



Students & Scholars Against Corporate Misbehavior

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A Statement to Michael S. Dell, Chairman & CEO of Dell, Inc.

International Labor Day

May 1, 2007

SACOM's 'Clean up your Computer' Campaign *Hong Kong & China*

"...due to multiple reasons - all from quality aspects, safety, material specifications, and specific process issues, Dell has suspended a supplier for a period of time until an issue is resolved or an agreed plan exists to resolve an issue. During this period Dell is working with its tier 1 and tier 2 suppliers to follow up on the situation and the expectations. Dell is currently working on workshops and training programs for its suppliers..."

Lena Pripp-Kovac
EMEA Head of Corporate Responsibility, Dell, Inc.
in response to SACOM's labor investigation in China

On the International Labor Day, SACOM calls on Dell to respect workers' rights and to uphold social justice:

1. Dell's "suspension" of the business relationship with a supplier

Dell needs to disclose which supplier it refers to. SACOM hopes that the "suspension" was not a direct result of pressure on Dell to enforce workers' rights at the supplier.

SACOM compiled and released a report about ten Dell supplier factories:

1. ***Yonghong Electronics (Shenzhen)*** [full report downloadable at www.sacom.hk]
2. Volex Cable Assembly (Zhonghsan)
3. Delta Electronics (Dongguan)
4. Chicony Electronics (Dongguan)
5. Plato Electronics (Shenzhen)
6. Primax Electronics (Dongguan)
7. Tyco Electronics (Dongguan)
8. Minfeng Plastic products (Dongguan)
9. Yixin Plastics and Electronics (Dongguan)
10. Gloryfaith PCB Co., Ltd. (Jiangmen)

One of them, ***Yonghong Electronics*** in Shenzhen City, Guangdong Province, China, was found to be employing more than 200 child and student workers under age 16, constituting some 13% of the workforce, in blatant violation of Chinese Labor Law, the Dell Code of Conduct, and the Electronic Industry Code of Conduct (EICC).

In response to SACOM's investigation, Dell has not directly addressed these issues. SACOM asks Dell to provide thorough information on the supplier being suspended. We ask the company to disclose the factory name and a summary of concerns identified in regard to working conditions, the mechanism of suspension, the non-compliance issue that led to suspension – labor or otherwise, and



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timing of the disciplinary action taken. There also needs to be an assessment of the immediate and long-term impact on any underage and/or adult workers at this facility and a discussion of corporate procedure and requirements involved in resuming the supplier relationship.

2. A plan to be agreed by Dell

In the absence of an explanation by the company, SACOM doubts the accountability and transparency of Dell's global compliance program. It seems that Dell has merely shifted its corporate responsibility downward to the Chinese supplier in question, instead of collaborating closely with it in working out "an agreed plan."

3. Dell's "partnership" with its first and second-tier suppliers

During the last six months (between November 2006 and April 2007), SACOM did not witness any corrective actions regarding the ten identified suppliers on our list. Similarly, there is a serious lack of concrete data on Dell's engagement with either its direct suppliers or subcontractors in China.

4. Dell's workshops and training programs for its suppliers

Dell offers workshops and programs for its suppliers but there seems to be no involvement of independent NGOs or a mechanism for the democratic participation of workers. It will be nothing more than a PR gesture and will not be endorsed by *your* consumers and workers!

SACOM is disappointed about Dell's CSR policy and voices deep concern about this evidence of labor exploitation at Dell's suppliers in China.

Dell should:

- (1) engage the suppliers to carry out efficient remedial procedures in the workplaces;**
- (2) monitor the implementation of the corrective action plans under the observation of independent NGOs;**
- (3) give every Chinese worker at every Dell supplier a written employment contract and a copy of Dell's Code of Conduct in Chinese;**
- (4) collaborate with independent NGOs to provide workers at all Dell suppliers with labor rights training;**
- (5) respect workers' right to bargain collectively by facilitating the formation of mechanisms of democratic worker representation at all Dell suppliers.**

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Websites: SACOM www.sacom.hk; Bread for All www.ppp.ch; SOMO www.somo.nl

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