

Dell's 11/27/02 "Dear Colleague" E-mail

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Dear Colleagues,

As our nation celebrates America's Recycles Day, we wanted to take this opportunity to share with you examples of Dell's continued commitment to environmental stewardship. At Dell, we believe the principles of environmentalism - *efficiency eliminates waste* - align with the principles of our direct model - *efficiency delivers customer value*. Dell is committed to making it easy for businesses and individuals to complete the life cycles of computers in a responsible and sustainable manner. During the last few months Dell has taken additional steps toward this goal.

Consumer Recycling

In September, Dell launched a consumer recycling program through Dell Exchange (www.dellexchange.com). Consumers can easily and affordably recycle any desktop or notebook computer from any manufacturer. They can also auction their retired system, trade it in or donate it to the Christina Foundation. Customers who choose to recycle their system are responsible only for shipping charges to the nearest recycling center. The process is simple, with only one step to complete

Computer TakeBack Campaign's Analysis and Response

Dell's November 27, 2002 "Dear Colleagues" e-mail delivers a sizable pre-Thanksgiving helping of PR that deserves a closer look before we all give thanks to Dell for their environmental stewardship.

Much of what Dell says is already communicated by the company in their standard e-mail reply to questions about take-back and computer waste, an analysis of which we provide at <http://www.toxicdude.com/getTheFacts.asp>

The Computer TakeBack Campaign also believes that Dell's business model uniquely positions them to combine effective producer recovery and take-back to their direct sales model. Dell is the only company that knows every single one of their customers by name, address, e-mail address, product(s) purchased, date of purchase, service records, and more. Dell's super-efficient direct sales model and just in time assembly lay the groundwork for reverse logistics. Dell will come to your home to set-up your new machine; why can't they take-back every old one when delivering every new one? Seems easy as Dell, doesn't it?

We are encouraged that Dell is "taking additional steps," but we'd like to know exactly what it is they are walking toward.

Dell does offer several options for managing used computer equipment, but none of them amount to producer responsibility of the sort Dell itself operates in Europe. The DellExchange mail-back program may or may not be affordable and may or may not be easy – the consumer pays to mail back the old equipment.

Dell has yet to state how they will measure the effectiveness of this new mail-back program. A similar program operated by IBM recovered fewer than 1,000 machines in its first two years. Keep in mind that Dell sells over 10 million machines a year.

online to receive shipping instructions and a certificate when the process is complete.

Computers recycled through the Dell Exchange are separated into components, primarily plastics, metals and glass. Approximately 98 percent of the materials in a computer re-enter the raw material stream through this process. The recycling centers are required to meet or exceed all federal and state standards for worker safety.

Consumer Education

We believe raising awareness of the issue with consumers and informing them of existing recycling alternatives is important to improving voluntary recycling participation rates in the future - not only at Dell, but everywhere. Dell has undertaken efforts to inform consumers about system end-of-life options available through Dell Exchange. We have promoted recycling and Dell's recycling program in the Dell consumer catalogue mailed to tens of millions of U.S. households monthly. We have also enhanced the consumer pages of Dell.com to include a link to Dell Exchange from the main consumer page at www.dell4me.com.

million machines a year.

Computers recycled through Dell Exchange are likely to end up at a federal prison where they are dismantled by inmate labor. Recovering 98% of the materials in a computer is an astounding rate. To ensure full accounting to the consumer public, Dell should post to the internet documentation which substantiates these claims and documents what ultimately happened to the collected materials. As a rule, inmate laborers are not covered by typical OSHA workplace safety standards. Meeting or exceeding such standards does mean much. If Dell's contracts with UNICOR, the federal prison industries, require compliance with OSHA, Dell should disclose those provisions of its contracts.

No one disagrees that public awareness is key to successful recycling programs. "Undertaking efforts to inform consumers" covers a lot of potential ground, and does not by itself mean a broad-scale public education campaign. Dell's most recent home sales catalog does include a paragraph near the back about computer recycling and provides an internet link. It would be useful to know if Dell is tracking how recycling program participants are finding out about the program.

Moreover, Dell's newspaper ads – run daily in USA Today, for instance – have a tremendous amount of white space that could, presumably, be dedicated to public education and awareness. Most newspapers charge advertising rates based on the amount of space purchased, not the amount of text used in that space. College organizers recently collected Dell's ads with handwritten messages in the white space urging the company to lead its

Customer Partnerships

Dell is also working to ensure our business and institutional customers are aware of recycling opportunities. In fact, Dell is a co-sponsor of "America Recycles Day...A Capitol Idea!," the first joint Federal Government and DC Government electronic recycling collection event, which took place on Nov. 15 in front of the Washington Monument on the historic Washington DC Mall.

Dell Employee Education

To ensure that Dell employees serve as advocates and understand recycling programs, Dell has taken several steps to educate employees. Company-wide emails were distributed announcing the launch of the consumer program and celebrating America's Recycles Day. Information about Dell's recycling options is integrated into sales training.

Design for the Environment

For more than 18 years, Dell has consistently re-designed its products to reduce use of environmentally-sensitive materials, both in the assembly process and in the final products themselves. In doing so, Dell has influenced the ways suppliers

industry to full take-back programs.

Co-sponsorship of an America Recycles Day event does not, by itself, ensure that Dell's business and institutional customers know of the company's recycling opportunities. Dell's business computer recovery program, Asset Recovery Service, claims to have recovered over 2 million computers since 1991. That may sound like a lot, but remember that Dell sells more computers than that in one year and the 2 million figure includes some amount of non-Dell equipment. A number of institutional purchasers contacted by the Computer TakeBack Campaign were wholly unaware of the Asset Recovery Service.

At the same time Dell sent a company wide e-mail, they could have sent an e-mail to every one of their customers announcing the program and providing details about participation.

Celebrating America Recycles Day doesn't reduce the toxic hazards posed by computers and electronics, nor does it lessen the financial burden borne by local governments to manage electronic wastes.

Dell's ability to influence the global component supply chain is undeniable. For this reason, a commitment by Dell to phase-out all hazardous materials from components and final assemblies would dramatically improve the entire industry.

build their components, including the increasing use of more benign, less hazardous materials.

Dell has also established stringent materials restrictions across its supply chain. Dell bans the use of materials restricted by law and of concern to its customers and is working to reduce and eventually eliminate other environmentally sensitive substances from its supply chain such as some heavy metals and halogenated flame-retardants.

We continue to monitor our 150 largest suppliers to ensure they are complying with Dell restrictions. These reviews are targeted for completion by the end of 2002. Dell will continue to monitor supplier compliance and will expand the list of banned materials as environmental concerns warrant.

Global Stewardship

Dell is a global company whose customers and marketplace includes developing countries that are important emerging markets for our products. Dell is committed to managing its growth and interacting with the community in ways that make sense for the environment and help to ensure its communities maintain an attractive quality of life.

Outside of the United States, we are actively addressing product take-back issues in many countries where we do business and closely monitoring developments in the European Union. In general, in countries that require product take-back, consumers are often responsible for some of the recycling cost and for delivering used products to a recycling center.

Of course Dell bans the use of materials restricted by law. To say otherwise would admit their violation of national laws.

The European Union has established strict Restrictions on Hazardous Substances, phasing out the use of lead, mercury, and other toxics from electronic products. Dell sells in Europe and therefore must comply with these requirements. Dell should commit to eliminate ALL dangerous heavy metals and halogenated flame retardants, not just “some.”

In Europe and Japan, Dell is required by law to address full product take-back, and operates successfully in those markets by taking responsibility for the life cycle of their products. Dell’s choice of language here is interesting, that they are “closely monitoring” developments in Europe rather than “planning for compliance” with developments in Europe.

We hope Dell will continue to provide specific, detailed information about their

We invite you to continue to learn more about Dell and the environment by visiting www.dell.com/environment

Sincerely,

Cathie Hargett
Director of Public Affairs

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Manager of Environmental Affairs

environmental policies and practices related to producer take back of obsolete equipment and to phase out of hazardous substances. Until then, we encourage you to send your specific, detailed questions to Cathy Hargett (Cathy_hargett@dell.com) and Don Brown (don_brown@dell.com)

Thanks for your interest and support,
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