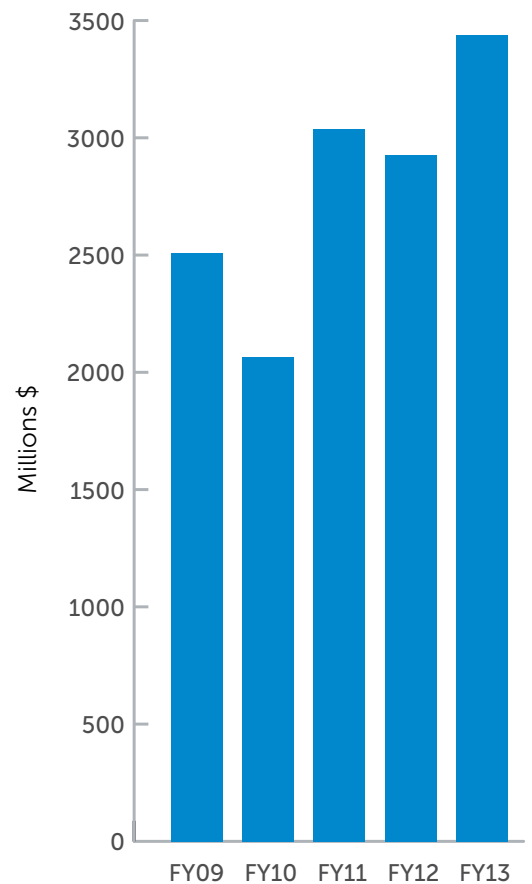
Our investments with women- and minority-owned suppliers again qualified Dell for [Billion Dollar Roundtable](#) status and represented a 16 percent increase over our FY12 diverse supplier spend. We also conducted a complete supply chain analysis to understand our Tier 1 suppliers' diversity spending trends.

To complement this investment, more than 20 Supplier Diversity Champions across all commodity and business partner areas regularly meet with and mentor our [diverse suppliers](#) to ensure engagement and measure progress.

We encourage diverse suppliers to take advantage of programs we offer to all small businesses. These include [Dell's Entrepreneur in Residence](#), [Dell Innovators Credit Fund](#), [Dell Center for Entrepreneurs](#) and [Small Business Think Tanks](#).

We also supported diverse supplier capability building by sponsoring a social media workshop for the entrepreneurial members of the [Women's Business Council Southwest](#). The [Women's Business Enterprise National Council](#) recognized our support of women by naming Dell one of [America's Top Corporations for Women's Business Enterprises](#).

Dell spending with diverse suppliers



## Supplier audits — summary of major findings

Audit section	Top findings	Frequency of findings*	Actions/status
<b>Labor</b>	Excessive working hours	61.7%	Suppliers have begun analyzing root causes, tracking progress toward the Electronic Industry Citizenship Coalition 60 hrs./week requirement.
	Young workers improperly managed	7.4%	Suppliers are developing job placement policies for young workers that include country-specific legal requirements for regular health examinations.
	Disciplinary wage deduction	13.6%	Dell requires suppliers to implement clear systems to address wage management.
<b>Health and safety</b>	Workers exposed to hazards	18.1%	Suppliers trained workers, provided protective equipment and implemented new engineering/administrative measures — issues covered during Dell workshops.
	Insufficient emergency preparedness	29.5%	Suppliers enhanced emergency procedures through fire drills, trainings and continuous monitoring of facilities.
	Insufficient investigation of occupational injury and illness	6.7%	Suppliers have conducted industrial hygiene risk assessments, as well as occupational health and safety management trainings for workers.
<b>Environment</b>	Improper handling of hazardous materials	8.6%	Suppliers have engaged third-party service providers to verify management of hazardous materials.
	Incomplete environmental permits	22.9%	Our supplier selection criteria mandates Tier 1 suppliers obtain the appropriate up-to-date environmental permits; the updated process now includes Tier 2 suppliers.
<b>Management system</b>	Legal requirements not tracked	11.1%	Suppliers established a management system for legal requirements; Dell enhanced requirements for such systems within Quarterly Business Reviews.
	Social and Environmental Responsibility (SER) not defined	3.7%	Suppliers established formal SER organizations to develop management systems to track and maintain the most recent requirements.
<b>Ethics</b>	No effective method to confidentially report misconduct	6.7%	Dell shared best practices from our own procedures to help suppliers develop mechanisms for confidential reporting by workers.

\* Percentages based on actual number of audits conducted by category; number of audits per category varies.

# Governance

As Dell's business continues to expand and evolve around the world, our commitment to integrity remains constant. That commitment starts at the top, with transparency, accountability and strong governance practices that provide confidence to our stakeholders — including team members, suppliers, customers and investors — that Dell operates its business with integrity and in full compliance with all laws. Our team members uphold our integrity through their actions as they follow the high ethics and compliance standards we've embedded in our culture.

In FY13, we maintained our strong oversight of risk management and compliance while introducing new policies and training to help our team members make decisions that reflect our collective purpose, values and ethical principles.

## Strengthening governance around risk and compliance through policy, process enhancements

Our 2012 [Dell Code of Conduct](#) updates brought the global launch of a new information lifecycle management policy as well as enhancements to our privacy and anti-corruption policies.

The information lifecycle management policy outlines a new data classification standard for all team members, with new rules for protecting, managing and disposing of Dell confidential information. When implementation is complete, we will have an extensive security labeling system for specific files and emails.

We also review our global compliance policies on a regular basis and refresh them as needed. Our compliance framework, Compliance by Design, includes detailed maturity models for key risk areas. These models allow us to comprehensively assess our progress against our strategic goals.

In FY13, we convened a Global Compliance Forum, consisting of Dell subject matter experts, risk owners and members of our Global Ethics and Compliance Office. This forum, which met quarterly, allowed us to collaboratively develop compliance strategies and priorities, achieve worldwide alignment and leverage best practices across the enterprise.

Having "one voice" in the enterprise risk management process is critical in upholding the expectations outlined in Dell's Code of Conduct.

Dell performs annual compliance risk assessments to assess both identified and emerging risks. Those assessments are reviewed by the Global Compliance Forum and then used to provide input to the company's enterprise risk assessment.

In FY13 we also developed more in-depth processes to assess and manage risks relating to the more than 130,000 third parties we engage with across our business.

We engaged with Dell team members at all levels to help them understand how these enhanced policies and processes impact their jobs, their customers and our company. Our "Speak Up" video series introduced a creative way to engage all global team members about key risk topics. A Global VP Forum helped executives drive awareness and accountability among their teams. And the [Corporate Executive Board's Compliance and Ethics Leadership Council](#) highlighted our new Principled Leadership ethical decision-making training as a case study for better engaging middle management in key decision-making concepts.

## Deepening engagement with external stakeholders

Following our belief that good governance involves being an active participant in the governance community, we continued to grow our ongoing relationships with industry organizations. Some of the groups with which we shared best practices included the Ethics Resources Center Fellows, Corporate Executive Board's Compliance and Ethics Leadership Council, International Association of Privacy Professionals, Society of Corporate Secretaries and Governance Professionals, Association of Corporate Counsel's SEC

Roundtable, National Association of Corporate Directors, Ceres, Center for Political Accountability, Sustainable Trade Initiative (IDH), Electronic Industry Citizenship Coalition, Global Social Compliance Program and The Sustainability Consortium.

We also continued to provide engagement opportunities for stakeholders, to ensure their full understanding of our compliance activities and our vision for risk management and corporate governance.

Explore how we're Powering the Possible by visiting the corporate responsibility section of our website at [dell.com/poweringthepossible](http://dell.com/poweringthepossible)

## Join the conversation

 [@Dell4Good](https://twitter.com/Dell4Good)

 [facebook.com/dell](https://facebook.com/dell)

 [linkedin.com/company/dell](https://linkedin.com/company/dell)

 [flickr.com/photos/dellphotos/collections](https://flickr.com/photos/dellphotos/collections)

 [youtube.com/user/DellVlog](https://youtube.com/user/DellVlog)

## GRI Report



To supplement our Corporate Responsibility Report, we also publish a full Global Reporting Initiative (GRI) index and report at [dell.com/GRI](http://dell.com/GRI)



