

In partnership with:



UNLOCKING GREEN REVENUES: SUSTAINABLE TELCO STRATEGIES FOR ENTERPRISE

Webinar: Questions and Answers

Questions and Answers:

This document outlines the questions and answers received from the STL Partners webinar, **Unlocking green revenues: Sustainable telco strategies for enterprise**, which took place on Tuesday 20th February 2024.









You can watch the recording of the session, and also access the slides, using the link [here](#). In this document, we seek to address the questions raised in the webinar that we were unable to address in the time available.

If you have any questions not addressed in the webinar or this Q&A document, or want to hear more about our latest research or from our panellists, please contact:

- Miran Gilmore, Senior Consultant – miran.gilmore@stlpartners.com
- Verónica Rodriguez, Red Hat – vrodrigu@redhat.com

1. Beyond telcos, which type of vendor is leading the way in sustainability offerings for their customers?

Vendors both compete and collaborate with telcos in delivering sustainable solutions. The leading type of vendor in sustainability offerings varies across the four levels of sustainability service that we discussed on the webinar.

	 Basic	 Indirect	 Reporting	 Direct
SERVICE TYPES	A core telecoms service delivered in a more sustainable way, with indirect benefits for the customer	An existing service that has sustainability benefits as a by-product for the customer (e.g. smart lighting)	A reporting service to enable customers to measure their carbon footprint associated with a specific service / operational area	A new service specifically developed to help customers track reduction of their carbon or other resource usage
	Upgrade to or integrated with existing service	IoT or value added service beyond connectivity	Add-on to existing service or sold separately	New service sold separately
IMPACT	Captured in the telco's scope 2 or 3 emissions Captured in customer's scope 3 emissions	Outside telco's emissions reporting Captured in customer's scope 1 or 2 emissions	Outside telco's emissions reporting Enabling customers to track emissions to identify opportunities for reductions	Outside telco's emissions reporting A quantifiable impact on the customer's emissions / resource usage
EXAMPLE	 Engage 2025 Collected used phones as part of its trade-in initiative, replacing the damaged components and re-selling to the market	 Building Management as a Service (BMaaS) Comprising a cloud IoT platform which analyses data providing information on energy use and space utilisation	 Carbon Network Dashboard Integrates and manages data from IT devices to give real-time power and carbon information, permitting users to view usage and forecast consumption	 Eco-Driving End-to-end driving solution which reduces fuel consumption of each vehicle, annually, by a quantifiable amount whilst cutting carbon emissions

All types of vendors are offering basic and indirect services. For example, Broadcom, a technology manufacturing company, partners with telcos to provide a kinetic grid platform solution, optimising meeting application SLAs while minimising carbon emissions. Thales Group, a multinational IT company, has developed an eco-SIM made entirely from post-consumer recycled plastic. This eco-SIM is a basic service that reduces the carbon footprint of SIM cards by 30%. Hello Tractor, a Kenyan start-up, offers an indirect enablement service that aims to alleviate poverty and scarcity in Africa's remote rural communities. The IoT platform connects farmers with tractors providing fleet management, tracking, maintenance, and fraud protection, leading to lower embedded carbon by reducing the overall number of farming vehicles through a shared model.

In the reporting service domain, telcos show limited activity, whilst hyperscalers like Microsoft and software companies such as Salesforce offer increased visibility on Scope 3 emissions. Salesforce's net-zero cloud solution assists companies in accurately disclosing Scope 1, 2, and 3 emissions by calculating greenhouse gas emissions using global factors. Telcos could enhance their credibility in carbon disclosure by partnering with Salesforce and serving as resellers.

Many notable examples of direct services come from hyperscalers and startups. For example, Dutch waste management specialist Eneco helped local authorities in Rotterdam install a smart waste management system. This system reduces the energy consumption of waste collection vehicles by monitoring filling levels and optimising collection routes, resulting in a 20% reduction in CO2 emissions and resource costs.

STL's [Net Zero Enablement Use Case Directory](#) showcases additional vendor and telco sustainability offerings in practice, categorising service types that support customers in their journey toward net zero.

2. **Question to Red Hat: what is the software energy savings figuresjust want to understand the amount this contributes to the carbon emissions.**

I'm not sure we quite understand what specific software this question is referring to! However, Red Hat have a fully integrated OpenShift solution that optimises overall energy consumption creating opportunities for power savings and therefore reduced carbon emissions. For more information, please see the following [article](#).

3. **Reports shows that ICT is the source of 2-4% of global CO2 emissions, but also that the ICT sector enables substantial emission reductions. Do you apply any knowledge-based framework/methodology to strategize and measure the sustainability effect in other sectors, enabled by digitalization (ICT/telecom)? Such frameworks would be useful, both for TelCos and public institutions...**

There are various industry initiatives that aim to establish standardised methodologies for calculating the carbon abatement facilitated by technology services. The International Telecommunication Union Standardization sector (ITU-T) has introduced [recommendation](#)

L.1480, which specifically addresses the assessment of how IT solutions influence greenhouse gas emissions in other sectors. The [European Green Digital Coalition](#) has spent the past two years developing science-based methods for estimating the net environmental impact of digital solutions across sectors (and is still continuing to work on this). Its identified priority sectors are energy/power, transport, smart cities, construction/buildings, manufacturing and agriculture.

Examples of telcos developing methodologies include Telstra, who has partnered with Deloitte to quantify its [enablement impact across 11 use cases](#), and AT&T, who has publicised a target to enable customers to reduce one billion tons of greenhouse gas emissions by 2035. It has partnered with the Carbon Trust to develop an abatement factor representing the [average emissions reduction achieved](#) when using AT&T's portfolio of enablement solutions.

4. **It seems like we're still trying to reach the low-hanging fruit with a strong focus on clean energy & carbon emissions. Isn't this focus too narrow and too operationally focused?**

What about the development of products and services that address wider sustainability goals. Health and education are obvious areas where tech can make a big difference – should the industry be doing more to shift the dial on these?

And what about economic inequality – in its current form, technology can also be a driver of income and wealth inequality because of its skills-bias and ease in which jobs can be moved to other countries?

We agree! Sustainability-related discussions often focus on energy and emissions, potentially overlooking the broader spectrum of factors. While clean energy and emissions reduction are crucial aspects of sustainability, it's essential to recognise that sustainability extends beyond just environmental concerns to encompass aspects such as social equity, economic development, and health, among others. In our webinar, we explored the role of technology in sustainability and how it can help reduce emissions, but it can also have a broader impact on driving the other aspects of sustainability.

When it comes to products and services that address wider sustainability goals, health and education are indeed areas where technology can make significant contributions. For instance, telemedicine platforms can improve healthcare accessibility, and e-learning platforms can enhance educational opportunities globally.

We also agree that technology has the potential to drive economic inequality through its skills-bias and the ease with which jobs can be outsourced or automated. The tech industry can work to mitigate these effects by investing in initiatives such as upskilling and reskilling programs for displaced workers, promoting diversity and inclusion within the sector, and advocating for policies that ensure fair wages and working conditions. This can be as simple as allowing employees based in remote locations or with children and dependents to work from home. This supports accessibility to the job market but also to education and skills

development, which in turn creates a more even distribution of economic opportunities – regionally and demographically.

5. **What are the activities in Product Development that can be undertaken to meet Sustainability goals in an enterprise?**

It is important that sustainability is ingrained as a core consideration within product and service design teams. This can be encouraged by providing training, setting relevant KPIs (we discuss this in our report [How to embed sustainability across a telco](#)), and by fostering collaboration across different departments within the organisation. Telcos should also collaborate with vendors to evaluate and select components and materials that align with sustainability goals, such as those promoting energy efficiency and waste reduction. Finally, they should also strive to enhance modularity, repairability, reusability, and recyclability in their products and services, thereby aligning with sustainable design principles and fostering a circular economy mindset. Conducting a comprehensive Life Cycle Assessment (LCA) can help identify the environmental impacts of a product through its entire life cycle, from raw material extraction to disposal, which can guide decisions to minimise environmental impacts at each stage.

6. **Most sustainability programs fail when the business case fails - what monetary value will sustainability bring to a business and what is the value of the addressable market for sustainability?**

Studies have shown that there is rising demand for consumer products that prioritise sustainability and responsibility. [One such McKinsey study](#) investigates the impact of ESG-related claims on consumer expectations and purchasing choices. According to the findings, 'products with ESG-related claims averaged 28 percent cumulative growth over the past five-year period, versus 20 percent for products that had no such claims'. This highlights the increasing influence sustainability has on consumer purchasing decisions.

That being said, there is still a lack of data on the potential value of offering sustainable solutions to enterprises. Although many studies have been conducted into the consumer market, there isn't the same data available for the enterprise market, so it's hard to estimate the addressable market for sustainability. This is a key challenge that telco product development teams face when making the business case to inject greater sustainability into products and services. At STL we are hoping to address this challenge by developing a new tool within our Sustainability Insights Service that helps to quantify the monetary value sustainability can bring to a business – so stay tuned!

PARTNERS



Research



Consulting



Events