



ETNO POSITION PAPER

European Commission's Renewed EU Sustainable Finance Strategy and Green Bond Standard



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Executive Summary

The telecommunications industry is a substantial enabler of the transition to the EU Green Deal. Telecommunication companies have invested and continue to invest heavily in the build-out and upgrade of energy efficient and high-speed network infrastructure, as well as in the growth of Digitalisation. They thus play a key role for achievement of the taxonomy's first and so-far most-defined objective: "Climate change mitigation".

This contribution is realized by numerous well-established activities around climate protection and resource efficiency in ETNO members' own business ("greening of") as well as by enabling customers and society to save resources by the use of digital solution and products ("greening by"). ETNO member companies have a long-standing history of transparent business operations and sustainability reporting. They appreciate the role of the EU taxonomy as an **essential facilitator of the EU Green Deal, with the purpose of channelling long-term, sustainable finance into sustainable activities.**

ETNO members therefore fully support the general intention of the EU taxonomy and are convinced that through intensive dialogue and engagement over the upcoming months, the below-mentioned concerns can be successfully resolved to **leverage the intended ambition of the EU's regulation on sustainable finance.**

The main concerns of ETNO members relate to the lack of definition of activities which may count as taxonomy eligible for the ICT sector and Technical Expert Group's suggestion for setting a 10% threshold in terms of energy efficiency for communication networks.

As the taxonomy regulation will greatly impact the investment activities of networks and further products and solutions, it is of paramount importance that taxonomy criteria for all six taxonomy objectives be defined in a clear, comparable and incentive-compatible way. This is also crucial for timely implementation of any newly required monitoring and reporting processes within companies. Criteria for taxonomy-eligibility of business activities around "climate change mitigation" in telecommunication networks have already been proposed by the Technical Expert Group, proposing that only the top 10% of energy efficient activities in the EU shall be considered as taxonomy-eligible.

As to this specific area, ETNO urges the Commission to reconsider this approach in order to operate more harmoniously with sectoral climate change initiatives, while also avoiding to create disincentives for the required massive investment in digital infrastructure. The taxonomy should rather establish a reliable basis for investment and incentives to constantly improve the energy efficiency of deployed technology. Therefore, ETNO members propose to consider a KPI for energy/carbon efficiency, in order to recognise company-specific improvements (e.g. >15% with respect to an earlier defined company-specific energy efficiency baseline). Such KPI should qualify for taxonomy eligibility.

To further guarantee relevant entry levels for taxonomy-eligibility, the Commission should consider adding a company-level commitment to an overall established standard, on top of the energy/carbon intensity criteria. (i.e. through the adoption of "Science Based Targets" and/or a specific minimum share of renewable energy use).

ETNO and its member companies appreciate the Commission's commitment to an enhanced stakeholder dialogue on the EU taxonomy. In this context, ETNO has applied to become a member of the New Platform on Sustainable Finance, with a view of sharing our expertise as a crucial European investor in digitalisation.

Introduction

The Green Deal has the potential to make the European Union the world's first climate neutral economic zone by 2050. Challenges need to be overcome and turned into opportunities: tackling global warming, sustainable use of natural resources and protecting biodiversity will help empower a greener economy and build more sustainable societies. Pursuing these sustainability targets needs to go hand in hand with EU's economic recovery after the crisis due to Covid-19. These challenges can only be faced with a financial market that strongly facilitates the green transition.

The European Telecommunication Network Operators' Association (further referred to as ETNO) appreciates the importance that is placed on sustainable finance by the European Commission. To unlock the needed financial resources, companies and investors need guidance and a common language.

In this context, ETNO fully supports the purpose of the EU Taxonomy to become the framework to enhance private capital flows towards long-term, environmentally sustainable activities and thus navigate the transition to a low-carbon, resilient and resource-efficient economy in a consistent and transparent manner. To succeed in its objectives, the EU Taxonomy must be suitable for all industries **and leverage the potential of key areas such as the digitalisation of industry.**

Sustainable and sustained network investment by the European telecommunication industry is a prerequisite **for the digital transformation of the EU** (see Chapter 2 for details). In converse, **only a digitalised EU can reach Europe's ambitious sustainability targets.**

Given the importance of the topic and the central role the telecommunications industry, ETNO's members have been participating in the green taxonomy discussions already for many years. Although the current policy and regulatory discussions incorporate important elements, they do not yet sufficiently provide a framework to effectively channel sustainable investments. The currently discussed **taxonomy criteria for the ICT sector still lack the right incentives to further drive sustainable business conduct** (see Chapter 3 for details).

In Chapter 4 of this position paper we have summarized our key proposals on how to realise a taxonomy frameworks that effectively facilitates sustainable investment in EU.

Chapter 1: Telecommunication industry and Sustainable Finance: Key role in "greening of" and "greening by"

The European Green Deal, as well as the European Commission's "Shaping Europe's digital future" strategy, highlight **the need of having a green transition and its interrelation with the digital transformation.** Digitalization is a prerequisite and enabler for the green transition.

High-quality telecommunication networks and services are more than key factors for economic growth. As stated in ETNO's position paper on the EU Green Deal¹, **high-capacity, stable, energy-efficient networks are key enablers for sustainable digitalisation. ETNO members have invested heavily in technologies in networks**, with ETNO companies deploying 70.5% of the total network investment in Europe (€34.4bn, fixed and mobile)². As major European investors in digitalisation, the new green taxonomy plays a pivotal role for ETNO members. High-quality telecommunication networks **meet both the “greening of” and “greening by” aspect of the EU taxonomy’s climate change mitigation objective.**

To increase the level of the investment, **build-out of increasingly energy efficient digital infrastructure** and the deployment of innovative ICT solution **should be one of the priority areas in the green taxonomy.** It is crucial that these efforts are supported by green financing mechanisms and solutions, particularly in an environment in which the pressure on the telecommunication industry to innovate and deploy networks in a faster and more efficient way, is stronger than ever.

ETNO members have a long-standing commitment to sustainability. Members' activities cover the full range of environmental, social and governance aspects in line with the UN Sustainable Development Goals (SDGs), UN Global Compact and sectoral guidelines. Accordingly, the telecommunication industry for many years has been working intensively to **reduce its own environmental footprint, also taking over responsibility along the full value chain** — including suppliers (environmental friendly production, eco-design, logistics, human rights), own business (renewables, resource efficiency, compliance, data security, responsible employment) and customers (“enabling” solutions that contributed to lower customer carbon emission, reuse, recycling, data privacy, media literacy).

ETNO members are already engaged in **green financing mechanisms like Green Bonds.**

In this context, Telefónica³, Telia Company⁴, Orange⁵ and Swisscom⁶ successfully issued the first green bonds in the telecommunications sector worldwide in 2019 and 2020.

¹https://www.etno.eu/downloads/positionpapers/etno%20position%20paper_2030%20climate%20targets%20ec%20public%20consultation.pdf

² See ETNO's The State of Digital Communications 2020, available here <https://etno.eu/library/reports/90-state-of-digital-2020.html>

³ <https://www.telefonica.com/en/web/press-office/-/telefonica-issues-the-first-green-bond-of-the-telecommunications-sector-amounting-to-1-billion-euros>

⁴ <https://www.teliacompany.com/en/news/press-releases/2020/2/telia-company-issues-a-green-hybrid-bond-of-eur-500-million/>

⁵ <https://www.orange.com/en/Press-Room/press-releases/press-releases-2020/Orange-has-successfully-issued-today-a-500m-inaugural-Sustainability-Bond-supporting-its-social-and-environmental-commitments>

⁶<https://www.swisscom.ch/en/about/news/2020/05/11-green-bond.html>

The funds obtained by these bonds serve predominantly to finance or refinance projects aimed at increasing the company's energy efficiency, but also to keep increasing energy efficiency and to promote renewable energy self-generation. “Use of Proceeds” categories in the frameworks include both “Greening of” and “Greening by” categories. These green bonds have been issued under green bond frameworks aligned with the Green Bond Principles issued by ICMA and have received Second Party Opinions.

Other initiatives include Nokia launching a revolving credit line tied to its science-based climate targets 2019.

1.1. “Greening of” – ETNO Members’ business

ETNO members’ core network strategy includes **continuous build-out and upgrade of high-performance energy-efficient networks, including 5G and fibre networks**. Key issues in this process including tackling investment gaps, accelerating deployment, while **driving resource-efficiency and circularity**.

- ETNO members have so far succeeded to keep their networks’ energy consumption relatively stable, despite the sharply increasing the usage of their services. These efforts are transparent since ETNO members regularly and transparently report on energy efficiency metrics, such as energy consumption per subscription or unit of data transferred. These “energy intensity” KPI’s have improved significantly over the past couple of years. According to data we collected among our members, data traffic increased by 1,100% between 2010 and 2018, while carbon emissions reduced by 40%, and electricity consumption increased around 10%. **Considering the expected sharp increase of the use of our services in the future, driven by digitalisation, we foresee further significant investments in efficiency will be required.**
- Several ETNO members already use 100% renewable energy⁷, some will do so from 2021 and many others have set ambitious targets to increase the share of renewables in their electricity procurement.
- Many ETNO members have their climate commitment or targets validated by the **Science Based Targets initiative (SBTi⁸)**, and also undertake to reduce CO₂ emissions to “**net zero**” by 2050 at the latest.
- All ETNO members drive programs for more resource efficiency along their value chain, fostering circular business models which are a strong driver for climate change mitigation.

1.2. “Greening by” – enabling our customers

Digitalisation and connectivity are key instruments for dealing with the most pressing environmental challenges affecting society at large: climate change, water shortage, circular economy, pollution, and loss of biodiversity.

Services around the Internet of Things (IoT), Cloud or Big Data require a strong digital infrastructure and **enable more efficient use of resources** across the industry. This includes manufacturing, agriculture,

⁷ <https://www.there100.org>

⁸ <https://sciencebasedtargets.org/companies-taking-action/>

mobility, transport/logistics, healthcare, education, public administration and many more. The GeSi global #SMARTer2030¹ study shows that every 5% increase in access to digital technologies can reduce CO₂ by 1.6%. While the expectations of other studies vary, there is overall agreement that the ICT sector's positive enabling effect exceeds the sectors' climate footprint. **However, to leverage the full potential of digitalisation, a more investment-friendly financial framework is required.**

Smart ICT products and solutions have a strong impact on resource efficiency by optimizing our customers' deployment of energy and materials in all steps of the value chain. This ranges from dematerialization of products, virtualization of networks, promotion of cloud services to re-use of equipment and responsible action on e-waste.

These kind of customer services can also be an enabler for the 2nd objective of the EU taxonomy: climate change adaptation. ICT based solutions are at the core of business activities which contribute improved adaptation to climate change risks such as weather & climate monitoring and modelling systems.

ETNO members been analysing for many years the **sustainability benefits** and the **positive CO₂ effects that arise on the customer side** through the use of products & solutions sold. This "enablement" effect is regularly measured by so-called "Enablement KPI". These KPI evaluate the positive CO₂ effects that arise on the customer side compared to the company's own carbon footprint⁹.

1.3 Evaluation of "Do no significant harm (DNSH)"

DNSH criteria for ICT industry have been partly defined, but only for business activities around data centre operations and enabling. **For our main business activity, the telecommunications network, DNSH criteria are currently in development.** In Chapter 4.2, we will highlight some points for consideration.

Chapter 2: Challenges of so-far Sustainable Finance EU regulation

We fully support the general intention of the EU taxonomy and we are convinced that through intensive dialogue and engagement over the coming months, the below-mentioned concerns can be successfully resolved to **leverage the intended ambition of the EU's regulation on sustainable finance.**

However, we do have some concerns with the current structure, content, and criteria design as well as the envisaged next process steps.

In this chapter, we focus on the **specific challenges seen from a telecommunications industry perspective with respect to scope of business activities** within the taxonomy-relevant NACE code "J" – "Information and communication". Building on the following explanation, we will elaborate on our proposals in Chapter 4.

⁹ i.e. <https://www.telefonica.com/en/web/responsible-business/environment/eco-smart> or <https://www.cr-report.telekom.com/site20/management-facts/environment/enablement-factor#atn-16754-16756>

Overall, it would be beneficial for the sector with a comprehensive set of definition of activities for the ICT sector which may count as taxonomy eligible.

- Even within “Climate Change Mitigation” targets, **only business activities for “data centres” have been fully defined** with regards to eligibility criteria as well as DNSH¹⁰. DNSH criteria for “network” activities are yet to be defined.
- It is still **unclear which precise business actions and related financial streams** (revenue, OPEX, capex etc.) **shall be considered and analysed for taxonomy eligibility.**
- **Criteria for business activity “networks” (principle/metric/threshold):** The current taxonomy principle and accompanying threshold envisages a “best-in-class approach”, with taxonomy eligibility only for the top 10% companies with regards to energy efficiency.
 - The precise design of the **“energy efficiency” metric has not yet been defined.**
 - **Networks are inherently very difficult (or impossible) to compare on a 1:1 basis**
 - Energy efficiency metrics **highly depend on the specific technology deployed** (mobile vs. fixed networks) and the mix of mobile vs. fixed network in a respective company, resulting in highly complex and non-comparable calculations.
 - The technology deployment and its mix, again depend on **various national, historical technological and regulatory conditions and requirements** (i.e. requirement to put extra back-up power generation on certain sites, incumbent legacy networks, rural coverage obligations, ...)
 - Many energy efficient companies – even if slightly below any given 10% efficiency – would drop out of sustainable investment focus, thus **withholding rewards for climate-friendly business conduct.**
 - There is no **evaluation scheme** which would enable independent assessment what constitutes the top 10% according to the proposed criteria.
 - A relative benchmarking threshold may impede incentives for our industry to jointly strive for more energy efficiency, whereas suitable incentives for climate-friendly sector initiatives could contribute to significant carbon emission reductions.
- It is still unclear which **business scope** shall be taken into consideration. How is eligibility of certain types of operations (core business vs. projects) assets (physical and financial) and expenditure (capital and operating expenditure) defined?
- With regards to **“greening by”**, **there is a lack of definition of activities** which may count as taxonomy eligible. Green Digitalisation should be supported most prominently by financing “greening by” activities.

The **resulting adverse effects for ETNO members would be as follows:**

- 1) Unclear perspective for taxonomy-aligned sustainable investment and lack of internal incentive to extend taxonomy-aligned business activities.
- 2) Unclear metrics and thus uncertainty about market acceptance results in a lack of incentive for extended use of green financial instruments and lead to **hesitation in new financial instruments** set up linked to EU taxonomy criteria (i.e. Green Bonds).
- 3) Clear criteria on what is compatible with the taxonomy would help improve transparency for investors, and it would result in a clear justification of the investment environmental benefit Lack and/or non-applicability of so-far defined metrics and thresholds leads to slow progress in the set-up of company-internal processes. It is paramount that the taxonomy’s effect is not superimposed or

¹⁰ “Do no significant harm” criteria

- thwarted by internal process costs for i.e. set-up and ongoing administration of tracking and reporting processes of taxonomy aligned OPEX, CAPEX and revenue.
- 4) Due to the current shortcomings of the taxonomy and the lack of definitions of eligible green activities, it is likely that telecommunications will issue green bonds with reference to the ICMA Green Bond Principles instead of the Green Bond Standard.
 - 5) Disabled transparent comparison between the performance of telecommunications, e.g. in terms of the energy efficiency of networks.
 - 6) Consequently, a great risk is impeded transparency for external stakeholders.

Chapter 3 Looking ahead - our proposals & engagement offer

The published FAQ¹¹ about the EU Taxonomy and the EU Green Bond Standards include an invitation for **companies to share their reporting know-how**. Thus, while EU taxonomy's criteria are being readjusted and further developed building upon the TEG's final report, **we are eager to share our specific and deep experience and expertise and we would appreciate to actively participate in the ongoing process, to further elaborate on our following proposals**.

3.1. Bridging the investment gap

As elaborated above, digitalisation enables economic and environmental efficiency.

To bridge the investment gap and accelerate the deployment process, **digital infrastructure and ICT solution should be one of the priority areas for increased investment**. A proper taxonomy framework should facilitate **sustainable investment** by leveraging stimulus policies with a view to also invest in connectivity infrastructure, i.e. benefits in public sector tenders. Further positive incentives could be tax benefits, fee reductions, preferential regulatory treatment, and benefits for procurement of environmentally efficient ICT solutions.

3.2. Frameworks, standards and KPI

General requirements

- ETNO members are **familiar with common reporting frameworks, standards and rating schemes, and welcome the EU's aspiration for enhanced transparency based on properly defined concepts and terms**.
- Clear criteria on what is compatible with the taxonomy can **provide transparency for investors**, so that the justification for the environmental benefit of an investment is clear.
- Follow the logic of Non-Financial Reporting Directive (NFRD) to avoid a comprehensive mandatory KPI list. Rather **to set broad categories and let the company to report on material aspects and KPI strategically relevant** for the individual company.
- **Build on and align with established reporting frameworks and standards as referred to in the NFRD**, to facilitate comparison, avoid unnecessary reporting and possible reporting inconsistencies.
- For necessary amendments, continuous development and future-proof adaption of taxonomy criteria so-far stipulated in the TEG's final reporting, **we propose the development of continuous and effective feedback process including roundtables and continuous dialogue between various actors**.

¹¹ https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200610-sustainable-finance-teg-taxonomy-green-bond-standard-faq_en.pdf

Amendments will be necessary if drafted metrics are not considered effective and/or incentive-compatible with respect to their intended purpose to channel investment towards green financial instruments.

“Greening of” – our own business

For further contribution to climate change mitigation we support energy/carbon efficiency as the key metric.

However, in our view, the current taxonomy’s **benchmarking approach may set counteracting incentives** and hinder joint industry action on climate change for all sizes of enterprises.

It is important to note that the **starting point of each telecommunication network in Europe is different**: types of network (fixed, mobile), legacy configuration, country **and factors which impact the energy use of the network strongly differ** (climate, regulation, generation mix). This diversity needs to be taken into account in an effective and proportionate taxonomy.

A fixed KPI value or benchmark level that assumes that one-size-fits-all does not appear as suitable threshold. The required flexible KPI that provide strong incentives for all to innovate should rather refer to the **significant improvement of a relevant KPI compared to a previous situation (baseline)**. The **improvement level of a certain activity measured by this KPI** (i.e. >15% for energy intensity) can serve as **a threshold for taxonomy eligibility**. In this way, the metric can then serve as a “cut-off point” for financing those activities which can lead to a significant energy/emissions reduction.

Depending on the activity, **the following KPIs** may apply

- Total energy consumption in kWh or equivalent unit
- Power consumption per customer or subscriber in kWh or equivalent unit
- Mobile Network data Energy Efficiency (transmitted data volume / energy consumption) in Terabyte/kWh or equivalent unit
- GHG emissions (tCO₂e) scopes 1+2
- Carbon intensity: tCO₂/PB or tCO₂/subscriber

Alternatively, a **common “entry” threshold for taxonomy eligibility**, could be the **alignment with an established global standard for a company’s overall performance in climate action**, like i.e. with SBT commitment or SBT targets set for scope 1+2 emissions (i.e. “Guidance for ICT companies setting SBTs” by GMSA, GeSI, ITU and SBTi in which they calculate what the ICT sector must achieve to align with a 1.5°C trajectory as per the Paris Climate Agreement).

Significant energy consumption and emissions reduction of the networks can be attained through the following measures, many of them considered as Best Environmental Practices in the Telecommunications and ICT services sector (BEMPs) by the JRC ¹². These activities **should be considered** as taxonomy eligible:

¹² <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/best-environmental-management-practice-telecommunications-and-ict-services-sector>

- a) **Gradually improved efficiency of deployed infrastructure:** activities that gradually increase energy efficiency of mobile and fixed networks, without moving to new network generations such as FTTH and 5G roll-out (see next bullet). This also includes projects that improve energy efficiency of data centres. Measure encompass e.g. deployment of more efficient hardware and energy saving software.
- b) **Deploying entirely new infrastructure generations:** activities that enhance efficiency of networks and data centres through new deployments i.e. substitute copper by fibre optic networks, which facilitates switch-off of legacy networks.
- c) **Investments in renewable energy,** both in terms of self-generation and power-purchase agreements which contribute to boosting of the renewable energy supply and the transition towards a zero-carbon energy mix.
- d) Promote **Network Sharing Agreements** to foster the deployment of more efficient telecommunications infrastructure.
- e) Make sure to **consider all aspects of resource-efficiency** in our businesses, also beyond direct climate impact, when taxonomy targets #3-#6 are defined in detail (i.e. virtualization of data centres as well as circularity aspects like environmentally responsible sourcing, product reuse, increase of post-consumer material, responsible treatment of e-waste,...)
- f) Consideration of more ICT-relevant criteria, to **generally strengthen objective #4 on the transition to a circular economy.** This should build on existing, well-established and approved criteria and frameworks, i.e. covered by GRI or main ESG ratings.
- g) Even if a broader set of industry-specific criteria for energy/carbon efficiency will be used, **intra-industry benchmarks and resulting investment decisions remain a complex undertaking.** In addition to consideration of quantitative percentages of taxonomy-aligned Revenue/OPEX/CAPEX, **careful consideration of respective national, historic and sector-specific conditions must be ensured by specialized staff within investment companies** in order to allow a true comparison between different investment objects.

“Greening by” – enabling our customers:

The telecommunications industry’s **greatest positive environmental impact lies in its potential to enable other sectors** of the economy to reduce their own emissions. Thus, eligible and **“enabling” business activities should explicitly be included in the taxonomy.**

These **digital solutions inter alia include Internet of Things (IoT) technologies, Big Data, Cloud and Artificial Intelligence (AI).** They are expected to support energy efficiency innovations in a range of industrial and societal applications: i.e. innovation investments into smart metering, smart lighting, smart traffic, smart parking and other aspects of smart cities, along with supportive technologies for smart agriculture and smart logistics.

When taxonomy targets #3-#6 are going to be defined in detail, more **aspects of resource-efficiency for our customers should be considered** (i.e. **material avoidance** by virtualization/cloud and sharing services as well as **circularity aspects** like IoT based predictive maintenance, smart city waste solutions,...)

Similar to the choice of KPI suggested in the **“greening of”-section, the improvement level of a given KPI** (i.e. >15% for energy efficiency) compared to a previous situation (baseline - before the eligible project was implemented) can serve as a **threshold for taxonomy eligibility and thus serve as a “cut-off point”** for financing development of specific digital customer products solutions.

Depending on the customer product/solution, **the following KPIs** may apply:

- Energy consumption in kWh or equivalent unit
- Energy consumption per unit of product/solution
- Carbon emissions (tCO₂e)
- Carbon intensity: tCO₂e per unit of product/solution

Suggestions for “Do no significant harm (DNSH)”

The **main environmental impacts** that can result from the deployment and operation of telecommunications are very much related to energy consumption and carbon emissions. The additional environmental objectives that potentially generate most concern, are those related to the **transition to waste prevention and circular economy** (objective #4) i.e. due to the potential waste that can be generated in the process of transforming the networks. Also, possible influence on taxonomy objectives pollution (#5) as well as biodiversity (#6) should be considered.

These **challenges can be addressed if appropriate measures are in place** in accordance with selected established environmental standards, i.e. existing EU reference documents¹³. They provide us with indications on **how to reduce any environmental damage and thus recommend themselves as DNSH relevant**. Some of these standards are already covered in the DNSH criteria for data centre activities (i.e. EU Ecodesign directive, EU F-Gas regulation,...), other established standards should be discussed further with regards to applicability as DNSH criteria (i.e. ISO,..)

3.3. Companies’ implementation & reporting

- Although ETNO members have a long-standing experience with common reporting frameworks and welcome the EU’s aspiration for enhanced transparency, they will face **significant costs and efforts for implementing a new set of KPIs** to align with the new green taxonomy and related **administrative and management efforts** for tracking and reporting. The **Budget and time used for reporting must not overlay efforts towards implementation of sustainability measures**.
- Develop **non-binding suggestions for presentation of taxonomy alignment**, i.e. how they can be (graphically) integrated in the companies’ non-financial statements.
- Many ETNO member companies have operations outside the EU member states. Thus, taxonomy eligibility and consequent **reporting of the share of taxonomy-aligned revenue/OPEX/CAPEX for these companies needs to be done in consideration of the company’s global scope**. Specifically, for **Green Bonds**, it is crucial ensuring level playing field and making sure that those companies domiciled outside EU are faced with related requirements in case they want to operate in EU area.

3.4. Coherence of regulatory action and stakeholder dialogue

- Currently, several of the EU’s regulatory initiatives are closely linked to issues also relevant for green finance. **Streamlining of used concepts, definitions** (i.e. defining energy-efficient infrastructure) and **mechanisms as well as timing of the related implementation processes** of these initiatives is of paramount importance for overall success. Together with **strong collaboration between the relevant**

¹³ i.e. [BAT \(Best Available Techniques\) reference document for waste treatment issued by the European Commission and the JRC \(Joint Research Center\) document on best practices for telecommunications networks](#)

Commission services as well as wide stakeholder engagement, for example within the scope of the New Platform on Sustainable Finance. Legislative inconsistencies could instead lead taxonomy-related eligible company to avoid undertaking any action and therefore resulting in fewer green investments.

- We also **encourage alignment and coordination with new and innovative frameworks and initiatives**, such as the development of green accounting concepts by the **Value Balancing Alliance** and extension of the **EU Ecolabel** to investment products.
- Beyond sustainable finance, ETNO members believe that the primary way for the EU to incentivize investment in efficient network rollout and upgrades remains **an investment-friendly regulatory environment beyond the taxonomy**, including a pro-investment approach to radio spectrum policies and on-going spectrum auctions, support of network sharing, reducing costs of network deployment, green public procurement, and others.

Conclusion

ETNO members are highly motivated to contribute for making the EU Green Deal a reality and building on a taxonomy framework for incentive-proof sustainable investment.

To support these objectives, we have applied for a permanent seat in the new Platform on Sustainable Finance and are committed to share our experience and expertise in this new committee as well as in other established and future engagement formats.

The EU taxonomy is an opportunity to re-balance investment in the markets, especially in the technology market. We see an opportunity to use European values and scientific work to set standards that make the difference by shaping a sustainable future.

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