Sustainability scorecard: A holistic approach to assessing sustainability maturity

Sustainability webinar

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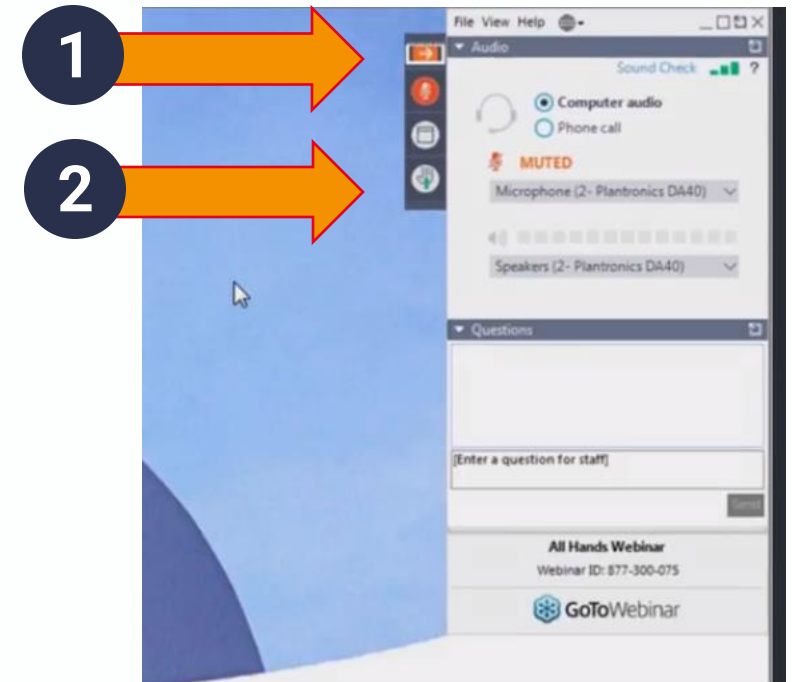
Agenda

1	**An introduction to the sustainability scorecard**	16:00 – 16:15
2	**The importance of cross industry collaboration**	16:15 – 16:30
3	**Benchmarking vendors**	16:30 – 16:45
4	**Q&A**	16:45 – 17:00

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STL has built a centre of excellence on telecoms sustainability and been advising businesses on this for over 3 years

Unrivalled expertise and community...

Supported 10 leading operators and technology companies in developing their sustainability narratives and strategies.

"STL Partners' unique combination of telecoms industry expertise, sustainability insights and an evidenced-based approach has been brilliant for us. They are also a delight to work with."
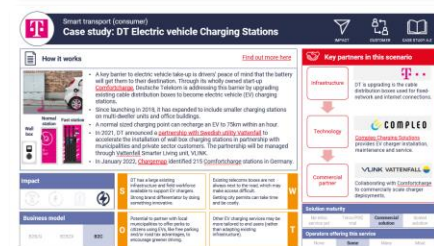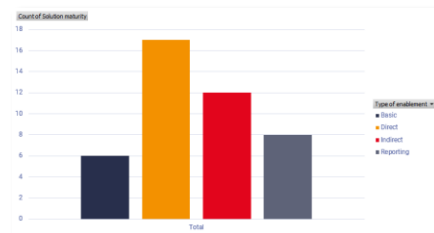
Head of Service Provider Field Marketing, Global technology vendor

Industry leading community of more than 3,300 people focused on telecoms sustainability

Interviews with over 50 telecoms operators on their sustainability priorities and net-zero roadmap

Team of experts: leading industry analysts and consultants, IoT practitioners & cloud specialists

...and an industry-leading sustainability knowledge centre

Framework for telecoms companies to develop credible sustainable propositions

Database of 50+ case studies of sustainable telecoms services, including a methodology for assessing green credentials

Scorecard on sustainability maturity and progress for 70+ telcos and key partners

Sustainability hub with 40+ reports, articles and webinars on telecoms sustainability

STL's hypothesis: Telecoms operators and vendors need to create buy-in across the whole organisation if they want to differentiate on sustainability

What does a holistic approach to sustainability look like?

Company strategy	Company-wide management	Networks & operations	Finance	Corporate culture	Sustainability team	Consumer & enterprise BUs	Board level
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Holistic sustainability reporting	Board and employee incentives	Public reporting on emissions scope 1, 2 & 3	Green finance	Commitment to diversity and inclusion	Commitment to biodiversity	Enablement of customers' reduction in CO_2 emissions	Collaboration

Overview of top 5 scoring companies

	Holistic sustainability reporting	Board and employee incentives	Public reporting on scope 1, 2, and 3 emissions	Green finance	Commitment to diversity and inclusion	Commitment to biodiversity	Enablement	Collaboration
1 Telefónica	5	4	4	5	4	3	3	4
2 Vodafone	5	3	4	3	4	2	3	4
3 BT	4	4	3	1	5	4	3	5
4 Verizon	4	3	4	5	2	3	3	4
5 KPN	4	4	4	3	2	2	3	4

Score 5 4 3 2 1

Agenda

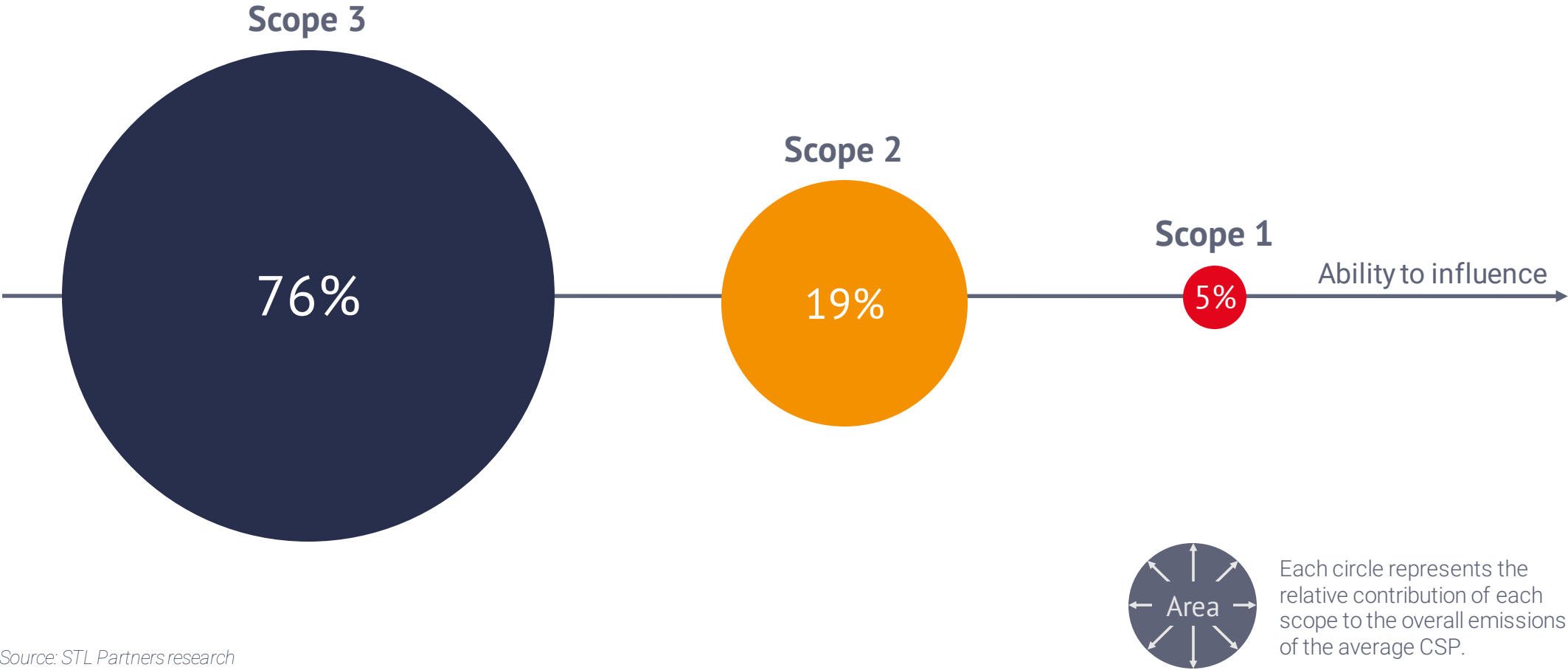|		
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It's important to be aware of emission sources and how they can be influenced

SF$_6$

CO$_2$

N$_2$O

HFCs

CH$_4$

PFCs

Scope 1
DIRECT

Scope 2
INDIRECT

Scope 3
INDIRECT

Scope 3
INDIRECT

Purchased electricity for own use

Purchased goods & services

Fuel combustion

Company facilities

Company vehicles

End-of-life treatment of sold products

Capital goods

Fuel & energy related activities

Waste generated in operations

Transport & distribution

Use of sold products

Investments

Upstream activities

Reporting company

Downstream activities

CSPs have less control over 3 emissions and progress can best be achieved through collaboration

Scope 3

76%

Scope 2

19%

Scope 1

5%

Ability to influence →

Area

Each circle represents the relative contribution of each scope to the overall emissions of the average CSP.

Source: STL Partners research

CSPs can activate several 'levers' to influence stakeholders into become more sustainable

Reduced carbon footprint

Sharing best practices & resources

Coordinated 'sanctions'

Purchasing power pressure

Standardisation

Shareholder activism

Scope 3 reporting standards

Joining organisations and initiatives can be an effective way to progress the sustainability agenda

Initiative	'Lever' influenced
GeSI ENABLING DIGITAL SUSTAINABILITY	Sharing best practices & resources
JAC COOPERATION BEYOND COMPETITION	Coordinated 'sanctions'
	Purchasing power pressure
ETSI	Standardisation
THE CLIMATE PLEDGE	Shareholder activism
CDP DISCLOSURE INSIGHT ACTION	Scope 3 reporting standards

The Climate Pledge has over 400 members aiming for net-zero by 2040 using decarbonisation strategies and offsets

Initiative aim	Evidence of impact

THE CLIMATE PLEDGE

Achieve net-zero by 2040

- 401 signatories have pledged to...
  1. **Regularly measure and report** greenhouse gas emissions
  2. **Implement decarbonisation strategies** in line with the Paris Agreement
  3. **Neutralise** remaining emissions **with socially-beneficial offsets** by 2040
- US$2bn venture fund focused on funding start-ups that help signatories reach net zero (21 funded)
- Building a climate collaboration platform to accelerate progress

Hewlett Packard Enterprise · Virgin media O₂ · BT · elisa · Telefónica · verizon✓ · Microsoft

The Exponential Roadmap's 67+ members hope to reach net-zero by 2050 through sharing best practices and resources

Initiative aim	Evidence of impact

EXPONENTIAL ROADMAP Initiative
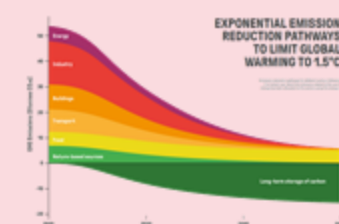
1.5°C SUPPLY CHAIN LEADERS

- (50%) Halve emissions by 2030
- Achieve net-zero by 2050
- Provide SMEs with climate action tools

- Members are **mandated to adopt** the initiative's **targets**
- Developed a **playbook to inform member's strategies**
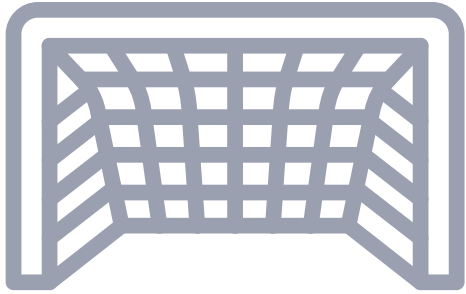- Identified **36 solutions with exponential impact** to halve emissions by 2030

ERICSSON

BT

Telefónica

Telia

Microsoft

Sustainability focused organisations and initiatives must focus on impact rather than membership growth

Setting goals and objectives

➢ Goals must be specific and measurable

➢ Goals must also be achievable (but ambitious)

➢ The shorter the timelines the better (at least annual)

Measuring success

➢ Collect high quality data, and ensure it is transparent

➢ Ensure data is relevant

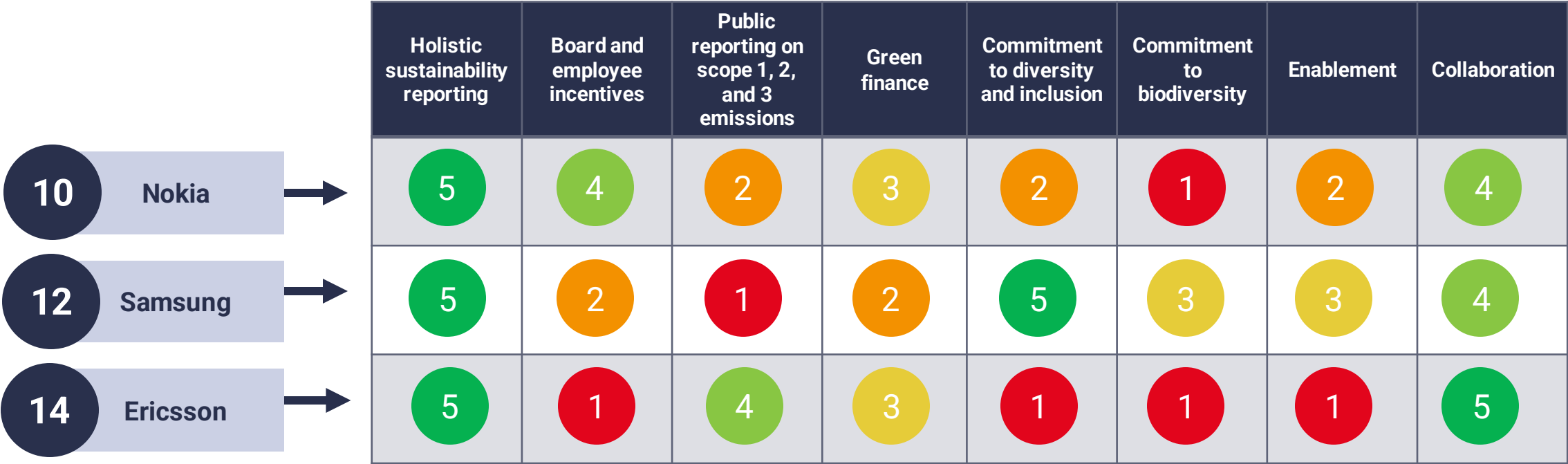➢ Summarise and translate data into KPIs that can be easily understood

Ensuring accountability

➢ Set mandates for members

➢ Monitor member specific KPIs and mandate compliance

➢ Have a clear termination policy for those failing to meet the mandates

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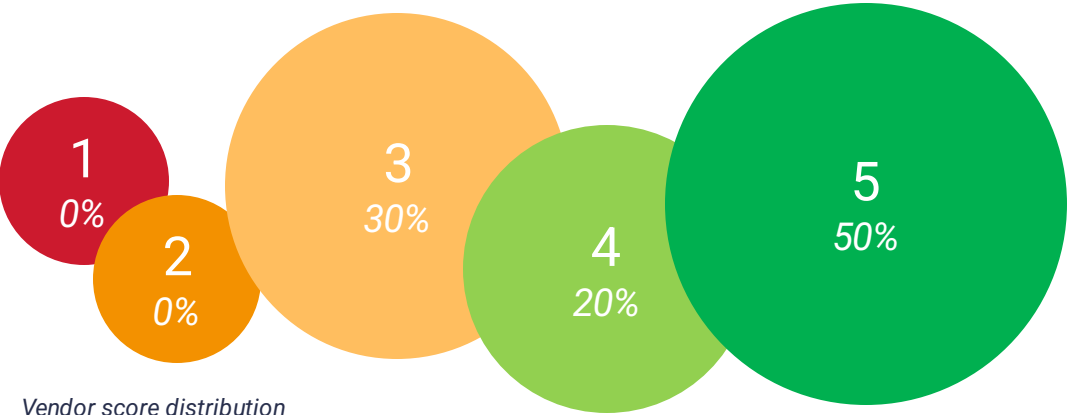# Vendors and telcos have different sustainability strengths, our scorecard highlights these differences

	Holistic sustainability reporting	Board and employee incentives	Public reporting on scope 1, 2, and 3 emissions	Green finance	Commitment to diversity and inclusion	Commitment to biodiversity	Enablement	Collaboration
10 Nokia	5	4	2	3	2	1	12	4
12 Samsung	5	2	1	2	5	3	13	4
14 Ericsson	5	1	4	3	1	1	1	5

Score 1 2 3 4 5

Vendor name	Amdocs	Dell	ZTE	Qualcomm	HPE	Huawei	Cisco	Ericsson	Samsung	Nokia
Overall rank	*59*	*51*	*49*	*46*	*38*	*26*	*23*	*14*	*12*	*10*
Weighted score	1.71	1.99	2.02	2.07	2.41	2.66	2.79	3.06	3.12	3.16

Top 20 overall

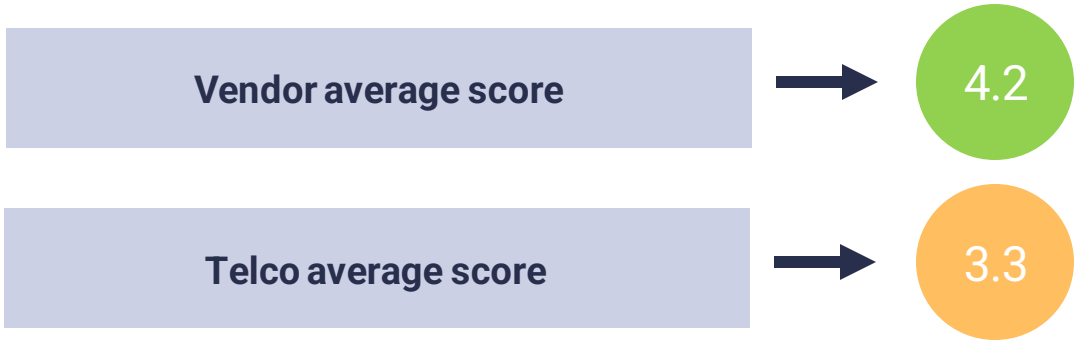# Vendors score better on holistic sustainability reporting and collaboration than telcos...
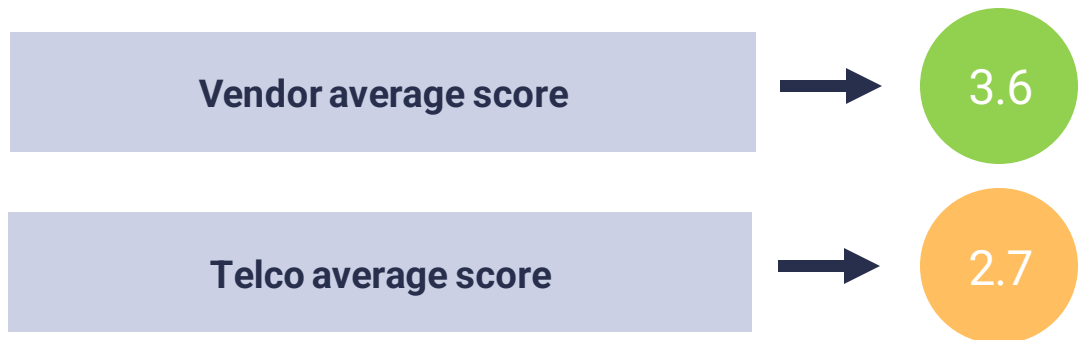

Holistic Sustainability Reporting

1
0%

2
0%

3
30%

4
20%

5
50%

Vendor score distribution

Collaboration

1
0%

2
20%

3
20%

4
40%

5
20%

Vendor score distribution

| Vendor average score | → | 4.2 |

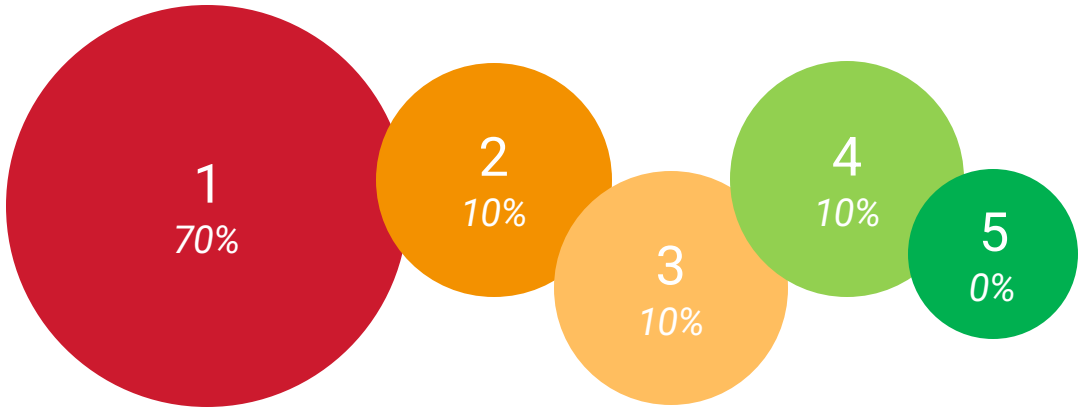| Telco average score | → | 3.3 |

| Vendor average score | → | 3.6 |

| Telco average score | → | 2.7 |
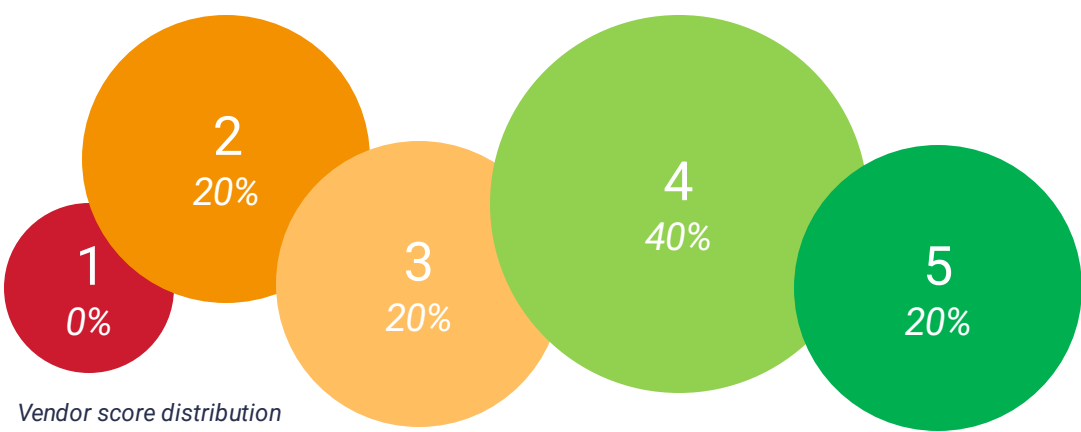
...But fare worse on green finance and board incentives

Board and employee incentives

1 *70%*
2 *10%*
3 *10%*
4 *10%*
5 *0%*

Vendor score distribution

| Vendor average score | → | 1.6 |
| Telco average score | → | 2.2 |

Green finance

1 *70%*
2 *10%*
3 *20%*
4 *0%*
5 *0%*

Vendor score distribution

| Vendor average score | → | 1.5 |
| Telco average score | → | 1.9 |
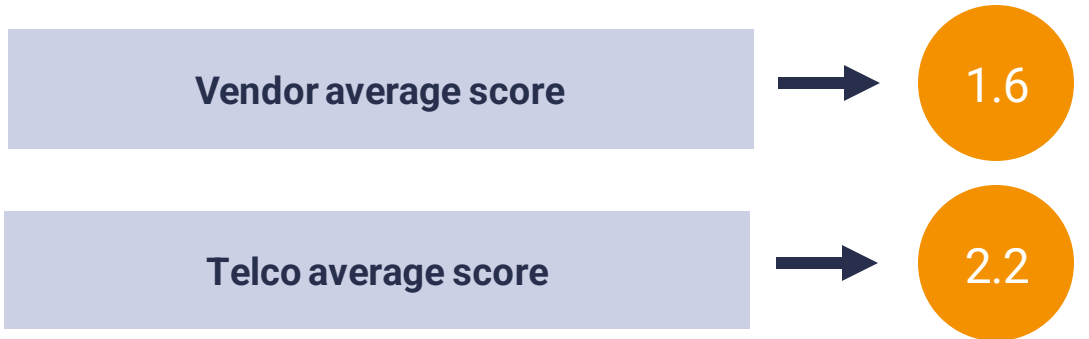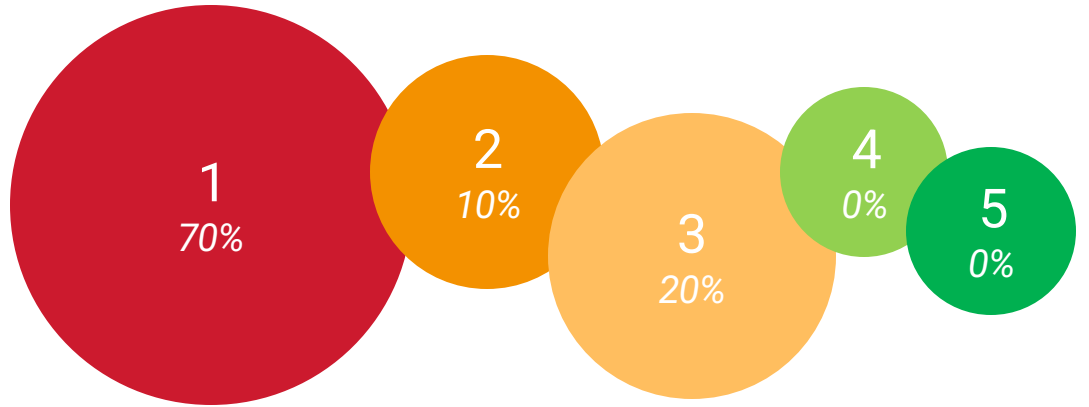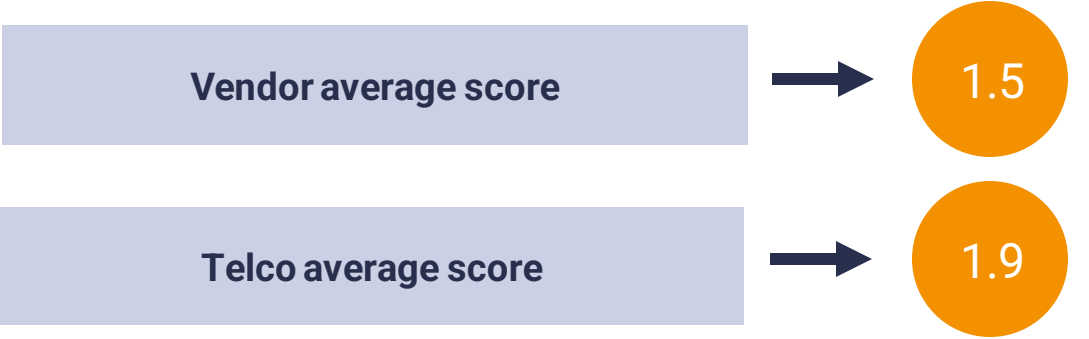
Nokia: Best all-round performance by a vendor

Criteria

Criteria
Structured sustainabil... reporting
Sustainability commit... and incentives
Public reporting on sc... and 3 emissions
Green finance
Commitment to divers... inclusion
Commitment to biodiv...
Enablement
Collaboration

Relevance to stakeholders, economy and the environment (vertical axis)

Relevance to Nokia's business (horizontal axis)

- Privacy and security
- Ethical business practices
- Health & safety of employees
- Responsible sourcing
- Enablement of industry transformation
- Transparency
- Ethical use of new technologies
- Climate impact through products
- Diversity & inclusion
- How products can enable diversity & inclusion
- Circularity
- Impact innovation
- Digital inclusion
- Nokia's own environmental impact
- Human rights
- Employees' skills
- Community participation
- Biodiversity

Opportunity ●●●● ○ Risk mitigation
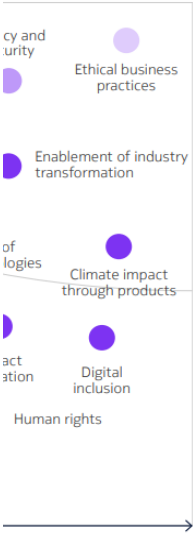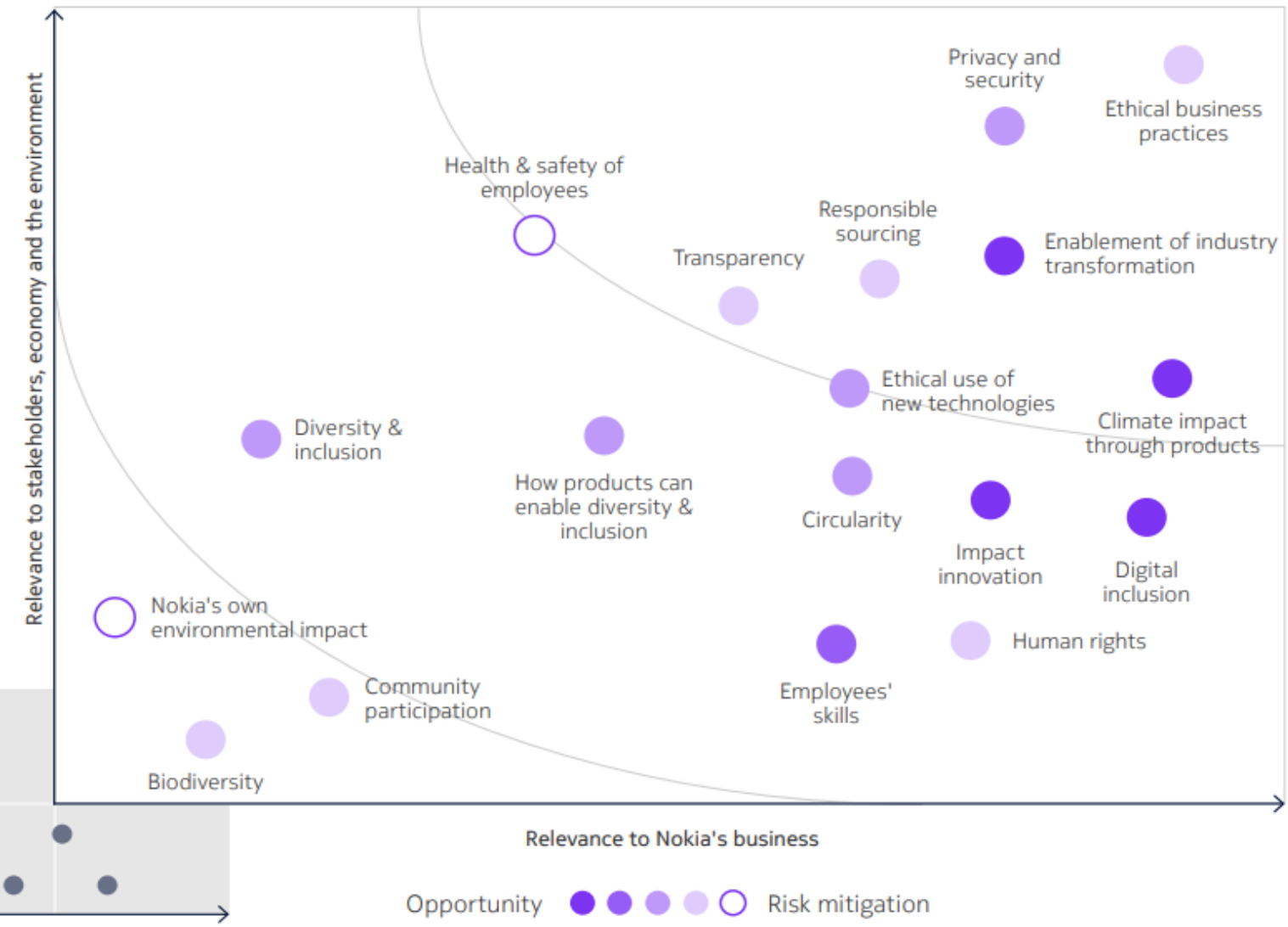
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Thank you!

Any questions?

Find out how your company ranks in our scorecard

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Backup: New Agenda