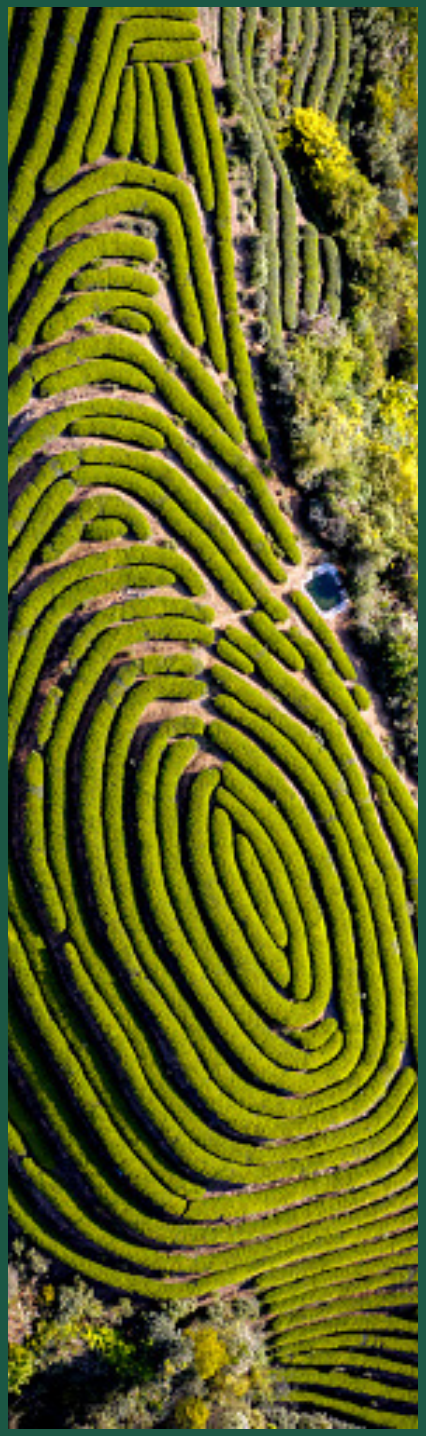
DELL Technologies

Climate Transition Action Plan



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Introduction

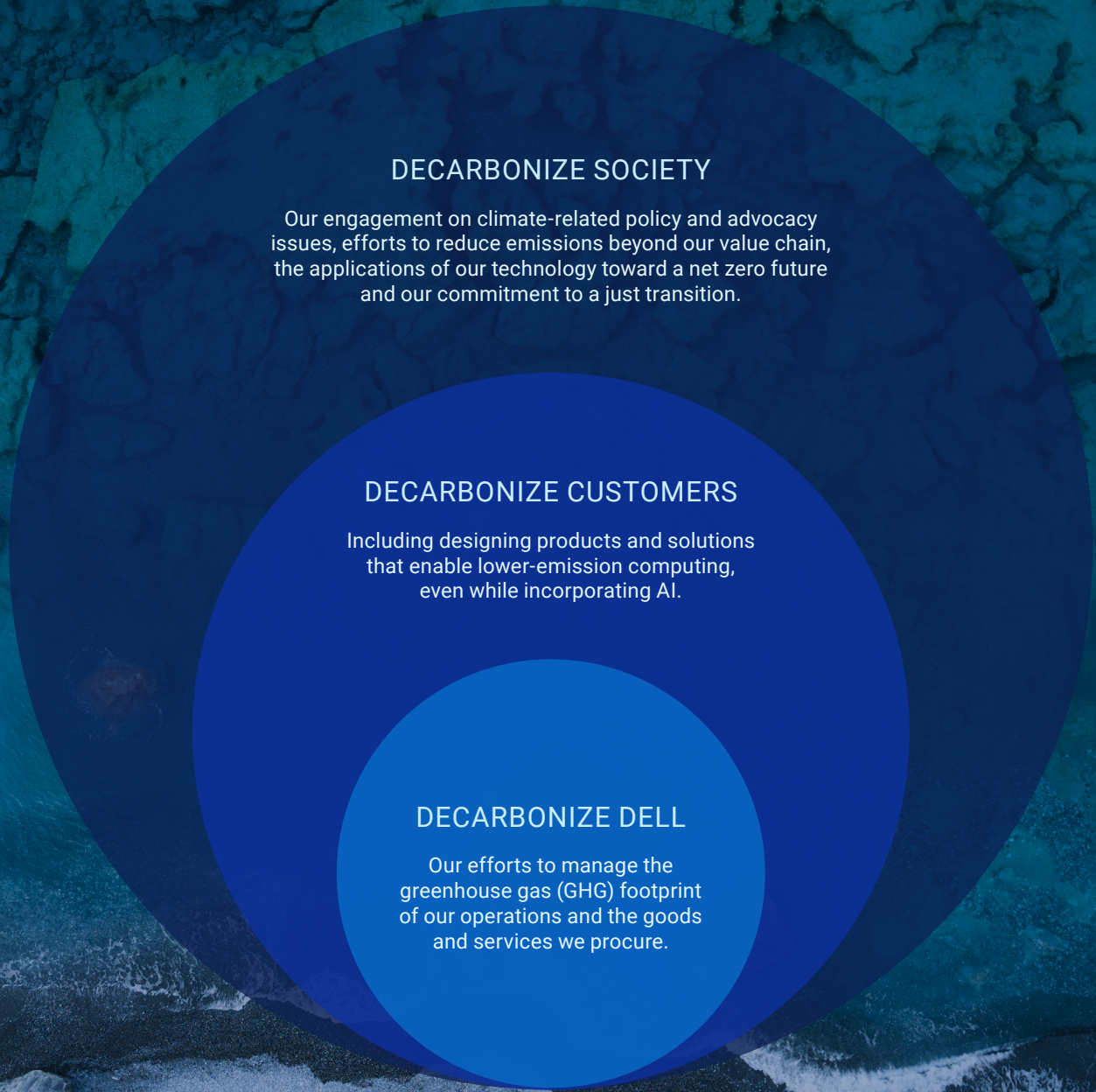
Climate change and its consequences are immediate and global concerns. As a leading technology provider with an operational footprint, supply chain and customer base that span the globe, we are subject to the growing acute and chronic risks created by climate change. At the same time, our efforts in mitigating climate change present an opportunity for our business to demonstrate our commitment to our purpose to create technologies that drive human progress.

To meet a more sustainable future and achieve our net zero ambition, our business must evolve. For example, we believe that artificial intelligence (AI) represents a generational opportunity for productivity, innovation, and growth. AI has the power to transform our organization and the world. It is imperative that we responsibly manage its impacts on our business and footprint.

Our Climate Transition Action Plan sets out the steps we will take to reduce emissions within our own operations and select categories of value chain emissions by 2030, through 2040, and toward our net zero commitment across our entire value chain by 2050. We will continue to work throughout our value chain to drive deep collaboration for decarbonization to reach net zero. To do so, we must engage with all our stakeholders, including employees, suppliers, customers, shareholders and communities. Only with an inclusive and collaborative approach can we effectively address climate change.

Climate strategy overview

We organize our climate strategy into three pillars:



Net zero goal and key drivers

Goal: We will achieve net zero greenhouse gas (GHG) emissions across scopes 1, 2 and 3 by 2050. The following key drivers will enable this ambition:

2030 KEY DRIVER
50%
operational emissions by 2030
Scopes 1 & 2

2030 KEY DRIVER
75%
renewable electricity use by 2030 — and 100% by 2040
Scope 2

2030 KEY DRIVER
45%
reduction in absolute emissions from purchased goods and services by 2030
Scope 3, category 1

2030 KEY DRIVER
30%
reduction in absolute emissions associated with the use of sold products by 2030
Scope 3, category 11

Our net zero climate goal

We have committed to reach net zero emissions across our value chain — scopes 1, 2 and 3 — by 2050. On our journey to net zero, we recognize the need to set specific nearer-term targets, which we call key drivers. These key drivers are interim milestones that will enable our progress toward our overarching 2050 net zero goal. All of our emissions reductions targets, including our 2050 net zero goal and our 2030 ambitions, have been formally validated by the Science Based Targets initiative (SBTi), a multi-stakeholder climate initiative. All three of our emissions key drivers are absolute reduction targets with an FY20 baseline year. We also have a renewable energy key driver, which complements our ambition to halve emissions from our operations by 2030.

Our operations

Though scopes 1 and 2 emissions account for a small share of our total footprint, they represent those over which we have direct control. We focus on eliminating emissions associated with our company fleet, facilities and purchased energy. The SBTi has classified our targeted scopes 1 and 2 emissions reductions as in line with a 1.5°C trajectory — the same level of ambition as the Paris Agreement.

Our value chain

We work to reduce scope 3 emissions throughout our value chain, both upstream and downstream of our operations. The largest contributors to our GHG footprint are the embedded emissions of the goods and services we purchase (category 1) and those associated with customers' use of our products (category 11). We set separate targets for these two categories so that we can address both concurrently. This way, we can dedicate focus to both impactful categories.

As we make progress on our existing 2030 ambitions and work to drive down those sources of emissions, other scope 3 categories will make up a larger percentage of our footprint. While our current key drivers focus on our largest categories of scope 3 emissions — 1 and 11 — we regularly monitor and assess our footprint in other scope 3 categories to help ensure our continued efforts make a measurable impact in material areas where we have the largest opportunity to drive meaningful change. We will continue to follow guidance from organizations such as the SBTi when evaluating our goals and key drivers, including those set for scope 3 categories.

Measuring our greenhouse gas emissions

To track progress toward our net zero goal, we calculate and report emissions in accordance with the methodology set out in the GHG Protocol.[1] We measure progress toward our 2050 goal and its four 2030 key drivers against our FY20 baseline year footprint.

Dell's FY20 baseline GHG emissions by scope and category (MT CO_2e)

[1] *Scope 2 emissions can be calculated according to two different methodologies—location-based and market-based. Our base-year inventory includes both a location-based and market-based scope 2 total as required by the GHG Protocol. For reporting, we continue to include scope 2 market-based emissions in our target to remain consistent with previous reporting years.*

Business strategy integration and governance

As a global innovator of technology solutions, Dell has a responsibility to mitigate its environmental footprint and lead by example in the transition to a more sustainable future.

Incorporating climate considerations into core business strategies, financial planning and corporate governance is not only essential for aligning with global sustainability goals but also for ensuring the long-term profitability and resilience of our company. By doing so, Dell can drive industry-wide changes, foster innovation in green technologies and meet the growing demands of stakeholders, including changing customer needs and technology factors — including the impacts of innovations such as artificial intelligence — for environmentally responsible practices.

Governance and accountability

Managing global challenges as multifaceted as climate change and broader ESG topics demands a holistic approach and coordinated action at all levels of an organization. To manage ESG at Dell, we implemented a hub and spoke governance structure, where the Steering Committee and Interlock Team are the hub. Climate change is one of the priority topics we address through this structure.

At the core of this structure, clearly defined leadership fosters collaboration and cooperation across functional boundaries to drive innovation and accelerate progress toward our net zero goal. This approach harnesses the diverse expertise and perspectives within our organization, ensuring that multiple departments across Dell contribute to and are accountable for our climate objectives.

The ESG operating model and governance structure illustrated below shows the relationships between the Steering Committee, Councils and various Groups, with ultimate accountability resting with our Board of Directors and Executive Leadership Team.

Board-level governance

The Board of Directors, directly and through its committees, oversee our governance, compliance and risk processes to promote high standards of responsibility, ethics and integrity in our business strategy — including our climate strategy. The Board of Directors is responsible for providing oversight on matters related to Dell Technologies financial reporting, internal audit program and Enterprise Risk Management (ERM) program, among other responsibilities. As certain Dell Technologies climate metrics are subject to internal audits and external limited assurance, the Board of Directors, directly or through its committees may also be briefed on the results, findings and progress related to these engagements.

The board is engaged to provide additional oversight on climate-related matters. ESG leadership updates the board regularly on significant investments and progress against our ESG goals and initiatives to support the integration of ESG measures within the company's overall business strategy. This includes relevant progress and updates to our Climate Transition Action Plan.

As climate change and our Climate Transition Action Plan evolve, we will continue to evaluate enhancements to the board's oversight and clarify climate-related oversight responsibilities of board-level committees, as needed.

Recognizing the importance of climate awareness, we strive to educate and provide training to current and future board members. This effort will empower the board to continue making informed decisions related to climate impact.

Committee and management-level governance

Below the board, our Executive Leadership Team provides vision to our ESG leadership committees, which we have established as part of our overall ESG governance. Separate management groups, including the ESG Steering Committee and ESG Interlock Team, are tasked with overseeing and executing our ESG strategy and progress, including our climate strategy and transition plan.

To ensure an integrated perspective and approach to ESG topics, including climate management, these management Committees are composed of members from various business unit functions across the organization, most relevantly: sustainability and ESG, human resources, supply chain, corporate affairs, government affairs, internal audit, legal, risk management, investor relations, accounting, finance, product, operations and services teams.

As part of Dell's annual strategic planning process, ESG performance is included as one of our strategic priorities. We integrate and operationalize ESG performance into broader business strategy and plans through our One Dell ESG strategic planning process. The process includes engaging with key business units and functions throughout the business that are represented on our ESG Interlock on multi-year priorities and plans, ensuring clear accountability and cross-team coordination. Additionally, an executive officer's performance, experience and ability to contribute to Dell's strategic goals — including our climate ESG goal — are factors that may be considered, among others, in making individual compensation decisions.

Climate risks and mitigation opportunities

As a global company, Dell Technologies is exposed to a variety of physical and transition climate risks. Dell is committed to managing and mitigating these risks and has worked to better integrate climate into its Enterprise Risk Management (ERM) program. By leveraging the company's overall ERM program alongside ESG specific governance models, Dell works to ensure that climate risks are governed to the same standard as other risks the company faces, while acknowledging the unique long-term nature of some climate risks. To supplement the ERM process, Dell also periodically performs a climate-specific risk assessment to ensure that material risks are captured, tracked and mitigated appropriately. Our FY24 ESG Report and CDP Climate Change response have more information on our risk and opportunity management.

Climate risks

In addition to ongoing risk monitoring, which typically focuses on risks likely to impact the company in the next year, Dell Technologies is committed to regularly conducting climate scenario analyses to best understand how a changing climate could affect its long-term business model. In FY24, we partnered with a third-party consultant to complete our most recent assessment, incorporating the latest climate scenarios developed by the Intergovernmental Panel on Climate Change in their sixth assessment.

The scenario analysis consisted of a high-level screening of Dell and supplier sites throughout its supply chain across eleven physical hazards as well as a deep-dive analysis on three key topics covering a physical risk in our supply chain, transition risk in carbon pricing and a transition opportunity around low-carbon products. The following are analysis highlights:

The high-level screening analyzed more than 1,000 Dell and supplier sites for risks from nine different acute and chronic physical hazards across 2°C and 4°C scenarios, from the present day to 2050. By looking at a multitude of hazards, scenarios and time horizons, this assessment provided a better understanding of how our supply chain was exposed to physical climate risks.

Following the screening, we completed a deeper analysis on how a specific hazard could affect a key geography in our supply chain, which allowed us to understand, quantitatively, the financial value at risk in our supply chain from a key risk in that area, across a 1.5°C and 3°C scenarios. This type of analysis will aid Dell's resilience efforts in our supply chain planning through the incorporation of long-term quantitative scenario analysis.

Next, Dell sought to understand its exposure to transition risks. Carbon pricing was chosen as the specific risk to analyze due to the recent increase in climate-related regulations around the world, and for the direct effect on profits that carbon pricing could have. For this analysis, we projected Dell's emissions out to 2030 and 2050 — based on 1.5°C and 3°C climate scenarios — and applied carbon pricing based on those scenarios and emissions. This helps us understand the potential impact that carbon pricing could have on our supply chain, on the price of the goods and services we purchase, how our own operational costs might increase, and how we may mitigate those through actions that contribute to a net zero future.

Finally, Dell analyzed a transition opportunity around low-carbon products. By looking at this opportunity through the lens of 1.5°C and 2.5°C scenarios, Dell was able to better understand how different policies and incentives as well as general decarbonization trends may help grow the market for low-carbon products in the future.

To further strengthen our existing resiliency management processes, we will work to integrate the results of this analysis into our business planning to help ensure that we continue to build resilience into our operations and supply chain. We expect to provide updates on this strategic integration in future updates to our Climate Transition Action Plan.

Mitigation and adaptation opportunities

We believe that the transition to net zero brings many opportunities for the information and communications (ICT) industry. As the dependency on technology around the world increases, so will the demand that these technologies help address climate challenges without negatively contributing to the problem. We work to innovate our products and business models to help meet this demand. One example is our as-a-Service (aaS) business model, which allows some customers equipment optimization options that can help reduce their carbon footprint. Customers can purchase Dell products through these models, which offer low-carbon colocation options for energy efficient data center infrastructure.

Technology, including AI, can play a crucial role in mitigating the impacts of climate change. We continue to build out our innovation pipeline through the development of a sustainable products and services roadmap, which will facilitate enterprise-wide development, coordination and implementation of impactful mitigation solutions. This roadmap allows us to communicate future innovations in our products and services, and our work to meet our ESG goals and to enable further progress. It also allows us to have a feedback loop for customer needs and helps ensure that our roadmap addresses the right problems. We are engaged in multi-party IT for Green solutions development, where our technology enables innovative approaches to climate change mitigation, climate change adaptation and other global environmental challenges.

Part of the climate scenario analysis involved understanding how key opportunities for Dell may change in the future, based on a 1.5°C and 2.5°C scenario. By incorporating climate scenario analysis, we can better understand the potential importance of our aaS offerings as we continue to see changes in policy, buying habits and grid decarbonization in different climate scenarios.

Some of our largest opportunities to address climate change lie within our supply chain. We will continue to collaborate with and offer technical advice to our suppliers on ways to reduce emissions throughout our supply chain. We will also explore ways to improve resource efficiency and strengthen our supply chain resilience to extreme weather events or disruptions.

Advocacy is crucial and we will continue to look for aligned opportunities to expand our proactive engagement with policymakers and industry associations to push for robust and uniform climate regulations and incentives. We continue to explore greater collective action through multi-stakeholder collaborations as outlined in some of our stakeholder engagement efforts on our website. See the "Public Policy" section of this report for more details.

Investments and business model

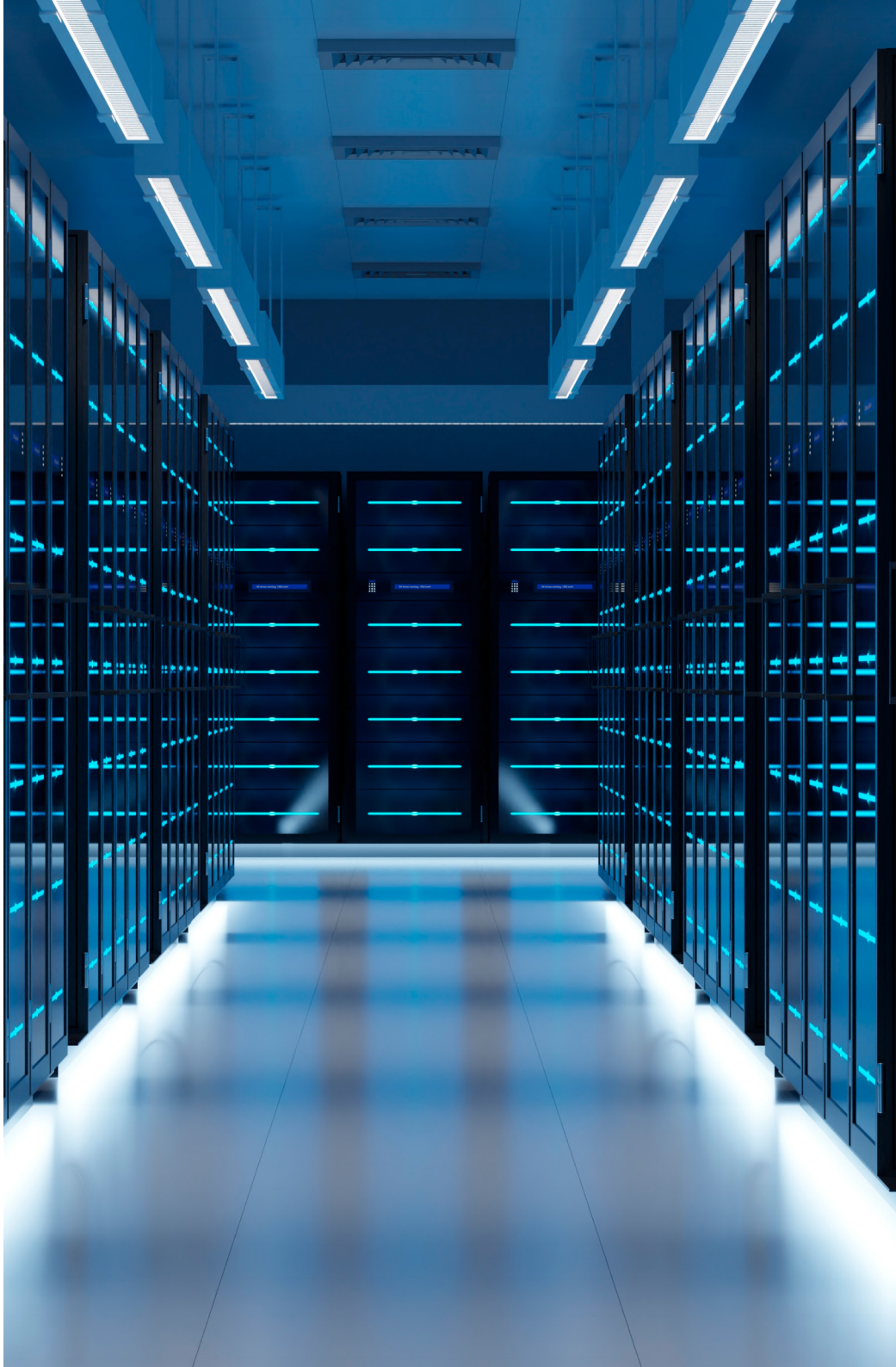
Achieving our climate goal requires strategic investments, and we are actively investing in technologies, talent acquisition, partnerships and infrastructure to help us meet our ambitions. Over the coming years, Dell will continue to work toward quantifying these investments, which are decentralized and spread across various business units. We will further integrate insights on these expenses and investments into our reporting. As we continue to emphasize sustainability in our business strategy, we expect to need to make additional investments that help us progress toward our climate goal while also serving other business purposes.

In terms of technology, we consider investments in software to be critical to helping us meet our climate goal. We invest in various types of software for this purpose, including ESG data management and calculation tools, the development of products that offer real-time energy and emissions monitoring, and licenses to access third-party data like emissions factors. We invest in R&D to drive energy efficiency advancements across our Dell Product Portfolio, which helps progress toward our own GHG footprint reductions and those of our customers. We invest in evolving the methodologies underlying our product carbon footprint (PCF) calculations and circular design innovations to reduce waste associated with our products.

Teams across the enterprise are tasked with measuring and making progress on our net zero ambition. These teams include experts within: Corporate ESG, Social and Environmental Responsibility, Product and Engineering, Procurement and ESG Controllership within the Accounting and Finance organization, among others. Teams in our legal function monitor regulations for their potential impact on our business and review contracts for potential renewable energy investments. We consider these personnel-related expenses associated with these teams as operating expenses, similar to headcount and human capital resources of other business functions.

Examples of capital expenditures undertaken to meet our climate goal include facility-based innovations or retrofits, such as the installation of higher-efficiency equipment in our chiller plants, replacement of diesel-powered generators with more energy-efficient models and solar installations investments at select locations.

Our climate goal is ambitious and will involve investments that we expect will increase over time. These investments may include sustainability and climate projects, investments in renewable energy infrastructure, energy-efficient facilities and research and development for climate-friendly technologies. We believe these projected expenditures are necessary to meet our climate goal.



Decarbonize Dell

As a global company, Dell Technologies has the opportunity to positively impact society and the environment. This opportunity is significantly increased when we include the thousands of suppliers and partners essential to our ability to create technologies that drive human progress. We not only navigate the challenges in our operations — we embrace them to bolster our resilience. Each challenge offers us a chance to learn, adapt and grow.

The Decarbonize Dell pillar of our climate strategy includes our work to realize reductions in our upstream supply chain and operational emissions, which includes scopes 1 and 2, and specific scope 3 categories (1, 3, 4, 6). Upstream supply chain and operations play a critical role in our vision for environmental sustainability, covering 41%[2] of our baseline greenhouse gas (GHG) emissions inventory. For this reason, Dell has developed a collection of environmental sustainability goals with a focus on our own operations and our larger supply chain footprint.

[2]This percentage is subject to change with re-baselining efforts, which may impact our overall emissions footprint. We re-baseline our emissions in accordance with guidance from the GHG Protocol and the Science Based Targets initiative.

2030 KEY DRIVER

By 2030, we will reduce scopes 1 and 2 greenhouse gas (GHG) emissions by

50%

2030 KEY DRIVER

By 2030, we will reduce absolute scope 3 GHG emissions from purchased goods and services by

45%

2030 KEY DRIVER

By 2030, we will source 75% of electricity from renewable sources across all Dell Technologies facilities — and 100% by 2040

100%

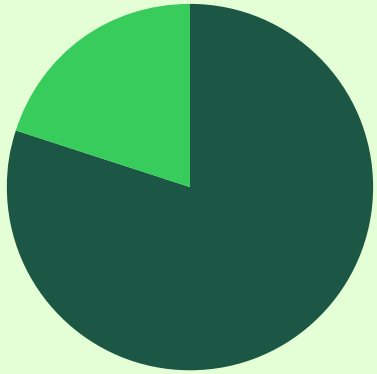
Our operations

While emissions from our operations are a small fraction of our total footprint, it is still paramount that we drive down these sources of greenhouse gases, as we are more able to control these activities than those in our supply chain. We aim to embed efficiency and optimization into all of our operations, including in our use of company vehicles, diesel generators and manufacturing equipment.

We have two key drivers to guide our efforts in cutting emissions from our operations: our science-based target to reduce both scopes 1 and 2 emissions by 50% by 2030; and commitments to source 75% of our electricity from renewable sources by 2030 and 100% by 2040. Our science-based target is aligned to a 1.5°C trajectory, as verified by the SBTi, and covers the total of scopes 1 and 2 together, as opposed to applying to each scope separately.

Most emissions in our operations stem from the electricity that we purchase, which is accounted for in our scope 2 footprint. As such, we expect that most of our focus in meeting our science-based target (SBT) will be on tackling our scope 2 emissions. However, we still have an opportunity to reduce emissions in our scope 1, including those from diesel generators, our vehicle fleet and activities requiring the consumption of natural gas.

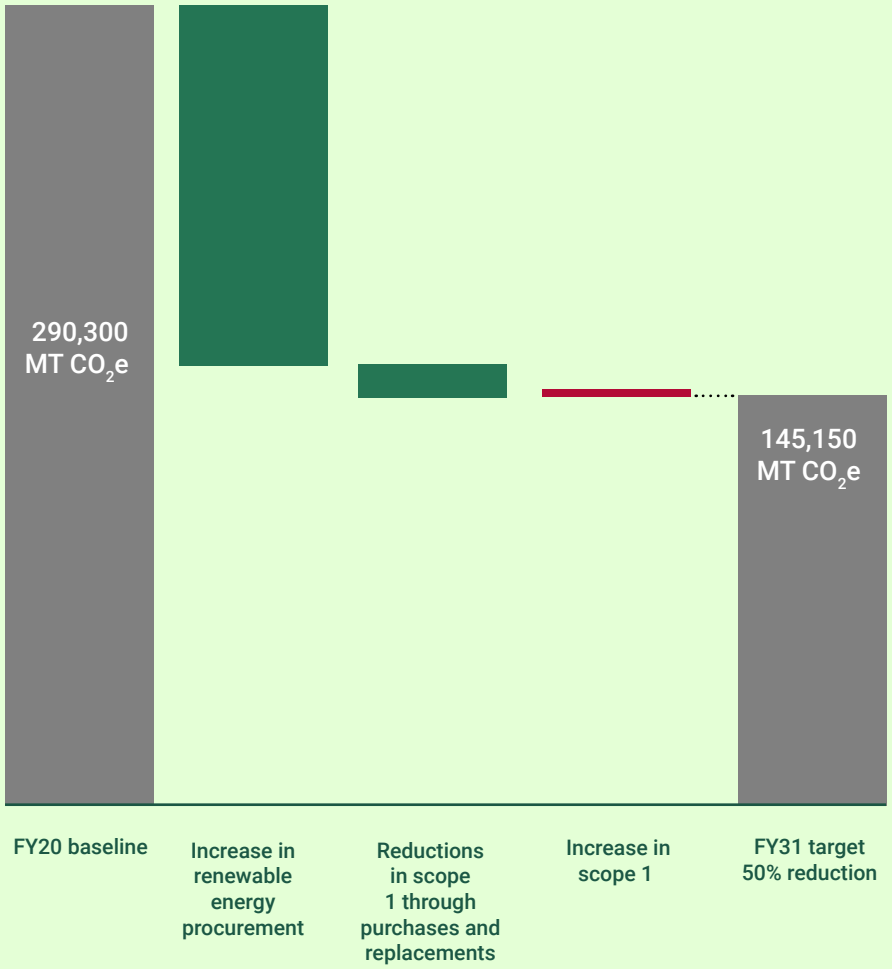
FY20 scopes 1 and 2 emissions
(MT CO_2e)



Scope 1 **20%**

Scope 2 **80%** *(market-based)*

Anticipated plan for 50% reduction in scopes 1 and 2 emissions



The following table outlines the steps we plan to take to drive down emissions in our operations and make progress toward our targeted scopes 1 and 2 emissions reductions.

Lever	Our approach
Renewable energy development, production and procurement	The majority of our scope 2 emissions are from our purchased electricity, and our renewable energy goal demands a significant investment in various types of renewable electricity. To achieve our goal, we will engage third-party organizations, like RE100, globally to encourage the development of renewable energy projects such as virtual Power Purchase Agreements (vPPAs) and joint PPAs. We also continue to identify future opportunities for new on-site solar within the scope of land currently owned by Dell and monitor for opportunities to invest in cost-effective renewable energy credits (RECs). We expect to invest in vPPAs over the next 1-3 years.
Energy efficiency in our operations, especially our laboratories and data centers	Our laboratories and data centers, where we test and power the innovative products we sell to customers, drive a significant portion of our facilities' electricity demand. We aim to improve the energy efficiency of these departments and continue to evaluate actionable opportunities, including potentially setting efficiency targets for relevant facilities.
Emissions from our corporate jets	A portion of our scope 1 emissions are from our use of corporate aircraft that we own. To reduce the emissions associated with jet fuel, we engage our aviation fuel providers and over the next few years, we aim to increase our procurement of sustainable aviation fuel (SAF) or SAF-C.
Energy efficiency in our vehicle fleet	Increasing the energy efficiency of our fleet vehicles will reduce scope 1 emissions, though we recognize that charging electric vehicles could lead to an increase in our scope 2 footprint and the energy that we consume. To reduce emissions from our vehicle fleet, we aim to first optimize total vehicle count and type, and provide additional options of electric and higher efficiency vehicles within Dell's leased and owned fleet.

Challenges, limitations and uncertainties

Our ambitious 2050 goal is just that — a far-reaching, stretch goal that requires significant changes in how we operate and engage with our value chain. Reaching net zero and our interim science-based targets will be challenging. Below are challenges that we anticipate facing on our road to our targeted scopes 1 and 2 emissions reductions and how we are adapting to meet them.

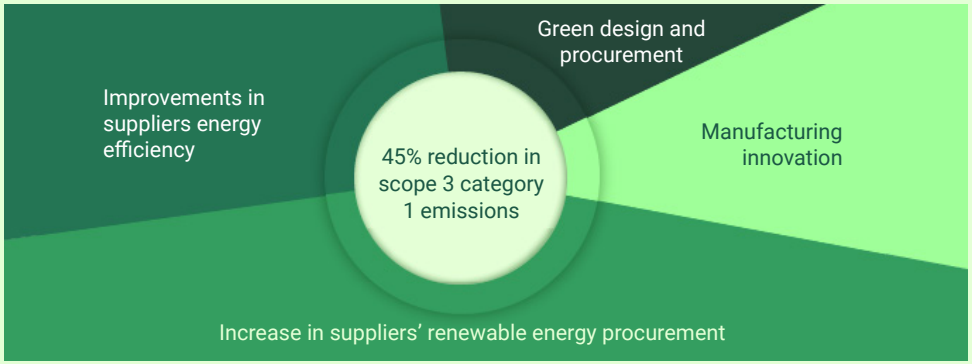
Challenges	Mitigation approach
The demand for renewable energy is currently anticipated to surpass projected availability, which may lead to difficulty sourcing cost-effective renewable energy.	Dell looks to mitigate this by developing long-term contracts for renewable energy and supporting public policy on the development of new renewable energy sources.
Corporate purchase of RECs may not lead to additional renewable energy generation, and there is potential that reductions in scope 2 emissions from renewable energy generation can be double counted by the purchaser of the REC and others using a general grid factor.	Dell will continue to advocate for more clarity in GHG reporting structures and data sources, and innovation with the use of AI to improve global tracking. Similarly, we welcome the standardization, simplification and harmonization of the international reporting landscape, including alignment on methodologies. Please see the "Public Policy and Advocacy" section of this report for examples of how we use our voice to advocate for standardization of reporting schemes.
Future innovations in server energy use technologies that may enable progress on our scopes 1 and 2 SBT have not yet been developed or incorporated into our portfolio.	We emphasize innovation and investments in R&D to work on reducing the footprint of our products, both to support decarbonization of our own operations and those of our customers.
Use of 100% renewable energy may not be possible at all locations due to the need for business resiliency backups.	Dell will continue to track developing fuel alternatives and assess them for inclusion into business continuity planning.

The goods and services we purchase

The emissions from upstream supply chain activities are often the largest impact to a corporation's environmental footprint, with CDP reporting in their 2022 Supply Chain Report that supply chain emissions are on average 11.4x greater than operational emissions. Dell reports its full scope 3 category 1 emissions, including those associated with services we purchase that are not directly included in our sold products, to provide additional insight on the impact our supply chain has on the environment. We are committed to decreasing our footprint and we understand that collaboration with our suppliers — both direct and indirect — is essential to do so.

When our suppliers reduce their operational footprints, we see scope 3 category 1 emissions savings in our own footprint. We believe that encouraging suppliers to increase their renewable energy procurement — thereby reducing their own scope 2 emissions — is the biggest opportunity we have to reduce our category 1 emissions. We support supplier uptake of renewable electricity through various mechanisms, including our Emissions Supplier Engagement Program (ESEP), which encourages suppliers to commit to the RE100 Initiative, and through engaging in the development of joint power purchase agreements (PPAs) that allow suppliers to collectively demand increased access to renewable electricity. Our current focus and expected near-term resource investments aim to enable our suppliers to procure renewable energy, increase the energy efficiency of their operations, support their procurement of low-carbon materials and improve their manufacturing capabilities.

How we'll reach our scope 3 category 1 SBT



Lever	Our approach
Renewable energy in our supply chain	We work to develop opportunities, such as joint PPAs, in our strategic supplier base regions, through which suppliers can jointly increase total purchasing ability of renewable energy. By aggregating the electricity demand of multiple suppliers, we can help facilitate their procurement of renewable energy with easier accessibility and at a lower cost than they would be able to achieve individually. We also encourage suppliers to invest in on-site solar and we provide lessons learned from our own on-site solar journey. This has the potential to make significant impacts on our scope 3 category 1 emissions, as suppliers' scopes 1&2 footprints are major contributors to this emissions source.
Green product designs and life cycle analysis	Reducing the volume of virgin material needed to produce Dell products reduces our upstream supply chain emissions. We accomplish this by continuing to integrate recycled, renewable and low-emissions materials into products as part of our circular design strategy and sustainable materials goals. Additionally, we have a team of engineers dedicated to developing product life cycle assessments models for Dell commodities and finished products, through which we identify concentrated areas of environmental impacts and opportunities for sustainable design.
Suppliers' energy efficiency	Our Social and Environmental Responsibility Operations team partners with select suppliers and provides on-site technical advising to build suppliers' energy efficiency capabilities. The suppliers we partner with continue to reduce energy consumption following our energy analysis and recommendations, implement proposed energy-saving projects and adopt energy efficiency best practices. Progress on ESEP-related commitments is considered a part of our regular Quarterly Business Review discussions with suppliers, and can impact our business decisions.
Manufacturing innovation	Through regular engagement with our suppliers, we encourage them to incorporate new, innovative methods of manufacturing that reduce resource inputs and improve sustainability.

Challenges, limitations and uncertainties

Similar to our other science-based targets, reaching a 45% reduction in scope 3 category 1 emissions from purchased goods and services will be challenging and progress will not be linear. The following table outlines the challenges we anticipate through 2030 and how we are working to mitigate their impacts.

Challenges	Mitigation approach
Business growth can be in direct competition to emissions reduction efforts, with efforts to meet an increased demand for our products and services leading to an associated increase in scope 3 category 1 emissions.	Dell looks to identify ways to decouple impacts on supply chain emissions from business changes and emission reduction activities through automation of data analysis across the supply chain. Through ESEP, Dell team members help suppliers build capacity to reduce their emissions, and encourage them to measure their climate impacts, set ambitious reduction goals and make progress on their targets.
The demand for renewable energy globally is **currently anticipated** to surpass projected availability, which may lead to difficulty sourcing cost-effective renewable energy for our suppliers.	Dell advocates for public policies that support the development of new renewable energy sources. We will continue to share lessons learned from our own renewable energy journey with our suppliers.
Energy efficiency projects at supplier sites often require upfront costs that may be prohibitive for smaller suppliers.	Dell continues to identify ESG-related financing options that may be available to suppliers, such as country-specific public policy incentives, preferential access to credit with partner financial institutions and advantageous financing with private banks for decarbonization initiatives. We also collaborate with suppliers to identify energy efficiency initiatives that they can implement.
Upcoming regulations are likely to increase the amount of data collection and verification required of Dell's suppliers.	Dell supports the standardization of environmental regulations and the use of third parties to consolidate requests and reduce survey fatigue with suppliers. We have been an engagement leader in the CDP Supply Chain Program, driving climate disclosure and transparency among suppliers. Additionally, we are a member of the Responsible Business Alliance (RBA), which aims to build supplier capacity for emissions data calculations and to increase the accuracy of emissions inventories.
The impact of carbon taxes may be difficult to identify when applied across multiple levels in the supply chain.	Dell engages third parties to support high-level estimates on the future impacts of carbon taxes within the supply chain and continues to monitor emerging regulations.
The increase in supplier primary data and year-over-year methodology improvements creates complexities around reduction tracking and re-baselining.	Over the next few years, we expect to invest in software to aid in calculating scope 3 category 1 emissions. The expected solution will help us provide tools for data collection, analysis, strategy creation, supplier engagement, re-baselining and progress tracking.

Decarbonize customers

Many of our customers have ambitious emissions reduction goals for their own organizations. This pillar of our strategy explores the pivotal role our products play in supporting our customers' journey toward decarbonization.

We recognize the importance of extending our efforts beyond our own operations and upstream supply chain to empower our customers to reduce their own carbon footprints. By leveraging our expertise and resources, we can help facilitate the transition toward a low-carbon economy, foster resilience and reduce emissions for our customers and value chain partners.

The decarbonization path brings many challenges across the entire value chain, and identifying climate change adaptation solutions is essential. To reduce the use-phase emissions of our products, we need strong collaboration with our customers, whose own climate goals often depend on our ability to reduce our products' footprints. In the following sections, we outline the strategies and actions we identified and intend to implement to help decarbonize our products and customers.

2030 KEY DRIVER

By 2030, we will reduce absolute scope 3 emissions associated with purchased goods and services by

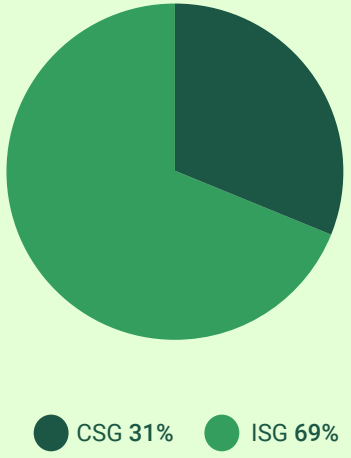
30%

Customers' use of sold products

One of Dell's largest sources of emissions is associated with the use of our sold products (scope 3, category 11). Category 11 accounts for 58%[3] of our total reported base year (FY20) footprint. Given this, we have set a science-based target to reduce it. Reducing absolute scope 3 GHG emissions associated with the use of sold products by 30% from the FY20 baseline year will be a reduction in 4.4 million MT CO_2e total GHG emissions.

While this category also contains commercial and consumer products like PCs, displays, and docking stations, it is the ISG data center products that contribute the most to our category 11 footprint.[4] Data center products, including servers, storage, and networking equipment comprise around two-thirds of our products' use phase emissions, with server use having the largest impact in this category. As a result, most of our product-focused work to reduce emissions is centered on hardware and software solutions for the power consumed by servers in data centers.

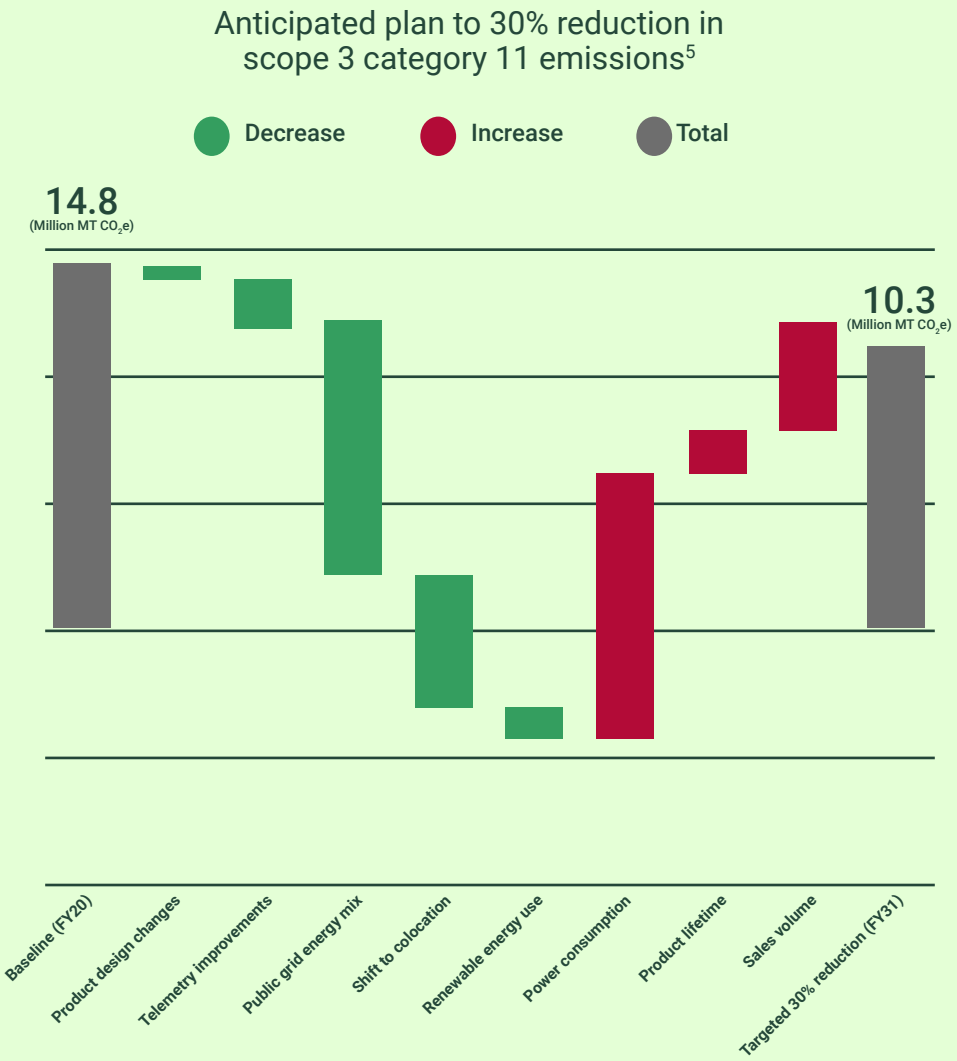
FY20 scope 3 category 11 emissions by business segment



[3] As of March 2024. This percentage is subject to change with re-baselining efforts, which may impact our overall emissions footprint. We re-baseline our emissions in accordance with guidance from the GHG Protocol and the Science Based Targets initiative.

[4] Our Client Product Group (CPG) comprises our desktop and laptop businesses; Infrastructure Solutions Group (ISG) includes servers, storage, and networking products; Client Solutions Group (CSG) is inclusive of CPG products and displays.

The following graph shows the levers on the path from our baseline year of FY20 to our targeted 2030 emissions reductions and their expected impact. Each category is described in further detail in the table below. Levers that could negatively impact progress are detailed in the Challenges, limitations and uncertainties section.



[5] *These projections do not fully account for the impacts of AI-enabled devices and are subject to change.*

Lever	Our approach
Product design changes	Our data center equipment is designed to maximize airflow and introduce more liquid cooling options, which can reduce energy needed for temperature control. Additionally, we introduce software products to proactively manage power to determine underutilized servers and optimize configurations for increased efficiency.
Telemetry improvements	Accurately measuring emissions from diverse products used across varied contexts and lifespans is challenging. Data availability, product complexity and consumer behavior all create uncertainties, which can lead to estimated footprints that are higher than actuals. We currently base our calculations on estimates of energy use by products and assumptions on utilization rates. We are working to develop standardized measurement protocols for specific product categories, which will help enable more accurate reporting. We also encourage consumer transparency through telemetry to gather real-time usage data, which can improve accuracy in our calculations and for our customers. Through deeper customer engagement, we can gather more granular data on where our products are located, allowing us to appropriately attribute customers' renewable energy use.
Public grid energy mix	Through our Government Affairs group and engagement with various trade and industry organizations, we advocate for policies to decarbonize public energy grids and increase the proliferation of renewable energy worldwide. Learn more about our climate-related Public policy and advocacy.
Shift to colocation	We encourage our customers to leverage co-location facilities for their networking equipment for a lower carbon footprint. When customers place our products in colocation facilities that rely on renewable electricity, our accounting can reflect that lower emissions factor. These facilities can often optimize higher demands and loads than individual on-premises sites, leading to lower use-phase emissions.
Renewable energy use	Using renewable energy to power our products lowers use-phase emissions. For our calculations to accurately incorporate customers' use of renewable energy, we strive to engage more deeply with our customer base and include customer-specific emissions factors in our data. We can gather data from our customers when they use and share telemetry data, and when they report their own consumption of renewable electricity. Encouraging our customers to shift to as-a-Service (aaS) enables us to have higher visibility into products' performance and energy demands, allowing for more granular data and emissions information.

Challenges, limitations and uncertainties

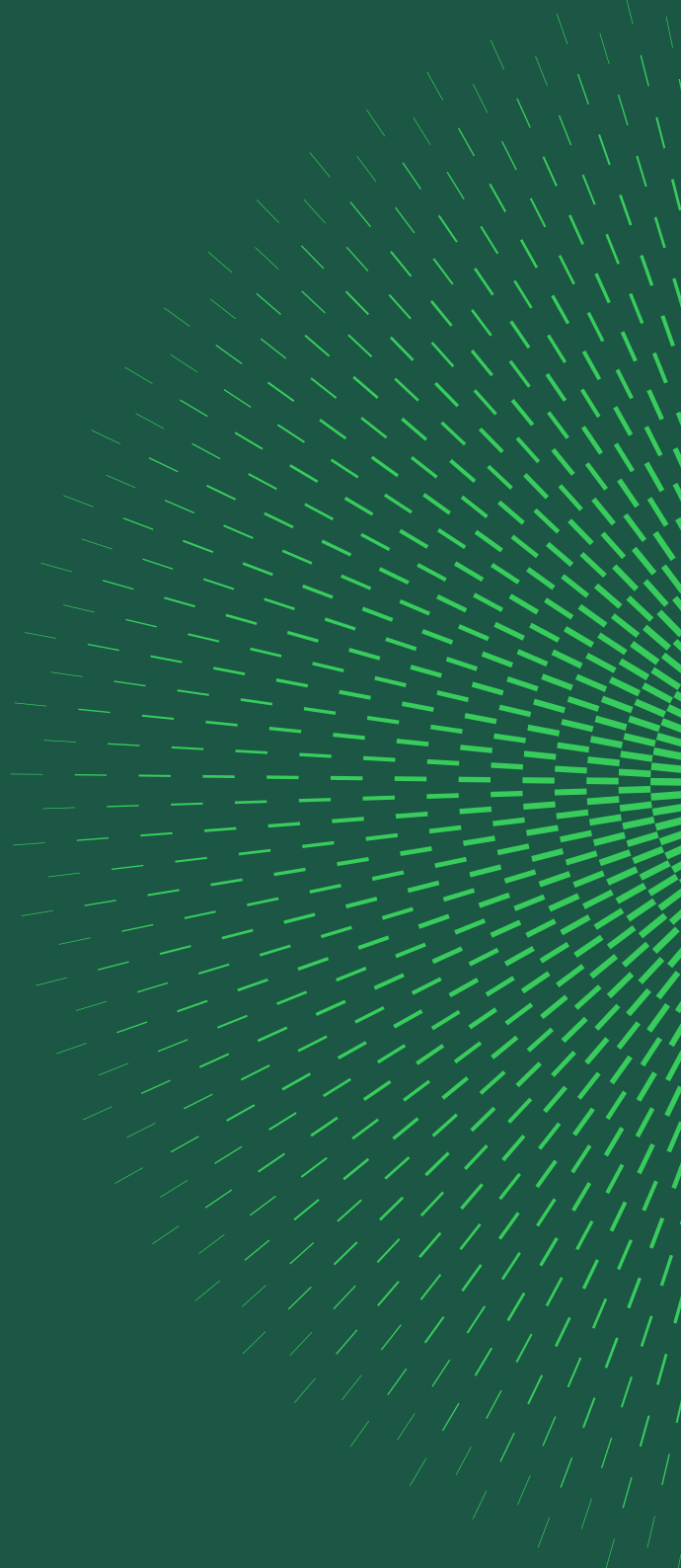
Overall, addressing scope 3 category 11 decarbonization requires a multi-pronged approach. We recognize that achieving reductions necessitates a decoupling of business growth from the emissions associated with the use of our products. Additionally, collaboration between businesses, consumers, policymakers and researchers is crucial for developing innovative solutions and overcoming technical and financial hurdles. We also understand that progress in this category is not linear, given the many challenges and complexities we face. We outline the challenges we anticipate and our mitigation approach to overcome them.

As we reduce category 11 emissions, we anticipate that other categories of scope 3, including other categories associated with other customer activities, will represent a larger portion of our total footprint. We will continue to prioritize engaging with our customers and downstream value chain partners to reduce the footprint of our products throughout their lifecycle.

Challenges	Mitigation approach
Power consumption	Data center energy consumption will increase due to AI and generative AI, broader customer demand for more computing power, and data and connectivity resource needs. While we design our products to be as efficient as possible, the energy needed to power the compute demands of the future is predicted to be significant. The use of our products in colocation facilities where providers have committed to use 100% renewable energy is one quantifiable way to reduce our category 11 emissions. Making this transition to a low-carbon computing environment enables customers to minimize data center emissions, regardless of increased compute demands. Additionally, the energy demands of AI underscore the importance of right-sizing IT infrastructure. Optimizing equipment and ensuring customers are implementing the solutions that best align with their needs can help reduce wasted energy and drive down demand. We also use our policy and advocacy efforts to support broader public grid decarbonization, which can further lower the carbon footprint of our products.
Product lifetime	The Uptime Institute expects that customers will look to extend the useful life of our products, which is positive for those products' manufacturing footprints (our scope 3 category 1 emissions), but this same action poses a challenge to our scope 3 category 11 emissions reduction efforts as older products are less efficient. Furthermore, the emergence of AI-capable devices may impact the projections we use to inform our understanding of customers' demands for device refresh timelines. Several of our ESG goals aim to reduce the footprint of manufacturing our products and improve the circularity of our portfolio. Extending product service life is important for these goals. However, doing so requires leaving potentially less efficient models in service for longer, which may impact our progress toward scope 3 category 11 emissions reduction in the near-term.
Sales volume	Increases in sales volume impact our category 11 emissions. Consumer choices regarding which products they purchase significantly impact product use emissions. However, awareness and adoption of low-carbon options can be limited due to price premiums, lack of information or resistance to change. We aim to mitigate this challenge by providing clear information in our product carbon footprint reports and through eco label certifications. We also continue to evaluate additional opportunities to encourage our customers to increase their renewable energy procurement, including through incentive programs. Similarly, we support educational campaigns to raise awareness about the environmental impact of product choices. Additionally, we offer consultative services for customers that include a sustainability audit of infrastructure, locational considerations, analysis of power consumption sources, wastage; recommendations and high-level documentation for key actions; and Dell expert-facilitated workshops to help ensure seamless implementation.

Decarbonize society

The final pillar of our decarbonization strategy is around how we can best engage with stakeholders outside of our value chain to drive toward a net zero future. As an active member in the communities of which we are a part, Dell has the obligation to work with these groups to help collectively drive decarbonization. We believe that some of our largest opportunities to contribute to net zero lie in how we lend our voice, platform and scale to different groups and issues in society. This includes supporting policies that work toward net zero, using our technology to help create climate friendly solutions, and our carbon neutralization strategy.



Public policy

Public policy has the power to align efforts and accelerate progress toward a net zero future. Engagement with policymakers and regulators enables Dell to learn how it can best support efforts around the globe. This engagement also helps us communicate where external support can make our efforts in mitigating climate change more effective and to work with governments, other businesses and key stakeholders to develop and implement climate solutions. Through our advocacy efforts via trade associations, we work to advance climate-related policies across the world.

Dell believes that by working together with industry groups and trade organizations, we can advocate more strongly for policies that contribute toward a net zero future. Below is a list of some of the groups we are members of that advocate for these policies:

- Business Roundtable (BRT): The BRT is an association of more than 200 CEOs of America's leading companies, representing every sector of the US economy. Our CEO, Michael Dell, has long been a member of the BRT. It has advocated for a scaled-up deployment of renewable energy and for the passage of the Inflation Reduction Act, which Dell also supported.

- Digital Climate Alliance (DCA): Dell is a founding member of the DCA, which is a coalition of forward-thinking companies committed to using digital tools to decarbonize the economy. The DCA has advocated for many climate-friendly policies, including advocating for the SEC's proposal to mandate that public companies disclose climate-related information. The DCA also continues to advocate for these policies and educate policymakers on the role of technology in the transition to a lower-carbon economy. It supports policies that increase attention on, and investment in, IT-based climate solutions, which align with our policy interests.

- World Economic Forum (WEF): The WEF provides a global platform for stakeholders to establish trust and build initiatives for cooperation and progress. The WEF hosts the Alliance of CEO Climate Leaders, of which Michael Dell is a member. The Alliance publishes an annual letter to advance different policies related to climate issues, such as advocating for the proliferation of renewable energy.

Trade associations and business groups of which we are members have large and wide member bases with a wide range of opinions on environmental and social topics. In cases where an organization's position is not aligned with ours, we are committed to working with that organization to express our concerns and encourage the group to consider our perspective. Learn more about Dell Public Policy and advocacy work on our website.

Specific policy positions

To align with global carbon emissions reductions aims and support climate change resilience, Dell supports public policies which:

- Accelerate the transition to a low-carbon economy, with specific attention to lowering the carbon footprint of the IT and communications sectors, with an emphasis on AI, through efforts such as our launching a call to action for sustainable public procurement in Europe.

- Shape climate-related regulation to ensure a consistent regulatory environment across all regions. This involves a specific focus on global standards for the reporting and disclosure of climate-related risks and opportunities, governance of climate issues and GHG emissions inventories. In the past, we have supported this through signing the Alliance of CEO Climate Leaders annual letter, which supports harmonization of global climate disclosure mechanisms.

We promote the development of renewable energy through our continued membership in organizations such as the BRT, which publicly advocates for access to sustainable and affordable energy across America.

Carbon credits, offsets and climate solutions

We recognize that at the end of our net zero journey, there will be residual, unabated carbon emissions in our footprint. Just as carbon removals must be a part of the global path to net zero, we commit to the neutralization of unabated emissions with an equal amount of carbon removals, where no more than 10% of baseline emissions are neutralized.

As part of these neutralization efforts, Dell will work to ensure that carbon credits meet the highest standard for quality. As of FY24, the leading framework for carbon credit quality comes from efforts such as the Integrity Council for Voluntary Carbon Markets, which publishes 10 Core Carbon principles under the pillars of Governance, Emissions Impact and Sustainable Development.

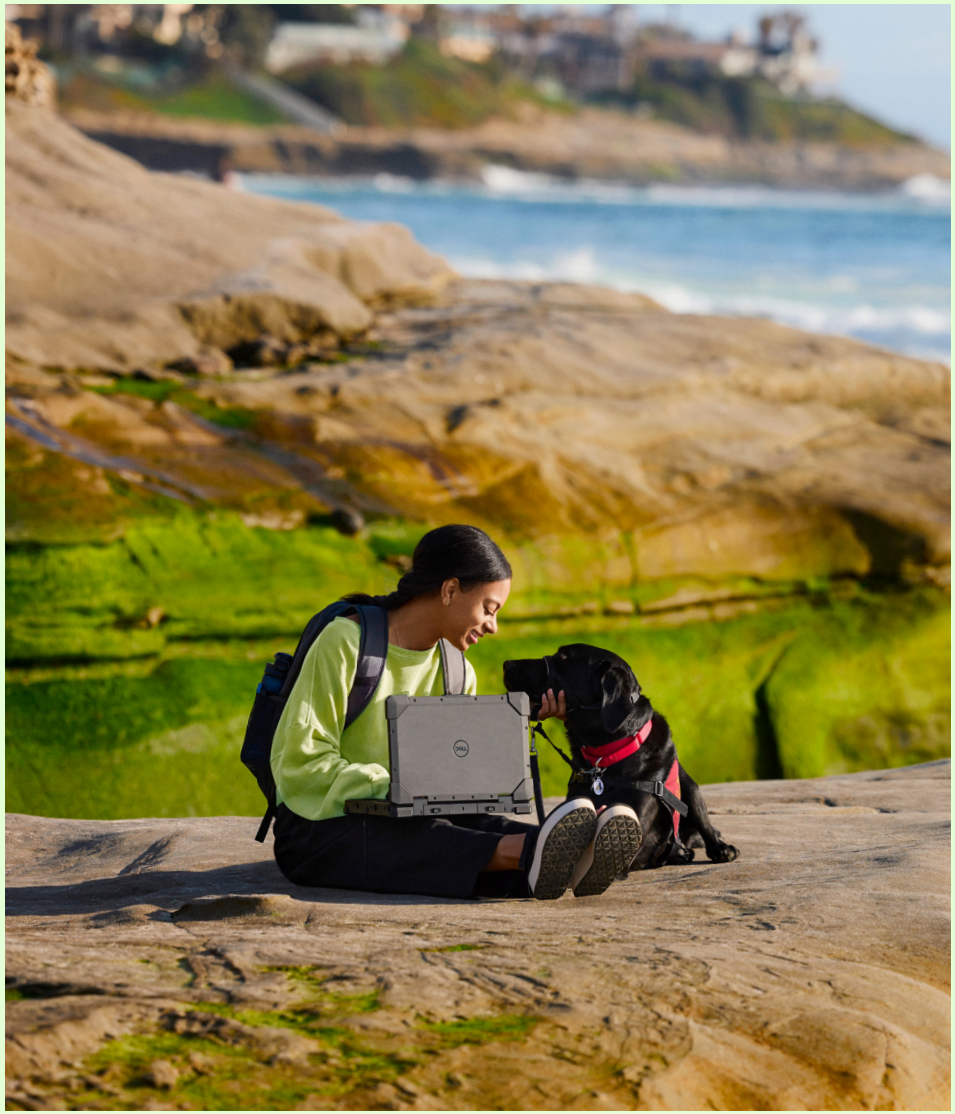
As of the development of this CTAP, Dell is not currently engaging in meaningful emissions neutralization with permanent carbon removals. However, we commit to align with best practices on procuring carbon credits when we engage in the effort. Our current focus is on our interim 2030 key drivers to decarbonize our operations and value chain. Meanwhile, we continue to monitor the changing guidelines and technological developments around carbon removals and may engage in neutralization activities as we near completion of our near-term ambitions and approach our 2050 goal.

Just transition

Dell is committed to a just and equitable transition to net zero. We believe that the global transition to a sustainable economy should not unduly impact marginalized communities or those who have contributed less to climate change. As part of a just transition, we commit to undertaking stakeholder engagement to prevent harm to communities from our actions to achieve net zero. For example, we aim to purchase renewable energy only from projects whose construction or operations do not cause significant negative impact to underserved communities. Dell is early in its journey toward net zero and a just transition. As we continue to engage more with the communities where we operate and have impact, we commit to updating our stakeholders on our progress.

In addition to the work we undertake with our supply chain partners to make technology more sustainable, we continue to work together to ensure that workers manufacturing Dell products are treated with dignity and respect. This includes our work as a founding member of the Responsible Business Alliance and our robust policies around human rights, responsible sourcing and vulnerable workers. Embedding social responsibility and sustainability expectations into our supplier code of conduct helps ensure Dell works with suppliers dedicated to decarbonization and a just transition.

Dell also believes that access to technology will play an important role in climate resilience for vulnerable communities. We continue to invest in digital technologies for marginalized communities with the goal of impacting one billion lives by 2030 through digital inclusion. One example is our Solar Community Hub program, which brings access to computers and internet, all powered by solar electricity, to communities around the world.



What’s next

We recognize that our climate goal is ambitious and that reaching it requires deep collaboration throughout our value chain and adjustments in how we do business. Progress toward net zero may not be linear, but we will continue to find opportunities to reduce our footprint where we can. We must innovate and evolve to meet the challenges before us, but it is not our journey alone. We welcome ideas and partnerships in our efforts to realize a net zero future.

This Climate Transition Action Plan includes statements that refer to future plans, expectations, and other “forward-looking statements”. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially. Published: September 2024


DELL Technologies