



## **BAD CONNECTION IN THE MOBILE JUNGLE?**

Update report from makeITfair on corporate responsibility among mobile network operators in Sweden

Fair Trade Center, October 2012

### **SUMMARY**

Fair Trade Center's report "Who will take responsibility in the mobile jungle?" examines how Swedish mobile operators have dealt with the shortcomings identified in the previous evaluation published in 2009. The report also examines the new challenges that have emerged since.

In addition to the various shortcomings highlighted in Fair Trade Center's 2009 report "Högt pris för billig mobil", there were also positive examples of mobile operators' sustainability efforts. These included the launch of several "green" mobile phones. The operators also introduced constructive initiatives to increase the number of mobile phones being handed in for recycling.

One of the most obvious problems that emerged in 2009 was that operators did not consider their role in the supply chain to be important. One of the operators, Tre (Hi3G), did not have a code of conduct, whilst another company's code of conduct did not include clauses on basic human rights such as child labour and forced labour (Tele2). All codes of conduct failed to address temporary workers, employment contracts, living wages and limits on overtime. There were also considerable discrepancies in the way that adherence to the codes of conduct was monitored.

In Sweden most mobile phones are sold when signing or renewing subscriptions, often at heavily subsidized prices. Mobile operators are key customers for mobile phone manufacturers. Since 2009 all of the large operators have had their own stores. In terms of market share, the four largest mobile operators in the Swedish market are TeliaSonera, Tele2, Telenor and Tre. It is these operators that form the subject of this report.

### **LOW USER INTEREST**

In the autumn of 2009 companies reported a limited demand for "green" mobiles. Any demand that did exist was from professional buyers. This trend has not changed, and in fact some companies have noted a decline in demand. None of the companies has implemented or plans to implement any marketing activities specifically focused on sustainable products. There is no evidence of any efforts to try to influence mobile manufacturers to produce more sustainable mobile phones.

### **POOR COMMUNICATION ABOUT SUSTAINABILITY WORK**

An important part of a company's sustainability work is communication. Therefore, it is surprising that only one company (TeliaSonera) has published its code of conduct on its

Swedish website. As in 2009, one company (Tre) still does not have its own code of conduct.

The operators' codes of conduct vary in terms of the clauses they include, the international conventions they refer to, the demands they place and the way they are monitored. Tele2, Telenor and TeliaSonera have specific codes of conduct for their suppliers. Tele2 also encourages its business partners to sign their corporate code of conduct. Although improvements have been noted, the codes still lack clauses on living wages, overtime limits, temporary workers and demands for compensation in case of violations. Fair Trade Center has encountered this problem in almost every industry.

## **SUPPLY CHAIN RESPONSIBILITY**

The number of supplier audits has not increased since 2009. Telenor has joined the Joint Audit Cooperation (JAC), which will hopefully lead to an increase in the number of inspections and ultimately even improve control further down the supply chain. Today Telenor is the only operator to state that it performs checks beyond the first step of the supply chain.

## **RECYCLING AND REUSE**

One of the major challenges that the electronics industry will face in the future concerns the large amount of discarded products it leaves behind. Sweden has legislation that regulates the environmental responsibility facing producers. Even those who import products to Sweden are classed as producers. Two of the four Swedish mobile operators are registered as producers at the *Naturvårdsverket* (Swedish Environmental Protection Agency). Tele2 and Tre had yet to register when the evaluation began. Tele2 is also not involved in any collection initiatives such as *El-Kretsen*. However, since the commencement of the review, Tele2 has signed up to the Environmental Protection Agency's producer register.

## **THE REPORT CONCLUDES WITH FAIR TRADE CENTER'S CONCLUSIONS AND RECOMMENDATIONS:**

- Facilitate conscious consumer action: make it easier for consumers to return mobile phones, provide incentives to increase usage time, provide information on how mobile phones are manufactured.
- Sharpen codes of conduct: it is time to include clauses on living wages, overtime limits and temporary workers.
- Carry out more supplier checks: perform more checks of suppliers including those further down the supply chain.

The complete report is available in Swedish only at:  
[www.fairtradecenter.se/material/rapporter](http://www.fairtradecenter.se/material/rapporter) or at [www.makeitfair.org](http://www.makeitfair.org)