HOW TELECOMS CAN DRIVE GROWTH THROUGH SUSTAINABILITY: WEBINAR QUESTIONS

1. **What could be an example of a sustainability target that telco employees should get incentives for (tied to their bonuses, etc.) – is it something they can do in their own life (using public transport instead of a car, etc.) or something that directly relates to their work in the company?**

   We have explored this topic in greater depth in our Sustainability Scorecard research. Incentives for reaching sustainability targets are normally tied to work-related activities, and different business units may have different targets. E.g. the network team may have targets around energy savings within mobile networks or data centres, whereas employees in the facilities and management teams may have targets around reducing energy usage within the offices.

   At the executive management level, long term financial incentives should be tied to the company's highest-level targets, such as a target on reduction of overall scope 1 and 2 emissions, energy usage, or achievement against a circularity target. KPN is a good example to look at for this.

2. **Why is so challenging for operators to know and measure the Scope 3 emissions produced within their value chain?**

   Scope 3 emissions include everything relating to both upstream (waste generation, purchased goods and services, including the energy used in manufacturing and transportation) and downstream (distribution and disposal of products including handsets) supply chains. As a result, operators are less in control of measuring their scope 3 emissions as these are dependent on suppliers and partners being transparent in their reporting. Therefore, the ecosystem must work together to achieve greater standardisation when measuring and disclosing their emissions.

3. **Is there a need for an independent global organisation which is capable of measuring emissions and other sustainability efforts by any company, regardless of its size or region?**

   One of the key challenges in meeting net-zero is accurate measuring and reporting, particularly around Scope 3. Greater transparency and standardisation in measuring carbon emissions would be very beneficial in furthering the sustainability agenda if an independent organisation were to able meet this (significant) challenge. However, as this is will be central to all countries meeting their commitments in the Paris Agreement, and because any organisation may have vested interests, reporting methodologies are more likely to be developed at the international level through partnerships between industry and regulators.

4. **Why are operators not aware enough how 5G and virtualisation will impact emissions, and what they can do to find out?**

   STL Partners has conducted research into the impact of 5G on emissions (Curtailing carbon emissions – Can 5G help? and How 5G can cut 1.7 billion tonnes of CO2 emissions by 2030) and found that an accelerated rollout of 5G networks can help operators to reduce energy costs and carbon emissions arising from data growth. However, because 5G is still evolving (e.g. most operators have not yet launched standalone 5G cores), it is not possible yet to know exactly how energy consumption will evolve, and how easily operators will be able to mitigate an absolute rise in demand for connectivity with technologies to optimise network efficiency.

Likewise with virtualisation, as the industry is only just beginning the real shift to cloud-native networking, neither operators nor their technology partners have a concrete understanding of how cloud-based operations are likely to affect energy consumption. This is one of the topics on STL's sustainability research agenda.

5. **Have you surveyed any telcos in Africa?**

   Yes, our scorecard includes a number of telcos within the EMEA region. Some African telcos that we surveyed include MTN and Digicel. We will continue to add to our list of telcos as we update the scorecard on a quarterly basis.

6. **Are products that telcos sell to consumers for example mobile phones and routers part of the telcos' Scope 3 emissions?**

   Yes. Mobile phones and routers would be part of telcos' downstream activities. More specifically, for smartphones operators must include "use of sold products" (e.g. power usage over the lifetime of a smartphone) and "end of life treatment of sold products" in their scope 3 emissions calculations. Please refer to the answer for question 3 for further detail.

7. **What kind of partnering opportunities exist for consultants to work with CSPs within sustainability?**

   There are lots of opportunities for consultants to work with CSPs within sustainability. For example, assisting CSPs to embed sustainability across the organisation, making existing products and services more sustainable, exploring new sustainability-related products/services that can enable their customers to meet net-zero, establishing and refining internal and external sustainability messaging, and more! All of which STL Partners can assist with.

8. **A few telcos are still not able to get their sustainability report assured by a 3rd party for GRI metrics that are captured. How can telcos address this challenge, and which are the 3rd party assurance partners can they collaborate with?**

   There are a number of 3rd party assurance partners that telcos can work with to receive assurance on their sustainability reporting, including traditional assurance providers that have extended their services to include sustainability assurance, as well as several new players that have been established to meet this growing demand. We explore some of these in our Sustainability Scorecard research.

9. **For the enablement case studies, are there any case studies that come from telecoms specifically?**

   We have numerous case studies in our net-zero enablement use case directory that are being offered by telecoms operators, including one example that we highlighted in our webinar. The Banx app is a joint venture between Proximus, a Belgian operator, and Belfius, a Belgian bank. If you would like to learn about other case studies offered by CSPs, Amy and Grace are always happy to discuss these in more detail over a call.

10. **A lot of telcos are still dealing with the challenge of measuring scope 3 emissions (upstream/downstream) as they have to rely on their supply chain partners, delivery partners (for fibre companies), end users. Telco procurement functions also need to have this visibility. What is best practice for telcos to capture their scope 3 emissions data?**

    As you point out, capturing scope 3 emissions data is the biggest challenge for telcos as they have the least control over this. In terms of best practice, this is something we are focusing on in our upcoming research. Some of the ways in which telcos can help to address this challenge is to place greater pressure on their suppliers to be transparent about their emissions reporting, and work with companies such as Salesforce or others providing frameworks and tools to support companies in tracking their scope 1, 2, and 3 emissions.

11. **What are the key metrices UN SDGs or GRI metrics (or mix of both) that telcos should focus on for their sustainability towards net zero carbon commitments? Are there any telcos which are currently leading on the reporting of these metrics in their reports?**

    We have previously conducted research specifically on telcos' use of UN SDGs, please see our report on this topic, Where are telcos focusing their sustainability efforts?

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