Case Study #5: Dell's Sustainable Supply Chain

Dell's Legacy of Good strategy focuses on four areas. First, it makes the supply chain responsible for driving accountability, continuous improvement, and transparency in the value chain. Second, the organization is focused on community engagement by giving both time and resources to tackle pressing social issues. Third, the focus is on people by creating a culture that inspires team members and benefits customers. Last, the environment is considered at every step in the process, from design to end of life.

Dell strive to assure all people working on company's behalf are treated with respect and dignity, are working under their own free will and are properly compensated for their work. Dell define and monitor a maximum 60-hour workweek with one rest day and continuously work to address and mitigate daily risks during work, so a safety environment is promoted.

Dell has high standards for workplace conditions and the safety of their employees is a priority. Dell expect their suppliers uphold the standards aligned with the Electronic Industry Code of Conduct (EICC), of which Dell was a founding partner in 2004, with about 8 other companies which now has expanded to 120 companies participating. This code establishes norms of conduct for worker rights, human rights, environmental and social standards, to raise the bar for the entire electronics industry supply chain. Dell enforcing his suppliers through a variety of tools, including business reviews, self-assessments, and audits.

Driving sustainable change requires collaboration and sharing best practices to advance capabilities across industry – and building a supplier empowerment network was a key focus for Dell. Through Dell's capability-building programs, the company offer a variety of online and in-person trainings, helping suppliers to understand expectations in their onboarding process and to improve suppliers' adherence to standards for social and environmental responsibility, such as working hours, vulnerable workers, environmental management, and health and safety. What's also important to note is that suppliers need to see value in participating in these trainings. Suppliers in the program realised significant improvements as a direct result of programs and projects that accompany the trainings, including: (i) 71% of facilities participating in the practitioner training reduced worker turnover rate; (ii) 70% of facilities participating in the practitioner training improved Job Safety Analysis; and (iii) 64% of facilities participating in the practitioner training improved onsite subcontractor safety management.

Dell has applied its environmental approach to ensure that resources are effectively managed. Part of this strategy is to ensure that plastics are reused. It is forecast that there will be more plastic than fish in the ocean by weight by 2050. Dell is dedicated to putting their expertise and technology toward doing good for the planet, communities, and people, so they decided to help keep plastics away from all three by doing what they do best – innovate. To promote the sustainable and circular use of materials, the organization has taken some steps such as: (i) the purchase of Postconsumer from the commodity markets to include in PCs, displays and servers; (ii) choice for harvest plastics from its own recycling streams for reuse, promoting a Closed-Loop Plastics supply chain; (iii) before using bamboo, mushrooms, wheat-straw and even air carbon, Dell innovate and created sustainable packaging systems from ocean-bound plastics, an urgent and concerning problem; (iv) utilization of scrap carbon fiber from the aerospace industry, incorporating it into its products; and , (v) gold recovery processes from e-waste to turn it into new components, contributing to the circular economy by keeping materials in use.

Dell has proactively repurposed its products, packaging, and processes, which demonstrates that it is trying to solve the global waste problem through more effective material use. The organization has also taken a multimodal approach to the circular economy, focusing on multiple different solutions. By reusing materials that are considered waste, the organization not only reduces costs, but also its carbon footprint.

About 15 years ago, Dell started very actively collecting products back from our customers. The Company offered this as a service to their commercial customers and offered free recycling, since they knew what the products were made of, the quality of the materials, and processes needed to recycle them. As a result of that, Dell has established a comprehensive network of asset management and recycling capability for customers around the world in over 75 countries and territories. Dell has been very successful at getting materials back from their customers, which has been partly down to strong relationships they have developed. In the US, for instance, they have partnered with Goodwill Industries, a non-profit organization, which has more than 2,000 locations nationwide where customers can donate any of their old household items including computers. Goodwill will take and try to refurbish the computers and get them back into the community, but if they can't then they'll recycle them with our help using our process standards.

For more information, see the following videos to motivate your discussion *(https://corporate.delltechnologies.com/en-us/social-impact/advancing-sustainability/sustainable-products-and-services/circular-design.htm#video-overlay=6117025940001;https://www.youtube.com/watch?v=NB8RYAZeMYU). You can find more details related to Dell's Strategy for sustainability here (https://i.dell.com/sites/doccontent/corporate/corp-comm/en/Documents/ser-report-fy18.pdf)*.

1. Discuss the efforts employed by the Group to build a Sustainable Supply chain, mentioned circular economy practices.
2. Give examples of sustainable measures/ Key Performance Indicators that are and could be applied by the Group, concerning the tree pillars of sustainability.