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Dell

Currently the world's third largest in PC sales,¹ Dell returns to the Guide having just established new sustainability goals for the recently merged Dell-EMC juggernaut. While not typically known as the trend-setter in hardware design, Dell's use of closed-loop material and product designs that are highly repairable are certainly worthy of greater imitation by other companies. While Dell's transparency is also generally to be commended, its recently adopted commitments lack adequate ambition and specificity, particularly its commitments on renewable energy and resources. However, while Dell's recently adopted Climate Policy Principles demonstrate a strong understanding of the climate science and urgency to address climate change,² Dell lags behind its peers in charting an aggressive path to reduce its emissions by driving renewable energy deployment, both for its own operations as well as its manufacturing supply chain.

Renewable Energy & Climate Change

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TRANSPARENCY. Dell published a more detailed breakdown of its major suppliers than most other companies and also provides a high-quality breakout of its greenhouse gas emissions across its own operations and manufacturing supply chain, and renewable energy percentage for its own electricity consumption.³ Dell published carbon footprint data for a number of its products, but done since 2015.⁴ Dell has had important success in getting 90% of its suppliers by spend to report their emissions to CDP.⁵ As Dell hopefully moves on to setting more specific GHG and renewable energy goals for its supply chain, Dell should provide clear reporting on how it is making progress toward those goals.

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COMMITMENT. Dell has committed to source 50% of its own electricity demand from renewable sources by 2020, and also set an absolute GHG reduction target of 40% (market based from 2011 baseline). Dell has not included its supply chain footprint in this target, but has at least committed that 95% of its suppliers (direct materials spend and key logistics) will set specific GHG targets and report on their emissions inventory.⁶ Missing from Dell's commitment is whether it plans to meet its renewable energy and GHG targets by adding new renewable sources of energy to the grid where it has significant operations, as Apple, Google, and other major internet companies have done to date or if it will choose to pursue unbundled renewable energy credits that have little impact in driving new renewable investment.

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PERFORMANCE. Dell has made progress in increasing the percentage of renewable energy powering its operations, reporting 24% of Dell's own electricity consumption in 2016 as renewable. As noted above, greater clarity is needed on how Dell has procured its renewable electricity supply to date. While there is evidence of deployment that is unquestionably additional, such as its onsite solar in India,⁷ for much of Dell's existing renewable purchases it remains unclear whether Dell has sought to drive new and additional supply of renewable energy onto the grid, or has simply purchased unbundled RECs from existing sources. Suppliers representing 90% of Dell's direct materials spend reported their emissions to CDP in mid-2016, and 81% of those reporting had emissions targets.⁸

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Renewable Energy & Climate Change (continued)

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ADVOCACY. Unlike recent leadership exhibited by Apple, Microsoft, Amazon, and Google, Dell has remained largely silent in terms of its latest support of climate and clean energy policy. Despite Dell CEO Michael Dell's presence on President Trump's manufacturing council, Michael Dell did not signal any public opposition to President Trump's proposal to withdraw the US from the Paris Climate Agreement.

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Sustainable Design & Resource Reduction

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TRANSPARENCY. Dell ranks near the top in terms of transparently reporting about the use of recycled materials. Dell reports its overall use of recycled inputs, including open-loop PCR plastic, closed-loop plastic, and recycled carbon fiber.⁹ Dell also reports out on its take-back efforts.¹⁰ Dell publishes material composition sheets for many of its products, which include information about what, if any, materials were recycled.¹¹ Finally, Dell publishes its smelter list and due diligence efforts to avoid conflict mineral sourcing.¹²

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COMMITMENT. Dell has set two goals related to resources: to use 100 million pounds of recycled-content plastic and other sustainable materials by 2020 and to recover 2 billion pounds of used electronics by 2020. These goals are measurable and include a near-term deadline, which is good. To improve, Dell could expand upon the definition of "other sustainable materials" and establish a roadmap for sourcing greater amounts of these materials from closed-loop sources.

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PERFORMANCE: CIRCULAR PRODUCTION. Dell stands out as one of the few companies in the Guide to be using closed-loop materials. Since 2014 the company has sourced plastic for its computers from its own take-back channels. In 2016, Dell used closed-loop plastics in 91 different products.¹³ Dell goes far beyond legal requirements to offer take-back in 83 countries and accepts even non-Dell products. However, despite Dell's clear "no export" policy, in 2016, Basel Action Network documented the illegal shipment of Dell e-waste to developing countries.¹⁴

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PERFORMANCE: PRODUCT LIFE EXTENSION. Dell's products tend to score highly in iFixit repairability assessments in recent years. Most products have batteries which are easy to replace with upgradable memory, however the 2017 XPS 13 (9343/9350/9360) laptop is not upgradable.¹⁵ Dell's design principle to use standard fasteners in place of adhesives makes repairs easier.¹⁶ Like HP, Dell provides repair manuals and spare parts.¹⁷ Dell sells refurbished products in mature markets.¹⁸

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ADVOCACY. As a member of ITI, which has lobbied against fair repair legislation, Dell would have earned a D, but for the fact that Dell shares its learnings on circular economy efforts with other business leaders and the public more broadly.¹⁹

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Hazardous Chemical Elimination: Products & Supply Chain

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TRANSPARENCY. Of the companies assessed, with the exception of Fairphone, Dell publishes the most detailed list of its manufacturing suppliers and includes addresses and function provided to Dell.²⁰ Dell publishes its restricted substances list for products (PRSL),²¹ and as of May 2017, Dell also published a list of substances restricted for manufacturing uses (MRSL).²² Finally, Dell publishes the aggregate non-compliance findings of supply chain code of conduct audits on a semi-annual basis.²³

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COMMITMENT. Dell was the first company to commit to phasing out BFRs and PVC from all products by 2009, but later Dell backtracked on this commitment. Dell (and EMC) now have a more vague goal as part of Dell's 2020 plan: to phase out environmentally sensitive materials as viable alternatives exist. Dell maintains a goal to eliminate BFRs and PVC; however, Dell no longer has a timeline for this work.²⁴ Beyond BFRs and PVC, Dell has committed to phase out 4 phthalates ahead of the EU deadline.

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PERFORMANCE. Dell offers products that are designated as Halogen Free or BFR/CFR-Free products; however, beyond these lines Dell's phase-out work is incomplete, with exemptions made for internal plastic, components such as circuit boards, electronic components, fans, cables, printer fuse assemblies and electrical assemblies contained in Dell products.²⁵ While Dell monitors the use of antimony and beryllium, it has not set elimination targets or threshold restrictions. Dell should establish a timeline for phasing out these materials as Apple has already done. Dell's recently published list for manufacturing chemical restrictions includes bans on the use of benzene, n-hexane and toluene in cleaning and degreasing procedures only.

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ADVOCACY. Dell is part of Clean Electronics Production Network (CEPN) with a goal to move toward zero exposure of workers to toxic chemicals in the electronics manufacturing process.

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ENDNOTES

- 1 <https://www.idc.com/getdoc.jsp?containerId=prUS42464617>
- 2 <http://i.dell.com/sites/doccontent/corporate/corp-comm/en/Documents/dellclimatepolicyprinciples.pdf>
- 3 <http://i.dell.com/sites/doccontent/corporate/corp-comm/en/Documents/fy17-cr-report.pdf>
- 4 http://www.dell.com/learn/us/en/vn/corp-comm/environment_carbon_footprint_products
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- 6 <http://www.dell.com/learn/il/en/ilcorp1/corp-comm/goals-dashboard?c=il&l=en&s=corp&cs=ilcorp1>
- 7 <http://businesswireindia.com/news/fulldetails/dell-aims-fulfill-60-percent-energy-demand-through-renewable-energy-sources-by-2020-india/54068>
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- 9 <http://i.dell.com/sites/doccontent/corporate/corp-comm/en/Documents/fy17-cr-report.pdf> Dell 2017 CSR report, p. 25.
- 10 <http://www.dell.com/learn/il/en/ilcorp1/corp-comm/goals-dashboard?c=il&l=en&s=corp&cs=ilcorp1>
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