

# ESG Metrics for Mobile

Realising value for society through common industry KPIs



The GSMA, its members and stakeholders have developed a mobile industry reporting framework to align on environmental, social and governance (ESG) disclosures. This framework responds to the need for more effective approaches to measuring and communicating ESG performance for the mobile sector.

## The current state of ESG and why it's important

The 'Alphabet Soup' of ESG

There are approximately...



**600** global ESG reporting standards

contributing to the **fragmentation** of ESG disclosures and an increasing reporting burden on companies

**9/10**

of investors say that strong ESG performance now has a significant and direct impact on **analyst recommendations**<sup>1</sup>



Mobile operators recognise that by placing **greater focus** on their



**ESG** performance

they can build **stronger relationships** with stakeholders and create **financial value**.

**86%**

of managers say a focus on ESG has been critical to **building trust** with their stakeholders in uncertain times, and...



...**76%** say **addressing major global challenges**

such as climate change will be key to driving and protecting their company's **long-term value**<sup>2</sup>



<sup>1</sup> 'Sixth global institutional investor survey', EY, 2021  
<sup>2</sup> 'Long-Term Value and Corporate Governance Survey', EY, February 2022

## The GSMA-led ESG framework project brings together mobile network operators, their stakeholders and subject matter experts...

*to align an industry and create a powerful shift to make ESG more effective.*



In 2021, the GSMA created a working group of MNOs to build early consensus on how operators can best measure and demonstrate ESG value.



Together with partners from EY, Yale Center for Business and the Environment, investors, regulators, standard-setters, subject matter and ESG experts, they developed 10 core industry-specific and actionable KPIs, released in 2022.

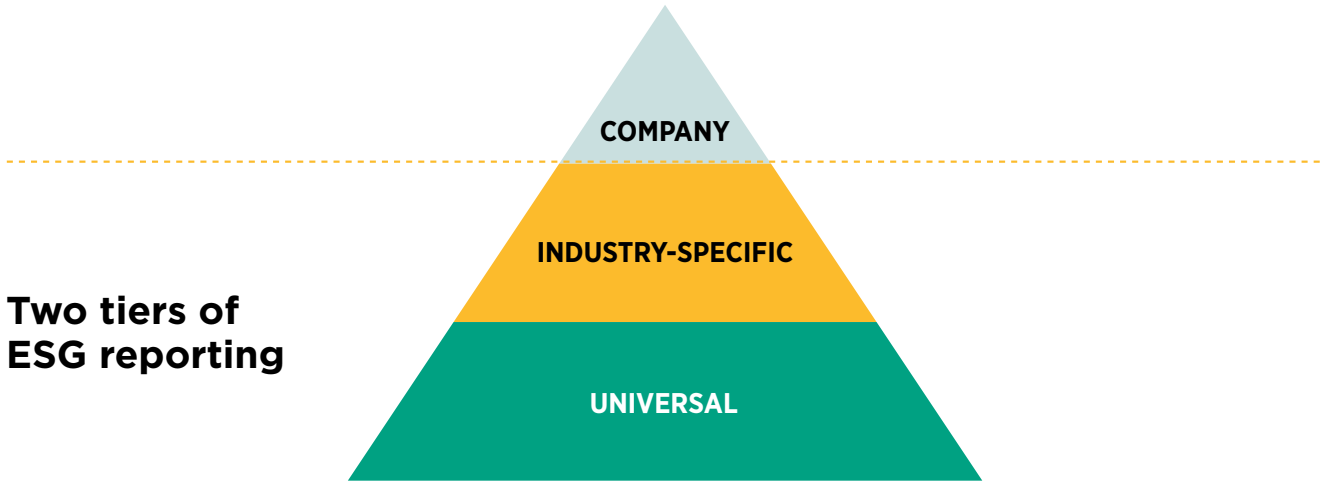
### The value:

- 1 To disclose what is truly material to the industry and demonstrate value through decision-useful and comparable metrics.
- 2 To create a more effective and meaningful ESG dialogue between companies and their stakeholders, building trust and transparency.
- 3 To inform internal decision-making and amplify impact across the industry.

### External stakeholders consulted in this process stated that:

The simple act of alignment within one industry on the same set of ESG reporting metrics and strategic KPIs has enormous potential value for investors





# The industry ESG framework



## Two tiers of ESG reporting

The World Economic Forum’s Stakeholder Capital Metrics cover many of the issues that are material to the mobile industry. The proposed set of 10 core KPIs are designed to complement these universal metrics and form the important, industry-specific layer of ESG reporting.

### Mobile industry KPIs

	 ENVIRONMENT	 DIGITAL INCLUSION	 DIGITAL INTEGRITY	 SUPPLY CHAIN
<b>INDUSTRY-SPECIFIC</b>	<b>Emissions</b>	<b>Network coverage</b>	<b>Data protection</b>	<b>Sustainable supply chain</b>
	<ul style="list-style-type: none"> <li>◆ Science-based targets</li> <li>» Scope 1, 2 and 3 emissions</li> </ul>	<ul style="list-style-type: none"> <li>» Population covered by mobile network</li> </ul>	<ul style="list-style-type: none"> <li>» Customer data incidents</li> </ul>	<ul style="list-style-type: none"> <li>◆ Sustainable procurement policy</li> <li>» Supplier assessments</li> </ul>
	<b>Energy</b>	<b>Affordability</b>	<b>Digital rights</b>	
	<ul style="list-style-type: none"> <li>» Energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>» Device and subscription affordability</li> </ul>	<ul style="list-style-type: none"> <li>◆ Digital rights policy</li> </ul>	
	<b>Waste reduction</b>	<b>Digital skills</b>	<b>Online safety</b>	
	<ul style="list-style-type: none"> <li>» Materials repaired/reused</li> <li>» Waste generated</li> <li>» Materials recycled</li> </ul>	<ul style="list-style-type: none"> <li>» Digital skills programmes</li> </ul>	<ul style="list-style-type: none"> <li>◆ Online safety measures</li> </ul>	<ul style="list-style-type: none"> <li>◆ Yes/no questions</li> <li>» KPIs</li> </ul>

### Stakeholder Capitalism Metrics Themes

	 PLANET	 PROSPERITY	 PRINCIPLES OF GOVERNANCE	 PEOPLE
<b>UNIVERSAL</b>	<ul style="list-style-type: none"> <li>• Climate change (GHG emissions and TCFD implementation)</li> <li>• Nature loss</li> <li>• Fresh water availability</li> </ul>	<ul style="list-style-type: none"> <li>• Employment and wealth generation</li> <li>• Innovation of better products and services</li> <li>• Community and social vitality</li> </ul>	<ul style="list-style-type: none"> <li>• Governing purpose</li> <li>• Quality of governing body</li> <li>• Stakeholder engagement</li> <li>• Ethical behaviour</li> <li>• Risk and opportunity oversight</li> </ul>	<ul style="list-style-type: none"> <li>• Dignity and equality</li> <li>• Health and well-being</li> <li>• Skills for the future</li> </ul>

## The Metrics

- The KPIs were developed according to selection criteria: **Meaningful, Decision-useful, Comparable, Feasible** and **Best indicator for the topic**.
- The industry metrics are intended to complement existing disclosures and provide an industry-specific layer on top of universal reporting, such as that of the World Economic Forum Stakeholder Capitalism Metrics framework.



**MEANINGFUL**



**DECISION-  
USEFUL**



**COMPARABLE**



**FEASIBLE**



**BEST INDICATOR  
FOR THE TOPIC**

### ESG Consultation

A full white paper is available. A public consultation period to collect responses to the proposed ESG Metrics for Mobile will be open for comment until 30 September 2022.

To provide feedback, please go to [www.gsma.com/betterfuture/esg](http://www.gsma.com/betterfuture/esg)

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