



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
ENVIRONMENT  
ENV.G - Sustainable Development & Integration  
ENV.G.4 - Sustainable Production & Consumption

D/2006/25064

## MINUTES

### OF THE 4<sup>TH</sup> IPP PILOT PROJECT STAKEHOLDER MEETING ON MOBILE PHONES

03 MAY 2006 (09:00–15:00)

**Chair: Mr. Timo Mäkelä (1, 2a-d, f), Mr. Klaus Kögler (2e, 3), Ms. Orsolya Csorba (4)**

#### 1. WELCOME BY THE CHAIRMAN – BY THE EUROPEAN COMMISSION

We are at the final stage of the IPP Pilot Project on Mobile Phones, and we are to conclude and make commitments to improve the environmental impact of the mobile phone throughout the life cycle. The aim of the meeting is to discuss the stakeholders' commitments to carry out concrete initiatives to improve the environmental impacts of the mobile phones and environmental impacts of the network infrastructure in the use phase, which are the scope of this project. The aim is also to discuss what we all have learnt in this project on content and the process of the IPP approach.

In the past 1.5 years we have looked the environmental impact of the mobile phones through their life cycle. Due to the limited time available the project was scoped and concentrated on mobile phones and base stations in the use phase and the most significant environmental areas related to this: energy consumption of the mobile phones; ii) toxicity aspects; and iii) methods/tools for assessing the life cycle environmental performance of the mobile phones. We have also looked at what are the possible environmental improvement options that exist for different stakeholders in these areas, and drew up a long list of these. The social and economic impacts of these improvement options were analysed and priorities were set for these for concrete actions.

Following this meeting, in a year's time, a final meeting will be held with stakeholders monitoring actions taken on the commitments made.

We can conclude the great work and inputs made from all the stakeholders' side, which is very much appreciated, especially from Nokia side.

The **Chairman** thanked Nokia for invitation to the closing dinner at restaurant Le Mess.

## 2. AGREEMENT ON INITIATIVES & CONCRETE ACTIONS & DISCUSSION

Mr. **Genot Schnabl** DG ENV was invited to present the components and criteria for Voluntary Agreement (VA), which is a supplement to legislation. The intention of VA is to stimulate environmentally proactive companies in a cost efficient and fast manner. Criteria for VA is that it should have a broad coverage, not to be business as usual, be open to everybody, be representative, deliver results, and comply with the Treaty. A VA can be presented to European Parliament and the Council. It can be published in the Official Journal, or it can be recognised through an exchange of letters. To secure of compliance is through threat of legislation or negative publicity.

Mr **Pranshu Singhal** NOKIA presented an overview and re-cap of the latest Stage V of the pilot project and the previous Stage I-IV.

Following this, stakeholders presented concrete actions that they suggest to commit to carry out in the framework of this pilot project. This was done by the leaders of the different initiatives. Detailed draft action plans for each action suggested were presented prior the meeting and discussed during the meeting. These actions will include the following:

### a) **Product Environmental Facts for Mobile Phones – led by Nokia and France Telecom**

- Product information –This initiative is to provide agreed information to the consumers on the environmental characteristics of the mobile phones. This would be done by setting up a stakeholder group agreeing on what and how to provide information on this.
- Information for consumers on how to use the product – on take-back of phones and on plugging out the charger when mobile phone is charged.
- Will send quarterly progress report to the COM.
- The discussion concluded on the importance of credible and comparable information on key environmental aspects is very important and this should be easily understandable by the consumers. The positive connection to the work of the IPP Working Group on Product Information was highlighted by **DEFRA**, the need for a sector specific approach, importance of avoiding misleading information, and the need for awareness raising of good quality schemes.
- The NGO consumer organisation has no available resources for this project and therefore cannot participate further.
- The **Chairman** welcome the initiative, stressed the need for including a terms of reference, and highlighted the need for product information for consumers, stakeholder participation, the need to give guidance on scope and significance for consumers, and a compliance reference.

**b) Equipping Phones with Reminders to Reduce No Load Energy Consumption – led by NOKIA**

- Message appearing on the phone for consumers to unplug the chargers. Energy consumption is being reduced in off-mode. These two initiative would act together to achieve better environmental results.
- NOKIA would like the COM to provide more visibility to the code of conduct on external power supplied that is already ongoing work in this area. NOKIA also suggest recognising this as a voluntary agreement (VA). However as it was pointed out, this can only be done if the requirements that are set out in the Communication on VAs are fulfilled; these conditions are also for example set out in the EuP framework directive. At present there are not enough companies participating in this initiative to qualify it as a voluntary agreement. However, it could be given better visibility probably through the Sustainable Energy Platform.
- The goal is to finalise this project in April 2007.
- Will report on progress twice a year to the COM.
- It was highlighted that 0 energy consumption of the chargers in off mode should be the target.
- The **Chairman** welcomed the initiative, is pleased the suggested action it is concrete, and the need to focus on stand-by. This project has a link to the project Product Environmental Facts for Mobile Phones presented above.

**c) Reduction of Materials of Concern – lead by Epson**

- Supply chain information – the scope of the task is gather information from suppliers on the material composition of component and their life cycle environmental impact.
- Actions suggested to be taken from the component manufacturers' side on hazardous substances.
- The **Chairman** welcomed the initiative, and suggest were feasible to link this project to RoHS and REACH (that is likely to be finalised during the Finnish presidency). Vice versa links on product data could be made with eco-labelling.
- Texas Instruments would like to participate in this project.
- Following this project, there is a need to involve the semi-conductor industry (and association).
- Recommendation to make full use of existing initiatives e.g. U.S. EPA on flame-retardants.

#### **d) Phone Return Initiative – led by Vodafone**

- The initiative focuses on the tools and initiatives to encourage consumers to return handsets, devices and batteries for reuse and recycling.
- The objectives are to analyse, identify and share good practice incentives that drive consumer behaviour in a number of countries and markets, and to pilot the use of selected incentives in existing collection programmes.
- Generally, research was missing on various initiatives in the past and how to influence consumers. Market survey is needed as well as financial money.
- This is a two-year project. Will report on progress quarterly over the next two-years.
- The **Chairman** welcomes the encouraging and promising initiative, and highlighted three issues: i) link to the WEEE Directive, ii) this project can contribute to the WEEE revision, and iii) this project has political significance in the Member States. The Chairman suggested to also focusing on non-EU members, emerging economies and the 3<sup>rd</sup> World.
- **WWF** encourage the outside EU perspective, and that lessons learned from this project can also be used in developing countries. WWF also stressed that take-back is not the only problem, but also how to treat the returned phones, e.g. refurbishment and recycling.
- **Vodafone** thanked for the invitation to comment on WEEE; they will look beyond environmental significance; and will focus on the use-phase as UNEP has an on-going global initiative. They think of two schemes, one for the EU, one for emerging markets.

#### **e) Environmental Assessment Methods – lead Finish Environmental Institute (Annex 8)**

- The Finnish Environmental Institute (SYKE) suggests a research-oriented task force for the further development of Key Performance Indicators (KEPIs) used for the eco-design (of mobile phones); where set-up rules and harmonised data are needed for KEPI. They would make links to the EPIC-ICT project and the European Platform on LCA.
- A total of 50 man-month would be needed plus additional industry input. They aim for preliminary results in April 2007 (if funding is procured on time). Their project would be developed in two parts: i) data on the mobile phone, and ii) development of KEPI.
- Doing this, external funding for research is needed. Funding options exists, e.g. to get funding from the Member States under LIFE. The COM recognises the need for practical eco-design tools and that there might be possibility for similar research projects under the 7<sup>th</sup> research framework programme.
- The main contribution would be VA on environmental product information for mobile phones and other products.
- **DEFRA** concluded that this project has a knowledge-based scientific approach, and that there is a great general need from industry for product data and criteria, and also from policy for indicators.

- **WWF** find the KEPI development project good learning, the results will also have a global value, and that the results not only are relevant for mobile phones products.
- The **Chairman** suggested re-drafting the project proposal and calculations, and further check alternatives for funding e.g. with the Commission but also with the industry itself.

#### **f) Policy Tools– lead by European Commission**

##### *A. Acknowledging Relevant Voluntary Agreements*

- The COM generally welcomes voluntary commitments by the industry in the environmental area. These do not necessarily have to be recognised by the COM. The COM realise however that the companies that participate in this pilot project would like to have recognition or endorsement from the COM on the commitment they carry out whether it comes in the form of voluntary agreement or other form.
- Voluntary agreement is a policy tool that, if it is recognised by the Commission, can supplement or replace legislation. For the Commission to acknowledge voluntary agreements they should fulfil certain criteria and the administration of these should not cause disproportionate need for resources from the Commission. The Commission decides on the acknowledgement of these on a case-by-case basis.

##### *B. Recognition and Incentives for Front-runners*

- The Commission already has some activities to acknowledge frontrunners that are dispersed to different areas (Sustainable Energy Platform, Ecolabel and EMAS, European Business Awards, performance targets of ETAP), however, the COM does not have an overarching mechanism for this.
- A possibility for a mechanism recognising front-runners could be developed by further developing the presently existing mechanisms of the Commission or possibly have a new initiative in the future.

##### *C. Endorsement of Environmental Information and Communication*

- The Commission support the mobile phone manufacturers' initiative to provide environmental information on their products. This can be done as self-declaration as it is proposed by the manufacturers. However, if this is to be recognised in the framework of the voluntary agreement by the COM, then it should fulfil the criteria set out for these.
- Eco-label could be developed in a future to be more suitable for such quickly changing products like mobile phones. The eco-label revision will think about all this.

The discussion on this agenda point highlighted the following:

- The report of this pilot project and the stakeholder cooperation is linked to many policy areas and can contribute to the Commission's work on RoHS, WEEE, Ecolabel, EuP.

### **3. DISCUSSION ON THE LESSONS LEARNED FROM THE IPP PILOT PROJECT**

It was discussed what the involved stakeholders have learned from the pilot project, how did the pilot project and the IPP approach provided an added value for them.

#### **Experience of the European Commission on the pilot project**

The following are the main results, findings, and recommendations from the IPP pilots:

- COM learnt about how could an IPP project work in practice to improve products that can provide us a methodology for the future.
- Willingness from the companies' side to carry these projects out is necessary to make IPP projects successful. Lead company is important to encourage actions from the participants. The Commission also learnt about how different an IPP project is with a retailer and a producer. The retailers would need to take care of thousands of products; they would need rather an environmental checklist on what to look at for different products. Producers can make much more elaborate developments because of their specific market.
- The project showed how different stakeholders acting on their area of responsibility improve products and how the coherent application of these leads to better results. It also reemphasised the **importance to look at the product life cycle**.
- It also shows that environmental work does not only stop for businesses at the product development level, and at the shelf of a retailer. But the **consumers also have to be considered**, on the one hand taking into account the environmental impact at the use and waste phase of the products, and encouraging the consumption of greener products in order to have business benefits from green production.
- The COM acknowledges that there is need for practical eco-design tools from the industry, and have recognised that the result of the **European Platform on Life Cycle Assessment** can be further developed into the application of practical tools.
- COM learnt that for the Commission as well to carry out pilot projects is a resource intensive task but the outcome can be rewarding
- As similar projects to the pilots are resource intensive, the Commission will have to consider what products to address and how to address them including what role the Commission should play in this process. The work to prioritise products according to their potential for environmental must be used in this area.

## **Experience of NOKIA on the pilot project**

The following are the main results, findings, and recommendations from the IPP pilots:

- Strengths:
  - Common understanding of environmental issues.
- Weakness:
  - Time required to analyse options;
- Learning:
  - Funding for participants needed for NGOs and institutes;
  - Guidance in decision making in evaluating options.
- Recommendations:
  - IPP requires a win-win partnership;
  - Make it a fast tool;
  - Ownership vs. all stakeholders;
  - Try IPP before legislation;
  - Team-building is important;
  - Use IPP approach for environmental improvements in products;
  - Do monitoring.

The **Chairman** concluded that early team building activities is important for the success of similar product projects or panels were many product-chain stakeholders involved.

## **4. FUTURE WORK ON IPP – BY THE EUROPEAN COMMISSION**

### **Implementation of IPP by the Commission since 2003**

- Work on the implementation of IPP up until now:
  - Implementation of the IPP Communication since 2003 estimates the Commission at present altogether with DG Environment and DG JRC have spent six man-years on this area;
- So far, the Commission have:
  - Conducted studies (EPD, life cycle tools and data web-site, life cycle awareness);
  - Identified the products with the greatest environmental impacts (EIPRO);
  - Started looking at the top of this list and to identify the improvement potential of these (IMPRO);
  - Started work on the European Platform on LCA which is a three-year project.
  - Are running two pilot projects.
  - Have two working groups:
    - Product Information, on how governments and stakeholders can act to make life cycle information a real driver for environmental improvement;

- Reporting Formats: helps to prepare questionnaire for stakeholders and member states to report on the progress of implementation on IPP to the EP and the Council.
- IPP thinking was taken up in other actions and policies in other fields, e.g. waste framework directive, waste strategy, research, EuP framework directive, resources strategy.

### **Work in the future**

- An analysis on the experience of the pilot project will be done after the pilot projects were concluded. Further projects might be carried out in the future, depending on the policy priorities. The COM also would like the stakeholders to carry forward this approach.
- The Commission will further work on the different policy tools in the IPP toolbox and also on making them more coherent with each other, e.g. eco-design, GPP, eco-label, environmental technologies.) The Commission will further precise the prioritisation of products. And will look at among the products with the biggest environmental impact their improvement potential. This research can be used as appropriate to prioritise policy actions.
- The European Platform on LCA will be further worked on; handbook and database will be prepared. The results of these are planned to be further developed in the future to set easier to use eco-design instruments.
- The COM is planning to come forward with working papers related to eco-design and Environmental Product Declarations (EPDs).
- In 2007 the COM will report to the Council and to the EP on the progress made on implementing IPP. This will be partly based on questionnaires that stakeholders and MS fill in. This report will analyse the progress made in IPP so far and it will provide a basis how the work on IPP should continue.
- Finally, IPP will be the core of a new SCP action plan in the future. This will however have broader approach than IPP looking at more thoroughly on sustainable consumption for example.

### **Identified benefits for industry of using the IPP approach**

- IPP provides a policy mix to address products it is benefiting the companies as it provides a flexible policy approach. IPP aims at creating market where companies benefit from a front-runner approach.
- The IPP approach benefits the business by encouraging a life cycle approach – when addressing environmental impact to do it the point of the life cycle where the best environmental improvement can be achieved with the least costs.
- Stakeholders at the different part of the product life cycle can make improvements in a coherent way – these can lead to better results than when only one stakeholder changing the environmental characteristic of the products.

- In addition to this, IPP provides companies with a business model. The businesses shall not only look into the environmental characteristics of their products and make improvements until their products get to the shelf. The environmental improvement of products are often not communicated to consumers and do not involve the marketing department in the companies. By making environmental improvement of products and communicating the environmental characteristics to consumers by marketing companies can provide business benefits through the sales of the product. Parallel to this companies also improve their image being environmentally friendly.
- There are many indications that environmental suitability improves the financial performance of companies. Companies can achieve competitive advantage by eco-innovation.

## **5. ANY OTHER BUSINESS**

### **Next steps**

- Finalise the report. Consult the stakeholders on the report and suggested commitments.
- In a year's time the Commission will monitor the work that has been done on the commitments by stakeholders. A final meeting will then be held with stakeholders monitoring actions taken on the commitments made.
- The results of the IPP Pilot Project will be presented to the Member States on the IPP Regular Meeting on 6 June 2006.
- The pilot project will be communicated to the press.
- The Europa IPP web-site will be used for presenting the actions.