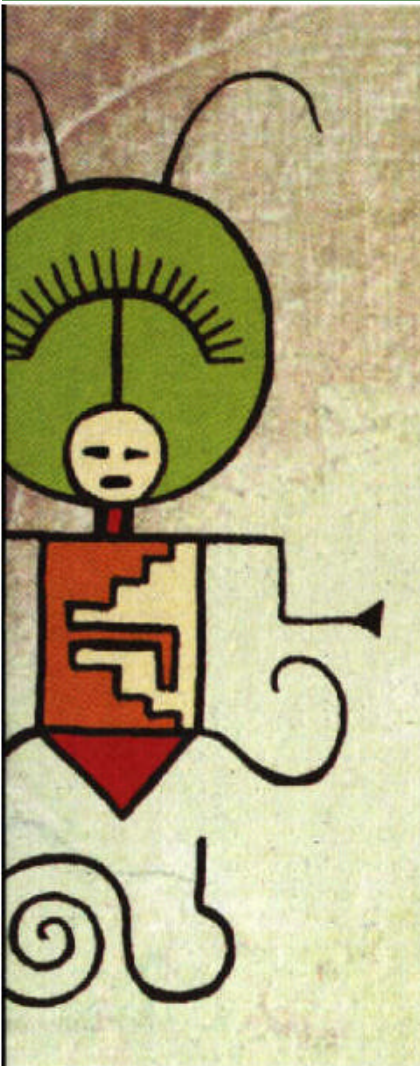


News from emag

Summer 2003

From EMS to Sustainability and Beyond

Consultants for Continual Improvement



EMAG Ltd

8 South View
Great Dunmow
Essex

Phone: +44 1371 872547
Fax: +44 1371 872547
www.emagltd.co.uk

Worried about WEEE?

The Waste Electrical and Electronic Equipment Directive was adopted in January and is likely to have far-reaching implications for most organisations. This directive, together with its sister, the directive on the restriction of the use of certain hazardous substances (ROHS), is the latest imposing "producer responsibility" for particular groups of products, and follows similar legislation on packaging and end-of-life vehicles. If you would like to know more about what these directives will mean for your business, contact us about attending one of our WEEE Directive Briefings (see below).

How risky is your supply chain?

Ted Rosser provides a cautionary tale about supply chain management overleaf.

If you are unsure how well you are managing your supply chain risks, we can help you assess these risks and develop an approach for risk management. Why not start with one of our supply chain seminars?

These are presented by Ted Rosser, Social Responsibility Advisor to B&Q, and Christine Hemming, expert on sustainable development issues, particularly in the automotive sector.

Contact us for further details.

WEEE/ROHS Briefings

We will be holding a series of



briefings on the WEEE and ROHS Directives and their implications.

These half day briefings will cover:

- an overview of the Directives' requirements;
- the implications for design, specification, and purchasing departments; and
- getting rid of your WEEE (another fridge mountain?).

If you use or make "anything with a battery or a plug" then these directives will affect you.

Please contact us for more information about venues and dates.

News clip:

Integrated Product Policy (IPP)

The European Commission published its White Paper on Integrated Product Policy last month. This sets out the principles and the approach the Commission will pursue in addressing the environmental

performance of products. The five key principles are that: IPP will be based on life cycle thinking; it will work with the market; stakeholder involvement will be encouraged; it will aim for continuous improvement in products; and it will employ a variety of policy instruments.

A Cautionary Tale, by Ted Rosser

Social Responsibility in the Supply Chain: Which Third Rate Apprentice Blacksmith Made This?

Or, If You Can't Manage Quality, How Do You Expect Me To Believe You Can Manage Ethical Issues In Your Supply Chain?

I'm not one to normally complain about consumer goods, it's too much hassle. However, we recently purchased a metal framed bunk-bed for our nine-year old son by mail order from the catalogue of a well-known high street 'up-market' chain, whom we have patronised for many years. We wanted quality and style and weren't bothered about paying extra.

Joe, our son, was understandably very excited about his new bed, but had to wait several weeks for delivery. When the delivery finally arrived, we were surprised that there was only one box (measuring about 6 foot by one foot by six inches), when the order included a mattress. The courier assured us that there was only one box, despite the fact that next to the 'Made in China' label were the words 'Box 1 of 4'.

We rang up 'Customer Services' who assured us that there was only one box and insisted that we should check that the mattress wasn't inside the box that they had delivered! After doing so and finding no mattress, a further call to 'Customer Services' obtained an agreement to 'investigate the matter'. By late evening, annoyance levels, already high, were compounded by an even more annoyed and disappointed Joe.

Next morning, as there were plenty of bits in 'Box 1 of 4', I decided to start constructing the bed. This is when I began to get really annoyed. The welding was appalling and the metal framework just didn't fit together without leaving gaps. The silver paint seemed to be very susceptible to scratching and, where the welding 'spray' had gone astray, you could see the marks the grinding wheel had made cleaning up. I wouldn't accept this quality of goods from the 'cheap and cheerful' brigade at half the price. The company that supplied this bed seemed to

know next to nothing about quality control, and this begged the question: *Which Third Rate Apprentice Blacksmith Made This?*



The 'Made in China' label also reminded me of visits I have made to factories in China. I know from experience that unless clear standards are set, communicated and monitored, then standards can be very poor. Were the workers, I wondered, labouring for continuous 100 hour, seven-day weeks for \$40 per month and living in cramped dormitories hundreds of miles from home? Were they forced to work these hours or allowed to leave of their own free will? Was the factory running a double accounting system to fool the less competent auditors (of which there are far too many)? Were there any controls on health and safety; was personal protective equipment available and used; did the workers have all the fingers and eyes they had when they started at the factory; had anyone fallen in one of the chemical cleaning tanks? Where did the toxic wastes go; was it to the local open landfill where children play? And where did the toxic effluents go; was it straight into the river? And these concerns begged the question: *If You Can't Manage Quality, How Do You Expect Me To Believe You Can Manage Ethical Issues In Your Supply Chain?*

And what was in the paint; will it poison my children, my wife, the pets or me?

I hadn't fully assembled the contents of 'Box 1 of 4' before the courier rang to say that we were right, there should have been four boxes. They needed to take back 'Box 1 of 4' as a 'customer return' and then make the full delivery. So, I then had to disassemble what I had spent the morning building.

I decided that a letter was called for to the CEO of the 'up-market' retailer and

drafted a three-page letter (plus photographs). I expressed my annoyance about the poor service over the missing boxes, followed by a tirade over the quality, concerns about the toxicity of the paint and finally questions about social responsibility issues, such as the location of the factory, the working hours and pay rates for the workers, health, safety and environment practices, and any policies regarding forced labour or intimidation. As I am due in China in the next few weeks, I also requested a visit to the factory.

The response from the CEO was swift, and we soon received all four boxes, specially checked prior to dispatch. We were also given a significant discount. The bed is now constructed and in use and our boy is delighted, though I still consider the quality not at all 'up-market'. As to the paint, there was an assurance that it was non-toxic; however, how this is assured was not explained.

On the 'social responsibility' issues, I was not convinced. The CEO made reference to social responsibility policies and stated that factories are checked by auditors but didn't divulge any factory information. And there was no mention of my request for a factory visit. I am left disappointed and uncomfortable about using this shop in future.

Many companies consider their supply chains, whether in the UK, EU, US, Far-East, India or elsewhere, as beyond their influence. They claim that the compliance status of their suppliers is for the authorities and not for them. However, they should be concerned. A supply chain that is not complying with legal requirements is not reliable: factories can be shut down or bankrupted by fines or improvement requirements. Underpaid, overworked or coerced labourers working in poor conditions in a polluted environment don't make good products.

And when the public find out what they are doing, they don't buy the products, maybe for a long time, perhaps never again.



This newsletter highlights some of our latest work and ideas. If you would like to know more, go to our web-site, or telephone us on:

Christine Hemming	+44 (0) 7941 115458	Clare Moody	+44 (0) 7775 815886
Shirley Pugh	+44 (0) 7802 166899	James Smith	+44 (0) 7831 841793
Ted Rosser	+44 (0) 7773 376180	General enquiries	+44 (0) 1371 872547

www.emagltd.co.uk