

# ESG Metrics for Mobile

Open consultation on the industry KPIs

Summary Report

October 2022



# The objective

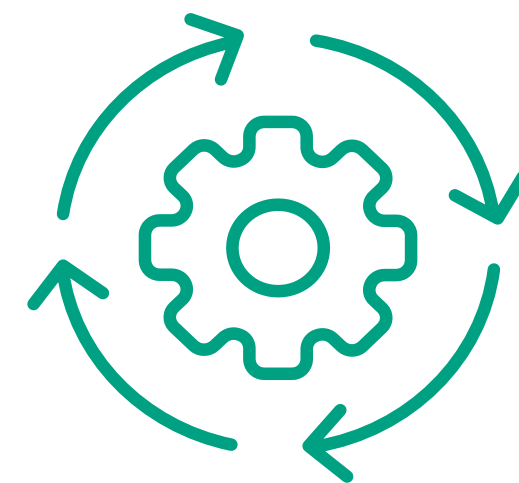
*Create industry alignment and respond to the need for more effective approaches to measuring and communicating ESG performance for the mobile sector*

## GSMA's ESG project

### What and with whom?



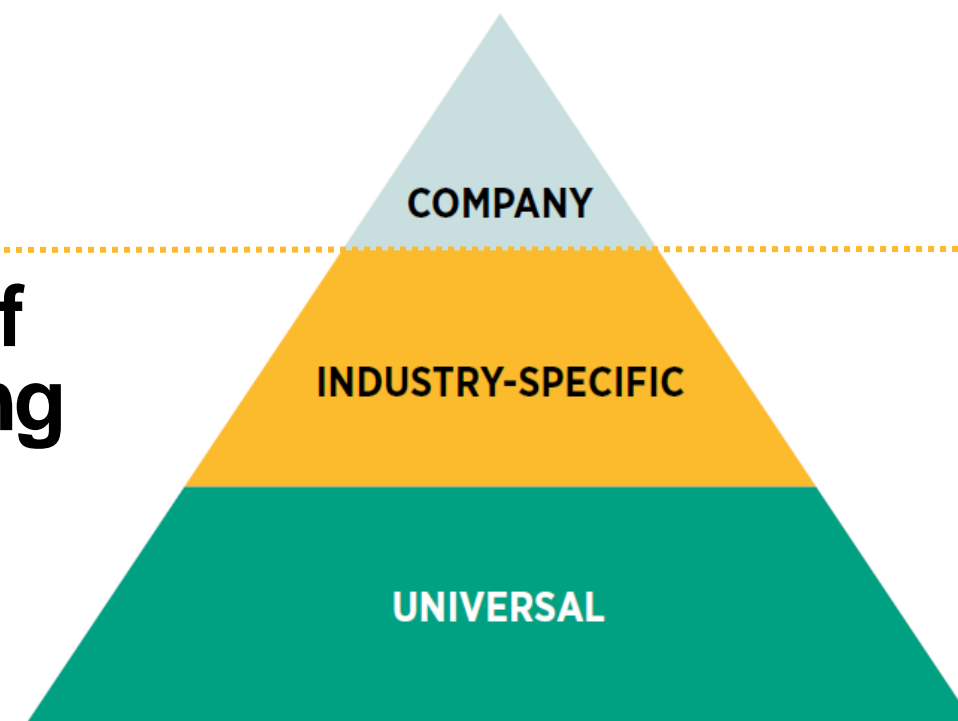
In **2021**, the GSMA created a working group of MNOs, representing **45%** of the world's mobile connections, to build early consensus on how operators can best measure and demonstrate ESG value.



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

# Metrics for Mobile: The industry ESG framework





## Three tiers of ESG reporting



*The KPIs were developed according to this selection criteria:*

-  **Meaningful**
-  **Decision-useful**
-  **Comparable**
-  **Feasible**
-  **Best indicator For the topic**

### Mobile industry KPIs

INDUSTRY-SPECIFIC	Mobile industry KPIs			
	 ENVIRONMENT	 DIGITAL INCLUSION	 DIGITAL INTEGRITY	 SUPPLY CHAIN
	<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>	
UNIVERSAL	<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>	

- » Yes/no questions
- » KPIs

### Stakeholder Capitalism Metric Themes

 <b>PLANET</b> <ul style="list-style-type: none"> <li>» Climate change (GHG emissions and TCFD implementations)</li> <li>» Nature loss</li> <li>» Fresh water availability</li> </ul>	 <b>PROSPERITY</b> <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>
 <b>PRINCIPLES OF GOVERNANCE</b> <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>	 <b>PEOPLE</b> <ul style="list-style-type: none"> <li>» Dignity and equality</li> <li>» Health and well-being</li> <li>» Skills for the future</li> </ul>

# Open Consultation

**Following the publication of the proposed KPIs, the GSMA sought feedback through an open consultation period which closed on 30 September 2022**

- We provided operators, other industry stakeholders and ESG subject matter experts with the opportunity to assess the KPIs and the reporting processes underpinning them, or to offer recommendations for further refinement.
- This will ensure that the KPI framework benefits from validation through a wide range of perspectives and is fit for purpose.



# General feedback

## Stakeholder feedback received

- Many stakeholders congratulated the GSMA and the wider Mobile Industry on the exercise to highlight the contribution of the sector to a more sustainable world. They also valued the approach of gathering representative KPIs, while referencing existing standards such as ITU, SASB or GRI.
- Overall, stakeholders agreed with the areas of focus and metrics identified. Some stakeholders recommended to align to different existing standards for certain metrics. Others called for further work to define clear KPI methodologies, including boundaries and definitions.

## GSMA response

- We welcome the positive feedback and will continue to work with all stakeholders to keep this work relevant for our members and their stakeholders.
- The GSMA is undertaking a pilot of the metrics, including workshops with members on each of the pillars. The outcome of this work will include the publication of further clarification of definitions and methodologies to the initial Whitepaper.

# Feedback on specific pillars

## Stakeholder feedback received

### Environment

- Stakeholders agree the metrics covered in this pillar are on the correct track.
- Emissions and waste – some respondents considered “per GB of data” may not be useful, however opinions on what denominator could be used varied to each organisation.
- Emissions – Some expressed that there might be difficulty in separating data for fixed, mobile and other services

### Digital Inclusion

- Device and subscription affordability – A request for more detailed guidance on reporting methodology.

## GSMA response

### Environment

- We recognise that existing reporting and data collection methodologies can vary and we continue to work with our members to facilitate alignment during the pilot phase.

### Digital Inclusion

- Additional guidance will be provided in the next iteration of “ESG Metrics for Mobile”.

# Feedback on specific pillars

## Stakeholder feedback received

### Digital integrity

- There is a challenge for some MNOs in certain jurisdictions around data they are able to publish externally.

### Supply chain

- Some adjustments to certain Supply Chain metrics were suggested to make these even more relevant to the mobile industry.

## GSMA response

### Digital Integrity

- Stakeholder interest and calls for transparency in these areas continues to rise. We continue to work with our members to understand the challenges for this metric and how these might be overcome, to ensure transparency and acknowledge regional sensitivities.

### Supply chain

- We will discuss these as part of the pilot working sessions. It is important for the methodology and metrics to be relevant to the global industry, but we also want to continue to reference existing standards wherever possible.



# Next steps



## PILOTING THE METRICS

We are piloting the ESG metrics framework with a group of GSMA member companies into the 2023 reporting cycle.

In addition to this consultation, it will form the basis of any framework updates



## ENGAGE WITH OUR STAKEHOLDERS

We continue to look to engage with our stakeholders on these metrics.

Please get in touch if you have any other feedback, comments or questions

If you would like to email us any queries, please email: [betterfuture@gsma.com](mailto:betterfuture@gsma.com)