From:	Marshall, Robert, Vodafone <robert.marshall1@vodafone.com>
Sent:	Friday 11 June 2021 17:03
To:	circulareconomy
Subject:	Vodafone submission - Circular Economy Strategy Consultation
Attachments:	Vodafone Ireland submission_Circular Economy Strategy consultation_20210611.pdf

Dear Sir/Madam,

Attached please find a response from Vodafone Ireland to the Circular Economy Strategy Consultation.

Should you have any queries or questions related to the submission, please do not hesitate to contact me directly. We look forward to engaging further and more comprehensively on this important policy area.

You might confirm receipt of this email and response, by return email.

I look forward to hearing from you soon.

Kind regards
Rob

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C2 General

Vodafone Response to Consultation

Public Consultation on the Proposed Publication of the Strategy - Ireland's First Whole-of-Government Circular Economy Strategy

Version: Non-Confidential

Date: 11/06/2021

Introduction

Vodafone Ireland welcomes the opportunity to engage in this important consultation. We remain at your disposal to discuss any aspect of this submission in more detail.

As we get serious about combatting climate change and reaching our 2030 and 2050 goals respectively, the traditional 'linear economy' (take – make – dispose) must be overhauled. The inefficient consumption and missed opportunities for reuse, recycling and repair continue to lead to high waste generation, elevated greenhouse gas emissions, and overall soaring costs for consumers, businesses and government as they attempt to offset its damaging effects.

The circular economy, on the other hand, offers valuable solutions for all stakeholders creating value for society, economy and the environment. Based on the core idea of designing waste out of the system, in a circular economy, the value of materials and resources is retained for as long as possible and the creation of waste is minimised or prevented entirely. A circular economy keeps products in use for as long as possible and avoids waste generation. This can be achieved through sustainable design principles, reuse, repair, remanufacturing, recycling and new business models, such as sharing, renting or offering products as a service.

Transitioning to a circular economy does not only amount to adjustments to reduce the negative impacts of the traditional linear economy. Rather, it represents a systemic shift that builds long-term resilience, generates business and economic opportunities, and provides environmental and societal benefits. The importance of the economy needing to work together effectively at all levels is recognised – both for large and small businesses, for organisations and individuals, nationally and locally.

The opportunities that the circular economy presents are numerous and continuously evolving. For individuals, it offers a more sustainable lifestyle with reduced environmental impact and lower household bills. For businesses, it provides the chance to reduce costs, improve raw material supply chains and increased opportunities to diversify into new business models and markets, attracting a variety of new customers. For society, the circular economy presents huge employment and innovation opportunities that will be essential in the post-Covid-19 recovery. If managed well, the transition to the circular economy will have multiple benefits for the labour market, including the opening of job opportunities, raising job standards and reducing inequalities through a redistribution of value.

These, however, must be underpinned by training and upskilling of the workforce through the integration of circularity into education and training programmes and engagement between government and enterprise to enable access to these programmes, good quality jobs, and an inclusive labour market that provides opportunities for people that are distant from or at risk of being phased out of the labour market.

At Vodafone, we have committed to reusing, reselling or recycling 100% of our redundant network equipment by 2025. In 2020 we launched a business-to-business asset marketplace solution within Vodafone that allows us to resell and repurpose large decommissioned electrical items like masts and antennae, helping us reduce carbon emissions. Over the next years, we plan to expand the scope of the asset marketplace. We are driving initiatives to reduce device e-waste, through trade-in offers, aftersales services to extend the lifecycle of devices and refurbished routers. We also work with others in the industry. In 2019 we launched a partnership with Fairphone, a social enterprise that develops more sustainable smartphones.

The EU's Recovery and Resilience Facility, which aims to invest over €670 billion in rebuilding economies, is a unique opportunity to create more digital, green and safe towns and cities. From the total fund of over €670 billion, 20% (€134 billion) is earmarked for digitalisation while 37% (over €247 billion) is set aside to encourage projects that accelerate the transformation to green and sustainable solutions. Vodafone recognises the opportunity for partnership between the State and the private sector to drive engagement and change behaviours towards the circular economy – our role is to collaborate with Irish policymakers.

Vodafone Ireland

For the purpose of the consultation, we confirm that Vodafone is a business; and is Ireland's leading total communications provider with 2.3 million customers and employs over 2,000 people directly and indirectly in Ireland. Vodafone provides a total range of communications solutions including voice, messaging, data and fixed communications to consumers and to small, medium and large businesses. Since 2011, Vodafone has expanded its enterprise division, offering integrated next-generation fixed and mobile solutions in addition to cloud-based platforms, machine-to-machine services and professional ICT support.

In this submission, we provide responses to the consultation questions outlined in the document, as well as providing relevant case studies where applicable.

Vodafone Ireland Consultation Responses

Questions

1. Do you agree with the draft Strategy's proposed key objectives? In your view, are there further or alternative objectives that should be included?

Vodafone are supportive of the proposed objectives as outlined in the draft Strategy document. Consideration though should be given to considering a clear set of timelines on dates for prohibiting certain plastics, in addition details of specific financial supports and incentives to drive behavioural change and to encourage businesses to alter their models of production, consumption, and supply chains should be included in terms of KPIs.

2. Do you agree with the overall level of ambition set out in the draft Strategy? If not, is further ambition needed or is the draft Strategy overly ambitious?

We welcome the strong ambition as outlined in the Strategy document, though we would recommend that consideration be given to focus on targeting on delivering on certain key aspects where Ireland can make significant progress. In terms of the European and global issues affecting the circular economy, such as circular design, product passports and others, we will not be able to make progress in all these areas. Due to size of the market in Ireland, addressing and developing an e-waste market may be a tangible area for exploration by Government, along with private sector, by focusing on reducing waste generation through prevention, reduction, recycling and reuse.

Secondly, educating people on the benefits of environmentally favourable behaviours and practices is essential in empowering consumers to make more sustainable decisions when purchasing new technology products. It is important that information is transparent, accurate, easy to understand and available to all different groups. Changing consumer behaviours to encourage support for and implementation is essential.

3. Should Ireland measure its progress in achieving a more circular economy relative to its European Union peers? If not, what alternative benchmark should Ireland adopt and why?

Measuring ourselves against our EU peers is a prudent approach. Interestingly, regarding our own industry and the wider technology sector which produces a significant amount of waste. The technology industry is a sector that needs to address the amount of waste it produces: e-waste is currently the fastest growing waste stream in the world, estimated to reach 50 million tonnes in 2018 and research finds that only 17.4% of e-waste is collected and recycled.

Across the EU27, public opinion surveys show that almost 8 in 10 respondents think that manufacturers should be required to make it easier to repair digital devices, with 64% wanting to keep using their current devices for at least 5 years, and 85% willing to recycle their old ones.

A consumer behavioural experiment carried out by the European Commission in 2017 shows that circular economy product information (i.e. information on durability and repairability of products) was difficult to find and consumers wanted to receive better information.

4. Would you rate Irish public awareness of the circular economy as high, medium or low? And how important do you think raising public awareness is to further developing the circular economy?

It would be our view that awareness of the circular economy is low to medium amongst the Irish public, though there is a desire to understand more how consumer behaviour and responsibility can play a positive role, as evidence from the opinion survey and experiments carried out and referenced above. Consideration of a financial incentive, such as a deposit return scheme or other tax incentive will be critical to drive behavioural changes.

In some of our markets, we operate trade-in and device buy-back schemes, drop-off boxes in retail stores, freepost return envelopes and repair services to encourage customers to repair or return their old devices and routers. We recently announced a strategic partnership with Fairphone to offer the more ethical, reliable and sustainable Fairphone 3 to Vodafone retail customers in European markets including the UK, Germany, Italy, Spain and Ireland.

5. What are the most effective awareness raising measures that could be taken under the Strategy?

Policymakers should help spread awareness and boost positive attitudes towards environmentally favourable practices by:

- Including environmental awareness education training within school curricula to educate young people;

- Launching public campaigns to drive environmental awareness across the wider public;

- Promoting schemes which encourage more environmentally friendly consumer decision-making e.g. Eco-Rating Labelling scheme.

Vodafone, together with Deutsche Telekom, Orange, Telefonica and Telia, announced the launch of Eco Rating, a labelling scheme for mobile phone devices.

Vodafone is the first operator in Ireland to introduce this initiative which aims to help customers identify and compare the most sustainable mobile phones.

Mobile phone handsets will be given an overall Eco Rating score out of a maximum of 100 to signal the environmental performance of the device across its entire life cycle. The Eco Rating label will also highlight five key aspects of mobile device sustainability, providing additional information about durability, reparability, recyclability, climate efficiency and resource efficiency.

The initiative aims to improve transparency while inspiring the whole industry to accelerate its transition towards a more circular model for mobile phones. Eco Rating will enable operators and their customers to encourage wider rating of phones and demonstrate the demand for more sustainable electronics. We look forward to welcoming more manufacturers and telecoms operators to the Eco Rating initiative in the future, and we hope it will inspire the whole industry to accelerate its transition towards a more circular model for mobile phones. We are also joint founding members of Circular Electronics Partnership, an industry-wide alliance working closely with experts and global organisations to help drive the tech sector's transition to a circular economy.

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6. Are you satisfied with the proposed stakeholder engagement arrangements in the draft Strategy? Which additional stakeholders (if any), not already part of the Waste Action Group, do you think should be included in the Strategy's implementation?

Very strong stakeholder engagement and mapping, this cannot be addressed in isolation. To accelerate and help ensure the transition to a circular economy is both timely and successful, decision-makers, international organisations, experts and business leaders must work together collaboratively to ensure a joined-up vision and roadmap for delivery. Looking specifically at the issue of e-waste in our own sector, Tackling e-waste will be key in helping to deliver a circular European economy and will depend on proactive industry action to implement new business practices and co-design digital solutions to achieve more sustainable outcomes for both consumers and the planet.

7. What do you see as the major economic and/or social co-benefits of moving towards a more circular economy in Ireland, so that environmental improvements also provide economic and social opportunities, and vice versa?

The opportunities that the circular economy presents are numerous and continuously evolving. For individuals, it offers a more sustainable lifestyle with reduced environmental impact and lower household bills. For businesses, it provides the chance to reduce costs, improve raw material supply chains and increased opportunities to diversify into new business models and markets, attracting a variety of new customers. For society, the circular economy presents huge employment and innovation opportunities that will be essential in the post-Covid-19 recovery. If managed well, the transition to the circular economy will have multiple benefits for the labour market, including the opening of job opportunities, raising job standards and reducing inequalities through a redistribution of value.

These, however, must be underpinned by training and upskilling of the workforce through the integration of circularity into education and training programmes and engagement between government and enterprise to enable access to these programmes, good quality jobs, and an inclusive labour market that provides opportunities for people that are distant from or at risk of being phased out of the labour market.

8. What do you see as the major regulatory barriers to the further development of the circular economy in Ireland? In answering this question please feel free to address economy-wide issues or those affecting your sector in particular.

While there is a clear business case within the Free Market already, there are also limitations that continue to incentivise a linear economy. These limitations include restricting access to second-hand materials and hiding the "true" cost of virgin raw materials. This is just the tip of the iceberg in terms of the barriers that must be overcome in order to grow the Circular Economy. As we said in the first article, a fully Circular Economy could solve up to 60% of Climate Change. In order to close this "circularity gap" though, we must deal with what are classified as tariff and non-tariff barriers.

Both tariff and non-tariff barriers are compounded by today's "global" nature of business. Because most products currently rely on a global supply chain, trade wars and their associated price instability impact both primary and secondary (waste) material markets. That impact can be massive in that it restricts supply chain mobility and distorts raw material prices. The impact ripples across the entire global materials market, which includes waste materials that would be processed into the secondary raw materials that feed the Circular Economy.

Problems processing waste into new secondary raw materials can lead to higher prices and lower quality. This then increases supply chain risk for companies who are looking for a steady and stable supply of high-quality raw materials. This risk, what the EU's Action Plan for the Circular Economy calls an "uptake of secondary resource" risk, leads to companies avoiding the use of secondary raw materials in their products which in turn brings us back to today's 9% circular world.

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The Action Plan also highlights another key barrier, namely "design for reuse, repair and recycling". There are many examples of products, particularly consumer electronics, that are designed either to have a short (2-3 year) lifespan or to discourage repair (making it difficult to replace parts that commonly fail). Often these products quickly become obsolete, or when they break can be cheaper to replace than to repair. Designing products to have a longer life and to be repairable is one of the fundamental principles of the Circular Economy.

Regarding our own sector, there is a need for a more harmonised approach to regulation, this is critical to address the practical barriers to driving a circular economy agenda. The EU is working on its circular economy package – there is a need for alignment to avoid fragmentation. For our own sector, but applicable more widely, crucial step is for national recovery and resilience plans to include the right investments, targets, reforms and measurements to deliver on the Green Deal European citizens deserve and foster the transition to climate neutrality, a digital economy and circularity.

9. What do you see as the major non-regulatory barriers to the further development of the circular economy in Ireland? In answering this question please feel free to address economy-wide issues or those affecting your sector in particular.

Consumer behaviour is another key barrier. For example, a 2018 study found that while most consumers were willing to buy second-hand goods, only 10% of Irish consumers had purchased anything second hand within the previous year. Preferences for second-hand goods varied by category, with consumers most likely to purchase second-hand clothing, and least likely to purchase second-hand appliances and electronics. For the Circular Economy to thrive, there must be strong consumer demand.

10. How important do you consider Green Public Procurement is in supporting the development of new circular goods and services?

The strategic use of public procurement has been recognised as key to the global effort for sustainability, important enough to have a specific target within the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development, SDG target 12.7: "Promote public procurement practices that are sustainable, in accordance with national policies and priorities".

In the face of deep economic and social crisis resulting from the COVID-19 pandemic and at a time when governments need to conduct expansionary fiscal policies to limit or avoid economic recessions, Green Public Procurement and Sustainable Public Procurement must take its place in the range of fiscal instruments considered in the green recovery packages.

Even if efforts tend to focus first on developing resources for implementation to support practitioners to procure more sustainable solutions, monitoring and evaluating results should also be stablished at an early stage as it provides many benefits:

- At the management level, it helps to raise compliance by keeping each agency accountable and helps managers to improve implementation effectiveness by targeting support in identified areas for improvement.

- At the policy level, monitoring and reporting results demonstrate political commitment, enhances transparency and reinforces the exemplary role of the administration, which encourages and legitimises the promotion of sustainable consumption by others.

In our own procurement policies at Vodafone, we have recently updated all requirements for vendors and contractors to ensure that a minimum of 10% of supply chain requirements and products are green or sustainably sourced, to encourage best practice and behavioural change.

11. What would be the most effective action Government could take to promote/support and incentivise the further development of the circular economy?

Educating consumers on their purchasing decisions and on the circular economy is critical, coupled with financial incentives as a credit scheme or deposit return scheme to bring your products for 'recycling and reuse' is critical.

According to a consumer behavioural experiment commissioned by the European Commission in 2017: o One reason for low engagement in circular economy practices could be due to lack of information regarding product durability and repairability. In this research, the provision of such information was found to be highly effective at shifting purchasing decisions towards products with greater durability and repairability.

- Circular economy product information (i.e. information on durability and repairability of products) was difficult to find and consumers wanted to receive better information.

- When, respectively, durability or reparability information was provided to consumers, they were almost three times more likely to choose products with the highest durability on offer, and more than two times more likely to choose products with the highest reparability ratings.

- 'Nudges' informing consumers of the benefits and social norms of buying durable/repairable products increased the saliency of circular economy characteristics and triggered shifts in preferences towards more durable/repairable products.

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12. Which sectors do you think can make the biggest contribution to making Ireland's economy more circular?

Both the telecommunications and technology sectors will have a critical role to play.

Around 80% of the greenhouse gas emissions over the lifetime of a device occur during the production stage.

- e-waste is currently the fastest growing waste stream in the world, estimated to reach 50 million tonnes in 2018 and research finds that only 17.4% of e-waste is collected and recycled6.

- Worth at least $57 billion annually, e-waste value is greater than the GDP of most countries7.

- In 2019, Europe was the continent that generated the most e-waste per capita, at an average of 16.2 kilograms8.

- The European Commission estimates that ICT solutions alone can achieve a 10% reduction of total CO2 emissions by 2025.

- According to the UN, up to 90% of the world's electronic waste, worth nearly €16.5 billion, is illegally traded or dumped each year. Of this, less than 20% is recycled and only 5% of all metals used in electronics are typically recycled.

- Eurobarometer survey shows consumer support for sustainability (March 2020): o Almost 8 in 10 respondents think that manufacturers should be required to make it easier to repair digital devices, with 64% wanting to keep using their current devices for at least 5 years, and 85% willing to recycle their old ones.

- Almost 3 in 10 respondents say that information on the energy consumption of online services, such as the carbon footprint created by using video or music streaming platforms, would influence their use of such services.

13. Do you broadly agree with the policy areas listed for future development in the draft Strategy? If not, which areas would you remove/add to the list?

The focus on engaging with and educating consumers on their purchasing decisions and driving a better understanding of the benefits of the circular economy.

Critically, there is a need to allocate adequate funding within the National Recovery and Resilience Plan to the implementation of green digital solutions which will help drive a circular economy for electronics and reduce e-waste.

14. Any other comments?

N/A.

Vodafone Ireland Case Studies

1. In-Store Repair Case Study

Vodafone launched it's first in-store repair lab in 2018, in the Vodafone Grafton Street Store. Since then, we have extended this to three additional stores, covering Cork City, Galway City and an additional store in Blanchardstown, Dublin.

The purpose of the In-store repair service is to reduce the turnaround time for customers needing a repair on their phone, while also increasing accessibility and convenience of repair to consumers. The service is available to customers of any mobile network, not exclusive to Vodafone, in order to further enhance this objective. By encouraging more customers to repair their devices, Vodafone Ireland is contributing to the effort of reducing e-waste. Traditionally, consumers were more likely to purchase a new device and leave damaged devices unrepaired in their homes. Vodafone Ireland is encouraging change in consumer behaviour to repair and prolong the lifespan of devices, which has beneficial impacts on the issue of e-waste in Ireland.

The traditional repair process meant that customers were without their device for up to 5+ working days. This resulted in consumers becoming reluctant to leave their device in for repair, many opting to purchase a new device so that they were not without one for that amount of time. Many consumers that did proceed with a repair in this model, often had a second device to use while the damaged device was away for repair. This contributes to the issue of e-waste as additional devices were idle for long periods of time and were only used when the primary device was not available. The Vodafone in-store repair service provides rapid repair with a turn-around time of 2-3 hours. This means that customers no longer need to have additional devices or must replace a damaged device with a new purchase unnecessarily.

To provide consumers with trust in this service Vodafone Ireland and its partner Fonfix have received repair accreditation from many of the major mobile manufacturers. This means that these manufacturers recognise our repair service as official repair locations for their devices, only using manufacturer-approved parts and processes. This reduces the risk of issues and malfunctions in the device post-repair, again improving the lifespan of devices.

The Vodafone in-store repair service is available to consumers that have devices both in-warranty and out-of-warranty. In-warranty repairs are free of charge to encourage consumers to avail of this service rather than having the device sent away, often over-seas, to manufacturer locations. This again, positively contributes to the environmental impact of repair. Out-of-warranty repair is competitively priced but has the added trust and security of being manufacturer-approved and has a successful repair rate of >95%, reducing the need for additional repair or subsequent replacement of the damaged device.

When Vodafone customers come to the point where they are considering upgrading their device, the in-store repair service makes it convenient for consumers to repair their previous device and pass it on to a family member or to maximise the value received if they choose to trade-in. Repairing devices can drastically Improve the performance of devices, even those that are years old. For example, oftentimes consumers can perceive devices to be "on their last legs" when the devices suffer with battery drain or slower performance. However, even something as simple as replacing the battery and running a software clean on the device can drastically improve the device's performance to the point that the device operates like new. These repairs are typically more affordable than purchasing a new device. This may encourage consumers to change their behaviour from replacing devices to repairing them.

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2. Fixed Product Range Refurbishment Case Study

In 2018 Vodafone Ireland began the process of refurbishing fixed products and since its launch has shown fantastic benefits to both Vodafone and the environmental impact of Vodafone's business.

The purpose of the Initiative is to reduce costs for the company, however, the benefits to the planet are undeniable. When customers churn and their broadband modem, TV box, or other fixed service products are collected or returned we process them for refurbishment. This includes wiping the device's memory from the previous user, aesthetic damage is repaired, and any damaged components are replaced. The devices then go through a testing process to ensure full functionality and operational standards are met. This is all carried out by Vodafone Ireland's partner Fonfix on Vodafone's behalf. Once these devices are fully refurbished and pass testing, they are repackaged and reintroduced to the available stock, providing the same products to be used again by future customers and service replacements.

The refurbishment process ensures that Vodafone Ireland contributes to reducing the need to produce unnecessary amounts of products and reduces e-waste. Our customers' experiences are unaffected and unchanged in any way and yet they are playing a role in the positive impact to the environment this initiative has. Since the initiative's beginning, Vodafone has saved hundreds of thousands of devices from being needlessly manufactured and transported to Ireland, thus reducing the environmental footprint of the business. This initiative Is an example of circular practise in action and is a testament to the benefits of implementing circular strategy.

Whenever a new product is added to the Vodafone fixed product portfolio, a refurbishment process is established so that we ensure the continuation of this initiative with the support of the product manufacturers.

The success of this circular strategy has inspired Vodafone Ireland to consider and Investigate circular strategies in all aspects of our business and in-time Implement them for the benefit of the planet, our customers and the planet.

3. Circular Strategy Options for Customers- Case Study

Vodafone Ireland currently has various options available for our customers to carry-out circular practises in the purchasing behaviour with us. These options are available at various stages of a customers' journey with Vodafone Ireland, empowering our customers that wish to practise circular actions.

When a customer begins their journey with Vodafone, they have the option to trade in their current device to upgrade to a new one if they wish. By trading in a device, the customer is providing that device with a new lease of life while also receiving a commercial benefit of receiving their new device at a lower price. Trade In devices can make their way into the hands of other customers elsewhere in Ireland or in other markets, preventing the need to produce more devices. If the device is beyond economic repair, Vodafone Ireland will ensure that is recycled to WEEE standards.

If the customer is in the middle of their journey with us and their device suffers damage, Vodafone Ireland's repair service is there to help customers prolong the lifespan of their device. Repairing rather than replacing a device is friendlier to the planet and is often more affordable. Our in-store repair labs make it convenient for customers to have their device repaired in 2-3 hours rather than multiple working days. Please read our case study on our in-store repair service for more information.

If a fixed product customer has a faulty device or wishes to end their journey with Vodafone, our fixed product refurbishment Initiative ensures that eco-friendly and circular practise is carried out here also. Customers with a faulty device will receive a refurbished device, giving it a new lease of life rather than requiring a new unit to be

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manufactured. If a customer wishes to end their journey, the device they used will be collected and refurbished, giving the unit the chance to be re-used. Please read our case study on our fixed product refurbishment for more information.

Vodafone Ireland is committed to introducing more ways for our customers to engage with circular practises when doing business with us. Soon, more and more options will be made available to customers to do so which we hope will instil positive changes to consumer behaviour and business operations that will benefit the planet.

ENDS