Creating a sustainable supply chain in the network industry

Addressing Scope 3 Emissions in ICT

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AGENDA

- Relevance
- Footprint categories
- Industry-wide initiatives
- Challenges with Scope 3
- Practical approaches

RELEVANCE FOR THE INDUSTRY

Large global footprint

763 Mt CO2e
in 2020

2%
of total global emissions

High growth rate

830 MT CO2e
emissions by 2030

14%
global emissions by 2040

Source: KPMG, ericcson, unravel

BREAKING DOWN EMISSIONS

Scope 1

- Direct emissions from owned sources
- Eg. burning fuel via vehicles

Scope 2

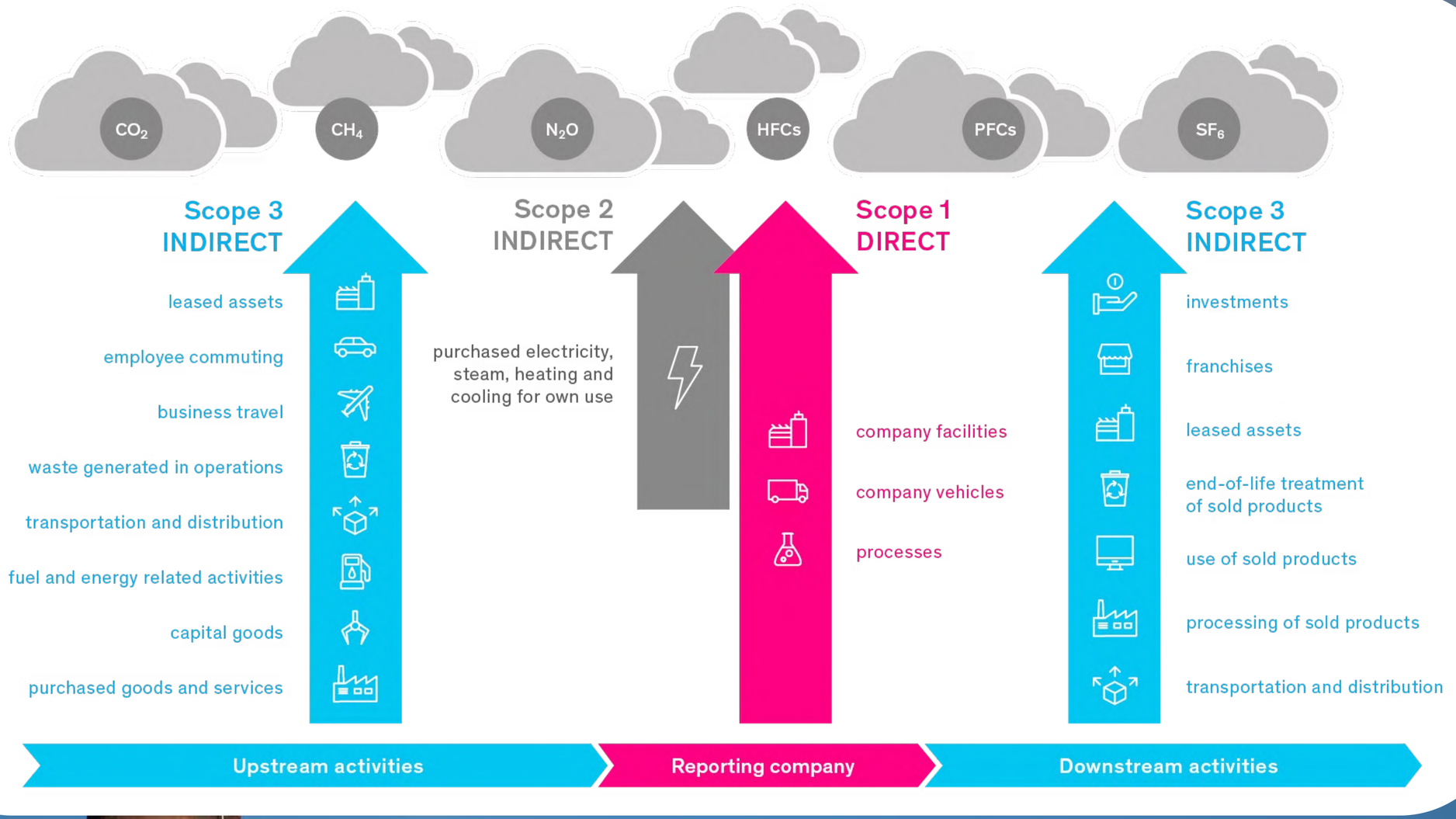
- Indirect emissions from purchased energy
- Eg. electric vehicles

Scope 3

- Indirect emissions in the supply chain
- Eg. purchase and disposal of goods

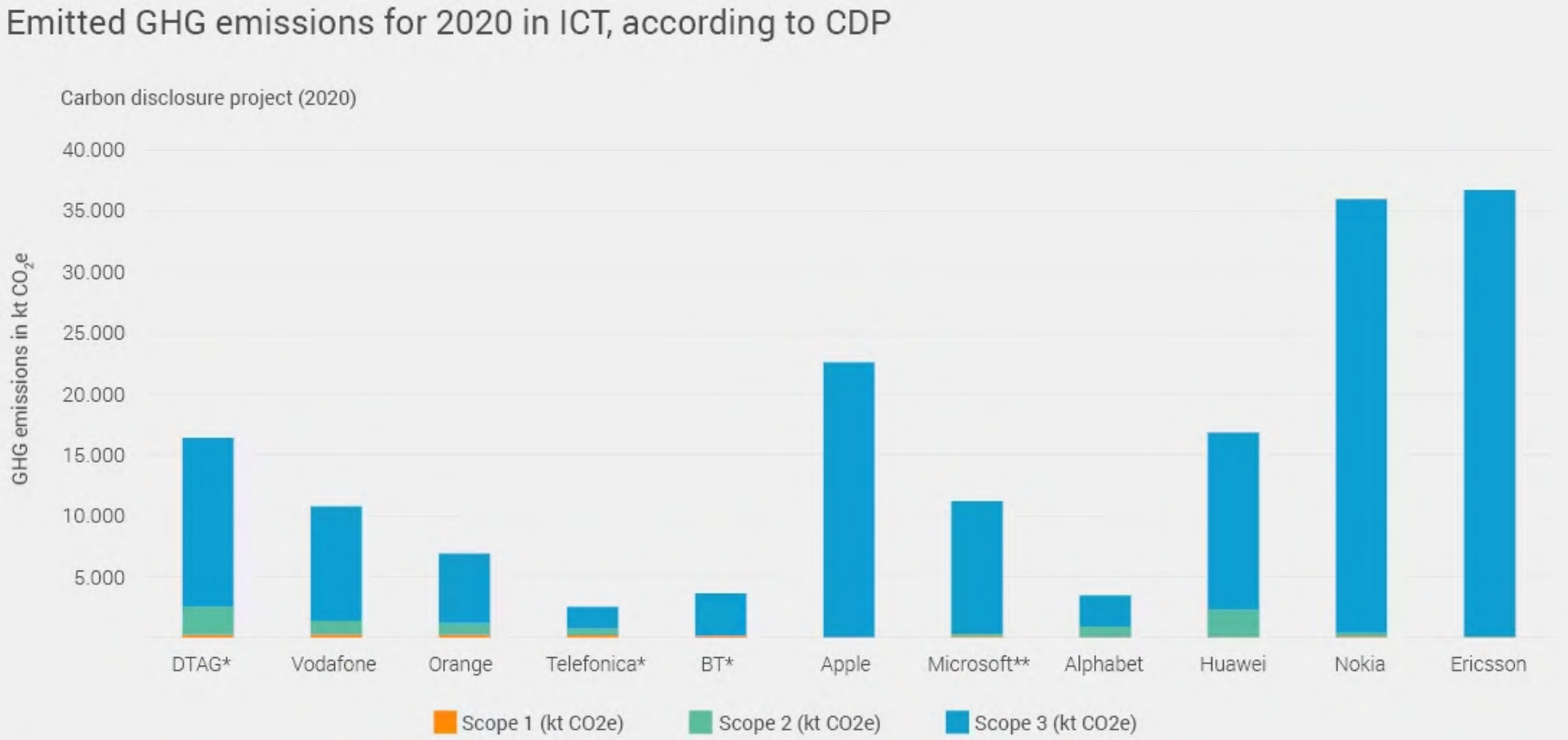
Source: nationalgrid.com

SCOPE OVERVIEW



Source: myclimate.org

EXAMPLES

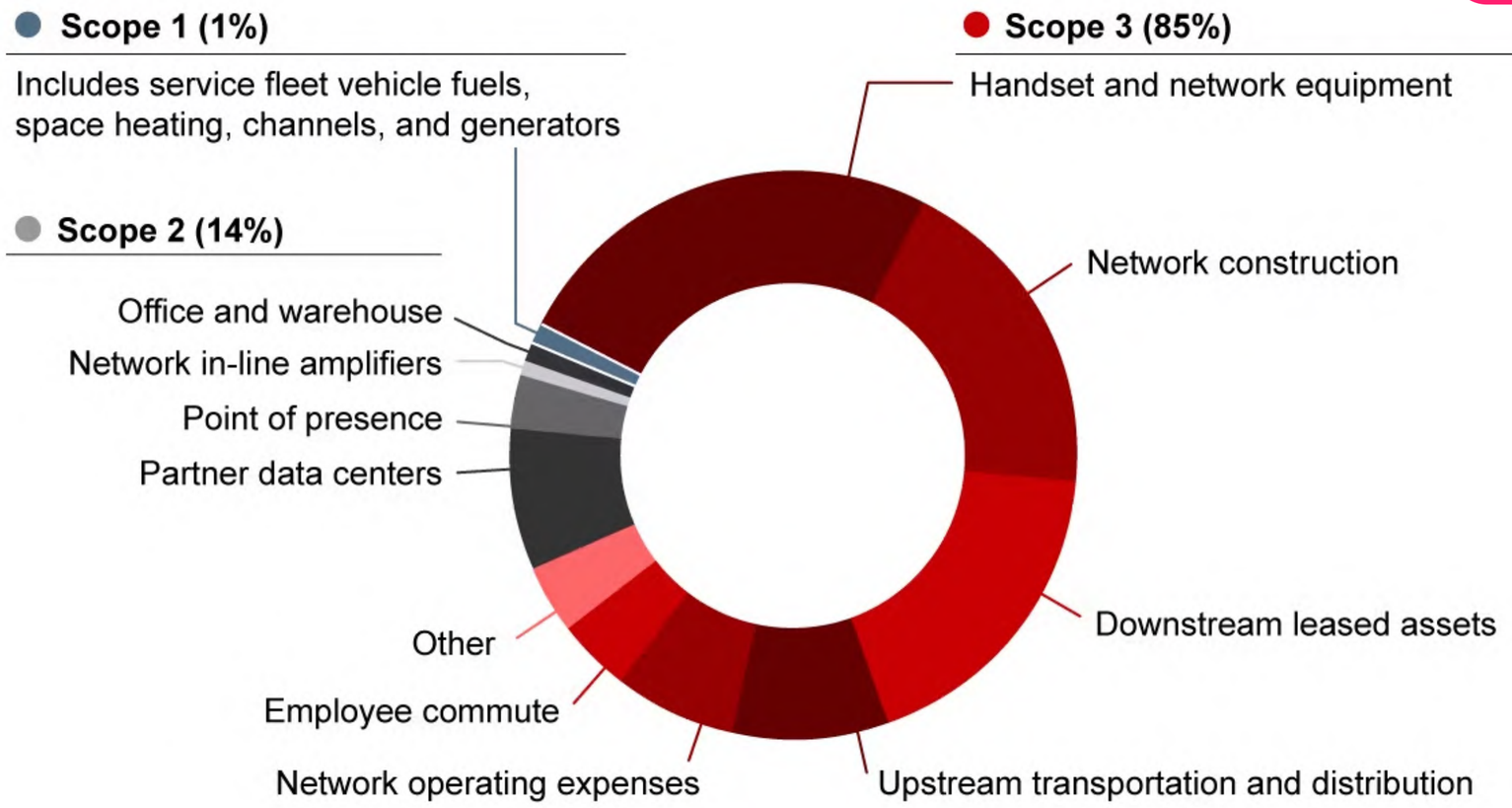


Source: detecon.com

SCOPE OVERVIEW IN THE INDUSTRY

On average **26 times greater** than a corporation's own operational emissions.

Breakdown of baseline telco emissions



Notes: Channels includes stores, franchisees, national retailers, and online sales channels; other includes waste generated, business travel, downstream transportation and distribution, network maintenance, professional services, IT/technology, human resources and temporary labor, sales and marketing, maintenance supplies, and people space
Source: Bain & Company

Source: Bain.com

COMMITMENTS IN THE INDUSTRY

The ICT industry aims to reduce its greenhouse gas emissions by 45% between 2020 and 2030

The ICT industry has agreed on a landmark science-based pathway to reach net-zero emissions

Recent regulations like the CSRD incentivised companies to be more proactive.

Source: ITU, GSMA

Challenges in Addressing Scope 3 Emissions

Complexity of Scope 3 Emissions

Lack of Control

Data Quality Issues

Source: telecom.tv

Practical Approaches to Reduce Scope 3 Emissions

Prioritize Measurement and Data Collection

- Collect data from suppliers (eg. Life-Cycle Assessments) where possible

Engage and Support Suppliers

- Establish partnerships with suppliers to collaborate on sustainability projects, initiatives

Implement Sustainable Procurement Practices

- Supplier Score Cards
- Prioritise environmentally responsible suppliers

Source: watchwire.ai, edgier.com, hbr.org

Data worth collecting from your suppliers

Invoices → Spend-based Estimations

Service Level Footprint

Targets/Goals Electricity Use

Carbon footprint		
	iPhone 14 Pro	**iPhone 13 Pro**
128GB	65 kg CO_2e	69 kg CO_2e
256GB	71 kg CO_2e	76 kg CO_2e
512GB	84 kg CO_2e	88 kg CO_2e
1TB	116 kg CO_2e	112 kg CO_2e

Product Environmental Report

Life cycle assessment (LCA)

Source: carbntrust, KPMG, apple.com

Practical Approaches to Reduce Scope 3 Emissions

Establish Contractual Clauses for Sustainability

- Require reduction targets or report on sustainability practices

Promote Circular Economy Practices

- Designing products for longevity and recyclability
- Reuse and Recycle programs

Collaborate Across the Industry

- Share best practices and strategies eg. Global Telecoms Business (GTB) Sustainability Forum

Source: hbr.org, chancerylaneproject.org,Vodafone

Establishing Contractual Clauses for Sustainability

Report on sustainability practices/ footprint

Mandates for using renewable energy sources in operations

Set targets for emission reduction

Waste reduction commitments

Green IT/ Green Hardware/ Sustainable Data Centers

This is a Green IT/ Hardware clause that requires companies to operate existing hardware in a more resource-efficient manner and to establish new concepts that make data centers more energy efficient.

Jurisdiction: Germany

Updated: 1 September 2023

1.4 **Renewable Energy Sources**

The Contractor undertakes to source 100% of the energy requirements of its data centers from renewable energy sources.

1.6 **Recycling and waste reduction**

The Contractor undertakes to minimize waste in its data centers by pursuing an environmentally friendly and resource-saving procurement policy, using reusable components and housings, and ensuring proper refurbishment (maintenance and reconditioning), recycling or, if necessary, proper disposal of equipment no longer in use.

1.7 **Monitoring and reporting**

The Contractor undertakes to monitor and regularly report on the energy consumption and carbon emissions of its data centers. For this purpose, the following key figures must be properly calculated using measured values collected within the data center and made

Source: chancerylaneproject.org

Collaboration is key

- Reducing own emissions reduces emissions for all of your clients/ the industry
- Can only reduce emissions beyond a point when everyone works towards the same goal

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Inter.link, the leading, sustainable Global Network Service Provider. Thank you.

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