

Dell EMC (EMC)



Background on EMC

EMC is an American multinational technology company. EMC Corporation was founded in 1979 and merged with Dell in 2016, and is headquartered in Hopkinton, Massachusetts. EMC is a subsidiary of Dell Technologies. It primarily sells information security, analytics, cloud computing, and other products and services that enable its clients to store, manage, and analyse data. It employed 72,000 people worldwide and reported revenues of US\$24 billion in 2015 before merging with Dell. It is a publicly listed company on the New York Stock Exchange.

How did EMC come to start thinking about context?

EMC has been measuring its GHG emissions since 2005 and used this work to set its first GHG emissions reduction goal in 2006¹. Also in 2006, EMC joined the U.S. Environmental Protection Agency's [Climate Leaders Program](#)². In 2010, EMC established a new absolute GHG emissions reduction goal that aimed to reduce its absolute GHG emissions by 80% below 2000 levels by 2050². EMC announced through its 2011 Sustainability Report that it would be integrating the [GRI's principle of Sustainability Context](#) into its climate stabilisation work³. Kathrin Winkler, EMC Chief Sustainability Officer, commented in an interview that this decision to link its GHG emissions goal to scientific data was taken because "EMC believes that metrics need context" to be meaningful and so EMC had embraced a science-based approach to setting its GHG emissions reduction goal^{3, 4}.

¹ Dell EMC (n.d.). Energy and Climate Change Strategy. Accessed at: <https://www.emc.com/corporate/sustainability/sustaining-ecosystems/strategy.htm>

² Dell EMC (2011). 2011 EMC Sustainability Report. Accessed at: <https://www.emc.com/collateral/brochure/h9712-2011-emc-sustainability-report-br.pdf>

³ Sustainable Brands (2012). Accelerating Reduction: EMC Advances Practice on Climate-Stabilizing Targets. http://www.sustainablebrands.com/news_and_views/new-metrics/accelerating-reduction-emc-advances-practice-climate-stabilizing-targets

⁴ The Guardian (2012). Embracing science to bridge the sustainability gap. Accessed at: <https://www.theguardian.com/sustainable-business/blog/green-house-gas-emissions-targets-reporting>

EMC signed the [Climate Declaration](#) in 2013 along with other prominent global brands⁵. The declaration aimed to highlight the range of economic benefits that could be available by a broad response to taking ambitious action to tackle climate change⁵. EMC began to broaden its involvement in supporting climate change initiatives in 2014 by leveraging its competencies in big data. EMC became involved in the Big Data vs. Climate Change project that aimed to support researchers in connecting large global data sets to draw deeper and more meaningful insights relating to climate change⁶. The project aimed to do this by creating a set of tools and platforms that would allow for a more interactive access to data to support more accessible analysis and visualisation⁶. In 2015 and ahead of [COP21](#), EMC joined the [American Business Act on Climate Pledge](#) which was intended to encourage attendees of COP21 to reach an international agreement on addressing climate change^{1,7}. EMC also continued with its engagement with the [Renewable Energy Buyers' Alliance](#) and joined the [Business Renewables Center](#) to support its efforts to further its understanding of best practices around the purchasing of renewable energy for its operations¹.

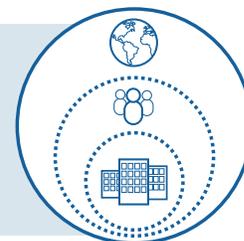
What does context look like at EMC?

1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

GHG EMISSIONS



WATER



GHG emissions: EMC acknowledges that climate change is a socio-ecological issue that will impact the entire planet, and that the accumulation of GHG's in the atmosphere arising from human activities is changing the planet's climate dynamics⁸. EMC believes that it is incumbent on everyone to alter their behaviours in ways that will support changing the current global warming trajectory⁸. However, EMC only commits to work to minimise its direct and indirect impacts on this threshold⁹. While EMC commits, in a general sense, to work with its value chain to support the creation of a sustainable value chain, it does not specifically outline its commitment to work with its value chain to support their adherence to the limits of this threshold¹⁰.

Water: EMC acknowledges that water is an important global resource that needs to be managed in a way that will enable access for future generations¹¹. It also acknowledges that improper treatment

⁵ Ceres (2013). Nike, EMC, Ikea and other biz giants urge U.S. climate action. Accessed at: <https://www.ceres.org/press/press-clips/nike-emc-ikea-and-other-biz-giants-urge-u.s.-climate-action>

⁶ Earth Watch (2014). Big Data vs. Climate Change: EMC and Citizen Scientists Team Up. Accessed at: <http://earthwatch.org/News-Media/big-data-vs-climate-change-emc-and-citizen-scientists-team-up>

⁷ Environmental Leader (2015). Why General Mills, Dell, Unilever Care About the COP21 Climate Talks. Accessed at: <https://www.environmentalleader.com/2015/11/why-general-mills-dell-unilever-care-about-the-cop-21-climate-talks/>

⁸ Dell EMC (n.d.). EMC Policy position on national climate legislation. Accessed at: <https://www.emc.com/collateral/about/sustainability/emc-policy-position-national-climate-legislation.pdf>

⁹ Dell EMC (n.d.). Environmental Policy. Accessed at: <https://www.emc.com/collateral/about/sustainability/environmentalpolicy.pdf>

¹⁰ Dell EMC (n.d.). Supplier Code of Conduct. Accessed at: <https://www.emc.com/corporate/sustainability/supplier-code-of-conduct.htm>

or overuse of this resource can lead to an infringement on an individual's right to sufficient, safe, accessible, and affordable water¹². EMC acknowledges the quality and quantity of water resources as the thresholds related to this ecological issue¹¹. EMC has not yet committed to operate within the limits of these thresholds — it has only committed to minimise its impacts on both quantity and quality¹¹. EMC commits, in a general sense, to work with its value chain to support the creation of a sustainable value chain but does not specifically outline its commitment to work with its value chain to support their adherence to the limits of these thresholds¹⁰.

Other thresholds: EMC acknowledges the importance of other socio-ecological issues including waste, e-waste, energy use, labour, health, diversity, and inclusion but does not yet discuss them with reference to thresholds.

2 Transparently understand and **PRIORITISE** a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

GHG EMISSIONS



WATER



EMC worked with a strategic advisory firm, [SustainAbility](#), to prioritise its key socio-ecological issues using a four-stage process¹³. The first stage of this process involved an assessment of the current state of its business operations¹³. This work was completed by researching industry perspectives, interviews to gather stakeholder perspectives, and leveraging EMC's corporate risk assessment process¹³. The second stage involved the identification of issues that were linked to its business activities¹³. This work involved cataloging potential issues and aligning them with EMC's strategic themes¹³. The third stage aimed to map and prioritise the issues¹³. This was completed by assessing the potential impacts EMC had on each issue and the potential influence EMC could have on each of the issues¹³. The final stage was to validate and activate the priority issues¹³. EMC achieved this through reviewing the results of the overall assessment with its internal and external stakeholders¹³.

GHG emissions: EMC recognises that its primary impact on this threshold results from GHG emissions from the generation of electricity used to power its business activities, the activities of its value chain, and its products¹. The company understands the relevance of its impacts and sets out the actions it is taking to reduce GHG emissions arising from its own business activities and the business activities of its value chain, as well as the actions it is taking to reduce the energy demand of its customers' IT infrastructure¹. EMC has yet to outline how it will expand its sphere of influence with respect to this threshold.

¹¹ Dell EMC (n.d.). Material and Resources Use: Water Use and Management. Accessed at: <https://www.emc.com/corporate/sustainability/sustaining-ecosystems/water-use.htm>

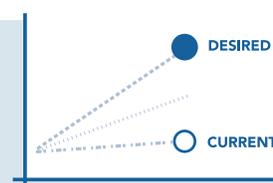
¹² Dell EMC (2015). 2015 EMC Sustainability Report. Accessed at: <https://www.emc.com/collateral/sustainability/emc-2015-annual-report.pdf>

¹³ Dell EMC (n.d.). Sustainability: Materiality. Accessed at: <https://www.emc.com/collateral/sustainability/materiality.pdf>

Water: EMC recognises that its manufacturing process is not water intensive and that water is used within its business activities as part of the functioning of standard building systems (e.g. cooling, drinking, and sanitation)¹¹. However, EMC also recognises that it has an impact on this threshold through the energy efficiency of its products, and that creating more energy efficient products will result in a reduced requirement for water to cool the products during operation¹¹. EMC uses the [World Business Council on Sustainable Development \(WBCSD\) Global Water Tool](#) and the [WRI Aqueduct Water Risk Atlas Tool](#) to support it in better identifying its physical, regulatory, and reputational water risks at country and river basin levels¹¹. These assessments support EMC in better prioritising the actions it is taking to mitigate its impacts on the thresholds associated with this ecological issue¹¹. EMC has yet to outline how it will expand its sphere of influence with respect to this threshold.

EMC also recognises that both GHG emissions and water are interconnected and that it must take a systematic view of both ecological issues¹¹.

3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.



GHG EMISSIONS



WATER



GHG emissions: EMC commits to reduce its absolute scope 1 and 2 GHG emissions by 40% by 2020 using a 2010 baseline¹. This goal is part of a long-term GHG emissions trajectory goal. EMC's long-term goal is to reduce its absolute scope 1 and 2 GHG emissions by 80% by 2050 using a 2000 baseline¹. To develop its goal, EMC used the [Intergovernmental Panel on Climate Change's \(IPCC's\) Fourth Assessment Report](#) recommendation that GHG emissions would need to be reduced by at least 80% by 2050¹. EMC used this recommendation to model trajectories to enable it to identify an approach that would be elastic enough to adjust to the changes expected in its business, and that would result in peak absolute emissions during 2015 (Figure 1)¹. For this modelling, the company used a 2007 baseline as per the Bali Climate Declaration¹. The model EMC used was based on the [Corporate Finance Approach to Climate-stabilizing Targets \(C-FACT\)](#) developed by Autodesk in 2009¹. EMC believed that the C-FACT model is "front-loaded" in that it requires a declining reduction of absolute GHG emissions each year¹. EMC felt that it made more economic sense to alter the model to allow for more aggressive reductions year-on-year rather than static year-on-year reductions¹. The company felt that this also offered more of an opportunity to embed lessons it would be learning over time, and that this approach would also better encourage progressive improvements to GHG emissions reductions¹. EMC has yet to set a goal that can be used to measure how the company is influencing its value chain in their adherence to the limits of this threshold.

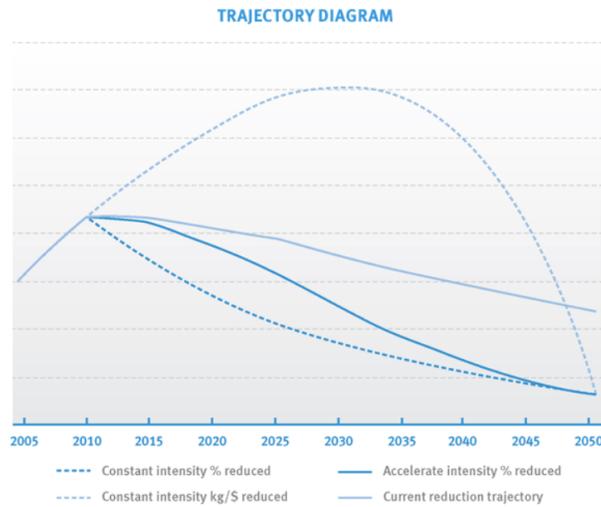


Figure 1: GHG emission trajectories modelled by EMC during the development of its goal¹.

Water: EMC has not yet set contextual goals in relation to the thresholds associated with this ecological issue. The company does not have any quantitative water goals but it does have a series of qualitative water related goals that relate to how it aims to influence its value chain¹⁴.

Other thresholds: EMC has not yet set contextual goals in relation to any other thresholds.

4 Transparently TRACK performance against realistic trajectory targets.

GHG EMISSIONS ●●●○ WATER ●○○○



GHG emissions: EMC has a history of reporting its absolute GHG emissions reduction performance and presents it in a graphical format (Figure 2).

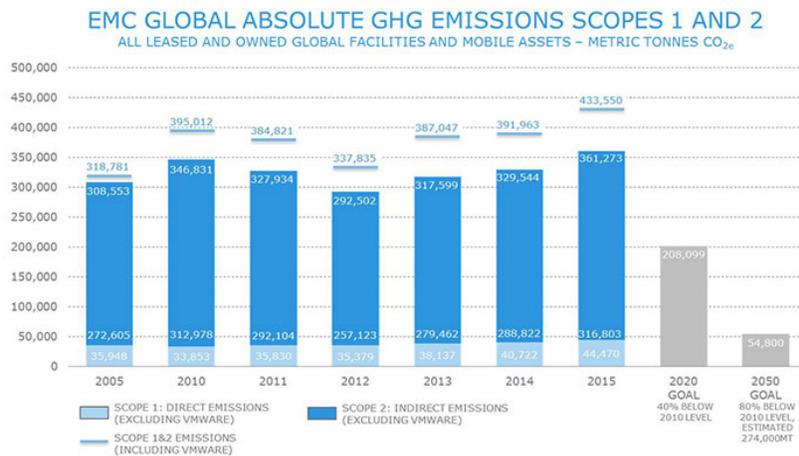


Figure 2: EMC's absolute GHG emission reduction performance including its 2020 and 2050 goals¹.

¹⁴ Dell EMC (2015). EMC 2015 CDP Water Disclosure Response. Accessed at: <https://www.emc.com/collateral/brochure/h14441-emc-2015-cdp-water-disclosure-response-br.pdf>

EMC received feedback from its stakeholders in 2014 that its current science-based goal for 2050 was hard to conceptualise¹. In response, EMC worked with CDP and WWF to use [The 3% Solution](#) to develop its 2020 target, and committed to “continue to monitor conditions and adjust our targets accordingly¹.” EMC has yet to outline if it intends to set metrics that could be used to monitor its progress at influencing its value chain in their adherence to the limits of this threshold.

Water: While EMC does disclose its consumption of water at its leased and owned facilities, it has yet to include this disclosure within its sustainability report¹¹. It has also yet to set realistic trajectory targets. EMC has not outlined if it intends to develop metrics to monitor the effectiveness of its influence in its support of its value chain’s adherence to the limits associated with this ecological issue.

Other thresholds: EMC reports its performance against other socio-ecological issues including waste, e-waste, energy use, labour, health, diversity, and inclusion but does not yet report its progress in relation to their associated thresholds.

What is the road ahead for context at EMC?

EMC attributes the progress and embedding of its work to set a science-based GHG emissions goal to its success in developing internal buy-in. Kathrin Winkler commented that “it is also about getting buy-in from your executives and presenting a business case that enables a company to stretch its time horizons into the real strategic zone — without creating a threat to business growth and better understood shorter term measures¹⁵.” To support it in delivering against its contextual goal, the company has also established a cross-functional Global Energy Team that is tasked with driving a long-term energy strategy that supports both its renewable energy and GHG emissions reduction commitments¹. EMC recognises that its impact on water resources is also linked to the energy efficiency of its products and as such it is actively prioritising improving the efficiency of its products¹¹. With the recent merger with Dell, it is still unclear if the work done by EMC in setting a science-based GHG emissions goal will be migrated across to Dell or how sustainability will be managed within EMC.

¹⁵ GreenBiz (2015). How to finally take science-based goals from rhetoric to reality. Accessed at: <https://www.greenbiz.com/article/how-finally-take-science-based-goals-rhetoric-reality>