

# Millicom International Cellular Corporate Position on Key Issues

## Electronic Waste

### **1) Social and economic context**

Worldwide mobile phone sales exceeded 1.15 billion units in 2007, a 16% increase from 2006. Emerging markets provided much of the growth where many people bought their first phone. In mature markets, mobile phone sales cover mostly the replacement of old mobile phones. Increasing obsolescence rates result in large quantities of used handsets and this trend will likely increase as users in emerging countries upgrade to new mobile phones and discard the old ones.

Given this rapid growth, the telecommunications industry is expanding its network and increasingly introducing new technologies that improve capacity and service. Obsolete electrical and electronic equipment are then being discarded. Scientific studies have shown that e-waste from devices like mobile phones, base stations, chips and other equipment contains substances that should be kept out of municipal landfills to avoid risks to health and the environment.

### **2) Issue at stake**

Electronic waste (“e-waste”) raises legitimate environmental and health concerns as some categories of waste include hazardous substances that need to be processed or recycled properly. As this equipment also contains non-hazardous valuable metals (such as copper, silver, etc), they also represent an opportunity for recycling. Some countries started regulating the collection and recycling of electronic equipment. Regulations on e-waste have been adopted in various regions over the past years, notably in Europe and North America.

Even if in most of Millicom’s countries of operations there is a lack in regulation and public awareness about this issue, the fast growing waste volumes may lead to an increasing environmental impact. Presently, there is no known specific applicable regulation to e-waste in our markets, although there may be generic waste regulation that applies to e-waste. The metals that can be easily extracted and recycled (ex: copper, iron) are often recovered spontaneously. Remaining e-waste usually ends up in municipal landfills or scattered in the environment.

### **3) Facts and figures**

The company produces e-waste when replacing or upgrading its network and IT equipment such as switches, radio equipment, batteries or generators. Used handsets present another issue, as Millicom sells handsets along with subscriptions in

many countries in which it operates. While appropriate recycling is an environmentally friendly solution, studies estimate that out of the 3.6 billion mobile phones in use worldwide in 2007, up to 520 million units may have recycling potential (counting a 4 years life span). Of these, 50% are “kept in a drawer”, only 2% are recovered for efficient metal recycling and the 48% left are discarded.

#### **4) Millicom beliefs and principles**

Millicom is committed to ensure compliance with local regulations, to recycling wherever the appropriate infrastructures are in place or to ensure proper disposal of all e-waste it produces, including when it is collected by its subcontractors. In the markets where we sell handsets, we recognize a shared responsibility in the recycling chain. We plan to inform customers, organize the collection of handsets in our shops and their shipment to recycling facilities. This is already in place in Colombia.

In the countries where Millicom does not sell handsets, we will support public awareness and handset recycling initiatives provided they involve other market players (handsets manufacturers, retailers and other mobile network operators).

#### **5) Current initiatives**

Millicom led a study in 2008 to identify the infrastructure in place for recycling. Results showed that only 2 of the 16 countries where Millicom operated offered a solution for handset recycling. These two countries do not have recycling facilities but work with local companies that compile, sort and ship selected e-waste to remote destinations for recycling.

Despite this limited infrastructure, Millicom is committed to find solutions, usually through second hand dealers, to avoid its e-waste being sent to dumping grounds. In Colombia, Millicom actively sponsors the national recycling initiative led by the Government, telecommunications operators and manufacturers. In other countries, Millicom will support initiatives of local companies that aim at building the appropriate capacity for e-waste management, as most of the countries in which Millicom operates lack waste treatment know-how and infrastructure.

#### **6) Further information**

E-waste legal frame in L.A. & Caribbean: <http://www.iijlac.org/reciclaje/paises2.htm>

European e-waste legislation:

[http://ec.europa.eu/environment/waste/weee/legis\\_en.htm](http://ec.europa.eu/environment/waste/weee/legis_en.htm)

Trading in old phones: <http://www.fonebank.com/oxfam/>

<http://ewasteguide.info>

<http://www.ban.org/>

<http://www.greenpeace.org/international/campaigns/toxics/electronics/the-e-waste-problem/>