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ETNO response to the EC public consultation on sustainable consumption of goods – promoting the right to repair and reuse

General considerations

ETNO represents the main telecommunications network operators in Europe. In addition to the provision of access to communications services for consumers, our members provide mobile handsets to allow consumers to avail of the communications services to which they are subscribed.

ETNO welcomes the opportunity to send complementary views to its response to the EC public consultation on sustainable consumption of goods – promoting the right to repair and reuse.

We welcome this initiative that aims at promoting a more sustainable and longer use of goods throughout their useful life. It will encourage consumers to make more sustainable choices, which is something that ETNO members have been already encouraging to a large extent.

As stated in the ETNO response to the EC public consultation on RED revision on Universal Charger¹, telecom operators have taken decisive measures to increase circularity in their business, bearing in mind the objective of increasing the useful life of devices.

These measures include selecting suppliers and products in compliance with environmental sustainability criteria, periodically checking along the entire life cycle, recycling and refurbishing devices, using labelling to enable customers' informed choice in favour of sustainable products and services, and reducing their own waste.

It is worth also mentioning the Eco Rating initiative² that has been recently launched by Deutsche Telekom, Orange, Telefónica, Telia Company and Vodafone. The ambition is to create a holistic methodology to identify more sustainable mobile phones, which combines various aspects of the ecological performance into a scoring system related to durability, reparability, recyclability as well as climate and resource efficiency.

Telcos as promoters of the circular economy

Telecom companies have been putting forward various actions as promoters of the circular economy. These include:

Altice Portugal has been implementing the refurbishment of thousands of STB units as well as other fixed services products in recent years, namely those units collected, tested, refurbished

¹ <https://etno.eu/library/positionpapers/449-etno-views-on-red-revision-on-universal-charger.html>

² <https://www.ecoratingdevices.com>

and reintroduced in the market. In addition, Altice Portugal is also offering services for smartphones buy-back and marketing refurbished smartphones.

- **BT** encourages and incentivises customers to return products for recycling or refurbishment. EE offers a Trade In scheme, and BT customers must return home hubs and set-top boxes at the end of their contract to avoid incurring a fee. In 2020, we refurbished or recycled over 900,000 home hubs and set-top boxes. To help customers get the most out of their devices, we now offer a same-day or next-day repair service at selected EE stores, and we've also launched a wireless diagnostic tool Fix My Device to identify and resolve issues with mobile devices or software.
- **Orange** has been involved in phone recycling for 10 years and has already collected more than 15 million phones in all the countries where the Group is present (e.g. 7 EU Member States and outside of the EU).

Orange offers reconditioned mobile phones in 4 EU Members offering end-users to buy a pre-owned smartphone while at the same time allowing for re-cycling and reuse of smartphones.

- **Telefónica** reuses 4 million devices per year globally, which contributes to reducing the consumption of raw materials, resources and emissions. The reuse of equipment has increased by more than 19% compared to 2020 and the emission of more than 381,000 tonnes of CO₂ has been avoided thanks to this initiative in 2021.

Telefónica offers mobile phone buy-back and refurbishment options to its customers. Through this initiative, customers can take their unused mobile devices for a second life or recycling treatment without exposing the environment. In 2021, more than 300,000 mobile phones have been collected through these programmes. In addition, Telefónica facilitates the reuse of mobiles through the leasing or sale of second-hand handsets in some of their markets.

- **Telia Company** offers to buy back customers' devices in all of its Nordic and Baltic markets. In 2020, 8% percent of the number of phones sold or leased by the company were bought back. Refurbished phones are offered to customers; chargers are either not sold together with the pre-owned phone or customers are given a choice to opt out from buying accessories with a pre-owned phone.

Telia Company also offers Device as a Service to business customers. In 2020, 18% of phones sold to business customers on all Telia markets were sold as a service, allowing to maximize the reuse of an increasing number of devices through repairs, upgrades and refurbishment.

- **TIM Company** offers its Business customers insurance coverage up to 36 months that allows the replacement or reintegration of the device and no limit to the number of accidental damage. TIM can replace broken smartphones with refurbished smartphones and in 2021, 78% of trouble ticket requests were fulfilled by being replaced with a refurbished smartphone.

ETNO views on the proposal on promoting the right to repair and reuse

- **Clarity is needed**

We believe that the proposal should clarify which provisions will be covered by the rules. Among others, first of all clarity should be provided on whether the proposal will deal with warranty or legal guarantee. These words may have different meanings and nuances in different languages and legal traditions, and therefore lead to unclear liabilities.

- **Other measures to promote sustainable use of goods**

We believe that it would be important to promote more independent repair services and the availability of public product information in order to boost repairability. New models such as "Product as a Service" should be considered and encouraged. This will help to give value to the real lifespan of the product as its economic potential comes from the number of uses rather than the number of units sold. This change would encourage more repairs to be carried out in order to maximize the number of "services" a product can offer.

A further issue which should be taken into account with respect to ensuring the longer durability and useability of mobile devices is cybersecurity. Software on mobile devices, and indeed all connected devices, should be regularly updated to ensure the highest level of cybersecurity and consumer protection. Together with measures designed to encourage and facilitate the longer use and repair of devices, emphasis should be given to awareness raising for cyber-hygiene.

- **Same legal guarantee period for new and second-hand goods**

In general terms, we believe that a proposal aimed to establish, in any circumstances, the same guarantee period for new and second-hand goods might have consequences for the price of second-hand goods, which might end up being more expensive products for consumers.

A minor period of guarantee for second-hand goods should be considered, taking into consideration the cost that might be then charged for post-guarantee assistance services.

- **Facilitation of sustainable consumer choice**

A proposal should focus on the desired outcome that consumers have information at their disposal to make a sustainable choice when purchasing goods. In our response to question 1.2 of the questionnaire, we have noted "Consumers replace goods in view of latest fashion, technological developments or new features" as a major cause of decreased lifespan. Some consumers, even when offered low-cost, convenient repairs or refurbishment will nonetheless choose to purchase a new device, as they want to keep up with the latest technology, something that moves on significantly during one or two years.

A proposal should therefore ensure that any strengthening of legislation does not remove that consumer choice to purchase a new device, but rather facilitates a consumer's choice to repair. This could be through provision of information to the customer to make them more aware of the environmental impact of their decision.

- **Comments on consultation questionnaire**

In a number of instances, the questionnaire is not sufficiently precise so as to take into account important nuances.

More specifically:

- In **question 4**, referring to the effectiveness of the renewal of the warranty period for repaired goods, an important distinction to be borne in mind is the difference between the repaired **part** of the good, and the good **as a whole**. This has important implications for the durability of the product and the warranty period. Furthermore, further clarity is required in the definition of a “refurbished product” and “defective good”.
- Regarding the obligation to repair (**Question 9**), clarity is required on the possibility of other parties to conduct a repair. Even if we would support that a manufacturer has the ultimate *obligation* to repair (especially due to its technical expertise and capabilities), it is important that the seller should also have *a possibility and right to repair*, with the same implications for warranty period. If conditions allow, sellers are in any case willing to facilitate the interaction between consumers and manufactures.

About ETNO

ETNO (European Telecommunications Network Operators' Association) represents Europe's telecommunications network operators and is the principal policy group for European e-communications network operators. ETNO's primary purpose is to promote a positive policy environment allowing the EU telecommunications sector to deliver best quality services to consumers and businesses.

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