

The Hidden Cost of Mobile Phones

How do the top five companies score when it comes to people and the planet?

- Samsung and LG received bottom ratings on people and planet issues.
- Motorola was the only company that does not have a timeline for phasing out toxic materials from its handsets.
- There were inadequate company policies on using raw materials mined in the conflict-prone Democratic Republic of Congo under exploitative conditions.
- Nokia and Samsung workers in India were told not to join unions on being hired.

Brand Name	Company Rating
Motorola	7
SonyEricsson	7
Nokia	4
Samsung	3
LG	3

From a maximum score of 14.

The hidden cost

Mobile communications is big business. More than three billion of us own a mobile¹ and sales of handsets alone amounted to US\$136 billion worldwide in 2006.²

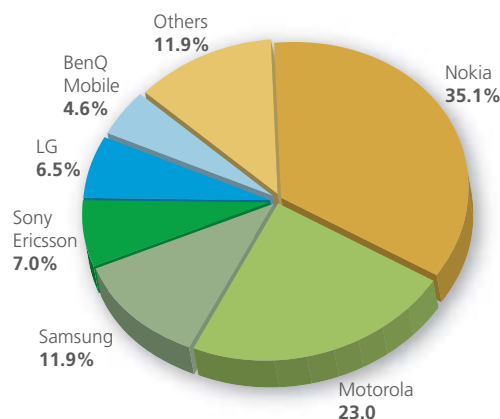
Yet despite the remarkable irreversible impact the mobile phone has had on our lives, very little attention is given to the production process behind the handset. Unlike the clothes or food industries, we see precious few headlines about the ethics of mobile phone companies.

For instance the refusal of union membership for workers in India; the use of highly toxic chemicals in handsets; and the involvement of the industry in the war-torn Democratic Republic of Congo.

Seventy five per cent of this multi-billion dollar industry is in the hands of just five companies. Amidst arms trade connections, sourcing from oppressive regimes and poor conditions for factory workers, these mobile phone companies claim to be going greener.

This feature reveals that despite “clean” claims, the industry is still plagued by social and environmental challenges.

World Market Share based on second quarter 2006 shipments



Mobile phone supply chains are increasingly complex.

Outsourced production of small component parts for handsets can often stretch into supply chains of nearly a dozen companies.

The large name-brand companies have little oversight over this part of their supply chain and generally failed to take responsibility for the poor conditions there as research in 2005 and 2006 on Nokia and Motorola respectively revealed.

Issues

Planet

Energy

The sheer quantity of mobile phone usage magnifies any environmental impact of this product.

Life-cycle analysis conducted by the European Commission shows that energy consumption is the greatest impact, both during manufacture of components and during use – chargers left on ‘no-load’ consume electricity constantly.

Nokia estimated that, if 10 per cent of worldwide subscribers unplug their chargers once their phone is fully charged, enough energy would be saved to supply 60,000 European homes for one year.³

Toxics

Mobile phones have a lifecycle of less than two years in developed countries.⁴

Toxic materials such as flame-retardants, heavy metals and phthalates in phones contaminate the environment when mobiles are discarded and end up in landfills. Several manufacturers have committed to phasing these out and encourage people to return phones for recycling.

As of March 2008, **Motorola** has no timeline for phasing out the most toxic chemicals from their products. **Apple's** latest gadget the iPhone contains toxics like PVC and Brominated Flame Retardants (BFRs).⁵

People

Workers rights

Many campaigning organisations are concerned about what the global demand for cheaper, newer, smaller handsets means for the massive scale of mobile phone production in countries with poor labour and human rights records.

In 2006, field research at mobile phone production facilities in China, Thailand, India and the Philippines revealed that conditions in handset factories could be appalling.

Labourers worked up to 72 hours a week with compulsory overtime, insecure employment contracts, unsafe factories, inadequate protection when working with hazardous materials, wages below the subsistence level, suppression of union rights and degrading treatment.⁶

By the end of the decade, China is expected to host about 75 per cent of global handset production. Cases of excessive working hours in China seem to be the norm rather than the exception.

At the Giant Wireless factory that supplies handsets to **Motorola**, a typical day shift included the normal eight hours of work, plus an additional four to five hours after dinner, making a total of 12 to 13 hours a day. Forcing workers to work up to 13 hours per day by threatening them with fines and dismissal was a clear violation of workers' rights, as well as Chinese labour regulations.⁷



Society and health

The mobile phone industry also has to grapple with how their products are giving rise to negative social consequences, for instance, privacy issues associated with the use of phone cameras.

In addition, evidence on the impact of electromagnetic field exposure as a result of mobile phone use is inconclusive.

What consumers can do

Get informed

Greenpeace's *Greener Electronics Guide* ranks leading mobile phone, game console, TV and PC manufacturers on their global policies and practice on eliminating harmful chemicals and on taking responsibility for their products once they are discarded by consumers.

The next version of the Guide (due out in June 2008) will help reveal which companies are truly green - those that are designing products free of toxic chemicals, energy efficient, durable and recyclable.

About the research

These findings and the company rating table (overleaf), were taken from the Ethical Consumer Research Association's Ethiscore database. The ratings were originally published by ECRA Publishing Ltd (EC 110 January/February 2008). All material is correct one month before the publishing date.

Consumers International recognises that there may be a number of important ethical issues of relevance to this sector; however, for the purpose of this feature we have filtered the ranking criteria to focus on issues relating to the environment and people only.

Our customised scores focus on relative company performance within the seven specified criteria.

For more information on ECRA's scoring see: <http://www.ethicalconsumer.org>

Detailed Ratings Table

Co/Brand Name	ENVIRONMENT				PEOPLE			Ownership	Score out of 14
	Environmental Reporting	Climate Change	Pollution & Toxics	Habitats & Resources	Human Rights	Workers' Rights	Supply Chain Policy		
Blackberry mobile phones	●			●	●		●	RIM (Research In Motion)	8
HTC mobile phones	●			●	●		●	High Tech Computer Corp (HTC)	8
BenQ mobile phones	●			●	●		●	BenQ Group	7
BenQ Siemens mobile phones	●			●	●		●	BenQ Group	7
Motorola mobile phones			●	●	●	●	●	Motorola Inc	7
SonyEricsson mobile phones	●		●	●	●	●	●	Sony Corp, (Investor AB)	7
Alcatel mobile phones	●		●	●	●	●	●	Alcatel-Lucent Inc	6
Vodafone mobile phones	●		●		●	●	●	Vodafone Group plc	6
Sagem mobile phones	●	●		●	●		●	Safran Group	5
iPhone mobile phone	●	●	●		●	●	●	Apple Computer Inc	4
Nokia mobile phones	●		●	●	●	●	●	Nokia Corporation	4
LG mobile phone handsets	●	●	●	●	●		●	LG Group	3
Samsung mobile phones	●		●	●	●	●	●	Samsung Group	3

KEY

- ☐ NO RECORDED CRITICISM - no points deducted
- ◐ MINOR CRITICISM - minus 1 point
- ◑ MODERATE CRITICISM - minus 1.5 points
- MAJOR CRITICISM - 2 points

The higher the score, the better is the company's performance.

All companies have a base score of 14 across the seven criteria.

Criticisms within the criteria result in a lower score.

References

¹ Market Intelligence Center. March 2008. *Global Mobile Phone Subscribers Forecasted to Reach 4.5 Billion by 2012*.

² SOMO. November 2006. *The High Cost of Calling: Critical Issues in the Mobile Phone Industry*.

³ http://ec.europa.eu/environment/news/efe/25/article_4283_en.htm

⁴ <http://www.greenpeace.org/international/campaigns/toxics/electronics/the-e-waste-problem>

⁵ Ibid.

⁶ SOMO. 2006. High Cost of Calling and FINWATCH 2005. *Nokia and its suppliers in China*.

⁷ SOMO. 2006

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