How can telecoms drive growth through sustainability?
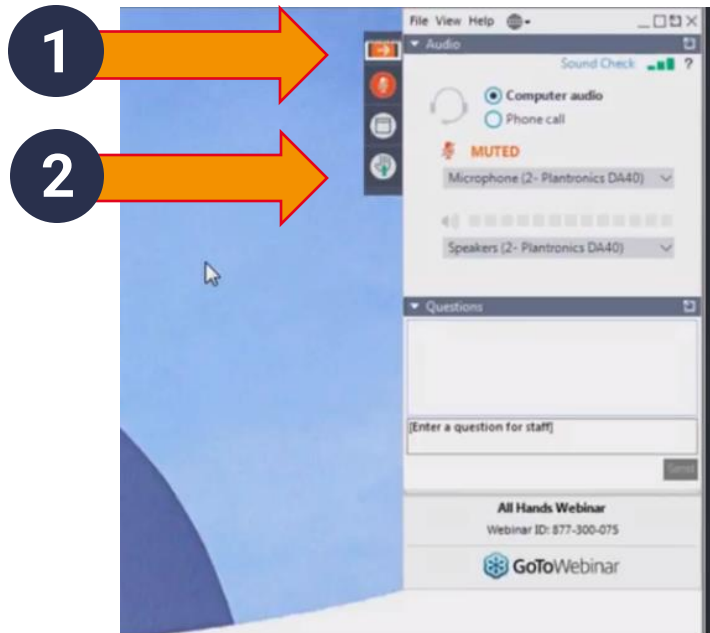
Internal and customer-facing strategies in sustainability

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Agenda

1	**Introduction to sustainability in telecoms**	Amy Cameron	16:00 – 16:20
2	**A role for telecoms in enablement?**	Grace Donnelly	16:20 – 16:40
3	**Q & A**	Nicola Warren	16:40 – 17:00

Sustainability is rising up the agenda for all of telcos' stakeholders

Employees

Employees are engaged and motivated by sustainability

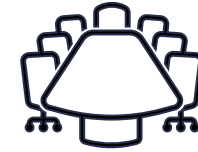## Customers

Customers can reduce their own carbon footprints and amplify their personal sustainability activities through telcos' initiatives
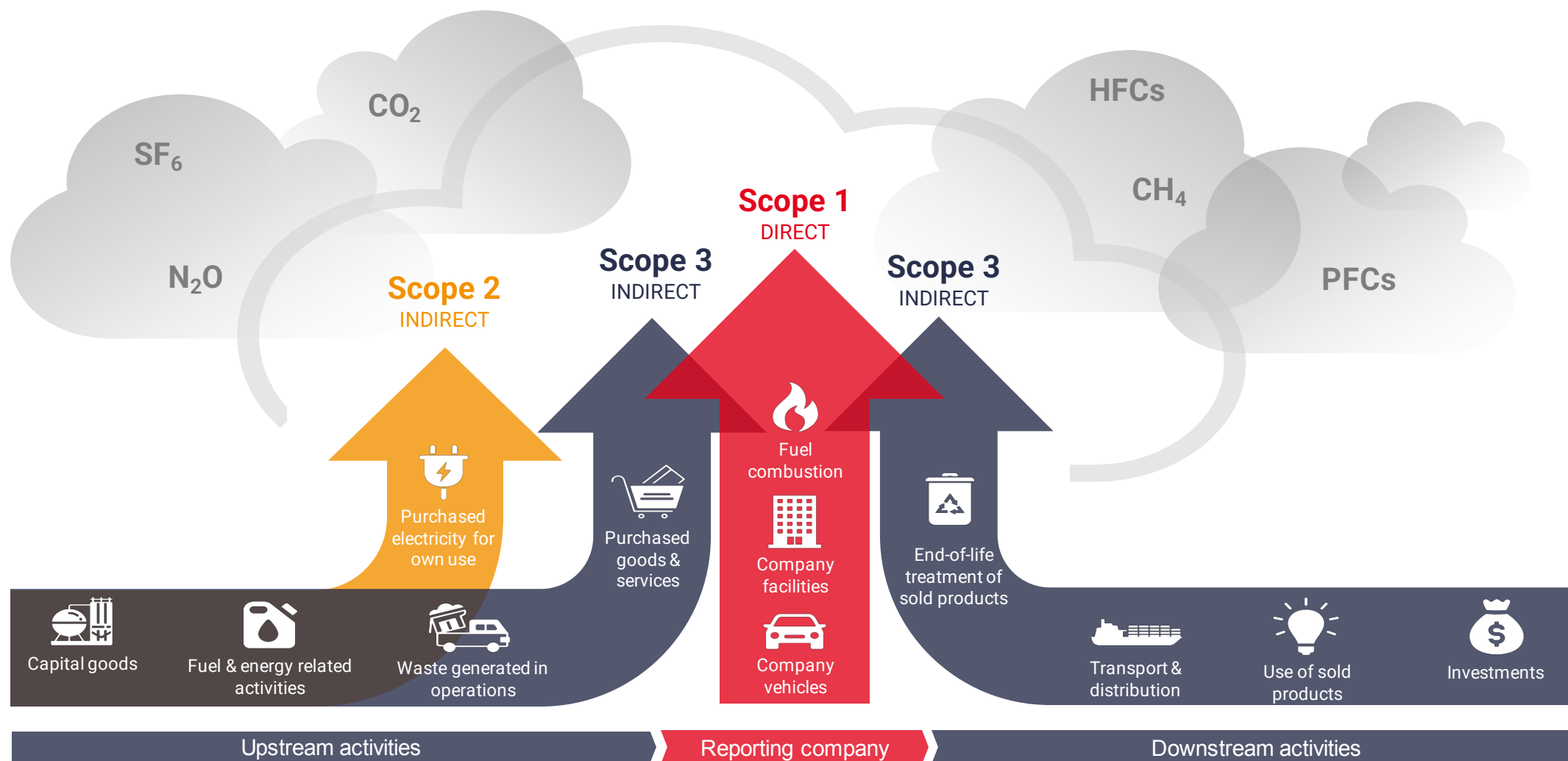
Government

Telcos can align with government priorities and help them tackle societal challenges through sustainability work

Shareholders

Shareholders have an expectation that telcos will act now to ensure long term competitiveness and survival

What does scope 1, 2, and 3 emissions refer to?

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

Transport & distribution

Use of sold products

Investments

Capital goods

Fuel & energy related activities

Waste generated in operations

Upstream activities

Reporting company

Downstream activities

Telecoms operators are facing several challenges in their roadmap to net-zero

What are the biggest challenges around reducing carbon emissions for telcos?
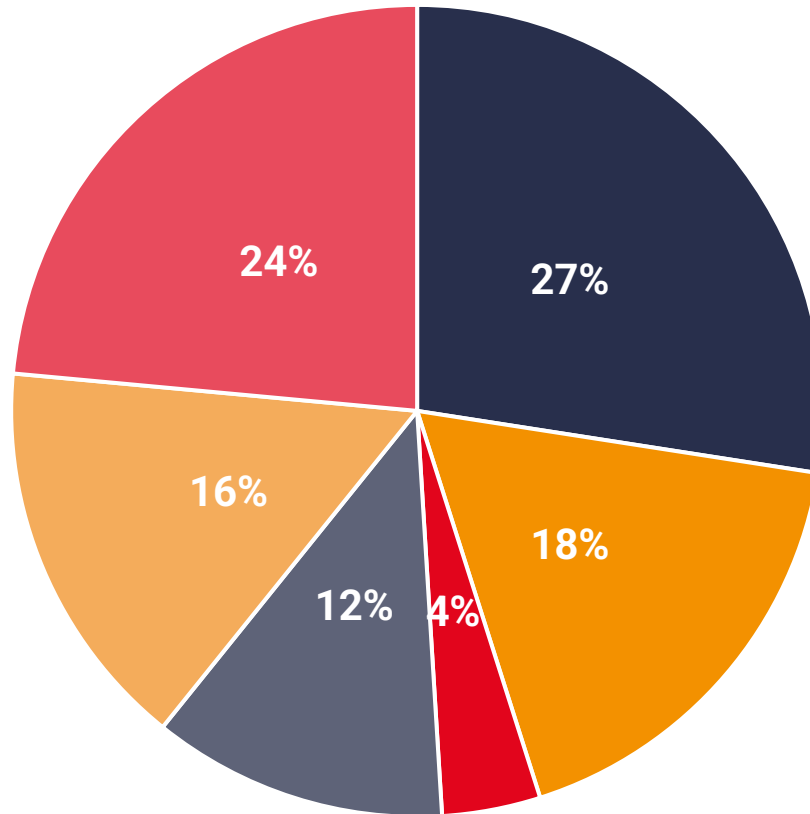
Pie chart segments:
- 27% — Data capture and methdology for scope 3 emissions
- 18% — Standardisation of emissions reporting for RFPs
- 4% — Building the business case for emissions reduction programmes
- 12% — Getting buy in from key stakeholders
- 16% — Lack of clarity around how 5G and virtualisation will impact emissions
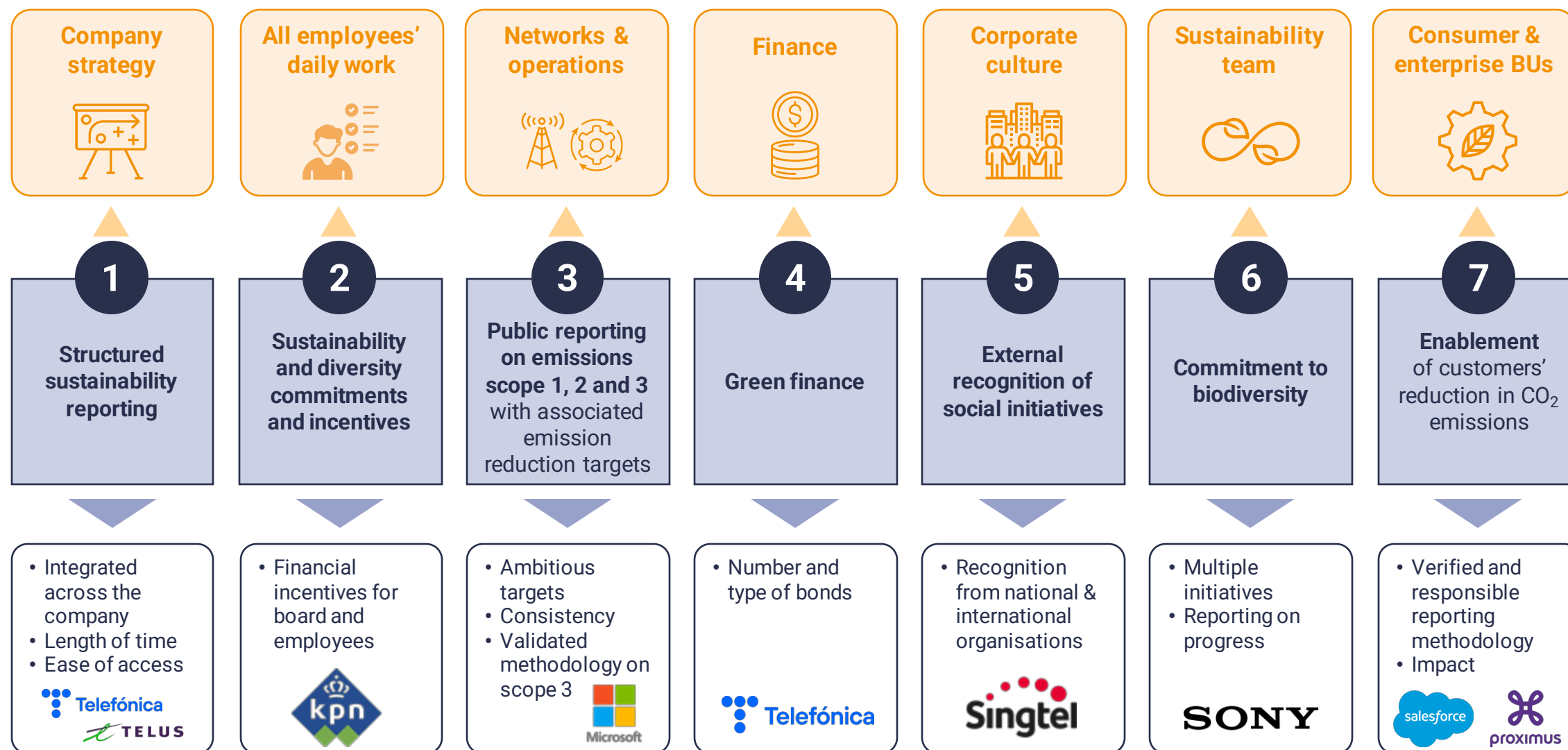- 24% — Accelerating circular economy efforts

Despite these challenges, many telcos have set ambitious net-zero targets

STL's hypothesis: Telecoms operators 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	All employees' daily work	Networks & operations	Finance	Corporate culture	Sustainability team	Consumer & enterprise BUs

1 — Structured sustainability reporting

2 — Sustainability and diversity commitments and incentives

3 — Public reporting on emissions scope 1, 2 and 3 with associated emission reduction targets

4 — Green finance

5 — External recognition of social initiatives

6 — Commitment to biodiversity

7 — Enablement of customers' reduction in CO_2 emissions

1	2	3	4	5	6	7
• Integrated across the company • Length of time • Ease of access	• Financial incentives for board and employees	• Ambitious targets • Consistency • Validated methodology on scope 3	• Number and type of bonds	• Recognition from national & international organisations	• Multiple initiatives • Reporting on progress	• Verified and responsible reporting methodology • Impact
Telefónica, TELUS	kpn	Microsoft	Telefónica	Singtel	SONY	salesforce, proximus

How are telcos are technology peers doing on their sustainability strategies?
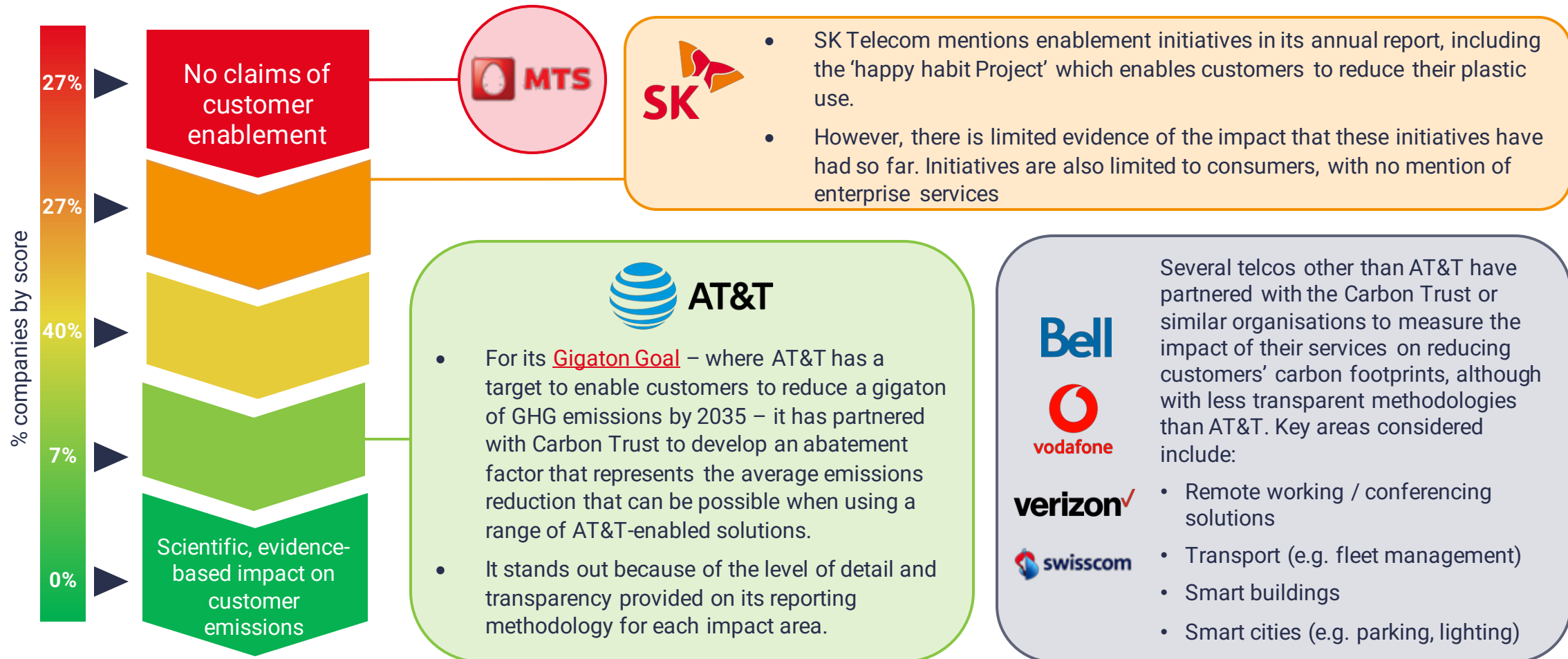
	Structured sustainability reporting	Sustainability commitments and incentives	Public reporting on scope 1, 2, and 3 emissions	Green finance	External recognition of social initiatives	Commitment to biodiversity	Enablement
1 Telefónica	5	3	4	5	4	3	3
2 Verizon	4	4	4	5	3	3	3
3 KPN	4	4	4	3	4	2	3
4 Proximus	5	2	4	3	4	2	3
5 SK Telecom	4	4	4	3	4	2	2

Score 5 4 3 2 1

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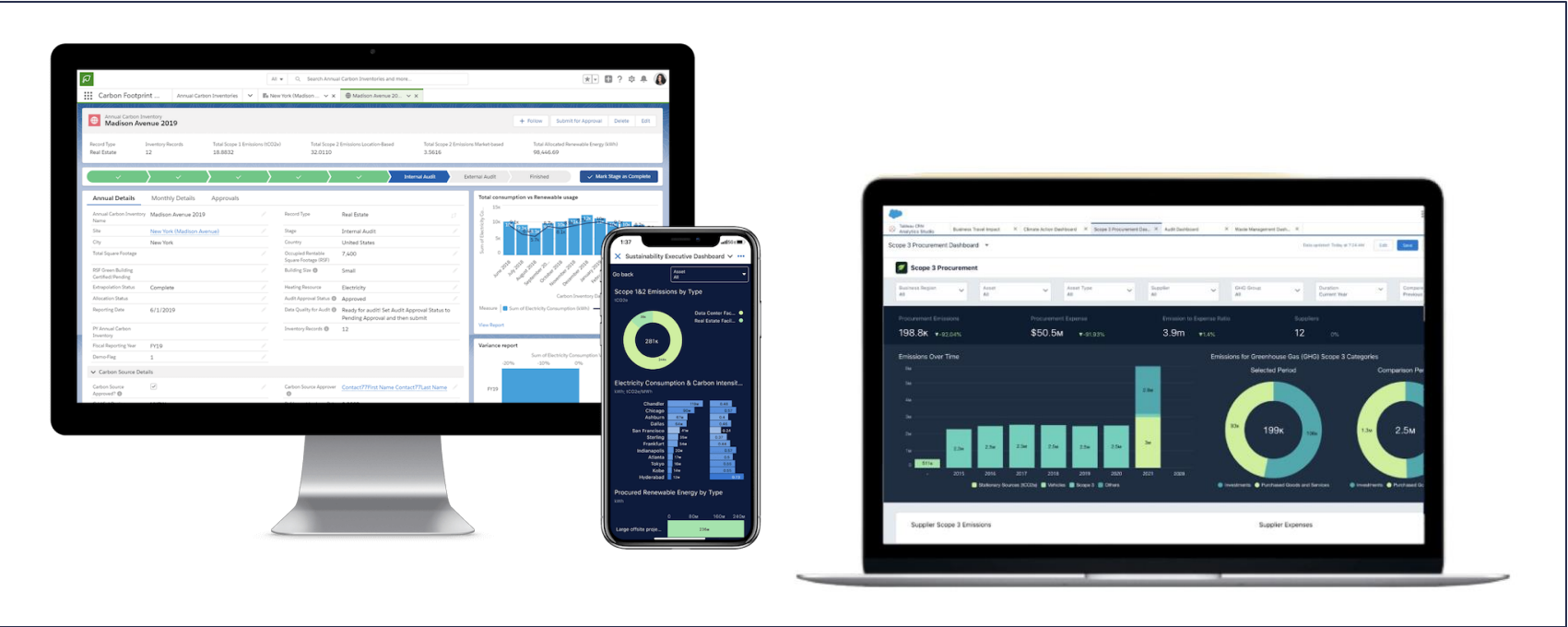# Telcos may be able to enable their customers to reach net-zero too, but how to do this is far from clear

% companies by score

27%	No claims of customer enablement
27%	
40%	
7%	
0%	Scientific, evidence-based impact on customer emissions

MTS

SK

- SK Telecom mentions enablement initiatives in its annual report, including the 'happy habit Project' which enables customers to reduce their plastic use.

- However, there is limited evidence of the impact that these initiatives have had so far. Initiatives are also limited to consumers, with no mention of enterprise services

AT&T

- For its Gigaton Goal – where AT&T has a target to enable customers to reduce a gigaton of GHG emissions by 2035 – it has partnered with Carbon Trust to develop an abatement factor that represents the average emissions reduction that can be possible when using a range of AT&T-enabled solutions.

- It stands out because of the level of detail and transparency provided on its reporting methodology for each impact area.

Bell

vodafone

verizon✓

swisscom

Several telcos other than AT&T have partnered with the Carbon Trust or similar organisations to measure the impact of their services on reducing customers' carbon footprints, although with less transparent methodologies than AT&T. Key areas considered include:

- Remote working / conferencing solutions

- Transport (e.g. fleet management)

- Smart buildings

- Smart cities (e.g. parking, lighting)

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Case study: Salesforce Sustainability Cloud

How it works

Key partners in this scenario

Salesforce platform	GREENHOUSE GAS PROTOCOL	Salesforce application	salesforce	Tableau CRM	+tableau

S — Easy to use and innovative solution that is useful and applicable for a wide range of enterprise customers.

W — No obvious advantage to Salesforce to partner with a telco. However, telcos are a major reseller of Microsoft 365 solutions, so this partnership could work similarly.

O — Telcos could partner with Salesforce to act as a reseller. This could help to boost telco's credibility in the carbon disclosure space.

T — Other providers offer similar services e.g. Microsoft Cloud for Sustainability

Case study: Proximus' Banx app

How it works

Because **Banx** is a local and sustainable banking experience

You have more **impact** than you think

#slowbanking

85% recycled plastic

Your **Banx** account opened in less than 5 minutes

Essential or Premium

Key partners in this scenario

| Digital tools and expertise provider | Belfius / Doconomy | Cloud-based software service | Aland Index Solutions / ÅLANDSBANKEN | Application platforms | |

S
Advice on how to reduce customers' carbon footprint.
Very few other apps/services like this.

W
Being linked to only one banking provider may be limiting for customers.
MyFootprint only available to MyProximus customers.

O
Potential to link to other apps e.g. travel apps, smart home apps.
Banx could add other bank accounts to the dashboard.

T
There may be global consumer company competition, for example apps bought or made by larger companies.

Thank you!

Any questions?

Find out how your company ranks in our scorecard

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