

# **European Commission's public consultation on EU climate ambition for 2030 and for the design of certain climate and energy policies of the European Green Deal**

## **ETNO Position Paper**

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## The European Telecoms Industry and the EU Green Deal

The European Telecommunication Network Operators' Association (ETNO) welcomes the content and the ambition of the European Commission's strategy to advance the European Green Deal, which has the potential to make Europe the global leader in the fight against climate change.

With the aim to make Europe the world's first climate neutral continent by 2050, we believe that the Green Deal can really make a difference in terms of tackling global warming, empowering a greener economic model and, ultimately, building a smarter and more sustainable society.

The Green Deal is closely linked to the European Commission's broader Strategy "[Shaping Europe's digital future](#)", as it addresses the twin challenge of the green transition and the digital transformation by recognising their complementarity. **Digital technologies are a critical pre-requisite for achieving the EU Green Deal's sustainability goals across different sectors of the economy and society.**

In the past months, existing socio-economic issues have been laid bare by the COVID-19 crisis. In our view, this means that the Green Deal, today, is to be taken as an opportunity for designing a Green Recovery and integrating appropriate sustainability objectives into Europe's plans to revive the European Economy.

By triggering innovation and investment in future areas of growth, Europe can emerge from the crisis stronger than before. In this respect, ICT solutions play a crucial role as they can decouple economic growth from growth in CO2 emissions. The GeSi global #SMARTer2030<sup>1</sup> study shows that every 5% increase in access to digital technologies, humanity can reduce CO2 by 1.6%. This is the equivalent of shutting off 450 coal plants<sup>2</sup>.

We support the overall approach by the European Commission and we encourage policymakers to:

1. **Build on the sector's broad variety of established good practices and expertise** in the areas of sustainability, by ensuring that future solutions make the most of market innovation, are effective and are based on a pragmatic and balanced approach;
2. **Support the sectors' ability to further advance towards carbon neutrality and material efficiency**, including by ensuring a comprehensive approach that reflects the responsibilities of all ICT players;
3. **Establish an innovation and investment friendly framework that boosts the enabling potential of telecom infrastructure and services**, by accelerating digitalisation of the European economy and society, which in turn will make them both greener and smarter.

We believe that the current public consultation, aimed at assessing how to increase EU's 2030 target for greenhouse gas emission reductions, constitutes a major building block in the crafting Europe's future Climate policy.

Therefore, ETNO has decided to take this opportunity to share its broader views with this Policy Paper, which is aimed at contributing to an effective and balanced policy proposal.

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<sup>1</sup> <https://smarter2030.gesi.org/>

<sup>2</sup> GeSi's Digital Access Index <https://digitalaccessindex-sdg.gesi.org/deep-dives/>

## Chapter 1: Our Commitment, Our Enabling Potential

The members of ETNO are Europe’s leading telecom operators and they have a long-standing commitment on all key sustainability issues. Most of them have already established practices in pursuing the same objectives as those outlined in the European Commission’s Green Deal.

Practices by telecom operators are based on both own sustainability charters and on embracing global frameworks such as the UN’s Sustainable Development Goals (SDGs) and the UN’s Global Compact. This comes in addition to industry platforms and associations, such as the Global eSustainability Initiative. The existing practices cover a broad range of topics, such as energy efficiency and materiality analysis, green finance, ethical management of the supply chain, sustainable corporate governance, privacy, and transparency.

In light of this, we believe that new policies in this area should build on the variety of good practices and on the existing experience in the sector. This has the potential to dramatically increase the effectiveness of the new, ambitious EU policies, which can be “plugged” into existing market realities and start producing results faster and more efficiently.

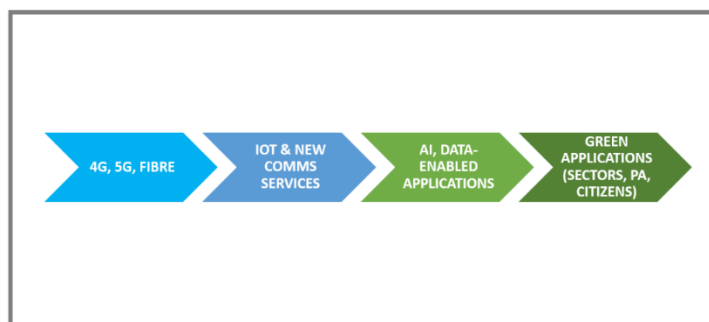
### 1.1 – World class connectivity and innovative digital services are enablers of energy efficiency and efficient use of resources

As recognised in several European Commission policies, including the latest Digital Strategy<sup>3</sup>, high-quality telecom networks and services are the basis for digitalisation, and they are a catalyst for reaching ambitious climate targets.

A digitally enabled green value-chain flows as follows: strong convergent fixed and mobile networks are the pre-requisite for turning current telecom networks into an intelligent platform. IoT and new communications services (e.g. edge computing) are enabled by softwerised and virtualised telecom networks. This allows a wealth of trustworthy AI and data-enabled applications, which in turn enable green applications across sectors: a full uptake of digital technologies that will boost socio-economic transformation by reducing the carbon footprint of Europe’s socio-economic activities.

The concept of a digitally-enabled value-chain is a powerful way to display the enabling potential of ICT: **only through massive uptake of digital infrastructure and digital services can Europe reap the environmental and socio-economic benefit offered by new technologies.** Manufacturing, healthcare, public administration, transports, and many other sectors have the opportunity to become more productive, more modern and more service-oriented, while dramatically reducing their carbon footprint.

Figure 1 | Digitally-enabled value chains for a green economy



Without strong networks, digital solutions will not be able to deliver the expected strong positive impact on Europe’s energy and material efficiency.

The current global COVID-19 crisis once more shed light on the importance of strong and reliable connectivity among societal and

<sup>3</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/shaping-europe-digital-future\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/shaping-europe-digital-future_en)

business communities. The COVID-19 crisis showed that telecom networks witnessed an increase in internet traffic, as entire societies moved to remote working: according to BEREC, ISPs have coped extremely well with the increase in internet traffic and they avoided networks congestions<sup>4</sup>.

The Commission's proposal for a recovery from the ongoing crisis by investing in more and better connectivity, it is recognized as the first element for digital recovery.

The European Union and the community of European telecom operators still share a common objective: ensure telecom companies to roll-out new infrastructures, including a timely deployment of 5G and of fibre upgrade.

In this context, it is important to consider that the European telecommunication operators have paid over 150 billion euros for spectrum usage between 2000 and 2017<sup>5</sup>. However, telecom companies across Europe are still required to deploy a significant investment effort if we are to include all Europeans in the so called "Gigabit Society". Once built, 5G and fibre networks will have cost Europe around €500bn.

This means that **the digital needs linked to the Green Deal are not independent from Europe's digital policy and regulation.**

On the one hand, it is therefore important that all the necessary elements of Europe's telecom policy are streamlined to support the telecom sector and accelerate roll-out of 5G and fibre networks. This includes supporting the transition from legacy to new networks, including through a pro-investment approach to radio spectrum policies and to the on-going spectrum auctions.

On the other hand, it is also fundamental that the Green Deal pushes digitalisation across sectors of society. This can create a virtuous cycle: demand-side policies for digitalization in the Green Deal will not only significantly contribute to the modernisation of Europe's industrial sectors, but also boost demand (and the business case) for new 5G and fibre networks.

In this context, we strongly vouch for the development of **aspirational policy targets for the digitalisation of traditional sectors**: from public administration to transports, from energy to education and manufacturing, a full uptake of digital technologies will boost socio-economic transformation by reducing the carbon footprint of Europe's industrial sector.

## 1.2 – Telcos as promoters of the circular economy

For many years, ETNO members have taken measures to increase circularity in their business. This includes measures such as selecting suppliers and products in compliance with environmental sustainability criteria, periodically checking along the entire life cycle, recycling and refurbish devices, use labelling to enable customers' informed choice in favour of sustainable products and services, and reducing their own waste.

The Green Deal's approach to promoting circularity in the telecom sector should **build on existing good practices** and also consider the ICT value chain as a whole.

While in some areas a regulatory approach might be necessary, we believe that promoting competition of ideas, innovation and leaving room for voluntary measures is just as important. The telecom sector's experience shows that voluntary efforts have been among the most effective ways to drive sustainability efforts. For example, many ETNO companies played a key role in driving the market towards greater transparency by committing to environmental reporting that was more stringent than the mandatory requirements.

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<sup>4</sup> Available here [https://berec.europa.eu/eng/document\\_register/subject\\_matter/berec/reports/](https://berec.europa.eu/eng/document_register/subject_matter/berec/reports/)  
<sup>5</sup> [https://etno.eu/downloads/news/etno\\_digitallyenabledrecovery\\_policynote.pdf](https://etno.eu/downloads/news/etno_digitallyenabledrecovery_policynote.pdf)

This said, effective voluntary circular economy measures are usually limited to intra-sectoral issues, rather than those requiring several sectors to take a collective action. In areas where individual companies are highly dependent on the contribution of other market players, e.g. upstream or downstream value chains, **clear rules and obligations appear necessary**. This applies to several of the proposed measures proposed in the scope of the Circular Economy Action Plan, such as for example the Circular Electronics Initiative.

Accordingly, in these areas where interdependency is high and thus binding rules are required, decision-makers should refrain from introducing consumer law that only addresses the trader. Balanced and more effective solutions need to target the actual source of the problem (e.g. addressing the producer concerning eco-design requirements) in the first place. Alternatively, the trader should at least be allowed to enforce specific rights vis-a-vis the suppliers and producers and to easily detect the degree of sustainability of the provider. This applies to e.g. enhanced transparency requirements regarding the characteristics of products and services (e.g. required specific sustainability certifications, Eco standard definitions of the product).

Taking into account the global manufacturing of e.g. electronic products, the EU should also **address its green ambition at the level of international trade negotiations**. This does not only help European companies to comply with new obligation but it also allows to export EU's green ambitions globally.

## Chapter 2: Our Footprint, Our Work To Minimise Impact

### 2.1 – Energy efficiency, Connectivity and the Internet

There are two crucial aspects to the history of energy efficiency in the telecoms sector. On the one hand, we have demand-driven energy consumption: mostly traffic generated by users of the networks. This is the main driver of energy consumption. On the other hand, we have supply-driven energy consumption: this is related to the efficiency of the networks themselves. The two aspects are of course interdependent.

To start with, it is important to identify the main driver of energy consumption in electronic networks: the **volume of conveyed traffic**. Such volume results from telecom customers using services provided over the internet, mostly by third parties. This drives both consumption of energy and demand of telecom services, driven by third-party applications.

Different studies draw different conclusions on the current level of networks energy consumption and, at times, they depict different scenarios for future energy consumption<sup>6</sup>. Despite inconsistencies, there is agreement that traffic increases and most traffic volume results from the consumption of streaming services.

Telecom companies are so called “mere conduits” of the traffic, with very little ability to directly reduce the traffic volume resulting from third parties’ service usage. This limitation is due to both practical and legal constraints (e.g. Open Internet Regulation). As such, any attempt to effectively reduce traffic volumes in networks – and the resulting energy consumption – needs to be designed by looking also at the broader value chain, considering services provided over the internet as well as consumers’ internet consumption habits.

Alone, network operators have an overall limited room of manoeuvre in reducing networks energy consumption. **Operators’ own technical means can reduce operational carbon emissions only to some extent**. ETNO’s members have taken decisive action, over the years, to cut their carbon

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<sup>6</sup> E.g. <https://www.ericsson.com/en/mobility-report>

emissions and energy consumption, while ensuring the continuous development of new-generation networks. This resulted in an increase in energy efficiency, which allowed the total energy consumption to remain stable<sup>7</sup>, despite the sharp increase in traffic volume.

For example, *Deutsche Telekom* has developed a KPI called “energy intensity”, which describes the relation between energy consumption in kWh and data volume in Terabytes<sup>8</sup>. As indicated in the latest company’s CSR report, the indicator improved significantly over the past years.

The traffic is expected to further increase in the future, and so is the efficiency of our networks, which can compensate at least for some of the traffic increase. In this context, it is important to look at recent history: 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%.

Although ETNO members overall share of EU’s emission is relatively low compared to other industries, more is being planned to contribute to climate targets.

## 2.2 – Specific measures to improve energy efficiency of telecom infrastructure and operations

Energy efficiency of networks and related equipment is both an issue of corporate responsibility and a material issue for the telecoms sector. Energy consumption has an impact on Operating Expenditure, which is a key indicator of our companies’ financial performance.

In this context, telecom companies have worked and are working on improving energy efficiency in several ways. These include:

- The **deployment of new mobile high-speed networks and particularly 5G technology**, which is designed not only to increase network performance, but also to deliver increased energy efficiency.  
This comes both from 5G technology’s higher operational efficiency and architecture that makes sharing of infrastructures more important to reduce costs, while ensuring retail competition and a fair return for those that have invested in physical network infrastructure (fibre backhaul).  
This is yet another strong argument for linking Green policies to Digital policies and ensuring that regulators foster the roll out of energy efficient networks by favouring network sharing agreements. Voluntary network sharing agreements offer significant opportunities to reduce costs, they allow for a more efficient network deployment and they also improve coverage and quality. Policy and regulatory support for network sharing agreements appears therefore relevant also from the sustainability viewpoint, while also helping to accelerate network deployment investment.
- The **deployment of fibre networks**, which are also expected to deliver increased efficiency in terms of energy consumption<sup>9</sup>.  
Comparisons between different network technologies must also take into account that networks’ efficiencies greatly depend on individual factors such as the specific hardware and software, as well as the network’s topology

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<sup>7</sup> ETNO’s The State of Digital Communications 2020. Downloadable [here](#)

<sup>8</sup> <https://www.cr-report.telekom.com/site20/management-facts/environment/energy-consumption-efficiency#atn-16759-1676>

<sup>9</sup> <https://smarter2030.gesi.org/>

- Not only the deployment of new network technologies improves the energy efficiency. ETNO members are additionally **improving the operations of existing mobile and fixed networks**, resulting in a reduction of energy consumption. Telecom operators are also increasingly using big data and AI applications to optimize system performance to make networks as sustainable and cost-efficient as possible. The data transmitted by smart meters is used for the targeted implementation of energy efficiency solutions, such as the application of standby mode to limit energy consumption when traffic is slowed down.
- ETNO members are also constantly **improving the energy efficiency of data centres**, which are primarily used as part of their network infrastructure as well as for cloud services.

*For example, between 2008 and 2019, T-Systems (Deutsche Telekom's subsidiary) experienced an improvement of the data centres average global PUE factor from 1.85 to 1.64 between 2011 and 2019.*

*Moreover, TIM's energy efficiency measures have led to savings of 128 GWh over the last three years and new ones are being introduced (e.g. application of machine learning algorithms; self-consumption) that are expected to cause savings for 25,9 GWh/year (12.517,5 t CO<sub>2</sub>/year)<sup>10</sup>.*

An important share of the energy is used to cool down data centres. Through innovative solutions such as the 'free cooling' technology, relying on the ambient air, or the "liquid cooling", the telecom sector has significantly improved the temperature management of data centres.

*In 2010, Telefónica developed an Energy Efficiency Plan with the aim to optimise the networks power consumption. Since then, 863 projects were implemented, also thanks to the Global Energy Centre created in 2015 to accelerate efficiency. These energy efficiency projects are mainly related to network transformation, power saving features, cooling, and lighting. In 10 years, estimates show that Telefónica saved more than 1,258 GWh and avoided 401,891 tCO<sub>2</sub> eq emissions<sup>11</sup>.*

*Orange has already built two eco-efficient data centres in the past years. In particular, the newly set up Normandy data centre is the biggest in France to use free cooling technology<sup>12</sup>.*

*TIM has launched The Data Centre Transformation project, a process of compaction across 16 data centres and service centres, with a view to improving energy efficiency across this entire area of operation. Thanks to a plant checking process that includes adaptive systems (machine learning), these measures will achieve a saving of 22% of the baseline consumption expected for 2020.*

To sum up, ETNO members are committed to constantly improve efficiency of their data centres and show they are taking significant action.

<sup>10</sup> <https://www.telecomitalia.com/content/dam/gt/sostenibilita/doc---bilanci/NFS-TIM-2019.pdf>

<sup>11</sup> <https://www.telefonica.com/en/web/responsible-business/report-2019>

<sup>12</sup> <https://www.orange.com/sirius/datacenter/indexen.html>



In this context, we believe that future reduction targets should be mindful of the ongoing business-driven efforts in our sector and, at the same time, be coherent with other key strategic objectives from the European Commission, such as creating European leadership in Cloud Services.

#### **IN DEPTH | Emissions of network operators and electricity consumption**

An increasing number of connected devices is the main driver of networks' energy use and of the associated greenhouse gas emissions. Based on data collected from an internal survey within ETNO, experts from Telia Company and Ericsson examined the operational electricity consumption and carbon emissions of telecom operators, covering the period 2015 – 2018<sup>13</sup>.

For the reporting operators (13 European telecom operators representing operations in 20 EU countries, including the European Economic Area and Switzerland) the average operational electricity consumption, including on-site generation, increased slightly from 24 to 25 kWh per subscription between 2015 and 2018. For the operational greenhouse gas emissions, emissions per subscription decreased from 9 kg to 5 kg CO<sub>2</sub>e, to a large extent the result of the large share of renewable electricity used by the reporting operators.

In 2018, ICT networks consumed less than 0,1% of the Global total electricity grid supply and contributed to 0,003% of all carbon emissions (about 55 Gtonnes) of the global carbon emissions related to energy. Between 2015 and 2018 the electricity consumption for the reporting telecom operators grew by 1% to be compared to the 3% decrease in total number of subscriptions during the same period.

### **Chapter 3: Telecoms Switching To Renewables and carbon offset strategies**

ETNO members significantly increased the **share of energy produced from renewables**, as outlined in previous chapters. This reflects positively on the green performance of the sector, which in 2019 reduced its overall emissions by 8.5% with respect to the previous year<sup>14</sup>.

These measures to reduce the carbon footprint are particularly relevant to midterm climate targets. Already today, there are several telecom operators that source 100% of their energy from renewables, self-developing plans for renewable sources, or testing new sources for self-production at high-consumption sites.

For example, *Telefonica's* operations in Europe (Spain, UK and Germany) already consume 100% RE. This is possible mainly by guarantees of origin as well as other upcoming options such as power purchase agreements (PPAs) and self-generation.

*TIM* is going to build new photovoltaic plants, with an installed power of around 10 MWp, and with expected energy production levels of 3 GWh in 2020 and around 13 GWh/year at full capacity. For every 10 GWh of solar energy produced, a saving of 1M€ is estimated.

While improvements of energy efficiency are crucial and will be further pursued, **an ambitious target to achieve climate neutrality by 2030 would only be achievable in combination with compensation mechanisms**. An obligation for some sectors or services to reach climate neutrality in 2030 would go beyond both the Intergovernmental Panel on Climate Change (IPCC) recommendations and the Paris Agreement. While we **support a more ambitious emission reduction target by 2030, this needs to be proportionate and consistent with the current 2050 climate neutrality goal**.

<sup>13</sup> Anticipation of the main findings of the study, to be released in 2020 on the ETNO website

<sup>14</sup> ETNO's The State of Digital Communications 2020. Downloadable [here](#)



Proportionality is particularly required with regard to Scope 3 emissions. ETNO members' emissions produced upstream and downstream the value chain are significant, however, members have very little influence on them. Nevertheless, different measures like supplier development and consumer education have been undertaken by telecom operators. It would therefore be inappropriate to demand from telecom operators for compensation measures to also cover these emissions. More effective and proportionate would be to address the upstream and downstream value chain, acknowledging the joint nature of the responsibility.

## Chapter 4: New Green Taxonomy and Funding For Green Investment

We welcome the European Commission's focus on providing sufficient **financial means required to reach** the Green Deal's objective, estimated by approximately €260 billion a year by 2030<sup>15</sup>. This amount should be reassessed by taking into account the "Next Generation EU" recovery plan<sup>16</sup>, which includes green transition initiatives and the various financial instruments to prioritise green investments.

In light of the COVID-19 crisis, it is relevant to combine such green ambitions and the need to support the European economy. As discussed above, digitalisation serves both targets: enabling the efficiency in economic terms as well as making substantive progress on sustainability.

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**. We therefore recommend leveraging stimulus policies with a view to also invest in connectivity infrastructure, which can in turn generate a long-term multiplier effect and accelerate the achievement of climate change targets.

Any discussion on the scope of the Green Deal requires clear terms and definitions. To ensure that these are properly defined, all relevant stakeholders should have the opportunity to share their unique viewpoint. The decision-makers consultation process needs to be inclusive and transparent. An adequate proceed should be ensured for the **Green Taxonomy** development, which is of crucial importance for all areas of the Green Deal.

We would suggest that the telecoms industry is consulted in further developing any ICT-relevant criteria for the EU Taxonomy (especially as regards: Objective #1 "Climate Change Mitigation", Objective #2 "Climate Change adaptation" and Objective #4 "Transition to a circular economy").

A proper taxonomy framework should facilitate **sustainable investment** by making the following investments eligible for funding:

- **Energy efficiency projects** within mobile/fixed networks through network infrastructure innovations, improved hardware and energy saving software, including those related to data centres and, in particular, fibre roll-out.

A necessary clarification of how "energy efficiency of networks" will be fixed in the EU Taxonomy (Objective #1: Climate Change Mitigation) is extremely needed.

The current draft *10% target for "network energy efficiency"* in EU Taxonomy is hardly practicable, and it would also prevent companies from using innovative financial instrument such as the Green Bonds.

This is because it would not make sense to recognise only the top 10% most efficient installations of a sector when it comes to network energy efficiency. We believe that a benchmarking approach does not provide a reasonable incentive, taking also into account the

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<sup>15</sup> [https://ec.europa.eu/info/sites/info/files/european-green-deal-communication\\_en.pdf](https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf)

<sup>16</sup> <https://ec.europa.eu/info/sites/info/files/communication-europe-moment-repair-prepare-next-generation.pdf>

heterogeneity of the sector with the risk that at the end also very energy efficient companies would still drop out of the top 10%.

- **Network transformation projects**, such as network upgrades, 5G build-out and projects targeting the energy efficiency of the networks. Network transformation projects should also include fixed networks and be technology-neutral, so that higher efficiency can be achieved on both new and old technologies.

The same clarification mentioned above on how “energy efficiency of networks” will be fixed in the EU Taxonomy (Objective #1: Climate Change Mitigation) is applicable for such projects.

- **Investments in clean energy**, both in terms of self-generation and power-purchase agreements which contribute to boost of the renewable energy supply and the transition towards a zero-carbon energy mix.
- **Projects that aim to improve circularity**: enabling the possibility to reuse or recycle existing communication devices and taking care of the entire end-to-end process, with a look to the entire supply-chain.

Further development of ICT-relevant criteria in development EU Taxonomy (Objective #4: Transition to a circular economy) is necessary.

- **Dematerialization**: enhancing dematerialization together with business customers, for example by stimulating smarter working but also using ICT to improve the efficiency of services.

More precisely, further clarification is needed on the requirements of the EU Taxonomy (Climate Change Mitigation) requirements for Data -Driven Solutions: “*provision of data and analytics for decision making (by the public and private sector) enabling GHG emission reductions*”.

- **Waste reduction**: specific programmes together with business customers and private customers with the aim to reduce waste.

Given the enabling effects of such projects, it is crucial that the corresponding investments benefit from attractive green financing mechanisms.

Telecom companies are already making use of such green financing mechanisms. For example, *Telefónica* successfully issued its first green bond<sup>17</sup> (the first green bond in the telecommunications sector worldwide) in January 2019, for 1 billion euros and a term of 5 years. The hybrid 2020 Green Bond was issued in January this year, for an amount of 500 million euros and without expiry date. The bond had four times more subscriptions and includes the lowest hybrid coupon in *Telefónica*'s history. The funds obtained will be used to finance projects aimed at increasing the Company's energy efficiency through the process of transforming copper network into fibre optic and to promote self-generation of renewable energy. Therefore, it contributes to *Telefónica*'s decarbonisation strategy and its new targets, which are aligned with the greater ambition of limiting the global temperature rise to 1.5°C. Similar initiatives have been embraced also by other operators, such as *Telia Company*.

Lack of specific criteria in the EU taxonomy would prevent the sector from taking advantage of such financial instruments. For this reason, criteria should reflect the type of mitigation, adaptation, and the circular economy projects that can be activated by the ICT sector.

Furthermore, ensuring consistency between existing reporting frameworks (like GRI) and any additional reporting introduced by Green Deal, revision of the EU Non-Financial Reporting Directive (NFRD) or EU taxonomy should be consistent. In addition to more general criteria that apply to all

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<sup>17</sup> <https://www.telefonica.com/documents/1258915/0/Green+Bond/58d1d389-425f-a423-0c7b-b46d26a7359b>

sectors, ETNO would like to proactively be involved in the process and therefore consulted if new sector-specific indicators are to be developed.

## Chapter 5: Our Views On Process And Governance

Already today, ETNO's members are part of several transparency initiatives on their environmental performance and they regularly report progress with regards to carbon footprint, energy consumption, use of renewable energy, recycling and reuse of waste. At the same time, comparisons are still at times difficult, given the broad range of different reporting standards available globally.

ETNO's companies fully support **transparent disclosure of relevant and comparable environmental data** in the upcoming review of the non-financial reporting directive. This should build on existing best practices of CDP and TCFD recommendations.

This will be a milestone in countering Greenwashing and it will help get clarity an overall alignment on the requirements that should be fulfilled. As a sector that took leadership in transparency and reporting, we do support clarity in this field, as we believe it will hugely contribute to transparency and certainty.

### 5.1 Exchange with the relevant stakeholders

ETNO supports the Green Deal's objective to mainstream sustainability throughout various policy areas. We would like to encourage the European Commission to facilitate the interaction with the industry and increase the stakeholder engagement, in particular with sectors that have previously been less in focus of such policies, including telecom operators.

### 5.2 The right choice of policy instrument

As stated in the previous chapters, ETNO would like the European Commission to consider and assess the right mix of regulation and self-/ co-regulation. The latter instruments, self- or co-regulation, can be an equally or even more effective instrument to reach environmental goals more effectively, more efficiently and in a more innovative way. For example, the climate targets of some telecom operators are currently based on the Science Based Target Methodology. Such a Science Based targets in the ICT industry were developed through a cooperation between ITU, GeSI and the GSMA.

In addition, we support the introduction of positive incentives for the accomplishment of the obligations that may come from a new regulatory framework.

During the regulatory process, when regulators and policy makers consider the implementation of regulatory actions often the options seem, at first, to intervene through the application of negative incentives (complying with rules or standards with the risk of a fine if they are not met).

It would be relevant, especially in the current context of economic recession, to consider and introduce positive incentives for ICT-efficient technologies (tax benefits, fee reduction, regulatory treatment and competition in favour of network sharing agreements, advantages in public competitions procurement).

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