

June 11, 2021

Ms. Vanessa Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Request for Public Input on Climate Change Disclosures

Dear Ms. Countryman:

Dell Technologies Inc. ("Dell") welcomes the opportunity to respond to the Acting Chair Lee's March 15, 2021 request for public input on climate change disclosures. Dell supports ongoing efforts to establish globally consistent and comparable sustainability reporting, which will allow businesses to streamline reporting and build public trust through greater transparency of their sustainability initiatives.

Climate change is a critical and global concern – for Dell and our customers. As a leading technology provider with global operations, a global supply chain and a global customer base, we are navigating a growing number of physical risks associated with climate change, as well as a number of transition risks related to global decarbonization and a future low-carbon economy.

We believe that by addressing climate change, we are demonstrating our company's purpose – to create technologies that drive human progress. We have a responsibility to manage the emissions associated with our direct and indirect footprint, and technology plays an important role in this undertaking. Additionally, our products and services play an important role in how our customers execute their own net zero strategies.

Dell's program of climate action is aligned with The Paris Agreement on Climate Change. We support mandatory reporting of climate performance data, including information on climate-related risks and opportunities, governance of climate issues and greenhouse gas inventories that make a material contribution to an organization's overall footprint. Disclosure is an important tool in addressing climate change. We believe the objective of climate reporting is to provide information to enable users to understand 1) the nature, type and extent of risks and opportunities arising from climate change, 2) the impact of climate-related risks and opportunities on an entity's performance and ability to impact long-term value, 3) management's use of and effect on resources, and 4) the capacity of the company to adapt its business model and operations to manage climate-related risks and opportunities.

Dell has a long track-record of setting ambitious sustainability goals and providing annual reporting on our progress as part of our *Progress Made Real* platform. We report against our climate goals, two of which have been reviewed and validated by the Science Based Targets initiative. In addition, we are making a long-term commitment to reach net-zero carbon emissions across our full greenhouse gas inventory by 2050 or sooner, inclusive of Scope 1, 2 and 3 carbon emissions (upstream and downstream). We are committed to annual reporting on the progress made towards the achievement of these goals, as well as our interim 2030 goals. We also currently include highlights of our commitments and initiatives in our annual proxy statement and our Form 10-K annual report.

Summary

Dell recognizes the need for consistency and comparability in climate reporting, and we fully support mandatory reporting of climate performance data to achieve this goal. Further, we support the following:

- Phased approach to integrated reporting in the annual report
- Development of a global disclosure framework across all industries for mandatory reporting
- Leveraging of existing frameworks as the basis for the development of a global framework
- Development of primarily principles-based standards
- Use of the investor-focused concept of materiality as reflected in current law and SEC regulation
- Standards focused on climate first, followed by broader sustainability and social issues

Phased approach to integrated reporting in the annual report

We believe there is a pressing need to develop and apply a global disclosure framework on climate topics and that climate-related disclosures should be included as integrated reporting in the Form 10-K annual report. However, registrants will need time to develop the level of high-quality information and disclosures needed and to address constraints on the availability of data.

It is our view that climate should be addressed through integrated reporting which communicates an organization's business strategy, governance, performance and prospects in the context of its external environment and how this can lead to value creation in the short, medium and long term. Integrated reporting is forward-looking and linked to strategy and business models and naturally leads to material disclosure on climate risks and opportunities.

In order to incorporate climate reporting into the annual report, time and resources will be required to build or modify existing processes and agreements or develop robust estimation techniques in the absence of data availability. Currently, some required data is available only through third parties and existing processes are not designed to meet current reporting timelines. Companies need to build out expertise and develop, formalize and implement governance frameworks, materiality assessments, strategic plans, processes and controls, and mechanisms for internal audit and external assurance.

These concerns can be addressed through a phased approach. The SEC should determine the desired reporting end state and then identify interim steps to achieve this end state. At the same time, it is important to allow for some flexibility in compliance as companies develop the aforementioned expertise and mechanisms to comply with climate disclosure requirements. The Commission should consider providing a mechanism for registrants to furnish rather than file climate-related disclosures for purposes of the Securities Exchange Act as an interim step. Further, a modified liability provision may be necessary to protect registrants as reporting processes are developed, at least throughout this transitional period. This might include a liability safe harbor for certain climate change metrics and forward-looking information provided by companies in good faith.

We also believe that third-party independent assurance promotes accountability which leads to greater consistency and comparability, but we understand assurance must be based upon sound processes, controls and a clear assurance standard developed with due process. The eventual development of an assurance measurement and reporting standard is critical to the ultimate success of mandatory climate reporting.

Development of a global disclosure framework across all industries for mandatory reporting

Dell supports a global disclosure framework on climate topics (herein referred to as the “framework”) to promote standardization, comparability and reliability. We support the development of a framework at the global level, because global issues need global solutions. Furthermore, companies such as ours have global supply and value chains, global risks and global opportunities.

The current voluntary climate reporting landscape is complex and fragmented with a proliferation of standards, frameworks and metrics. Preparers must decide which standard to follow with many, including Dell, complying with several standards. At the same time, countries and regions that have committed to target dates to achieve net-zero emissions are instituting additional climate regulations and reporting requirements. This has created challenges for both preparers and users of the data. Companies are managing complex and evolving multi-layered compliance requirements that increase reporting risk and cost. And investors are increasingly requesting more information and calling for greater quality and comparability as they try to understand how the climate-related risks and opportunities faced by companies impact long-term value creation.

We recognize that standard setters have begun harmonization efforts. We support the IFRS Trustees’ recent commitment to develop an International Sustainability Standards Board to establish IFRS sustainability standards. The IFRS can play a critical role in the development of the framework, and we urge the Commission to engage with the IFRS and other recognized standard-setters quickly to avoid further fragmentation and to facilitate widespread adoption. It is imperative to have clear definitions of, and alignment on, metrics and measurement methodologies through the development of a framework, and we expect this to be the foundation upon which SEC reporting requirements are built.

Leveraging of existing frameworks as the basis for the development of a global framework

In recent years there has been a growth in, and broad acceptance of, voluntary sustainability reporting initiatives. We believe that it is critical for the Commission to engage with other organizations and leverage its relationships with global regulators, governments and private sector preparers around the world to develop a framework.

There are many existing reporting standards that can serve as a useful starting point to move quickly towards the development of a framework. Dell has already invested considerable resources into establishing reporting processes based on existing standards and there is already widespread use and acceptance by a range of investors and other financial market participants. In particular, the standards developed by the Task Force on Climate-Related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), and the World Economic Forum’s *Stakeholder Capitalism Metrics* provide a comprehensive foundation for the development of a framework.

We believe due process will be essential to the successful development and implementation of a framework and SEC reporting requirements. As a preparer of financial information, we welcome the opportunity to participate in the SEC’s process, to provide insight on key considerations, and to support the development of requirements.

Development of primarily principles-based standards

Dell supports a primarily principles-based approach to accommodate the diversity in climate impacts and opportunities. This will allow registrants to effectively highlight the information about how management evaluates the material risks and opportunities specific to their business. The nature of climate risks, uncertainties and opportunities can be very qualitative in nature and can vary tremendously from company to company. A principles-based approach reduces the volume of information that may be irrelevant, outdated or immaterial. Furthermore, a principles-based approach will afford companies with the flexibility to

adapt to market and scientific developments and allow for disclosures to evolve over time without regulator involvement.

We recognize there are tradeoffs between principles-based and prescriptive approaches to disclosure requirements and that certain specific disclosure requirements related to metrics and measurement may be necessary to ensure global consistency and comparability, to the extent that such information is considered material (e.g., Greenhouse Gas Protocol, Scope 1 and 2 carbon emissions). Although we support a principles-based framework across all industries, we see this as a baseline upon which industry-specific requirements can be built to provide a further level of specificity.

We also urge the Commission to maintain flexibility to account for ongoing developments when establishing guidance and requirements. Assessment of the long-term cost or value generated by climate risks and opportunities is subject to significant management estimates and judgment and the inputs into this modeling will continue to develop over time. Although raw data may be currently quantified and reported, for these metrics to be more meaningful to investors, companies may need to provide value metrics (e.g., scenario-based analysis/modeling) which is more complex, subjective and evolving.

Use of the investor-focused concept of materiality as reflected in current law and SEC regulation

As stated above, climate disclosures have become increasingly important to investors and a broader set of stakeholders which is evidenced by the plethora of voluntary reporting that exists today. The scope of information considered important has also broadened beyond monetary amounts recognized in financial statements and financial metrics to the broader set of Environmental, Social and Governance (ESG) data.

Information included in SEC filings is subject to a registrant's materiality assessment. Dell supports the use of an investor-focused concept of materiality as reflected in current law and SEC regulation, including consideration of both quantitative and qualitative aspects of materiality. While companies are still in the early stages of determining potential quantitative financial and accounting impacts of climate change through the development of scenario-based modeling of risks and opportunities, there may be factors and data points that are relevant in order to understand a company's business value and therefore considered qualitatively material.

Many companies are performing materiality assessments to identify ESG issues most relevant to their businesses for inclusion in existing voluntary ESG reporting. These assessments consider what is material for management and stakeholders and may indicate what is qualitatively material and thus inform future company reporting requirements. For example, a company that determines that Scope 1 and 2 carbon emissions are material for enterprise value based on the company-specific assessment would report on its Scope 1 and 2 emissions.

We expect annual report SEC-mandated disclosures to be complementary to broader, voluntary sustainability reporting which will continue to be valuable to investors and other stakeholders.

Standards focused on climate first, followed by broader sustainability and social issues

Dell is committed to creating a positive social impact and has goals and objectives related to advancing sustainability, cultivating inclusion, and transforming lives with technology all while upholding ethics and privacy. These areas of focus are critical to Dell's brand and long-term value and are therefore included in our social impact vision and our progress toward these goals is measured and reported annually. However, we believe climate change is the most pressing issue to address currently from a standards and reporting standpoint, and we urge the Commission to focus on climate standards first, with broader environmental, social and governance factors moving into sharper focus over time.

Conclusion

We commend the Commission for its responsiveness to the needs in the current ESG reporting environment and willingness to engage with stakeholders on this critical issue. We support the Commission's efforts to improve climate-related disclosures through the development of a climate reporting standard which will greatly benefit companies, investors, communities and other stakeholders. Dell welcomes socially responsible investors and the analysts. Transparency on performance is aligned with our corporate purpose and supports our long-term progress on climate issues.

Sincerely,



Brunilda Rios
Senior Vice President, Corporate Finance and Chief Accounting Officer
Dell Technologies Inc.