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The image is a circular inset showing a screenshot of the Ethiscore website. It displays a table with two columns: 'Brand' and 'Rating (out of 20)'. A mouse cursor is pointing at the 'Rating' column. The table lists four brands, all with a rating of 17.

Brand	Rating (out of 20)
Equal Employment (USA)	17
Hampstead Toy & Games (UK)	17
Purely Organic Tea (UK)	17
Sheepskins England (UK)	17

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*"Ethical Consumer helps me know the real story of what I'm buying."* Mr Cassy, Suffolk



# OK Computer?

**Nicola Scott and Mary Rayner** process the ethics of PCs

Computers have become an essential part of our lives, used for study, work and leisure. As new technologies are developed, we often choose to replace our older systems with the latest available products. Inevitably, this will have a negative impact upon the environment and affect computer supply chains worldwide. These are issues which are easy to forget each time we turn our computers on, as the polluting materials and hours of labour needed to produce each machine are hidden from view. Considering this, does an ethical computer exist?

The report focuses on desktop computer and laptop hardware. For email, word processing and web use, a system with 20GB hard disk, 256MB RAM and a 700MHz processor will suffice.<sup>1</sup> However, most computer systems are now sold with higher specifications.<sup>2</sup>

## What's in your computer?

When EC last reported on computers in 2003 (EC 84), we first identified how choosing to buy a flat panel monitor for your computer was the most effective environmental choice you could make. Great strides have been made in relation to this, as most systems are now sold with a flat panel monitor. Unfortunately, this

has not resulted in the complete "greening" of computer companies, as hazardous substances and processes still form a part of the production process, despite the recent implementation of European Union (EU) regulations to restrict the use of certain toxics in electronic equipment (marked with an asterisk\* below).

Some of the toxic substances still in use include:

- **Brominated Flame Retardants\*** (BFRs): used in printed circuit boards, cables, wires and plastic for computer casings. They can affect learning and memory functions in humans.
- **Cadmium\***: used in rechargeable batteries and computer screens. Can affect the nervous system.
- **Mercury\***: used in batteries, may be harmful to the nervous system and toxic in high doses.
- **Lead\***: used in cathode ray tubes, can be harmful to the nervous system and poisonous in high doses.
- **Flux**: its chemical reaction facilitates the soldering process. In high concentrations it can cause dizziness, unconsciousness and even death. High levels can also cause depression in the central nervous system.<sup>3</sup>

**Aries** (08716 661616), **Evesham** (01386 769 600), **MESH** (08700 468330) and **Viglen** (01727 201800) scored best on the table for both laptops and desktop computers.

The best models for environmental impact (Blue Angel labelled) came from: Compaq Presario (desktops only), Dell (desktops only), and Fujitsu-Siemens (for both laptops and desktops).

With an average score on the table, and scoring well for environmental impact, **Dell** is the overall Best Buy.

best buys



BRAND	Ethicscore (out of 20)	Environment					Animals			People				Politics				+ve		COMPANY GROUP
		Environmental Reporting	Nuclear Power	Climate Change	Pollution & Toxics	Habitats & Resources	Animal Testing	Factory Farming	Other Animal Rights	Human Rights	Workers' Rights	Supply Chain Policy	Irresponsible Marketing	Armaments	Genetic Engineering	Boycott Call	Political Activity	Anti-Social Finance	Company Ethos	
<b>Desktop computers</b>																				
Aries	12	●									●									Watford Electronics Ltd
Evesham	12	●								●										Evesham Tech. Holdings Ltd
MESH	12	●								●										MESH
Viglen	12	●								●										Amshold Securities Plc
Advent	11.5	●							○	○							○			DSG International
Dell	11	○			○			○	●	○	○	○				○	○		2	Dell Inc
EMachines	10.5	●			●					●							○			Gateway Inc
AsusTek	10	○					●	●	○	●										AsusTek Computer Inc
Lenovo	10	●			○			●	○	●						○	○		1	IBM, Lenovo Grp Ltd
NEC	9.5				○			●		○	○	●				○	○			NEC Corporation
Sun	9.5	●						●	○	●		●					○		0.5	Sun Microsystems Inc
ACER	9	●			●			●	●	●		○					○		1	Acer Inc
Apple Mac	9	●		○	●			●	○	○						○	●		1	Apple Computer Inc
HP Pavillion	9	○			●			●	○	○		●			●	●			1.5	Hewlett-Packard Company Inc
Compaq Presario	7.5	○			●			●	○	○		●			●	●				Hewlett-Packard Company Inc
Sony VAIO	7.5				●			●	●	●	○	●			●	○			0.5	Sony Corp
Samsung	6.5	●			●			●	●	●		●			●	●			0.5	Samsung Group
Fujitsu-Siemens	5.5	●	●	○	●			●	●	●		●		○	●	●			1.5	Siemens AG, Fujitsu Ltd
<b>Laptops/Notebooks</b>																				
Aries	12	●								●										Watford Electronics
Evesham	12	●								●										Evesham Tech Holdings Ltd
Viglen	12	●								●										Amshold Securities Plc
Advent	11.5	●							○	○							○			DSG International
Dell	10.5	○			○			○	●	○	○	○				○	○		1.5	Dell Inc
AsusTek	10	○					●	●	●	●							○			AsusTek Computer Inc
Lenovo	10	●			○			●	○	●						○	○		1	IBM, Lenovo Grp Ltd
ACER	9	●			●			●	●	●		○					○		1	Acer Inc
Apple MacBoo	9	●		○	●			●	○	○						○	●		1	Apple Computer Inc
Compac Presario	8.5	○			●			●	○	○		●			●	●			1	Hewlett-Packard Company Inc
HP Pavillion	8.5	○			●			●	○	○		●			●	●			1	Hewlett-Packard Company Inc
Toshiba	7.5		●		●			●	●	●	○	●				○	○		1	Toshiba Corp
Sony VAIO	7				●			●	●	●	○	●	○	○	○	○			1	Sony Corp
Samsung	6	●			●			●	●	●		●			●	●				Samsung Group
Fujitsu-Siemens	5.5	●	●	○	●			●	●	●		●		○	●	●			1.5	Siemens AG, Fujitsu Ltd

**KEY** ● bottom rating ○ middle rating □ top rating (no criticisms found) **Company Sustainability:** ★ full mark ☆ half mark

**Product Sustainability:** companies can receive a maximum of five positive marks for this category.

**Ethicscore:** the higher the score, the better the company across the criticism categories (see [www.ethicalconsumer.org/magazine/buyers/categories.htm](http://www.ethicalconsumer.org/magazine/buyers/categories.htm) or "Introduction to Ethical Consumer" booklet for more details).

## COMPUTERS

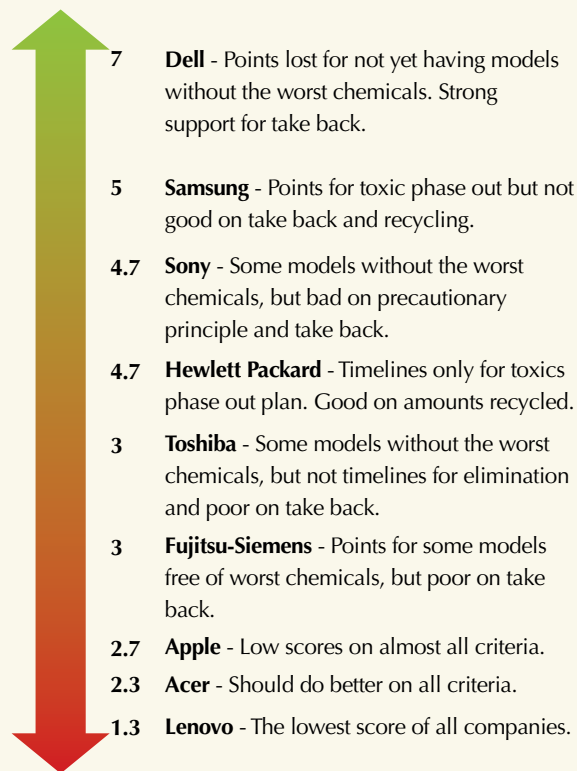
With most big brand companies outsourcing the production of various computer components to multiple suppliers, health and safety standards within these supply chains have become the focus of environmental and workers' rights groups. For example, Greenpeace International's 'Eliminate toxic chemicals' campaign has produced a Green Electronics Guide which includes a rating of computer companies based on their use of hazardous materials (see diagram). It also scores companies on their product take back.

### Workers' rights

CEREAL,<sup>4</sup> a Mexican labour rights organisation that works in partnership with the international development agency CAFOD, published a study in June 2006 on working conditions endured by a number of employees in the electronics industry in Mexico. Employees interviewed for the report alleged that they were exposed to 'inhalation or handling of one or more hazardous substances without adequate protection'.<sup>3</sup> Similar accusations emerged in a report published by SOMO (Centre for Research on Multinational Corporations), a Dutch research and advisory bureau. In late 2005 it highlighted allegations that workers employed by subcontractors for Acer and Fujitsu-Siemens in China and the Philippines had handled toxic chemicals in poorly ventilated spaces, with employees complaining of nausea, dizziness and skin allergies.<sup>5</sup> To further illustrate the absence of good environmental management systems within the companies included in the product table, only three, NEC Computers, Toshiba and Sony, obtained ECRA's best rating in this category by showing a mature approach to their environmental reporting.

Despite these issues, CEREAL's report discovered that workers' rights in Mexico's electronics industry were improving, partly due to the creation of the Electronics Industry Code of Conduct (EICC). Originally created in 2004, the EICC obliges its signatories<sup>6</sup> to comply with specific labour, health and safety, environmental, and management system standards. However, when CEREAL provided legal advice between

### Greenpeace's PC manufacturer ratings



This diagram is adapted from **Greenpeace's Green Electronics Guide**.

It scores PC manufacturers out of 10 on their global policies and practice on eliminating harmful chemicals and on taking responsibility for their products once they are discarded by consumers. Companies are ranked solely on information that is publicly available.

See Greenpeace's website for more information about the companies profiled: [www.greenpeace.org/international/campaigns/toxics](http://www.greenpeace.org/international/campaigns/toxics)

January 2005 and April 2006 to nearly 600 Mexican electronics industry workers who had reported labour rights violations, it was clear that the EICC was not always implemented or checked by its signatories within their own supply chains in Mexico.

For example, the following quote by an employee at a Hewlett Packard production in the city of Chihuahua seemingly contradicts the EICC's 'Freedom of Association' clause: "I started work in October 2005. I earned US\$8 a day. When I started we were asked if we belonged to any trade union, and were warned that if we incited our colleagues to set up a trade union, we would be automatically sacked."<sup>3</sup> CEREAL's research also identified an alleged infringement of the EICC's 'Non-Discrimination' and

'Freedom of Association' clauses by Sony, as not only did the Sony plant in the city of Tijuana 'screen tattooed people, trade unionists and pregnant women, [it] also asked about people's religious beliefs'.<sup>3</sup>

While the EICC has begun the process of improving some working conditions within the computer industry Anne Lindsay, CAFOD UK's Private Sector Policy Analyst, recently stated that "progress has been made, but there is a lot still to be done".<sup>7</sup> Furthermore, since the Code was amended in October 2005, Lindsay stated the following:

- that the "freedom of association clause is actually worse than the original 2004 Code. It still refers to 'local laws' rather than recognised international labour standards".

- there was "no statement that overtime is voluntary" although CAFOD had pointed out this omission to companies which had signed the Code.

- "the Code is still way below the level of the Ethical Trading Initiative (ETI) base code on labour issues".<sup>8</sup>

For Supply Chain Policy none of the companies on the product table received ECRA's best rating, although the following scored better in this category compared with the other companies: Apple, Hewlett-Packard Company Inc, DSG International (Advent), Dell and NEC.

**"With most big brand companies outsourcing the production of various computer components to multiple suppliers, health and safety standards within these supply chains have become the focus of environmental and workers' rights groups."**

Brand	Type	EU Energy Star No. of Computer Certifications	Blue Angel No. of Computer Certifications
Acer	Desktop	46	
	Notebook	79	
Apple	Mac	16	
	Powerbook	16	
Compaq Presario	Desktop		8
	Notebook	12	
Dell	Desktop	13	26
	Notebook	18	
Fujitsu-Siemens	Desktop	40	9
	Notebook	24	3
Hewlett-Packard	Desktop	22	
	Notebook	14	
Lenovo	Desktop	149	
	Notebook	110	
Samsung	Desktop	2	
Sony	Desktop	3	
Sun	Desktop	7	
Toshiba	Notebook	11	

## PCs, POLLUTION & POLICIES

### The RoHS Directive

The development in recent years of “cleaner” computers has been encouraged by the EU’s RoHS Directive, which governs “the restriction of the use of certain hazardous substances in electrical and electronic equipment”.<sup>9</sup> Since the Directive was implemented on 1st July 2006, new electrical and electronic equipment ‘containing more than agreed levels of lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyl (PBB) and polybrominated diphenyl (PBDE) flame retardants’,<sup>7</sup> cannot be sold in the EU. Consequently, manufacturers of these goods must ensure that their products comply with the Directive. The EU recommends businesses to have systems in place to identify, check and control activities which may breach the RoHS, including ‘supplier reliability and selection of raw materials and components’, along with ‘production processes and contamination.’<sup>9</sup> This means that companies producing and/or selling computers in countries governed by the Directive cannot claim ignorance when illegal levels of hazardous materials have been used within their supply chains. However, as the Directive permits “agreed levels” of certain substances (such as when an alternative is not available), these toxics may not be completely banished. For example, Greenpeace’s ‘Greener Electronics Guide’<sup>10</sup> stated in September 2006 that the following companies did not have any computers on the market which were completely free of PBRs: Acer, Apple, Dell, Hewlett Packard, Lenovo and Samsung. However, the Guide did mention that Dell had made commitments to eliminating the use of PBRs by 2009, and that Fujitsu-Siemens and Sony had PBR-free ranges on the market.

### Labels for ‘eco-friendlier’ PCs

When choosing which computer to buy, there are several environmental labels given to those which meet certain standards. For example, the EU has established the **EU Energy Star**<sup>®</sup> which is part of an agreement between the EU and the US government to co-ordinate labelling for the energy used by office equipment. Updated specifications for the EU Energy Star label, which are due to be introduced from July 2007, will guarantee that accredited notebooks should use no more than 1.75 Watts (W) in standby, 3W in sleep, and 20W in idle mode, while desktop computers should use no more than 2W in standby, 7W in sleep, and 115W in idle mode.<sup>11</sup> The EU has an Energy Star database which includes information about desktop PCs and notebooks that have been awarded this label. See Table 1 below and the links section of this report for further details.

The German **Blue Angel label** which is administered by Germany’s Federal Environmental Agency,<sup>12</sup> ensures that qualified computers meet other requirements in addition to energy consumption. For example, it covers recyclable design, avoidance of the use of certain hazardous materials, and product take back. For computers in the product table accredited with this label, see Table 1. The following desktop brands include models accredited with the Blue Angel label: Dell OptiPlex; Fujitsu-Siemens Espresso, HP Compaq Business Desktop d530 Series.

The Swedish **TCO label** normally provides the most stringent of environmental tests for electronic equipment. However, no computers have obtained the TCO 05 label.<sup>13</sup> This means that the best available computers on the market, in terms of independent environmental accreditation, are those with the Blue Angel label.



## Company Profiles

A bad Apple? The environmental group Greenpeace has recognised the discrepancy between the positive “green” image marketed by **Apple Computer Inc**, and its actual record in relation to the company’s products. According to Greenpeace’s website in November 2006, Apple’s products contained hazardous substances no longer used by other companies.<sup>21</sup>

ECRA could not find a supply chain policy on **Gateway Inc**’s website ([www.gateway.com](http://www.gateway.com)) during a search in October 2006. ECRA did find a document called ‘Code of Ethics’, but it dealt only with internal business relations, not with workers’ rights at supplier factories. Consequently, ECRA awarded Gateway its worst rating for supply chain policy.

According to the August 2006 issue of Greenpeace Business, IBM Computers, now owned by **Lenovo**, was one of the poorer performing companies in the computer sector with regards to the phasing out of toxic chemicals such as brominated flame retardants and PVC. Environmentalists were concerned about the chemicals’ effects on the environment and on human health.

In the Burma Campaign UK’s Dirty List of companies operating in Burma, as of September 2006 **Siemens AG** was said to have been responsible for supplying turbines for Total’s Yadana gas project. Consequently, it was subject to a boycott call.

According to **Sun Microsystems**’ corporate website viewed in October 2006, the company had operations in countries which ECRA considered to be governed by oppressive regimes: China, Egypt, Indonesia, Kazakhstan, Pakistan, the Philippines, Russia, Saudi Arabia, Thailand, United Arab Emirates and the USA.

**Toshiba**’s Japanese corporate website ([www.toshiba.co.jp](http://www.toshiba.co.jp)) in November 2006 claimed that Toshiba was the number one nuclear plant supplier in Japan. The company produced boiling water reactor plants, nuclear fuel reprocessing facilities, and design, manufacture, construction and operation services for the nuclear industry.

## Box 1

**Landfill or IT skills?**

*What do you call a computer that's being replaced by a newer model? Junk? Landfill? Not if you're Computer Aid International (CAI). The organisation takes end-of-life computers here in the UK and turns them into a perfect opportunity for educating school children, training nurses and increasing crop growth across Africa and South America. A not-for-profit company based in London, CAI has so far taken 70,000 of the many PCs that are decommissioned in the UK every year and refurbished them. It then sells them at an affordable price to organisations in the developing world that can make a real difference to people's lives through developing IT skills.*

*Rather than being a luxury item, IT is increasingly seen as an essential tool for lifting people out of poverty. In fact, a skilled and computer literate workforce is now widely recognised as being a key factor in Africa's ability to boost its productivity and attract investment. And this is where CAI comes in. It has supplied hundreds of PCs to Computers for Schools Kenya, a not-for-profit organisation set up to facilitate the productive and sustainable use of computers in Kenya's secondary schools. And these computers are sorely needed - in terms of income distribution, Kenya is one of the most unequal societies in the world.*

*"School children who don't have IT knowledge are at a disadvantage," believes head teacher George Muthee. "Many of our pupils come from severely disadvantaged backgrounds, but by being able to offer IT classes, students stand a much better chance of getting a job or going to college."*

*Despite having no mains electricity at home, student Peter Chada is aware of the importance of an IT education. "Everything is becoming computerised and if you're going for a professional or office job the first thing an employer asks you is whether you are computer literate" says the 18-year-old, who aims to become a computer engineer.*

*Further south, in Swaziland, CAI has been working with the Computer Education Trust (CET) to provide a massive boost to PC use in schools. Before the project began, over 90% of students graduated from the state high school system without ever having seen, let alone had the opportunity to make use of, a PC in the classroom. CAI has provided over 2,000 PCs to CET, increasing PC use from almost zero to over half of all secondary schools in the country since the project commenced in August 2000.*

*One of the reasons CAI is such a success is that it solves a number of problems all in one go. As companies typically upgrade every three to five years, this means lots of decommissioned PCs – currently around three million each year, just in the UK.*

*"End-of-life PCs are worthless to most companies but invaluable to schoolchildren," says Tony Roberts, director of CAI. "Companies see getting rid of old kit as one big headache. We can take care of their headaches while ensuring the PCs go to good causes."*

*CAI runs its operations without cutting any corners. All PCs given to the organisation are thoroughly data-wiped to the highest standard, meeting requirements from corporate donors that all information is securely removed before the computers are refurbished. And it's not just corporations that can donate their computers. For under £10, individuals can send their home PCs to be refurbished – all you need to do is box it up. For more information on this scheme, visit the CAI website or give them a ring.*

*CAI International  
www.computeraid.org  
0207 281 0091  
info@computeraid.org*



## Recycling & reusing PCs

Inevitably a computer's lifecycle will come to an end. According to the US-based Basel Action Network (BAN),<sup>14</sup> the US National Safety Council estimated nearly 60 million personal computers in the United States will become obsolete during 2006, up from 17.5 million in 1997.<sup>15</sup> In April 2006 BAN reported that much e-waste from the US is sent to developing countries such as China.<sup>16</sup> For example, in the Chinese city of Guiyu, 'businesses process 1.5 million tons of e-waste a year, [worth] US\$75million in revenue. As much as 80% of it comes from overseas'.<sup>16</sup> A number of not-for-profit organisations and companies have developed their own schemes to recycle computers, such as the innovative work of Computer Aid highlighted in Box 1 overleaf.

In response to this, campaigns have begun to exert pressure on individual companies to take responsibility for their work stations. A report recently published by the US-based Computer TakeBack Campaign,<sup>17</sup> praised Dell Inc for its take back programme, as the company took back

all Dell brand products free of charge in the US. Hewlett Packard also received positive remarks for its take back scheme, although it did charge for its recycling service in the US. For details of organisations and companies which recycle computers in the UK, see Box 2 below.

## The WEEE Directive

The WEEE Directive (waste electrical and electronic equipment), was drawn up by the European Union in 2002 and contains two key producer obligations:

- distributors have an obligation to give consumers the opportunity to return WEEE free of charge when they purchase new equipment of a similar kind.
- producers are responsible for funding the collection, treatment, recovery and recycling of a share of household WEEE delivered to authorised treatment facilities in line with their market share.<sup>18</sup>

Although many other European countries have introduced the Directive, the UK



Department for Trade and Industry (DTI) has continued to prevaricate and listen to industry lobbyists. In theory, regulations should come into force in the UK from January 2007. Its main obligations upon "producers" and "distributors" of electronic equipment under the Directive's remit will apparently come into effect from the 1st April 2007.<sup>19</sup> However, it is still unclear how the UK scheme will work.

## Box 2

### Not-for-profit recycling and re-use schemes

#### WAKEFIELD

**Airedale Computer Recycling**

01977 736 283

[www.airedalecomputers.com](http://www.airedalecomputers.com).

As part of Airedale Community Trading Ltd, it collects and recycles computers. Airedale Recycling has refurbished computer showrooms in Airedale and Wakefield (01924 298 884).

#### CORNWALL (BUDE)

**Computers for Charity**

01288 361 199

[www.computersforcharity.org.uk](http://www.computersforcharity.org.uk).

A not-for-profit partnership which collects all systems 2GHz or higher free of charge from both individuals and companies, then recycles and sends them to Uganda and Ghana. Systems 700MHz-2GHz can be collected for £20 (incl. VAT).

#### LEICESTER

**Groundwork Leicester & Leicestershire**

0116 235 4488

[www.gwill.org.uk](http://www.gwill.org.uk).

As well as recycling computers brought to its centre in Leicester, the organisation has a range of refurbished computers, including laptops. All come with a back to base guarantee.

#### LONDON

**Computer Aid**

0207 281 0091

[www.computeraid.org](http://www.computeraid.org), [info@computeraid.org](mailto:info@computeraid.org). See Box 1 (above) for further details.

#### MANCHESTER (HULME)

**Recycle IT!**

0161 226 4266 or 0870 774 3762

[www.recycle-it.ltd.uk](http://www.recycle-it.ltd.uk).

A national not-for-profit computer recycling company in the UK, providing a service to corporate organisations, local authorities and small businesses.

### Other recycling and re-use schemes

#### ASHTON-UNDER-LYME

**Sims Group**

0161 343 2316

[www.sims-group.com/uk/home](http://www.sims-group.com/uk/home). Recycles all electronic equipment.

#### CINDERFORD, GLOUCESTERSHIRE

**Englehard**

01594 827 744

[www.englehard.com/electronicrecycling](http://www.englehard.com/electronicrecycling).

The company offers a total destruction service and has zero waste going to landfill. It accepts computers and other electronic equipment from both companies and individuals.

For further information about computer recycling schemes in your area, see the 'WEEE Directory' at [www.weeedirectory.com](http://www.weeedirectory.com).

Compiled by Christina Louttit

**Alternatives**

Perhaps the most ethical thing you can do before buying a new computer is to ask whether or not you need one. Friends of the Earth wants its supporters to 'hold a PC amnesty. Encourage people with old PCs sitting in their basements to upgrade them [and] promote local refurbishment businesses'<sup>20</sup> If you require new software to be installed, check what specifications will be needed to run the program, or use similar software which has lower requirements. Research if you can upgrade the machine you already have. Ask yourself if it is really essential to buy a brand new computer with the latest cutting-edge technology just to email, use e-Bay, and write-up that report which is now overdue?

As an alternative, consider buying a second user computer. The following companies can provide an idea of what types of second user machines are available, and information about the warranties on their products: Bargain PC - [www.bargainpc.co.uk](http://www.bargainpc.co.uk), Future Computer Services Ltd, [www.futurecomputers.co.uk](http://www.futurecomputers.co.uk) 0800 619 1852, Morgan Computers [www.morgancomputers.co.uk](http://www.morgancomputers.co.uk) 020 8575 0055, and PC Again [www.pcagain.biz](http://www.pcagain.biz) 01494 460 600. If you work for a charity and need



**Links**

**Basel Action Network**

[www.basel.int](http://www.basel.int)

**Blue Angel (eco-labelling)**

[www.blauer-engel.de](http://www.blauer-engel.de)

**CAFOD Clean Up Your Computer Campaign**

[www.cafod.org.uk](http://www.cafod.org.uk) 020 7733 7900

**SOMO (Centre for Research on Multinational Corporations)**

[www.somo.nl](http://www.somo.nl) 0031 (0)20 639 12 91

**Computer TakeBack Campaign**

[www.computertakeback.com](http://www.computertakeback.com)

**Electronics Industry Code of Conduct (EICC)**

[www.eicc.info](http://www.eicc.info)

**European Commission Eco-Label**

<http://ec.europa.eu/environment/ecolabel>  
0033 1 56 20 28 98

**European Union Energy Star**

[www.eu-energystar.org/en/en\\_database.htm](http://www.eu-energystar.org/en/en_database.htm)

**Greenpeace - Green My Apple**

Greenpeace's 'Green my Apple' campaign wants "Apple fans to demand a new, cool product: a greener Apple." The website offers a range of information about the environmental record of the company, and campaign actions people can take to try and get Apple to improve this record. [www.greenpeace.org/apple](http://www.greenpeace.org/apple)

**RoHS Directive**

[www.rohs.gov.uk](http://www.rohs.gov.uk) 020 8943 7227 or write to RoHS Enforcement Team  
NWML, Stanton Avenue, Teddington, Middlesex, TW11 0JZ.

**TCO Development (eco-labelling)**

[www.tcodevelopment.com](http://www.tcodevelopment.com) 00 46 8 782 92 00

**WEEE Directive**

[http://ec.europa.eu/environment/waste/weee\\_index.htm](http://ec.europa.eu/environment/waste/weee_index.htm)

**References:** 1 Vista, the latest version of Microsoft Windows, available in early 2007, will require higher specifications 2 For information on peripherals, see EC 88 (printers), and EC 93 (monitors) 3 Reproduced with permission from CAFOD/CEREAL, 'New Technology Workers', June 2006 4 Centro de Reflexion y Accion Laboral 5 SOMO, "Acer and Fujitsu Siemens Computers shirk responsibility" press release December 6 EICC signatories included in the product table as of the 24th October 2006 were Apple, Dell, Hewlett Packard, Lenovo/IBM, Sony, [www.eicc.info](http://www.eicc.info) 12 2005 7 Email received on 7th November 2006 8 See Eco Sceptic article on the back page of this issue 9 [www.rohs.gov.uk](http://www.rohs.gov.uk) 2/11/06 10 Published on 18 September 2006 [www.greenpeace.org/international](http://www.greenpeace.org/international) 16/11/06 11 European Commission, 'Technical Specifications for Computers - State of Play', May 2006 12 [www.blauer-engel.de](http://www.blauer-engel.de) 2/11/06 13 [www.tcodevelopment.com](http://www.tcodevelopment.com) 16/11/06 14 BAN is named after the United Nations Environment Programme's 'Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal' written in 1989 15 [www.ban.org](http://www.ban.org) August 06 2/11/06 16 [www.ban.org](http://www.ban.org) April 2006 2/11/06 17 Computer TakeBack Campaign 'Recycling Your Computer', October 2006 18 DTI WEEE Consultation July 2006 19 [www.endsreport.com](http://www.endsreport.com) Issue 379 14/11/06 20 Worldstuff. TV Audience factsheet: Personal computers [www.community.foe.co.uk](http://www.community.foe.co.uk) 16/11/06 21 [www.greenpeace.org/apple](http://www.greenpeace.org/apple) 14/11/06

# computers

## Acer Inc.

8F, 88, , Sec.1, Hsin Tai Wu Rd. , Hsichih, Taipei, Hsien 221, Taiwan

## Environment

### Environmental Reporting

#### Worst ECRA rating for environment report (2005)

Acer had an online Corporate Environmental Report (2005) which ECRA accessed on 24 October 2006 (<http://global.acer.com/>). While this report showed an understanding of the company's environmental impact such as its use of toxic substances and plastics, Acer did not contain at least two dated and quantified future targets. Furthermore, the report was not independently verified. Consequently, ECRA awarded the company its worst rating for environmental reporting. (ref: 104)

### Pollution & Toxics

#### Bottom rating for chemical policy (2005)

According to the October 2005 issue of ENDS Report, Acer was one of a number of companies making electrical and electronic goods which had been given a 'red' (bottom) rating by Greenpeace for their failure to make progress in removing toxic chemicals such as PVC and brominated flame retardants from their products. (ref: 105)

#### Criticism of environmental standards (25 August 2006)

According to Greenpeace International's Green Electronics Guide originally published in August 2006, Acer scored 2.3/10. It was criticised for "not providing timelines for the elimination of polyvinyl chloride (PVC) and brominated flame retardants (BFRs)". It also scored poorly for product takeback and recycling. Greenpeace's Green Electronics Guide scored companies on chemicals policy and practice, in addition to policy and practice on producer responsibility for taking back discarded products and recycling. (ref: 106)

#### Other environmental criticism (2002)

According to the Fourth Annual Computer Report Card, published by the Computer Take Back Campaign (CTBC) in 2002, Acer had received a 'Failing' rating with regard to its environmental performance. It scored 2 out of 68. Companies had been rated by CTBC in four categories: extended producer responsibility, use of hazardous materials, worker health and safety and degree of accessibility of information. (ref: 107)

## People

### Human Rights

#### Operations in 16 oppressive regimes (October 2006)

According to Acer's global corporate communications website viewed on 24 October 2006, the company had operations in countries which were identified at the time of writing by ECRA as governed by an oppressive regime. These were: China, Egypt, Guatemala, Indonesia, Kazakhstan, Kuwait, Lebanon, Pakistan, Philippines, Russia, Saudi Arabia, Tajikistan, Thailand, United Arab Emirates, USA and Vietnam. (ref: 108)

### Workers' Rights

#### Poor working conditions at subcontractors (December 2005)

Poor working conditions existed in factories owned by

subcontractors for Acer Computers. Employees worked long days in an unhealthy environment for a wage that was insufficient to live on. Such was the situation revealed in research conducted by the Centre for Research on Multinational Corporations (SOMO) on the ICT hardware sector and published in December 2005. SOMO was a Dutch non-profit research and advisory bureau. SOMO conducted research in nine factories in China and the Philippines that supplied parts for Acer Computers. SOMO called working conditions in these factories "simply appalling". SOMO researcher Esther de Haan explained, "Employees in China and the Philippines worked 70 to 84 hours per week and, even in the best cases, rarely had a day off. Salaries were not sufficient to cover even the basic cost of living, and there was inadequate compensation for overtime work. Acer Computers allowed their products to be manufactured in these factories, but they did not take responsibility for the poor working conditions nor did they take appropriate measures to improve the situation." SOMO researchers also encountered critical health situations in the factories. Unprotected workers handled toxic chemicals in poorly ventilated spaces. Factory employees complained about nausea, dizziness, and skin allergies. Workers were deprived of the chance to better their own situation by means of a labour union; in the Philippines, the management threatened workers with dismissal to keep them from organising, and workers in China were only allowed to associate with the state-sponsored labour union. Production was being increasingly outsourced by big-name computer brands, and there was a notable lack of transparency in the supply chains. The electronics industry recently established a code of conduct for the entire sector. This code was a step in the right direction, although it still required improvement in many areas. Acer Computers, however, did not belong to the group of companies that subscribed to the code. Neither did it deal with social issues in its own code of conduct, although it did have guidelines for environmental concerns. In reaction to SOMO's research, Acer revealed that it did not feel responsible for working conditions outside its own factories. Ignoring its supply chain responsibility showed that Acer maintained a myopic interpretation of corporate social responsibility (CSR). The company did not do nearly enough with respect to CSR, especially given that, in the ICT hardware sector, little is still produced in the big companies' own factories. (ref: 109)

#### Workers rights abuses in Maquilas (2002)

Acer Peripherals was one of a number of companies listed in a June 1999 report by Corporate Watch USA as operating maquilas on the Mexican-US border. Maquila factories were criticised in the report for employing under age labour, low pay, poor working conditions and causing environmental damage. (ref: 110)

### Supply Chain Policy

#### Worst ECRA rating for Supply Chain Policy (2005)

Acer's Corporate Environmental Report (2005) included a section entitled 'Staff Welfare and Activity'. However, no commitments were made on the following:

- prohibition of forced labour
- anti-discrimination
- elimination of child labour (under 15 years old)
- freedom of association
- payment of a living wage
- limitation of the working week to 48 hours
- collective bargaining

Consequently, ECRA gave Acer its worst rating for Supply Chain Policy. (ref: 104)

### Armaments

#### Non strategic manufacture or supply for the military (2003)

Acer France Sarl was listed in Jane's International Defence

Directory 2002 as having a sales agent/office 'representing' Acer Inc of Taiwan. It offered communications and marketing services. (ref: 111)

## Politics

### Anti-Social Finance

#### Subsidiary in tax havens (2006)

According to Acer's global corporate communications website viewed on 24 October 2006, the company had operations in countries identified by ECRA as being tax havens. These were: Cyprus, Malaysia, Philippines and Singapore. (ref: 108)

## Product sustainability

### Other Sustainability Features

#### EU Energy Star accredited products (24 October 2006)

According to the European Union's Energy Star website viewed by ECRA on 16 November 2006, 46 of Acer's desktop computer models were accredited with a European Union Energy Star. The Energy Star was given to products which consumed less energy, for example, those which used 15-30 watts in sleep mode. (ref: 112)

## Amshold Securities Plc

*Viglen House, 368 Alperton Lane, Wembley, Middlesex, HA0 1DX, UK*

## Environment

### Environmental Reporting

#### Worst ECRA rating for environmental report (2006)

The Viglen website was viewed by ECRA on 2 November 2006 [www.viglen.co.uk]. The website did not appear to display an environment policy or report. Furthermore, as Viglen did not reply to a written request for an environmental report, ECRA awarded the company its worst rating for this category. (ref: 1)

## People

### Supply Chain Policy

#### Worst ECRA rating for Supply Chain Policy (2006)

The Viglen website of Amshold Securities Plc (www.viglen.co.uk) was viewed by ECRA on 2 November 2006. As the website did not display a supply chain policy, and as Viglen did not reply to a request by ECRA for this policy, it was awarded ECRA's worst rating for supply chain policy. (ref: 1)

## Apple Computer Inc

*Corporate PR (retail), 1, Infinite Loop, Cupertino, Ca 950142083, USA*

## Environment

### Environmental Reporting

#### Worst ECRA rating for Environmental Reporting (November 2005)

Although Apple's Supplier Code of Conduct dated 13 November 2005 and viewed by ECRA on 24 October 2006 [www.apple.com/environment], did include a short section entitled 'The Environment' which referred to 'Hazardous Substance Management and Restrictions', 'Wastewater and Solid Waste Emissions', 'Air Emissions', 'Environmental Permits and Reporting', and 'Pollution Prevention and Resource Reduction', it did not contain at least two dated and quantified future targets. Furthermore, there was no indication that recommendations made in this section of the Code would be independently verified. Consequently, ECRA gave Apple its worst rating for environmental reporting. (ref: 2)

## Climate Change

### Poor climate change policy (2005)

According to the September 2005 issue of ENDS Report, Apple was one of a number of companies which had refused to engage with the Carbon Disclosure Project's measurements of business's approaches to climate change and readiness to cut emissions. The Project was said to have stated that failure to be ready to deal with climate change could have major financial impacts on companies as well as on the environment. (ref: 3)

## Pollution & Toxics

### Criticism for use of toxic chemicals (August 2006)

According to the August 2006 issue of Greenpeace Business, Apple was one of the poorer performing companies in the computer sector as regards phasing out of toxic chemicals such as brominated flame retardants and PVC. Environmentalists were concerned about the chemicals' effects on the environment and on human health. (ref: 4)

### Criticism for toxic chemicals in products (2005)

According to the October 2005 issue of ENDS Report, Apple was one of a number of companies making electrical and electronic goods which had been given a 'red' (bottom) rating by Greenpeace for their failure to make progress in removing toxic chemicals such as PVC and brominated flame retardants from their products. (ref: 5)

### Criticism of environmental standards (25 August 2006)

According to Greenpeace International's Green Electronics Guide originally published in August 2006, Apple scored 2.7/10. It was criticised for "failing to embrace the precautionary principle, withholding its full list of regulated substances and providing no timelines for eliminating toxic polyvinyl chloride (PVC) and no commitment to phasing out all uses of brominated flame retardants (BFRs)". It also scored poorly for product takeback and recycling, "with the exception of reporting on the amounts of its electronic waste recycled. Greenpeace's Green Electronics Guide scored companies on chemicals policy and practice, in addition to policy and practice on producer responsibility for taking back discarded products and recycling. (ref: 6)

## People

### Human Rights

#### Operations in 10 Oppressive Regimes (October 2006)

According to Apple's website viewed by ECRA on 25 October 2006 [www.apple.com], the company had operations in countries identified by ECRA at the time of writing as governed by an oppressive regime: Burundi, China, Cote d'Ivoire, Democratic Republic of Congo, Egypt, Pakistan, Philippines, Russia, Thailand and Vietnam. (ref: 7)

## Workers' Rights

### Workers' rights abuse allegations at Chinese factory (2006)

According to an article dated 30th August 2006 in the Sydney Morning Herald, www.smh.com.au, Apple was the subject of controversy over allegations of workers rights abuses at a Chinese factory which made iPods. The workers were said to have been paid only US\$50 per month, whilst working 15 hour shifts. The case had gained further notoriety after Hongfujin Precision Industry Co, the manufacturing company, took out an injunction against the Chinese journalists who had broken the story which included freezing their assets. Apple was being asked by international human rights campaign groups to intervene in the case. (ref: 8)

## Supply Chain Policy

### Worst ECRA rating for Supply Chain Policy (November 2005)

According to Apple's Supplier Code of Conduct dated 13 November 2005 and viewed by ECRA on 24 October 2006 [www.apple.com/environment], policies governing 'Labor and Human

Rights', 'Health & Safety', 'Ethics' and Management Systems' were included. However, as the code was not independently monitored and included a "minimum" rather than a "living" wage commitment, ECRA gave Apple its worst rating for Supply Chain Policy. (ref: 2)

## **Politics**

### **Political Activities**

#### **Lobbying activities against environmental policies (25 October 2006)**

According to the Computer TakeBack website viewed by ECRA on 25 October 2006 [www.computertakeback.com], Apple had "lobbied against Washington state e-waste recycling legislation and continued to lobby against [computer] takeback bills". The latter required electronics producers to take responsibility for their obsolete products, and manage and finance programs to reuse components then recycle any remaining materials responsibly. (ref: 9)

#### **Environmental practices criticised in comparative industry survey (May 2004)**

According to the Fifth Annual Computer Report Card published in May 2004, Apple scored 37 out of a possible 100 points. Companies could score points for computer takeback programme and policies; toxics/labelling; consumer information about recycling programmes; export/recycling; environmental health & safety. Apple has banned chemicals that are not on the banned list for the EU's RoHS Directive (including arsenic, chlorinated solvents and ozone depleting substances class 1 and 2, several brominated flame retardants). Since 2003, Apple has been auditing its suppliers to make sure that they were in compliance with Apple's banned list. However, Apple does not have any data about its recycling rates in the USA and aggressively opposed a producer takeback bill in Maine. (ref: 10)

### **Anti-Social Finance**

#### **Internal investigation uncovers non-disclosure of stock options (5 October 2006)**

According to the BBC's Business News website viewed by ECRA on 5th October 2006, Apple Inc was going to be investigated by the US financial watchdog the Securities and Exchange Commission for the non-disclosure of stock options. Apple found that between 1997 and 2002 stock options "appeared to have grant dates that preceded the approval of those grants". Consequently, staff could buy shares at a backdated and earlier price lower than the current rate, then sell them at a later date for a higher price. The BBC reported that whilst this practice was not illegal, it must be reported. Consequently, Apple could be required to "amend its past financial statements as a result of the investigation." (ref: 11)

#### **Subsidiaries in two tax havens (October 2006)**

According to Apple's global corporate communications website viewed on 25 October 2006, the company had subsidiaries in countries identified by ECRA as being tax havens. These were: Hong Kong, Ireland, Luxembourg, and Singapore. (ref: 7)

## **Product sustainability**

### **Other Sustainability Features**

#### **EU Energy Star Accredited products (24 October 2006)**

According to the European Union's Energy Star website viewed by ECRA on 24 October 2006, a number of Apple Mac computer models were accredited with a European Union Energy Star. These included those within the Power Mac, iMac, iBook, PowerBook, Mac mini and MacBook series. The Energy Star was given to products which consumed less energy, for example, those which used 15-30 watts in sleep mode. (ref: 12)

## **ASUSTeK Computer Inc**

*150 Li-Te Rd, Peitou, , Taipei, 112, Taiwan*

## **Environment**

### **Environmental Reporting**

#### **Middle ECRA rating for environmental reporting (September 2006)**

ASUSTeK's 'Green' website viewed by ECRA on 22 September 2006 [http://green.asus.com], included 'Environmental and Occupational Health & Safety Policies' dated September 2006. It acknowledged the company's environmental impact and stated its "longer-term goal for 2004 to 2008: to reduce power consumption by 5% each consecutive year at all Taiwan plants". The company also set its 2007 takeback goal for the US "to expand its pilot takeback programme (currently taking back notebook computers only) to include all ASUS's finished product categories (notebooks, LCD monitors, etc. )." However, as no mention was made of an independent verification process to implement these targets, ECRA gave ASUS its middle rating for environmental reporting. (ref: 13)

## **Animals**

### **Other Animal Rights**

#### **Animal rights criticism (10 October 2006)**

When the corporate website of ASUS was viewed by ECRA in October 2006 [www.asus.com/index.aspx], it included the company's S6 Leather notebook series. (ref: 14)

## **People**

### **Human Rights**

#### **Operations in 7 oppressive regimes (10 October 2006)**

According to ASUSTek's global corporate communications website viewed on 10 October 2006 [www.asus.com/index.aspx], the company had operations in countries identified by ECRA at the time of writing as governed by an oppressive regime. These were: China, Indonesia, Philippines, Russia, Thailand, USA and Vietnam. (ref: 14)

### **Supply Chain Policy**

#### **Worst ECRA rating for supply chain policy (10 October 2006)**

On a search of ASUSTeK's website on 10 October 2006 [www.asus.com/index.aspx], no supply chain policy was present. Consequently, ECRA gave ASUS its worst rating for supply chain policy. (ref: 14)

## **Politics**

### **Anti-Social Finance**

#### **Subsidiaries in tax havens (10 October 2006)**

According to ASUSTek's global corporate communications website viewed on 10 October 2006, the company had subsidiaries in countries identified by ECRA as being tax havens. These were: Hong Kong, Malaysia and the Philippines. (ref: 14)

## **Dell Inc**

*1 Dell Way, , Round Rock, Texas, 78682-2222, USA*

## **Environment**

### **Environmental Reporting**

#### **Middle ECRA rating for Environmental Report (2006)**

Dell's Sustainability Report [2006] viewed by ECRA on 26 October 2006 [www.dell.com], showed a reasonable understanding of the company's environmental impacts and contained above ECRA's

required minimum of at least two future dated and quantified environmental targets. These included:

- The avoidance of 10 million tons of equivalent CO2 emissions between fiscal year 2004 and 2008 by designing and configuring more energy-efficient products.

- Avoid 52,000 tons of lead and 33,000 tons of brominated flame retardants (BFRs) between fiscal year 2004 and fiscal year 2008 by shipping RoHS compliant products globally and shifting our display product mix from CRTs to LCDs.

- Avoid 43,000 tons of product packaging and shipping materials between fiscal year 2004 and 2008.

However, as the Sustainability Report was not independently verified, ECRA awarded Dell its middle rating for environmental reporting. (ref: 15)

## **Pollution & Toxics**

### **Bottom rating for chemical policy (2005)**

According to the October 2005 issue of ENDS Report, Dell was one of a number of companies making electrical and electronic goods which had been given a 'red' (bottom) rating by Greenpeace for their failure to make progress in removing toxic chemicals such as PVC and brominated flame retardants from their products. (ref: 5)

## **People**

### **Human Rights**

#### **Subsidiaries in 5 oppressive regimes (2006)**

According to Dell's Sustainability Report (2006) viewed by ECRA on 26 October 2006 [www.dell.com], the company had operations in the following countries which at the time of writing ECRA considered to be governed by oppressive regimes: China, Indonesia, Philippines, Thailand and the USA. (ref: 15)

### **Workers' Rights**

#### **Workers Rights abuses in several countries (2003)**

According to the Jan-March 2004 issue of Hazards, factories which made Dell products in China, Mexico and Thailand were alleged to be "unsafe" and to have "compulsory overtime, wages below the legal minimum and degrading treatment." (ref: 16)

## **Supply Chain Policy**

### **Middle ECRA rating for Supply Chain Policy (2006)**

It was stated in Dell's Sustainability Report 2006 that the company "applied the standards approach being developed by the Electronic Industry Code of Conduct, dated December 15th 2005. As such, Dell supported the following principles of the Code:

- 1) Freely Chosen Employment
- 2) Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person employed under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.
- 3) [Anti-] Discrimination
- 4) [Anti-] Harsh or Inhumane Treatment
- 5) Minimum Wages
- 6) Working hours which should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers should be allowed at least one day off per seven-day week.
- 7) Freedom of Association

However, as the Code did not include a commitment to the payment of a living wage and was not independently verified, ECRA awarded Dell its middle rating for supply chain policy. (ref: 15)

## **Irresponsible Marketing**

### **Recall of faulty laptop batteries (2006)**

According to an article on the BBC News website dated 15th August 2006, in August 2006 Dell had had to recall a total of 4 million laptop batteries sold between 2004 and 2006 after it was found that a fault in them could cause them to burst into flames. Some of the reported incidences were said to have caused minor burns and property damage, but no-one was said to have been seriously injured in a fire caused by one of the computers. (ref: 17)

## **Armaments**

### **Unspecified strategic services to the military (2003)**

Dell Inc was listed by the US Department of Defense as being the 35th biggest prime contractor in the fiscal year 2003 (0.31% of the total awards). It received \$634,993,885 of awards in that year. (ref: 18)

### **Non strategic manufacture or supply to military (2002)**

'Dell Computers Inc' was featured in Jane's International Defence Directory 2002 as being represented, along with several other companies, by an Indian sales agent called Advanced Micronic Devices Ltd (AMD). (ref: 19)

## **Politics**

### **Political Activities**

#### **US political donations (2006)**

The Center for Responsive Politics noted in October 2006 on its website, www.opensecrets.org, that Dell Inc, or Political Action Committees (PACs) or individuals within or linked to the company itself, had made donations (possibly including 'soft' money) in cash or kind worth US\$338,396 to US political parties during the 2006 election cycle. According to the site 13% of the funding went to the Democratic Party while 87% went to the Republican Party. (ref: 20)

### **Anti-Social Finance**

#### **Subsidiaries in tax havens (2006)**

Dell Inc's Sustainability report 2006 stated that the company had operating subsidiaries in Ireland, Panama and Singapore. All countries were considered to be tax havens by ECRA Publishing at the time of the report. (ref: 21)

#### **Excessive directors remuneration 2003 (2003)**

According to the "Executive Excess" report by the US Institute for Policy Studies and United for a Fair Economy, in 2003 Dell's CEO was paid \$3,002,000. (ref: 22)

## **Product sustainability**

### **Positive Environmental Features**

#### **Blue Angel mark (October 2006)**

According to information sent to ECRA from Blauer-Engel dated 23 October 2006, a number of Dell's desktop and notebook computer system units had been awarded the German Blue Angel mark for environmental performance. (ref: 23)

#### **Blue Angel mark (23 October 2006)**

An August 2003 Ethical Consumer report on computers stated that seventeen models of computer system units made by Dell had been awarded the TCO environment label. This was given by a Swedish organisation which looked at company environmental management and reporting as well as chemical use in products and ease of recycling. (ref: 24)

## **DSG International plc**

*Maylands Ave, Hemel Hempstead Industrial Est, Herts, HP2 7TG*

### **Environment**

#### **Environmental Reporting**

##### **Worst ECRA rating for environment report (2006)**

DSG's Annual Report and Accounts 2005/06 contained a brief section on the environment which mentioned the company's impact upon it. However, as it did not contain any dated and quantified future environmental targets and the report was not independently verified, ECRA awarded DSG its worst rating for environmental reporting. (ref: 25)

### **People**

#### **Workers' Rights**

##### **Union criticism of pay policy (January 2005)**

The January 2005 issue of Labour Research reported that shopworkers' union USDAW had criticised a number of fast food and retail chains, including Dixons, for paying low wages to young people in Britain. The union stated that many supermarkets were paying the adult minimum wage to anyone over 18, but that Dixons and similar companies had taken advantage of a lower minimum payment for young people aged between 18 and 21. (ref: 26)

##### **Breach of employee safety regulations (July 2002)**

The July 2003 issue of Labour Research reported on a court case against Dixons Store Group Retail following an injury sustained by one of its employees whilst at work. The employee had torn two discs in his lumber spine and was awarded £39,000 by the Court of Appeal in July 2002, when the judge found that the company had breached regulations by failing to provide proper training. The judge also found that the injury had been foreseeable. This appeal decision reversed a June 2001 County Court Trial's dismissal of the case. (ref: 27)

#### **Supply Chain Policy**

##### **Middle ECRA rating for supply chain policy (November 2006)**

Although DSG's website when viewed in November 2006 included a 'Social and Ethical Standards for Suppliers' policy dated January 2004 [www.dsgiplc.com], as it did not include a commitment to a living wage, and was not independently monitored, ECRA awarded the company its middle rating for supply chain policy. (ref: 28)

### **Politics**

#### **Anti-Social Finance**

##### **Subsidiaries in a tax haven (2006)**

According to DSG's corporate website viewed on 2 November 2006, the company had a subsidiary in Ireland. ECRA considered this country to be a tax haven. (ref: 28)

##### **Criticism of 'golden goodbye' (2003)**

Labour Research, Vol 92 No 11 (November 2003), criticised the notice periods for the Directors of a number of companies, which set them up to receive huge payoffs, or 'golden handshakes', sometimes where he or she had failed to deliver success for the company. Labour Research had looked at the practice of companies whose board members included top Confederation of British Industry (CBI) personnel in terms of the notice periods enjoyed by them and fellow directors. According to Labour Research, Mark Souhami, who retired as deputy chair of Dixons on 1 September 2003, was on £212,000, with one year's notice. Labour Research was recommending that notice periods be reduced to between three and six months, instead of the one to two year periods that were currently standard across many companies. (ref: 29)

##### **Excessive director's remuneration (2003)**

The November 2004 issue of Labour Research listed the largest

golden handshakes paid to company directors in 2003. One director of Dixons was said to have received £513,000 on leaving the company, while another received £401,000. (ref: 30)

## **Evesham Technology Holdings Ltd**

*Vale Business Park, Evesham, Worcestershire, WR11 1TD, UK*

### **Environment**

#### **Environmental Reporting**

##### **Worst ECRA rating for environmental reporting (November 2006)**

The Evesham Technology website www.evesham.com was viewed by ECRA Publishing on 2 November 2006. The website did not appear to display an environmental report. Furthermore, as the company did not respond to a request by ECRA for this report, ECRA awarded Evesham its worst rating in this category. (ref: 31)

### **People**

#### **Supply Chain Policy**

##### **Worst ECRA rating for Supply Chain Policy (November 2006)**

The Evesham Technology website www.evesham.com was viewed by ECRA Publishing on 2 November 2006. The website did not appear to display a supply chain policy. Furthermore, as the company did not respond to a request by ECRA for its supply chain policy, ECRA awarded Evesham its worst rating in this category. (ref: 31)

## **Fujitsu Ltd**

*Shiodome City Centre 1-5-2,, Higashi-Shimbashi,, Minato-ku,, Tokyo, 105-7123, Japan*

### **People**

#### **Supply Chain Policy**

##### **Worst ECRA rating for Supply Chain Policy (October 2006)**

No supply chain policy was included on Fujitsu's Corporate Responsibility section of its website when viewed by ECRA on 31 October 2006 [www.fujitsu.com]. Consequently, ECRA awarded Fujitsu its worst rating for supply chain policy. (ref: 113)

#### **Human Rights**

##### **Operations in 9 oppressive regimes (2006)**

According to Fujitsu's corporate website viewed on 31 October 2006 [www.fujitsu.com], the company had operations in the following countries which ECRA considered to be governed by oppressive regimes at the time of writing: China, Egypt, Indonesia, Philippines, Russia, Thailand, United Arab Emirates, USA and Vietnam. (ref: 32)

#### **Workers' Rights**

##### **Poor conditions at subcontractors (December 2005)**

Poor working conditions existed in factories owned by subcontractors for Fujitsu-Siemens Computers. Employees worked long days in an unhealthy environment for a wage that was insufficient to live on. Such was the situation revealed in research conducted by the Centre for Research on Multinational Corporations (SOMO) on the ICT hardware sector and published in December 2005. SOMO was a Dutch non-profit research and advisory bureau.

SOMO conducted research in nine factories in China and the Philippines that supplies parts for Fujitsu-Siemens Computers. SOMO called working conditions in these factories "simply appalling". SOMO researcher Esther de Haan explained,

“Employees in China and the Philippines worked 70 to 84 hours per week and, even in the best cases, rarely had a day off. Salaries were not sufficient to cover even the basic cost of living, and there was inadequate compensation for overtime work. Fujitsu-Siemens Computers allowed their products to be manufactured in these factories, but they did not take responsibility for the poor working conditions nor did they take appropriate measures to improve the situation.” SOMO researchers also encountered critical health situations in the factories. Unprotected workers handled toxic chemicals in poorly ventilated spaces. Factory employees complained about nausea, dizziness, and skin allergies. Workers were deprived of the chance to better their own situation by means of a labour union; in the Philippines, the management threatened workers with dismissal to keep them from organising, and workers in China were only allowed to associate with the state-sponsored labour union. Production was being increasingly outsourced by big-name computer brands, and there was a notable lack of transparency in the supply chains. The electronics industry recently established a code of conduct for the entire sector. This code was a step in the right direction, although it still required improvement in many areas. Fujitsu-Siemens Computers, however, did not belong to the group of companies that subscribed to the code. Neither did it deal with social issues in its own code of conduct, although it did have guidelines for environmental concerns. In reaction to SOMO’s research, Fujitsu-Siemens revealed that it did not feel responsible for working conditions outside its own factories. Ignoring its supply chain responsibility showed that Fujitsu-Siemens maintained a myopic interpretation of corporate social responsibility (CSR). The company did not do nearly enough with respect to CSR, especially given that, in the ICT hardware sector, little is still produced in the big companies’ own factories. (ref: 33)

## **Environment**

### **Environmental Reporting**

#### **Middle ECRA rating for environmental report (2005)**

Fujitsu’s website, when viewed by ECRA in October 2006 [www.fujitsu.com], contained a policy document entitled ‘2005 Fujitsu Group Sustainability Report’. It included two quantified targets on pollutant releases and waste generation to be achieved by the end of fiscal 2006. It also included an independent review report from third party Shin Nihon Environmental Management and Quality Research Institute, but this statement said it was not an audit or examination of results. Hence, ECRA awarded its middle mark for environmental report as the data was not independently verified. (ref: 114)

### **Armaments**

#### **Supplies electronic equipment to the military (2004)**

According to Jane’s International Defence Directory 2004, Fujitsu Ltd’s Kawasaki office provided “spaceborne electronics including sensing radiometres, telemetry systems, microwave amplifiers, small earth stations, data processing systems and satellite networks” for the defence industry. It also employed 188,000 people. (ref: 34)

## **Product sustainability**

### **Other Sustainability Features**

#### **EU Energy Star accreditation (16 November 2006)**

According to the European Union’s Energy Star website viewed by ECRA on 16 November 2006, 40 of Fujitsu-Siemens desktop models were accredited with a European Union Energy Star. The Energy Star was given to products which consumed less energy, for example, those which used 15-30 watts in sleep mode. (ref: 103)

## **Gateway Inc**

7565 Irvine Center Dr., Irvine, CA 92618, USA

## **Environment**

### **Environmental Reporting**

#### **Worst ECRA rating for environmental report (October 2006)**

Gateway’s Environmental Policy included on its corporate website was viewed by ECRA in October 2006. Although it stated that the company’s products were designed to “minimize power use”, and that it “reviewed and managed environmental issues and projects regularly”, the policy did not contain at least two dated and quantified future targets, show a reasonable understanding of the company’s main environmental impacts, and was not independently verified. Consequently, ECRA awarded Gateway its worst rating for environmental reporting. (ref: 24)

### **Pollution & Toxics**

#### **No recycling targets, US (June 2003)**

ENDS magazine reported in June 2003 that computer recycling rates in the US were then at just 10%, yet contained numerous hazardous components. ENDS followed up and found that Gateway had “no plans to set recycling targets”. (ref: 35)

#### **‘Failing’ rating for environmental performance (9 January 2003)**

According to the Fourth Annual Computer Report Card, published by the Computer TakeBack Campaign (CTBC), e-machines had received a ‘Failing’ rating with regard to its environmental performance. It scored 3 out of 68. Companies had been rated by CTBC in four categories: extended producer responsibility, use of hazardous materials, worker health and safety and degree of accessibility of information. (ref: 36)

#### **‘Failing’ rating for environmental performance (2003)**

According to the Fourth Annual Computer Report Card, published by the Computer TakeBack Campaign (CTBC), Gateway had received a ‘Failing’ rating with regard to its environmental performance. It scored 2 out of 68. Companies had been rated by CTBC in four categories: extended producer responsibility, use of hazardous materials, worker health and safety and degree of accessibility of information. (ref: 36)

## **People**

### **Supply Chain Policy**

#### **Worst ECRA rating for code of conduct (October 2006)**

No supply chain policy dealing with workers’ rights at supplier factories was found by ECRA during a search of Gateway Inc’s website (www.gateway.com) on the 24th October 2006. ECRA did locate a document called ‘Code of Ethics’, but it dealt only with internal business relations, not with workers’ rights at supplier factories. Consequently, ECRA awarded Gateway its worst rating for supply chain policy. (ref: 24)

## **Politics**

### **Anti-Social Finance**

#### **Subsidiary in a tax haven (2 November 2006)**

According to Gateway Inc’s corporate website viewed on 2 November 2006, the company had a subsidiary in Luxembourg. ECRA identified this country as a tax haven. (ref: 37)

# Hewlett-Packard Company Inc

3000 Hanover Street, Palo Alto, California, 94304-1185, USA

## Environment

### Environmental Reporting

#### Middle ECRA rating for environmental reporting (February 2006)

Hewlett Packard's (HP) Global Citizen Report 2006 showed a reasonable understanding of the company's environmental impact and contained two future dated and quantified environmental targets for 2007:

- Recycle 1 billion pounds of electronic products and supplies by 2007. Until 2006, the company had recycled 750 million pounds since 1987.

- Eliminate the use of Brominated Flame Retardants (BFR) in the external case parts of all new HP brand products introduced after Dec. 31, 2006. However, as these targets were not independently verified, ECRA awarded HP its middle rating for environmental reporting. (ref: 38)

### Pollution & Toxics

#### Criticism for policy addressing bisphenol A in products (November 2005)

Reuters [www.reuters.co.uk](http://www.reuters.co.uk) 17 November 2005 reported that Greenpeace China had criticised Hewlett-Packard's announcement of eliminating brominated flame retardants from product casings. Greenpeace China stated that other firms had taken the same step several years ago and accused Hewlett Packard of falsely claiming environmental credentials. (ref: 39)

#### Bottom rating for chemical policies (2005)

According to the October 2005 issue of ENDS Report, HP was one of a number of companies making electrical and electronic goods which had been given a 'red' (bottom) rating by Greenpeace for their failure to make progress in removing toxic chemicals such as PVC and brominated flame retardants from their products. (ref: 5)

#### Criticism of environmental standards (25 August 2006)

According to Greenpeace International's Green Electronics Guide originally published in August 2006, HP scored 4.7/10. The company was criticised for "failing to provide timelines for the elimination of toxic polyvinyl chloride (PVC) and brominated flame retardants (BFRs)". Greenpeace's Green Electronics Guide scored companies on chemicals policy and practice, in addition to policy and practice on producer responsibility for taking back discarded products, and recycling. (ref: 6)

### Habitats & Resources

(See also 'Criticism for policy addressing bisphenol A in products' in Pollution & Toxics above.)

## People

### Human Rights

#### Operations in 10 Oppressive Regimes (2006)

According to Hewlett Packard's corporate website viewed by ECRA on 26 October 2006 [<http://welcome.hp.com>], the company had subsidiaries in the following countries identified by ECRA at the time of writing as governed by an oppressive regime: China, Egypt, Indonesia, Philippines, Russia, Saudi Arabia, Thailand, United Arab Emirates, USA and Vietnam. (ref: 40)

#### Sourcing from one oppressive regime (2005)

According to the November 2005 issue of Trade Union World Briefing from the ICFTU, Hewlett Packard was one of a number of international electronic companies which sourced goods from factories in the Bataan Export Processing Zone in the Philippines. ECRA considered the Philippines in 2006 to have an oppressive regime. (ref: 41)

#### Operations in 8 oppressive regimes (2002)

Compaq Computer Corporation was listed in Who Owns Whom 2002/3 (prior to its takeover by Hewlett-Packard) as owning subsidiaries in the following regimes: Brazil, China (via Hong Kong), Israel, Malaysia, Mexico, Thailand, Turkey and United Arab Emirates. (ref: 42)

### Workers' Rights

#### Threat of legal action over staff safety (2005)

The January 11th 2006 issue of CSR Asia Weekly reported that Hewlett-Packard was facing legal action in India after a female employee was raped and murdered on the way home, possibly by the driver of the taxi employed to return her from a late shift. Although the company had denied responsibility, saying that the taxi driver was not one of its own workers, a labour commissioner had stated that a case had been filed against the company as it was mandatory for companies to ensure the safety of women employees. (ref: 43)

### Supply Chain Policy

#### Middle ECRA rating for Supply Chain Policy (February 2006)

It was stated in Hewlett Packard's 2006 Global Citizenship Report that the company was a 'participant' in the Electronic Industry Code of Conduct, dated December 15th 2005, and as such supported the following principles of the Code:

- 1) Freely Chosen Employment
- 2) Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person employed under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.
- 3) [Anti-] Discrimination
- 4) [Anti-] Harsh or Inhumane Treatment
- 5) Minimum Wages
- 6) Working hours which should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers should be allowed at least one day off per seven-day week.
- 7) Freedom of Association

However, as the Code made no commitment to the payment of a living wage and was not independently verified, ECRA awarded Hewlett Packard its middle rating for supply chain policy. (ref: 38)

### Armaments

#### Details of defence involvement (2004)

Hewlett-Packard was listed in Jane's International Defence Directory 2004 as manufacturing computer products, service and support to the military. (ref: 34)

#### UK military contract bid (2003)

According to an article dated 4th June 2003 on industry website [www.computeractive.co.uk](http://www.computeractive.co.uk), Hewlett Packard was part of one of several large consortia bidding for a contract from the UK Ministry of Defence. The contract was said to be to provide services over 3 years to implement a consolidated IT structure for the British military. (ref: 44)

#### Contracts with nuclear weapons programmes (2002)

According to the Irish Examiner 03/12/02, Compaq in Galway, Ireland had contracts with the French nuclear weapons programme (solving applications related to French nuclear weapons safety and security) and with 3 US nuclear weapons labs (work relating to nuclear weapons stockpile's safety and security). In addition, a team in Galway designed super computers which enabled simulated nuclear weapons tests for the French and US nuclear weapons programmes. The Irish Government stated that it was unaware of the work being done, despite its claims to a comprehensive and transparent export control system. (ref: 45)

## Politics

### Political Activities

#### Member of the World Economic Forum (31 October 2006)

Hewlett Packard was listed as a Strategic Partner on the World Economic Forum website [www.weforum.org](http://www.weforum.org) viewed by ECRA on 31/10/2006. Strategic partners were "selected member companies [...] who strongly support the Forum's commitment to improving the state of the world". The World Economic Forum is a lobby group which campaigns for greater economic liberalisation and deregulation. (ref: 46)

#### Political donations (26 October 2006)

The Center for Responsive Politics noted in October 2006 on its website, [www.opensecrets.org](http://www.opensecrets.org), that Hewlett Packard, or Political Action Committees (PACs) or individuals within or linked to the company itself, had made donations (possibly including 'soft' money) in cash or kind worth US\$ \$237,127 to US political parties during the 2006 election cycle. According to the site 35% of the funding went to the Democratic Party while 61% went to the Republican Party. (ref: 20)

#### Member of free trade lobby group (2006)

The website of the International Chamber of Commerce (ICC), viewed by ECRA at [www.iccwbo.org](http://www.iccwbo.org) on 26 October 2006, listed Hewlett-Packard as a member. On its website, the ICC said that it "promotes an open international trade and investment system and the market economy." It also claimed to help companies to "shape rules and policies that stimulate international trade and investment", and added that many companies relied on ICC "to get business views across to governments and intergovernmental organisations, whose decisions affect corporate finances and operations worldwide." (ref: 47)

### Anti-Social Finance

#### Operations in tax havens (2006)

According to Hewlett Packard's global corporate communications website viewed on 26 October 2006, the company had operations in countries identified by ECRA as tax havens. These were: Hong Kong, Ireland, Luxembourg, Macau, Malaysia, Philippines, and Singapore. (ref: 40)

#### Ordered to drop cartridge prices (2005)

According to the August 2005 issue of CSR Asia Weekly, Hewlett Packard was one of two companies ordered by the Korean government to drop the prices of their printer accessories, after it concluded that they had been unfairly pressurising retailers into setting high prices. (ref: 48)

#### Excessive director's pay (2005)

According to an article dated 4th August 2005 on the Guardian online website [guardian.co.uk/business](http://guardian.co.uk/business), the former CEO of Hewlett Packard had in 2005 been given \$42million in severance pay. Her replacement was then said to have received a \$20 million 'golden hello' and was predicted to receive a salary of up to \$22 million. (ref: 49)

## Product sustainability

### Positive Environmental Features

#### Blue Angel award (October 2006)

According to information sent to ECRA from Blauer-Engel dated 23 October 2006, some of Hewlett Packard's computer system units had been awarded the German Blue Angel mark for environmental performance. (ref: 23)

### Other Sustainability Features

#### Energy Star accredited products (26 October 2006)

According to the HP's corporate website viewed by ECRA on 26 October 2006, all of HP's commercial displays, consumer PCs, business desktop and business notebook PCs were accredited with an Energy Star. The Energy Star was given to products which consumed less energy, for example, those which used 15-30 watts in sleep mode. (ref: 50)

## Lenovo Group Limited

3039 Cornwallis Road, Research Triangle Park, Raleigh, NC 27709, USA

### Ownership

According to the IBM Annual Report 2005, in April 2005 it had sold its personal computer business to Lenovo and as part of the deal had established a share in the company, which as of September 30, 2005 represented 14.88% of total ownership and 9.9% of ordinary voting shares.

### Environment

#### Environmental Reporting

##### Worst ECRA rating for environmental report (2006)

ECRA was unable to locate a report detailing Lenovo's environmental performance on the company's website ([www.lenovo.com](http://www.lenovo.com)) during a search on October 30, 2006. (ref: 115)

#### Pollution & Toxics

##### Criticism for use of toxic chemicals (November 2005)

Reuters [www.reuters.co.uk](http://www.reuters.co.uk) 17 November 2005 reported that Greenpeace China had criticised Lenovo for being a 'laggard' for not having commit to phasing out brominated flame retardants and PVC from its products, when other companies in the industry had done so. Brominated flame retardants are toxic chemicals resistant to heat. (ref: 116)

### People

#### Human Rights

##### Operations in seven oppressive regimes (2006)

According to the Lenovo Group website ([www.lenovo.com](http://www.lenovo.com)) viewed on October 30th 2006, the company had operations in the following countries: China, Philippines, Russia, Thailand, United Arab Emirates, USA and Vietnam, all of which were on ECRA's list of oppressive regimes at the time of writing. (ref: 3)

#### Supply Chain Policy

##### Worst ECRA rating for supply chain policy (2006)

ECRA was unable to locate a supply chain policy addressing working conditions at Lenovo's supplier factories on the company's website ([www.lenovo.com](http://www.lenovo.com)) during a search on October 30, 2006. (ref: 115)

### People

#### Workers' Rights

##### Praised for US diversity record (2005)

According to an article dated 12th June 2006 on the PRNewswire website, US pressure group Black Enterprise had announced the results of its diversity survey of major US corporations, which looked at: corporate procurement, corporate board participation, senior management representation and total workforce representation of African-Americans and other ethnic minorities. IBM Corp was named as one of the companies which had performed well in this area in the previous year. (ref: 117)

### Political Activities

#### Membership of one lobby group (2002)

The website of the US Council for International Business in June 2002 listed IBM Corporation as a member of the USCIB. The USCIB described itself as "founded in 1945 to promote an open world trading system, now among the premier pro-trade, pro-market liberalization organizations...provides unparalleled access to international policy makers and regulatory authorities." (ref: 118)

### Anti-Social Finance

#### Operations in two tax havens (2006)

According to the Lenovo website ([www.lenovo.com](http://www.lenovo.com)) viewed on October 30th, 2006, it had subsidiaries in the Philippines

and Ireland, both of which were on ECRA's list of corporate tax havens at the time of writing. (ref: 115)

## **Pollution & Toxics**

### **Criticism for use of toxic chemicals (November 2005)**

Reuters www.reuters.co.uk 17 November 2005 reported that Greenpeace China had criticised Lenovo for being a 'laggard' for not having commit to phasing out brominated flame retardants and PVC from its products, when other companies in the industry had done so. Brominated flame retardants are toxic chemicals resistant to heat. (ref: 39)

### **Holocaust lawsuit to proceed (2006)**

According to an article dated 8th July 2006 on legal website www.findlaw.com, in July 2006 a Swiss appeals court had found against an earlier ruling in which IBM had managed to have a case refused in which 5 Gypsies were suing the company for compensation for its complicity in the Holocaust during WWII. The appeal ruling said that the Gypsies could sue the company for supplying equipment which was integral to operation of Nazi death camps, and that the case could happen in Switzerland because the company's wartime European headquarters had been there. The Gypsies were said to have received less compensation and recognition for their wartime sufferings than other groups, and the case was said to potentially open the way for wider suits from the community. (ref: 52)

## **MESH Computers Plc**

*1 Oxgate Centre, Oxgate Lane, London, NW2 7JA, UK*

## **Environment**

### **Environmental Reporting**

#### **Worst ECRA rating for environmental report (November 2006)**

MESH Computers Plc website www.meshcomputers.com was viewed by ECRA on 2 November 2006. As the website did not display an environmental policy and/or report, and as MESH did not reply to a request by ECRA for these two documents, it was awarded ECRA's worst rating for environmental reporting. (ref: 54)

## **People**

### **Supply Chain Policy**

#### **Worst ECRA rating for Supply Chain Policy (2004)**

MESH Computers Plc website www.meshcomputers.com was viewed by ECRA on 2 November 2006. As the website did not display a supply chain policy, and as MESH did not reply to a request by ECRA for this policy, it was awarded ECRA's worst rating for supply chain policy. (ref: 54)

## **NEC Corporation**

*7-1, Shiba 5-chome Minato-Ku, Tokyo, 108 8001, JAPAN*

## **Environment**

### **Environmental Reporting**

#### **Best ECRA rating for environmental reporting (2006)**

The NEC Annual CSR Report (2006) contained several quantified targets for reducing the company's impact on the environment, including in the following areas: carbon emissions, power consumption; toxic chemicals and brominated flame retardants; plastics recycling and waste emissions. It contained an 'independent review' which had been conducted by a Japanese group, International Institute for Human, Organization and the Earth (IIHOE). (ref: 55)

## **Pollution & Toxics**

### **Nanotech components for computers (2005)**

According to the February 2005 issue of Corporate Watch, NEC was developing laptops powered by nanotech fuel tubes, and flat screen computer monitors using carbon nanotubes. Nanotechnology was said to be of concern because, according to toxicologist Dr Vyvyan Howard, "There is evidence that [nano particles] can gain entry to the body by a number of routes, including inhalation, ingestion and across the skin. There is considerable evidence that [nanoparticles] are toxic and therefore potentially hazardous. The basis of this toxicity is not fully established but a prime candidate for consideration is the increased reactivity associated with very small size." (ref: 56)

## **People**

### **Human Rights**

#### **Operations in 11 oppressive regimes (2006)**

According to the NEC website (www.nec.com) viewed on 2nd November 2006, the company had operations in the following countries: China, Indonesia, Iran, Pakistan, Philippines, Russia, Saudi Arabia, Thailand, USA, Uzbekistan and Vietnam, all of which were on ECRA's list of oppressive regimes at the time of writing. (ref: 57)

#### **Involvement in the core industry of an oppressive regime (2002)**

According to the July/August 2002 issue of Roots, NEC was one of a number of computer chip manufacturers which used Coltan (colombium-tantalum) from the Congo. Over 60% of the world's known stocks of coltan were said to be in the East Congo region, and coltan mining was said to be closely caught up with the brutal civil war there, with people, including women and children, being forced to help mine the metal by the various warring factions. (ref: 59)

### **Supply Chain Policy**

#### **Middle ECRA rating for supply chain policy (2006)**

The NEC Group Supply Chain CSR Guideline for Suppliers, dated October 1st, 2006, covered working standards required of suppliers, including clauses on: forced labour; inhuman treatment and infringement of human rights; child labour; discrimination; appropriate wages; working hours and freedom of association. The supply chain policy did not stipulate that suppliers should pay a living wage or give any guidance to suppliers located in countries where collective bargaining is effectively illegal, such as China. (ref: 60)

### **Irresponsible Marketing**

(See also 'Nanotech components for computers' in Pollution & Toxics above.)

### **Armaments**

#### **Supplier of communications equipment to the military (2004)**

NEC Corp was listed in Jane's International Defence Directory 2004 as a manufacturer of supercomputers, computers, PCs, printers, network systems, mobile communications and related software, compound semiconductors, rechargeable batteries and capacitors for the defence industry. (ref: 34)

#### **Supplies communications equipment to the military (2002)**

NEC Australia Pty was included in Jane's International Defence Directory 2002 as supplying telecoms, electronics and satellite stations. (ref: 19)

## **Politics**

### **Political Activities**

#### **Membership of free trade lobby group (2006)**

The website of the International Chamber of Commerce (ICC), viewed by ECRA at www.iccwbo.org on 26 October 2006,

listed NEC as a member. On its website, the ICC said that it “promotes an open international trade and investment system and the market economy.” It also claimed to help companies to “shape rules and policies that stimulate international trade and investment”, and added that many companies relied on ICC “to get business views across to governments and intergovernmental organisations, whose decisions affect corporate finances and operations worldwide.” (ref: 47)

## **Anti-Social Finance**

### **Operation in one tax haven (2002)**

NEC Corp was listed in Who Owns Whom 2002/3 as owning subsidiaries in the following places, assessed as tax havens by EC: Ireland. (ref: 42)

## **Samsung Group**

*250-2 ga, Taepyong-ro, Jung-gu, Seoul, South Korea*

## **Environment**

### **Environmental Reporting**

#### **Worst ECRA rating for environmental report (2005)**

The Samsung Electronics 2005 Green Management Report demonstrated that the company had a good basic understanding of its main environmental impacts, although it was noted that little factual data on the company’s performance had been provided. Only one target, for the reduction of perfluorocarbons as part of an industry initiative, was given. There was no evidence that the report had been independently verified. (ref: 61)

### **Pollution & Toxics**

#### **Criticism of environmental standards (25 August 2006)**

According to Greenpeace International’s Green Electronics Guide originally published in August 2006, Samsung scored a 5/10. The company was criticised for “providing voluntary take back of its electronic waste only in a few countries and only for some product groups”, and for not providing consumers with sufficient information on what to do with their discarded Samsung products. Greenpeace’s Green Electronics Guide scored companies on chemicals policy and practice, in addition to policy and practice on producer responsibility for taking back discarded products, and recycling. (ref: 6)

#### **Nanotech use or R&D (2005)**

According to the February 2005 issue of Corporate Watch, Samsung was one of a number of major international corporations involved in R&D into or use of nanotechnology. Nanotechnology was said to be of concern because, according to toxicologist Dr Vyvyan Howard, “There is evidence that [nano particles] can gain entry to the body by a number of routes, including inhalation, ingestion and across the skin. There is considerable evidence that [nanoparticles] are toxic and therefore potentially hazardous. The basis of this toxicity is not fully established but a prime candidate for consideration is the increased reactivity associated with very small size.” (ref: 56)

#### **Poor rating by Computer TakeBack Campaign (2003)**

According to the Fourth Annual Computer Report Card, published by the Computer TakeBack Campaign (CTBC), Samsung had received a ‘Failing’ rating with regard to its environmental performance. It scored 17 out of 68. Companies had been rated by CTBC in four categories: extended producer responsibility, use of hazardous materials, worker health and safety and degree of accessibility of information. (ref: 36)

## **People**

### **Human Rights**

#### **Business links to Burma (March 2006)**

The www.global-unions.org website, viewed in October 2006 listed Samsung Corp as having business links with Burma.

According to the website, the companies appeared “from the information available” to have some form of relationship with Burma. The criteria used were that a company either operated in Burma, had business relations with the country or had been in direct contact with the officials of the regime or promoted tourism in Burma. Burma was said to be a country of concern to human rights activists due its systematic abuses of human rights, (including forced labour) and the behaviour of its ruling junta. Global Unions claimed that it was not possible to conduct any trade or other economic activity with Burma without providing support - either direct or indirect - to the military junta. The list was updated on 8th March 2006. (ref: 62)

#### **Operations in 12 oppressive regimes (2006)**

According to Samsung’s website (www.samsung.com) viewed on 28th August 2006, it had operations in Burma (Myanmar), China, Egypt, Iran, Pakistan, the Philippines, Russia, Saudi Arabia, Thailand, UAE, USA and Vietnam, all of which were on ECRA’s list of oppressive regimes at the time of writing. (ref: 63)

#### **Child labour allegations in Chinese factory (2006)**

According to the 26th April 2006 issue of CSR Asia Weekly, in 2006 underage ‘interns’ were said to have been found working at the Dongguan Samsung Electro-Mechanics plant in China. Although the presence of interns was said to be legal for training purposes, it was alleged that the young people made up a quarter of the entire factory workforce, and that the incident was part of a growing pattern in China of spurious vocational schools being set up so that people too young to work legally could be ‘placed’ for a fee paid to the head of the ‘school.’ (ref: 64)

### **Workers’ Rights**

#### **Excessively long working hours (2004)**

According to issue 85 of Hazards, a worker dropped dead after spending a 24-hour shift stamping the ‘Samsung’ logo on microwaves at a plant in Hartlepool. The fate of the worker was used to highlight the problems facing often illegal migrants working under false names for low pay. (ref: 16)

#### **Mexican maquila factory (2002)**

According to the 2003 report “Maquiladora/Manufacturing in Mexico’s Border Region” by two US and Canadian business thinktanks, in 2002 Samsung was one of the companies operating major Maquila factories in the Baja California region of Northern Mexico. Maquila factories had been widely criticised by Mexican and international labour rights organisations for often having low standards of worker safety, for denying workers the right to unionise, for paying low wages and often for subjecting female workers to degrading health checks. (ref: 65)

(See also ‘Child labour allegations in Chinese factory’ in Human Rights above.)

### **Supply Chain Policy**

#### **Worst ECRA rating for supply chain policy (2006)**

Samsung’s website (www.samsung.com) was visited by ECRA in August 2006 to assess if it had a supply chain policy addressing workers’ rights at its supplier factories. There was no evidence of such a policy on the website. (ref: 63)

### **Armaments**

#### **Manufacture of military vehicles (29 January 2004)**

Samsung Techwin’s website, viewed in January 2004, listed tanks, armoured vehicles, howitzers and amphibious assault vehicles as products it manufactured as part of its Defence Program. (ref: 66)

#### **Armaments - listed in International Defence Directory (2004)**

According to the 2004 edition of Jane’s International Defence Directory, Samsung Heavy Industries Co was listed as providing manufacturing services to the defence industry, including shipbuilding, oil rigs, cargo handling systems, marine engines, steel structures and general construction. (ref: 34)

## **Armaments - listed in International Defence Directory (2004)**

According to the International Defence Directory 2004 edition, Samsung Semiconductor was a manufacturer of semiconductors and was presumed by its IDD listing to sell these to the military. (ref: 34)

## **Politics**

### **Political Activities**

#### **Accusations of corruption (2005)**

According to an August 2005 issue of CSR Asia Weekly, Samsung Group was one of a number of large Korean companies on the receiving end of public displeasure due to a series of revelations about corruption and behind-the-scenes political influence. The company was said to be the target of a campaign by anti-corruption campaigners against its petition against a ruling restricting the rights of conglomerates to control votes in their financial units. (ref: 67)

#### **Membership WBCSD lobby group (2005)**

Samsung Electronics was listed as a member of the free trade lobby group World Business Council for Sustainable Development on the WBCSD website (<http://www.wbcds.org/aboutus/members.htm>), viewed by ECRA on 19th July 2005. (ref: 68)

#### **Accusations of accumulating political influence (2005)**

According to an August 2005 issue of CSR Asia Weekly (week 32), a campaign group in Korea had published details of 278 high-ranking public figures, including public officials, judges, prosecutors, academics and politicians who had been given jobs by Samsung. The group accused the company of building networks of favour throughout the country by offering tempting jobs to such people. (ref: 69)

### **Anti-Social Finance**

(See also 'Accusations of corruption' in Political Activities above.)

#### **Corruption allegations (2005)**

According to the February 2006 issue of CSR Asia Weekly, in 2005 two executives of Samsung Everland had been convicted of helping two of the children of group Chairman Lee Kun-Hee to buy shares in Samsung Everland at below-market prices. The incident was said to be just one of a number of corruption allegations which had been associated with the company in 2005. (ref: 70)

#### **Admissions of price fixing (2006)**

According to an article dated 22nd March 2006 on the BBC News website, three Samsung executives had pleaded guilty to conspiring to fix the price of computer memory chips. The men were said to have agreed to serve prison terms and to pay fines of US\$250,000. The US government case was said to have resulted in fines against four other firms. (ref: 71)

## **Siemens AG**

*D-8000 München 2, Wittelsbacher Platz 2, Germany*

## **Environment**

### **Environmental Reporting**

#### **Worst ECRA rating for environmental report (2006)**

Siemens published its 'Corporate Responsibility at Siemens' report in 2006 which was viewed by ECRA in October 2006. Although the report showed a reasonable understanding of the company's environmental impact, it did not contain at least two dated and quantified future environmental targets and was not independently verified. Consequently, ECRA awarded Siemens its worst rating for environmental reporting. (ref: 72)

## **Nuclear Power**

### **Scandal over Finnish nuclear plant (2005)**

According to the February 2005 issue of Greenpeace Business, Siemens was one of a number of companies which had been accused by the European Renewable Energies Federation of participating in the building of a nuclear power plant in Finland. The companies were alleged to have breached EU rules because the power plant had only been made viable by the input of considerable state aid. The home governments of the various companies were also criticised for having allowed the illegal transactions to go ahead. (ref: 73)

### **Listed in World Nuclear Industry Handbook 2004 (2004)**

Siemens Power Corp of Richland, USA was listed in the World Nuclear Industry Handbook 2004 as a supplier of the following products and/or services: decontamination services/environmental monitoring equipment and services; fuel and fuel equipment and services; fuel and fuel cycle management and services; R&D and test and steam generator services. (ref: 74)

### **Listed in World Nuclear Industry Handbook 2001 (2001)**

According to the World Nuclear Industry Handbook 2001, German company Siemens AG Power Generation Group provided the following services to the nuclear industry; Instrumentation and control systems, Modernisation and upgrades, New reactor design, Nuclear fuel cycle. (ref: 75)

## **Climate Change**

### **Boycott call over gas supplies to Burma (2006)**

According to the Burma Campaign UK's Dirty List of companies operating in Burma, as of September 2006 Siemens was said to have been responsible for supplying turbines for Total's Yadana gas project. (ref: 76)

### **Supply to oil and gas industry (5 November 2004)**

Siemens Power Generation stated, on its website ([www.powergeneration.siemens.com](http://www.powergeneration.siemens.com)) viewed on 5th November 2004, that it had "become a leading supplier of compression solutions to the global oil and gas industry." (ref: 77)

### **Manufacturing services for automobile industry (5 November 2004)**

Siemens AG, on its website ([www.siemens.com](http://www.siemens.com)) viewed on 5th November 2004, stated that it provided the following 'solutions' for the automobile production industry: "From the automation level to production planning and control - solutions with which we push back the boundaries of productivity and achieve sustained reductions in life-cycle costs." The page also contained a diagram of an automobile production plant with information on Siemens products pertaining to each stage of the production process. (ref: 78)

## **Pollution & Toxics**

### **Bottom rating for chemicals policy (August 2006)**

According to the August 2006 issue of Greenpeace Business, Fujitsu Siemens was one of the poorer performing companies in the computer sector as regards phasing out of toxic chemicals such as brominated flame retardants and PVC. Environmentalists were concerned about the chemicals' effects on the environment and on human health. (ref: 4)

## **People**

### **Human Rights**

#### **Operations in 24 oppressive regimes (2006)**

According to the Siemens corporate website viewed on 31 October 2006, the company had operations in countries which at the time of writing ECRA considered to be governed by oppressive regimes: Belarus, China, Democratic Republic of Congo, Egypt, Guatemala, Indonesia, Iran, Kazakhstan, Kuwait, Lebanon, Libya, Pakistan, Philippines, Russia, Saudi Arabia, Sudan, Swaziland, Syria, Thailand, United Arab Emirates, USA, Uzbekistan, Vietnam and Zimbabwe. (ref: 119)

### **Disinvestment call over Sudan (January 2006)**

Siemens AG was listed on the Sudan Divestment Campaign website [www.sudandivestment.com](http://www.sudandivestment.com) viewed by ECRA on 12 July 2005 as a company doing business with Sudan, despite the ongoing genocidal conflict. It had contracts worth over \$180 million including the world's largest diesel-powered electricity generating plant. American companies were barred from doing business with Sudan by a 1997 ruling, however there has been no such ruling for international companies. The Sudan Divestment campaign lists companies that conduct business with Sudan and therefore provide critical economic, commercial, and financial support. The Sudan Divestment campaign argues that no company should do business with Sudan until the genocide ends. In the conflict there has been a wholesale destruction of villages, water sources, food and seed stocks, agricultural animals and tools. There has been a mass execution of men and boys and the systematic use of rape as a weapon of war. Two million people have been displaced and over 250,000 have died. The Divestment campaign states that revenues from multinational corporations sustain a regime that could not survive otherwise. ECRA also considered Sudan to be an oppressive regime at the time of writing. (ref: 79)

### **Armaments**

#### **Listed in International Defence Directory 2004 (January 2004)**

Siemens SGP Verkehrstechnik was listed in the International Defence Directory 2004 as a supplier of platform wagons for transporting most types of armoured cars and tracklaying vehicles and of rail vehicle construction. (ref: 34)

#### **Listed in International Defence Directory (2004)**

Siemens Atea was listed in International Defence Directory 2004 as supplying communications systems to the military. (ref: 34)

## **Politics**

### **Boycott Call**

(See also 'Disinvestment call over Sudan' in Human Rights above.)

(See also 'Boycott call over Burma' in Climate Change above.)

### **Political Activities**

#### **Lobbying against EU environmental standards (2003)**

According to the September 2004 issue of Multinational Monitor, in 2003 Siemens was one of several companies and organisations which were engaged in lobbying against planned EU legislation which would impose stricter environmental standards on chemical corporations. A named Siemens employee was said to have been assigned to co-ordinating national corporate responses to the planned legislation, which would have required corporations to acquire and publish much more safety data on chemicals before they were released onto the market. (ref: 80)

### **Anti-Social Finance**

(See also 'Scandal over Finnish nuclear plant' in Nuclear Power above.)

## **Product sustainability**

### **Positive Environmental Features**

#### **Blue Angel award (October 2006)**

According to information sent to ECRA from Blauer-Engel dated 23 October 2006, some of Fujitsu-Siemens' Esprimo and Celsius computer system units had been awarded the German Blue Angel mark for environmental performance. (ref: 23)

## **Sony Corp**

*7-35 Kitashinagawa 6-chome, Shingagawa-ku, Tokyo 141-0001, Japan*

## **Environment**

### **Environmental Reporting**

#### **Best ECRA rating for environmental report (2005)**

A search on the Sony Corp corporate website ([www.sony.net/csr](http://www.sony.net/csr)) in September 2005 revealed that it contained the Sony 2005 Corporate Social Responsibility report, which included the company's environmental report. It showed how Sony is striving to achieve the medium term targets stipulated in its Green Management 2005 group environmental action plan. Progress toward these targets in fiscal 2004 was reported on and quantified. The report had been verified by independent auditors BVQI Japan Co., Ltd. (ref: 81)

### **Pollution & Toxics**

#### **Toxic chemical release: USA (2001)**

According to the USA Environmental Defense pollution 'scorecard' ([www.scorecard.org](http://www.scorecard.org)), in 2001, Sony Chemicals Corp of America's plant in Mount Pleasant, PA was ranked in the 80th-90th percentile in terms of dirties/worst factories in the USA for air releases of "recognised developmental toxicants" - and the seventh worst in its county for all air releases. (ref: 82)

#### **Greenpeace rating for chemicals policies (2005)**

According to Greenpeace's Chemical Home website viewed in February 2005, Sony received an amber rating for its chemical policy towards 20 hazardous substances. Amber means that the product contains one or more harmful chemical pollutants but they have also specified a date by which these chemicals will be removed. According to Greenpeace: "Sony say they are committed to phasing out hazardous substances wherever possible. They are working to eliminate PVC from all products by 2006. They are also working to phase out brominated flame retardants (BFRs). In October 2004, Sony informed Greenpeace that they will eliminate BFRs from TVs and PCs. Currently, 17% of Sony models of TVs and 50% of PC models are BFR-free. This percentage will gradually increase over the whole product line." (ref: 83)

#### **Use of nanotechnology (2003)**

Sony was one of a number of companies (or brands) cited in the Ecologist, May 2003, as using nanotechnology. According to The Ecologist magazine, nanotechnology is the manipulation of the structure of materials at an atomic level to engineer new materials never before found in nature. One of the risks of nanotechnology is that there is no environmental or toxicological data on the effects of the use of 'ultrafine particles' which can enter the body and may become reactive and toxic. There may be unknown and therefore unpredictable effects on the environment, health and food supply. The technology may also be able to self replicate and become out of human control. Lastly, nanotechnology, just like genetic engineering, is seen by critics of a way that a technofix can be used by governments to avoid enacting social, political and economic change, leaving the root causes of the problems untackled. Corporations will also be able to exert control over agriculture and health. (ref: 84)

## **People**

### **Human Rights**

#### **Sourcing from one oppressive regime (2005)**

According to the November 2005 issue of Trade Union World Briefing from the ICFTU, Aiwa was one of a number of international electronic companies which sourced goods from factories in the Bataan Export Processing Zone in the Philippines. ECRA considered the Philippines in 2006 to have an oppressive regime. (ref: 41)

### **Sourcing from one oppressive regime (2005)**

According to the November 2005 issue of Trade Union World Briefing from the ICFTU, Sony was one of a number of international electronic companies which sourced goods from factories in the Bataan Export Processing Zone in the Philippines. ECRA considered the Philippines in 2006 to have an oppressive regime. (ref: 41)

### **Operations in 35 oppressive regimes (November 2004)**

According to the Sony corporate website, viewed by ECRA in November 2004, Sony Corp had operations in the following countries regarded by ECRA as oppressive regimes at the time of writing: Afghanistan, Algeria, Brazil, Burma, China, Cote d'Ivoire, Egypt, Eritrea, Ethiopia, Fiji, Guatemala, Indonesia, Iran, Iraq, Israel, Jordan, Kazakhstan, Kenya, Lebanon, Libya, Malaysia, Mexico, Nigeria, Pakistan, Qatar, Russia, Saudi Arabia, Senegal, Somalia, Sudan, Tanzania, Thailand, Tunisia, Uzbekistan, Vietnam. (ref: 81)

### **Workers' Rights**

#### **Mexican maquila factory (2002)**

According to the 2003 report "Maquiladora/Manufacturing in Mexico's Border Region" by two US and Canadian business thinktanks, in 2002 Sony was one of the companies operating major Maquila factories in the Baja California region of Northern Mexico. Maquila factories had been widely criticised by Mexican and international labour rights organisations for often having low standards of worker safety, for denying workers the right to unionise, for paying low wages and often for subjecting female workers to degrading health checks. (ref: 65)

### **Supply Chain Policy**

#### **Worst ECRA rating for supply chain policy (2006)**

ECRA was unable to locate a supply chain policy addressing workers' rights at supplier factories on Sony's website ([www.sony.net](http://www.sony.net)) during a search on 29th August 2006. Various statements relating to proper employee conduct, and diversity and anti-discrimination initiatives were found, but these appeared to relate to direct employees of the company, not to suppliers. (ref: 85)

### **Irresponsible Marketing**

#### **Recall of faulty batteries (15 August 2006)**

According to an article on the BBC News website dated 15th August 2006, in August 2006 Dell Inc had had to recall a total of 4 million laptop batteries made by Sony sold between 2004 and 2006 after it was found that a fault in them could cause them to burst into flames. Some of the reported incidences were said to have caused minor burns and property damage, but no-one was said to have been seriously injured in a fire caused by one of the computers. (ref: 17)

#### **Recall of unsafe components (2006)**

According to the BBC News website, in an article dated 24th August 2006, Sony was said to have admitted responsibility for the fitting of millions of unsafe laptop computer batteries in Apple computers. Sony was said to have manufactured the batteries and to be likely to have to take the financial impact of the recall. (ref: 86)

### **Armaments**

#### **Supply of communications services for the military (30 January 2004)**

Sony Corporation was listed in the 2004 Jane's International Defence Directory as manufacturing electronics products for military use, including video, and audio equipment, televisions, displays, semiconductors, electronic components, computers and computer peripherals and telecommunications equipment. (ref: 34)

#### **Supplies electronic equipment to the military (2002)**

Sony CNCE was included in Jane's International Defence Directory 2002 as supplying display monitors for military purposes. (ref: 19)

### **Supply of electronic equipment to the military (2002)**

A December 2000 report on advanced military battery technology listed Sony Corp amongst manufacturers and developers of such technology. The report described itself as focusing on the "types of high tech batteries used in the battery powered systems and devices intended to improve communications, target acquisition, weapons sighting, ground navigation, improved GPS, and warning and surveillance systems." (ref: 87)

## **Politics**

### **Political Activities**

#### **Member of WBCSD (2005)**

The World Business Council for Sustainable Development (WBCSD) website when viewed by ECRA on 19th July 2005 listed Sony Corporation as a strategic partner. According to Ethical Consumer magazine of February/March 2001, WBCSD had been accused by Corporate Europe Observatory of 'hijacking' the Rio Earth Summit in 1992. It was reported that in 2000, the WBCSD had provided advice on developing carbon emissions trading - a method described by Ethical Consumer as allowing corporations and governments to avoid cutting their greenhouse gas emissions through trading. (ref: 68)

#### **Member of ICC (2005)**

The website of the International Chamber of Commerce (ICC), viewed by ECRA at [www.iccwbo.org](http://www.iccwbo.org) on 19 July 2005, listed Sony as a member. On its website, the ICC said that it promoted "an open international trade and investment system and the market economy." It also claimed to help companies to "shape rules and policies that stimulate international trade and investment", and added that many companies relied on ICC "to get business views across to governments and intergovernmental organisations, whose decisions affect corporate finances and operations worldwide." (ref: 88)

#### **Member of USCIB (2004)**

The USCIB (United States Council for International Business) website [www.uscib.org](http://www.uscib.org) viewed by ECRA on 23 November 2004 listed CBS Inc as a member. The USCIB was founded in 1945 to promote an open world trading system and claimed to be one of the "premier pro-trade, pro-market liberalization organisations". According to the USCIB website the organisation "provides unparalleled access to international policy makers and regulatory authorities". (ref: 89)

### **Anti-Social Finance**

#### **operations 20 tax havens (November 2004)**

According to the Sony Corp corporate website in November 2004, Sony had operations in the following countries regarded by ECRA as tax havens: Andorra, the Bahamas, Bahrain, Barbados, Belize, Brunei, Costa Rica, Dominica, Guatemala, Ireland, Liechtenstein, Luxembourg, the Maldives, Malta, Mauritius, the Philippines, San Marino, Singapore, Uruguay and Vanuatu. (ref: 81)

## **Sun Microsystems Inc**

*4150 Network Circle, Santa Clara, California, 95054, USA*

## **Environment**

### **Environmental Reporting**

#### **Worst ECRA rating for environmental report (October 2006)**

The Sun Microsystems website when viewed in October 2006 displayed its environmental performance and policy. A number of different areas were covered including waste management and energy and water use. The report also displayed some awareness of the company's main impacts. However there was no mention of future targets, nor confirmation that these goals would be independently verified. Consequently, ECRA awarded Sun Microsystems its worst rating for environmental reporting. (ref: 90)

## People

### Human Rights

#### Operations in 11 oppressive regimes listings (2006)

According to Sun Microsystems' corporate website viewed on 31 October 2006, the company had operations in countries which at the time of writing ECRA considered to be governed by oppressive regimes: China, Egypt, Indonesia, Kazakstan, Pakistan, Philippines, Russia, Saudi Arabia, Thailand, United Arab Emirates and the USA. (ref: 91)

#### Operations in one oppressive regime (2006)

According to Macleans.Ca ([www.macleans.ca](http://www.macleans.ca)) in February 2006, Sun Microsystems Inc had co-operated with the Chinese government to censor internet users in China. The article said that China employed 30,000 cyber police to monitor web usage, and writing articles incompatible with the regime can get you arrested. Whereas publishing anything deemed a state secret was said to carry the death penalty. China was on ECRA's list of oppressive regimes at the time of writing. (ref: 92)

#### Sold rogue servers to China and Egypt (17 December 2003)

The Register reported in December 2004 that Sun Microsystems had been charged with selling rogue servers to China and Egypt. The server had been sold to a company engaged in military research, which meant Sun had violated a set of export restrictions. The company had also been accused of sending products to a military customer in Egypt and upgrades for computers to Colombia and Venezuela. It was reported that Sun settled the charges without either admitting or denying the charges. (ref: 93)

### Workers' Rights

#### Company sued for 'favouring' workers in India (19 March 2003)

Rediff.com reported in March 2004 that Sun Microsystems was facing a lawsuit which alleged that it had laid off thousands of workers in America, in favour of 'younger' lower-paid engineers in India. The lawsuit alleged that the company was discriminating in favour of foreign workers. The lawsuit was bought by a former software engineer manager at Sun who claimed discrimination based on race, national origin and wage. (ref: 94)

### Supply Chain Policy

#### Worst ECRA rating for supply chain policy (October 2006)

Sun Microsystems' website ([www.sun.com](http://www.sun.com)) was viewed by ECRA in October 2006. Although the site included a section 'Environment, Health and Safety', it did not contain a supply chain policy. Consequently, ECRA awarded Sun Microsystems its worst rating for supply chain policy. (ref: 90)

### Armaments

#### (See also 'Sold rogue servers to China and Egypt' in Human Rights above.)

#### involved in supplying computer related systems to the military (2003)

Jane's International Defence Directory, January 2004, listed Sun Microsystems inc as a company which worked "closely with military organisations" in providing them with the latest technology across military and defence applications. (ref: 34)

#### involved in supply of technology to the military (2001)

According to the Sun Microsystems website in December 2000, which featured a press release of 24/8/1999, Sun Microsystems had announced that it was working with the US Army to develop its implementation of Jini connection technology to support battlefield applications executed in the Army's Battlefield Command Systems Tactical Operations Centres worldwide. This system was being designed to provide the US army with a communications infrastructure that could be adapted to battlefield conditions in a range of situations. (ref: 95)

## Politics

### Anti-Social Finance

#### Subsidiaries in tax havens (2006)

According to Sun Microsystems' corporate website viewed on 31 October 2006, the company had operations in the following countries which at the time of writing ECRA considered to be tax havens: Indonesia, Luxembourg, Malta, Monaco, Philippines, and UAE (Dubai), (ref: 91)

## Toshiba Corp

*1-1, Shibaura 1-chome, Minato-ku., Tokyo 105-8001, Japan*

## Environment

### Environmental Reporting

#### Best ECRA rating for environmental reporting (2006)

The Toshiba 2006 Corporate Social Responsibility report was found to contain a number of dated targets and achievements and to demonstrate a reasonable understanding of the company's impact on the environment. It was also found to have been independently verified by Ernst & Young Shin Nihon according to GRI guidelines. (ref: 96)

### Nuclear Power

#### Nuclear Power involvement (2006)

Toshiba's Japanese Corporate website ([www.toshiba.co.jp](http://www.toshiba.co.jp)) viewed in November 2006 claimed that Toshiba was the number one nuclear plant supplier in Japan. The company produced boiling water reactor plants, nuclear fuel reprocessing facilities, and design, manufacture, construction and operation services for the nuclear industry. (ref: 97)

#### Nuclear power design (2001)

According to the World Nuclear Industry Handbook 2001, Toshiba was involved in architect/engineering, consultancy, robotics, seismic services and operator training for the nuclear power industry. (ref: 75)

#### Nuclear power & fuel involvement (February 2006)

According to the Hoovers Fact Sheet on Global Nuclear Fuel Americas, viewed at [www.hoovers.com](http://www.hoovers.com) on the 7th February 2006, Toshiba manufactured and sold light-water nuclear reactor fuel and operated a plant in Wilmington, North Carolina. (ref: 98)

### Pollution & Toxics

#### Greenpeace rating for chemicals policies (August 2006)

According to the August 2006 issue of Greenpeace Business, Toshiba was one of the poorer performing companies in the computer sector with regards to phasing out of toxic chemicals such as brominated flame retardants and PVC. Environmentalists were concerned about the chemicals' effects on the environment and on human health. (ref: 4)

#### Nanotechnology (2003)

Toshiba was one of a number of companies (or brands) cited in the Ecologist, May 2003, as using nanotechnology. A series of features described some of the differences from conventional products, including cosmetics, and highlighted some of the potential environmental concerns raised by nanotechnology. (ref: 84)

## People

### Human Rights

#### Operations in 8 oppressive regimes (November 2006)

According to the Toshiba website ([www.toshiba.co.jp](http://www.toshiba.co.jp)) viewed on the 2nd November 2006, the company had operations in the following countries: China, Indonesia, the Philippines, Russia, Thailand, UAE, USA and Vietnam, all of which were on ECRA's list of oppressive regimes at the time of writing. (ref: 97)

## Workers' Rights

### Mexican maquila operations (2002)

According to the 2003 report "Maquiladora/Manufacturing in Mexico's Border Region" by two US and Canadian business thinktanks, in 2002 Toshiba was one of the companies operating major Maquila factories in the Sonora region of Northern Mexico. Maquila factories had been widely criticised by Mexican and international labour rights organisations for often having low standards of worker safety, for denying workers the right to unionise, for paying low wages and often for subjecting female workers to degrading health checks. (ref: 65)

## Supply Chain Policy

### Worst ECRA rating for supply chain policy (2006)

Toshiba's Procurement Policy was found on the company's website ([www.toshiba.co.jp](http://www.toshiba.co.jp)) on 2nd November 2006. The policy contained a small section called 'Compliance with Laws, Regulations and Social Customs' which stated that suppliers "must ensure compliance with laws, regulations and appropriate social customs of the countries and regions in which they operate", including clauses on: Prohibition of child and forced labour; prohibition against discrimination; maintaining a safe and clean working environment. However, as these provisions fell far short of the standards set out by the International Labor Organisation as minimum standards in supplier factories, Toshiba was awarded ECRA's worst rating in this category. The Procurement Policy did not contain any protection for supplier workers in the following areas: freedom of association; payment of minimum or living wage, limitation on hours in working week. There was no evidence that Toshiba carried out any monitoring of its policy. (ref: 97)

## Irresponsible Marketing

(See also 'Nanotechnology' in Pollution & Toxics above.)

### Armaments

#### Supplier of strategic components to defence industry (2004)

Toshiba Corp was listed in the 2004 International Defence Directory as manufacturing surface to air missiles, radar, avionics for fighter aircraft, information and communication systems, medical equipment and power plant systems. (ref: 34)

#### On list of 100 biggest arms companies (2004)

In 2004, Toshiba was ranked 97th out of the top 100 arms-producing companies by value of arms sales (electronics and missiles) with \$380 million which was 1% of Toshiba's total sales for that year. The previous year they were ranked 95th with \$340 million. (ref: 100)

## Politics

### Political Activities

#### Member of ICC (2006)

The website of the International Chamber of Commerce (ICC), viewed by ECRA at [www.iccwbo.org](http://www.iccwbo.org) on 26th October 2006, listed Toshiba as a member. On its website, the ICC said that it promoted "an open international trade and investment system and the market economy." It also claimed to help companies to "shape rules and policies that stimulate international trade and investment", and added that many companies relied on ICC "to get business views across to governments and intergovernmental organisations, whose decisions affect corporate finances and operations worldwide." (ref: 47)

### Anti-Social Finance

#### Subsidiaries in three tax havens (2006)

According to Toshiba's 2006 Annual Report, it had finance-related subsidiaries in Hong Kong, Netherlands Antilles and Singapore, all of which were on ECRA's list of corporate tax havens at the time of writing. (ref: 101)

## Watford Electronics Ltd

Jessa House, Finway, Luton, LU1 1WE

## Environment

### Environmental Reporting

#### Worst ECRA rating for environmental reporting (18 October 2006)

In a phone conversation with ECRA on 18 October 2006, an employee of Watford Electronics stated that the company did not have an environmental policy. Consequently, ECRA gave Watford Electronics its worst rating for environmental reporting. (ref: 102)

## People

### Supply Chain Policy

#### Worst ECRA rating for supply chain policy (18 October 2006)

In a phone conversation with ECRA on 18 October 2006, an employee of Watford Electronics stated that the company did not have a specific supply chain policy. Although Watford Electronics had an office in Taiwan from where "reliable sources" were accessed, no independent verification of these sources was made. Consequently, ECRA gave Watford Electronics its worst rating for Supply Chain Policy. (ref: 102)

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