At Dell, we have a core set of values that defines the kind of company we are and aspire to become. We are committed to translating these values into sustainable practices and to continually improving those practices.

We are committed to leveraging the vast skills of the Dell team to manage the environmental and societal impacts and opportunities of our products, processes and practices. This brochure captures the highlights of Dell’s achievements in our fiscal year 2005, which we comprehensively describe in our most recent sustainability report.

Some key areas of progress include:

- **Product Recovery**: Dell significantly exceeded our goals to recover used products from customers.
- **Forest Stewardship**: Dell developed a model that governs our sourcing of paper products.
- **Supplier Labor Conditions**: Dell collaborated with industry partners to develop an Electronic Industry Code of Conduct for our common supply base, streamlining the efforts of suppliers to comply with our quality workplace standards.
- **HIV/AIDS**: Dell joined the Global Business Coalition on HIV/AIDS and committed to do our part to fight the spread of HIV.

While we have learned much this year, we realize there is considerably more to learn about the challenges facing society and the responsibility Dell has to help meet them. We believe that Dell has the right team, business model, values, partners and stakeholders in this important journey.

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Dell is committed to operating in a responsible and sustainable manner around the globe. We have built processes around how we put into action the values and beliefs communicated in The Soul of Dell.

The goal of our accountability, sustainability and community programs is to ensure that we operate in a manner that is consistent with our core values as we grow our business globally. Dell has adopted the concept “Values in Action” to capture the many ways the company and our team members act on our commitments.

Values in Action describes Dell’s global citizenship activities as wide ranging as our diversity programs, our employee volunteerism programs and our environmental responsibility efforts.

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Michael S. Dell
Chairman of the Board

Kevin B. Rollins
President and Chief Executive Officer
Accountability

Dell’s success is based on maintaining direct relationships built on trust. To sustain this trust with our employees, customers, suppliers and investors, we must hold ourselves to the highest standards when doing business.

Corporate Governance: We believe that adherence to sound corporate governance policies and practices is important in ensuring that Dell is governed and managed with the highest standards of responsibility, ethics and integrity. Dell’s Board of Directors has adopted Principles of Corporate Governance, which provide an effective corporate governance framework for Dell, intended to reflect a set of core values that provides the foundation for our governance and management systems and our interactions with others.

Global Ethics: We hold ourselves to standards of ethical behavior that go beyond legal minimums. Our efforts to foster accountability and responsibility within the company include leadership and organizational initiatives and resources that empower employees to act ethically.

• The Soul of Dell is our corporate philosophy that defines who we are and who we aspire to be as a global company. It outlines our commitment to Customers, the Dell Team, Direct Relationships, Global Citizenship and Winning, and provides the foundation for our Winning Culture. For additional information, visit www.dell.com/soulofdell.

• Our Code of Conduct complements The Soul of Dell by providing specific guidance for employees regarding the company’s high standards for ethical behavior and winning with integrity. Our Code is based on seven characteristics: Trust, Integrity, Honesty, Judgment, Respect, Courage and Responsibility. More information is online at www.dell.com/codeofconduct.

Diversity: To be a successful company and a great place to work, our business must be driven by individuals with differences as well as similarities. By driving diversity initiatives throughout our business, we discover additional talent, improve our operating results, further our community citizenship efforts and become a better place to work.

• Our workforce comprises more than 55,000 employees who live and work in countries around the globe and deliver products and services to more than 180 countries. More than half of our U.S. employees are women and/or people of color.

• Our employees have a number of resources available to them to ensure that they are achieving their fullest potential, including networking groups, mentoring programs, national observances, cultural celebrations and online informational tools. For example, we recently hosted the first Global Summit at Dell’s headquarters focusing on the changing role of women in different cultures.

• We are equally committed to supplier diversity, and we work with a number of minority, women and disadvantaged business enterprises (M/W/DBE). Since 2001, Dell has increased spending with M/W/DBEs by more than 66 percent, breaking the billion-dollar mark in 2003. Year-over-year spending with minority and women business entrepreneurs grew by 25 percent in fiscal year 2005.

Supplier Labor: Dell has high standards for workplace and labor conditions in all of our facilities. We focus on ensuring that the same high standards are used by our suppliers. These standards and the principles we expect of our suppliers are available online at www.dell.com/supplierprinciples. Dell has also partnered with others in our industry to create an Electronic Industry Code of Conduct for our suppliers. Having this common code allows suppliers to reduce time spent on multiple audits, thereby helping to ensure that they focus resources on raising standards for workplace conditions and manufacturing processes.

HIV/AIDS: Dell recognizes HIV as a critical issue affecting the sustainable growth of our company. HIV affects Dell’s employees, customers, suppliers and markets. Our first step was joining the Global Business Coalition on HIV/AIDS to share best practices with other companies in addressing this challenge. More information is available at www.businessfightsaids.org.

Winning with integrity. Gagner avec intégrité. Vencer con integridad. 以誠信 取勝. 誠実さを伴う勝利。
Part of being a great global company is being environmentally responsible. Dell continually addresses the most important environmental issues related to our products, our operations and our services through our company-wide environmental management system.

Stage 1: Product Concept and Design
Dell continually modifies the design of our products to use fewer resources and minimize or eliminate the use of environmentally-sensitive materials. Some examples of recent progress include:

- All Dell OptiPlex™ desktops are shipped with power-management features enabled, which dramatically reduces electricity usage. We estimate that this change helped avoid carbon dioxide emissions in the past year equivalent to removing 156,029 automobiles from use.
- We avoided shipping approximately 23 million kilograms (50 million pounds) of lead between 2000 and 2004 as customer preference for liquid-crystal-display (LCD) monitors versus traditional cathode-ray-tube (CRT) monitors increased. In addition, we have virtually eliminated the use of halogenated flame retardants in desktop, notebook and server chassis plastic parts.

Stage 2: Manufacturing and Operations
Dell’s computer assembly processes do not generate significant air emissions or hazardous waste, or use significant quantities of water. Our manufacturing-related environmental efforts focus on reducing emissions from logistics operations and resource reduction and recycling programs. For example:

- As a partner in the EPA’s SmartWay program, which aims to cut emissions from logistics operations, we shipped more than 90 percent of our U.S. volume via SmartWay-certified carriers in the past year, exceeding the EPA’s requirement of 50 percent.
- We moved 6 percent of volume from air shipments to ground shipments to significantly reduce emissions in 2004. Our factory planned in North Carolina, near many of our U.S. East Coast customers, will further reduce air shipment volume.
- All Dell manufacturing facilities are ISO 14001 certified and collect and reuse a variety of materials, including cardboard, office paper, plastics, foams, metals, batteries, disks, aluminum cans, bottles and pallets. During our fiscal year 2005, we achieved 85 percent recycle/reuse performance for nonhazardous waste at Dell facilities.

Stage 3: Customer Ownership Experience
Dell focuses on the customer ownership experience by promoting environmentally-preferable practices for our customers, including usage optimization and ways to extend the product’s life.

- We developed a Forest Products Stewardship Model that allowed us to review current paper-usage practices and establish goals with respect to certain paper products that Dell uses, purchases and distributes. We expect to achieve approximately 15 percent average post-consumer content in our catalogs and 30 percent post-consumer recycled content in corrugated packaging materials by October 2005.
- Our media-reduction initiative aims to reduce the number of printed documents and CDs shipped with our products. The initiative to date has removed approximately 1,576 tons of materials normally shipped with products.

Stage 4: Equipment End-of-Life Strategies
Dell makes it easy and affordable for customers to manage the life cycle of their technology equipment. Although programs vary throughout the world to reflect customer, cultural and regulatory requirements, our programs for equipment reuse and recovery are among the industry’s most aggressive and comprehensive offers.

- For institutional customers, we provide Asset Recovery Services to ensure safe and environmentally responsible disposition of nonfunctional or obsolete computer technology.
- We offer product recycling and reuse options to consumers in many markets around the world. In several countries, we offer free recycling of any brand of computer or printer with the purchase of a new Dell computer or printer.
- Through our partnership with the National Cristina Foundation, customers can donate computer equipment to charity. Product donation programs are available in the U.S., Canada, Brazil, Ireland and the United Kingdom.
- Through more than 50 community computer-recycling events directly managed or sponsored by Dell during the past two years, more than 2.25 million kilograms (2,500 tons) of computer equipment was kept out of landfills.
- Last year, we recovered more than 11 million kilograms (24 million pounds) of used product from customers, an increase of more than 200 percent over fiscal year 2004. Dell has committed to growing product recovery from customers by another 50 percent in fiscal year 2006.
Dell believes everyone should have the ability to access, use and understand technology. Dell supports programs that provide opportunities for underserved children and communities to gain access to technology.

Through our direct business model, we are committed to lowering the cost of technology around the world.

- Through Dell TechKnow, one of the largest student computer-donation programs in the U.S., we provide low-income middle-school students the opportunity to earn a home computer and learn technology skills. To date, more than 5,000 students from nearly 30 school districts have graduated from the program.

- As a founding member of the Partnership for 21st Century Skills, Dell provides tools and resources to enable students to learn technology as well as critical thinking and problem-solving skills crucial to success in the global economy.

- Dell is committed to helping teach Internet safety to children, parents and educators through our founding membership in the Internet Keep Safe Coalition. The coalition’s campaign features “Faux Paw the Techno Cat®,” a new cultural icon that takes children through Internet adventures, teaching them the essential rules of Internet safety.

- Dell also gives to the global community through grants administered by the Dell Foundation. The Foundation focuses on programs that help youth learn and excel in the digital world. In addition, Healthy Community Grants, Literate Community Grants, Connected Community Grants and open grants are available to address health and human services, education and technology access.

- Dell has made computing more affordable and accessible by revolutionizing how the world shops for technology and focusing on productivity and innovation. In the past four years, the average cost per Dell system has decreased almost 50 percent. This industry-wide phenomenon is known as The Dell Effect, which expands the benefits of technology to more segments of the economy and society.

The Dell team worldwide shares its vast talents by supporting innovative programs that eliminate barriers to technology and provide access to 21st-century skills. In addition, Dell employees help address health and human services, education and technology access for young people through financial support and volunteerism.

- Throughout the year, and especially during Global Community Involvement Month, Dell encourages employees to make a difference by volunteering. Last year, more than 17,500 employees, one of every three employees worldwide, volunteered, donating more than 78,000 hours of time.

- In addition to sharing its talents, the Dell team also supports the community with direct financial giving through payroll deductions. Annually the Dell team gives more than $3.3 million to assist organizations around the world. After the tsunami disaster in South Asia, Dell employees raised more than $2 million to aid tsunami relief. In support of Dell’s global growth, our employee direct-giving program has expanded outside the U.S. to include Canada, Ireland, Panama, Brazil and India.
Dell was honored to be recognized by *Fortune Magazine* in 2005 as America’s Most Admired Company (No. 3 globally). Our work on sustainable business practices is a journey without end. We are honored to have been recognized last year by stakeholders in this process:

**Recognition**

Keep America Beautiful awarded Dell the Waste Reduction Award in honor of our work to educate the public about the need for responsible computer recycling and the affordable recycling and reuse options available to consumers.

*Business Ethics Magazine* awarded Dell the Environmental Progress Award for the company’s commitment to the environment.

National Recycling Coalition awarded Dell the Fred Schmitt Award for Outstanding Corporate Leadership.

Dell received the Corporate Group Volunteer of the Year Award from America’s Second Harvest — The Nation’s Food Bank Network, the country’s largest hunger-relief organization.

**Progress**

Dell has set aggressive sustainability goals for fiscal year 2006.

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<thead>
<tr>
<th>Goal / Objective</th>
<th>Target</th>
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</thead>
<tbody>
<tr>
<td><strong>Supplier Citizenship</strong></td>
<td></td>
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<tr>
<td>1. Tier 1 Suppliers certified to ISO 14001.</td>
<td>1. 100 percent of Tier 1.</td>
</tr>
<tr>
<td>2. Tier 1 Suppliers certified to OHSAS 18001.</td>
<td>2. 100 percent of Tier 1.</td>
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<tr>
<td><strong>Product Design for Environment</strong></td>
<td></td>
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<tr>
<td>1. Improve product energy efficiency.</td>
<td>1. Enable the avoidance of 10 million tons of equivalent carbon dioxide emissions between FY2004 and FY2008 by designing and configuring more energy-efficient products.</td>
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<td>2. Reduce environmentally-sensitive materials content (for example, lead) to meet RoHS requirements.</td>
<td>2. Avoid 52,000 tons of lead (Pb) and 33,000 tons of brominated flame retardants (Br FRs) between FY2004 and FY2008 by shipping RoHS-compliant products globally and shifting our display product mix from CRTs to LCDs.</td>
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<td>3. Improve dematerialization and recyclability.</td>
<td>3. Avoid 43,000 tons of product packaging and shipping materials between FY2004 and FY2008.</td>
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<td><strong>Product End-of-Life</strong></td>
<td>Increase product recovered from customers, measured by weight, by 50 percent over amount collected in FY2005.</td>
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<tr>
<td><strong>Greenhouse Gas (GHG) Emissions</strong></td>
<td>Reduce GHG emissions through energy conservation, purchase of green energy, improved energy efficiency of our products and optimizing transportation.</td>
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<tr>
<td><strong>Pollution Prevention</strong></td>
<td>Maintain high waste recycle and reuse rates at Dell manufacturing facilities.</td>
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The full version of our Fiscal Year 2005 Sustainability Report is available online at www.dell.com/environment.

For questions about our report or to obtain a copy, contact us at:

E-mail: Dell_Sustainability@dell.com

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Dell Inc. (NASDAQ: DELL) is a trusted and diversified information-technology supplier and partner, and sells a comprehensive portfolio of products and services directly to customers worldwide. Dell, recognized by Fortune Magazine as America’s most admired company and No. 3 globally, designs, builds and delivers innovative, tailored systems that provide customers with exceptional value. Company revenue for fiscal year 2005 was $49.2 billion. For more information about Dell and its products and services, visit www.dell.com.