

ESG Metrics for Mobile

Realising value for society through common industry KPIs

GSMA™



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**¹



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

ESG performance

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



86%



...76% say addressing major global challenges

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

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



¹ 'Sixth global institutional investor survey', EY, 2021

² 'Long-Term Value and Corporate Governance Survey', EY, February 2022

The mobile industry can use the proposed KPIs to measure and improve ESG performance.

An open consultation period, which ended in September 2022, provided an opportunity for operators, ESG and industry stakeholders, and subject matter experts to further assess and validate the KPIs and the reporting processes underpinning them.



In 2023, the ESG Metrics pilot programme saw 10 mobile operators submit data to GSMA Intelligence to better understand the landscape and progress of operator efforts in social and environmental sustainability.



To maximise impact of the framework, the industry must first align their leadership and organisation to the KPIs, engage in dialogues with the investment community and other external stakeholders and adopt the KPIs in future reporting, measuring performance and delivering improvements.

The value



To disclose what is truly material to the industry and demonstrate value through decision-useful and comparable metrics.



To create a more effective and meaningful ESG dialogue between companies and their stakeholders, building trust and transparency.



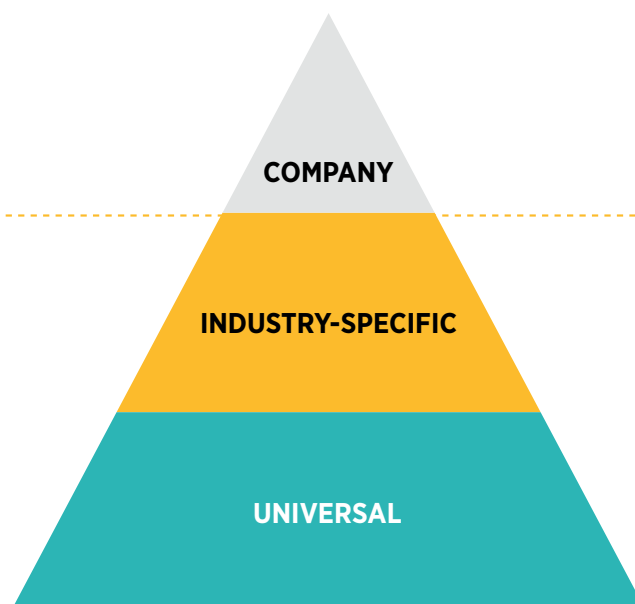
To inform internal decision-making and amplify impact across the industry.

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 Value of Industry-specific ESG Metrics

Three tiers of ESG reporting



Industry-specific KPIs form the second tier of ESG reporting. The proposed set of core KPIs is not intended to replace universal metrics; rather, it is designed to complement and build on them in ways that will allow stakeholders to better assess the extent to which the mobile industry is creating value for society. The KPIs are organised under four categories: environment, digital inclusion, digital integrity and supply chain.

Mobile industry KPIs

INDUSTRY-SPECIFIC	 ENVIRONMENT	 DIGITAL INCLUSION	 DIGITAL INTEGRITY	 SUPPLY CHAIN
	Emissions	Network coverage	Data protection	Sustainable supply chain
	♦ Science-based targets » Scope 1, 2 and 3 emissions	» Population covered by mobile network	» Customer data incidents	♦ Sustainable procurement policy » Supplier assessments
	Energy	Affordability	Digital rights	
	» Energy consumption	» Device and subscription affordability	♦ Digital rights policy	
	Circular economy	Digital skills	Online safety	
	» Circularity » Electronic waste	» Digital skills programmes	♦ Online safety measures	
		♦ Yes/no questions » KPIs		

The Metrics

The KPIs were developed according to selection criteria: **Meaningful**, **Decision-useful**, **Comparable**, **Feasible** and **Best indicator for the topic**.



MEANINGFUL



DECISION-
USEFUL



COMPARABLE



FEASIBLE



BEST INDICATOR
FOR THE TOPIC



To provide feedback, please go to
www.gsma.com/betterfuture/esg

Follow us on:
@GSMA @GSMApolicy
#BetterFuture #ESG



GSMA™