

Independent operators are starting to address sustainability concerns

December 2022

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Sustainability is a growing issue for the telecoms industry. Governments have created mandates and rules associated with reducing emissions and reporting on progress, while major network operators and vendors have developed and publicised their plans to achieve net zero emissions.

Sustainability involves a wide range of topics including social inclusion and proper governance. However, the main focus is on environmental issues, particularly energy consumption and greenhouse gas (GHG) emissions. The energy consumed by telecoms networks is the primary sustainability-related concern for the telecoms industry, though it must also deal with the impact of building networks, the operation of offices and the effect of vehicles used in network maintenance.

The telecoms industry, somewhat uniquely, enables other industries to reduce their carbon emissions. It helps all industries to travel less, which is one of the main ways to reduce carbon consumption. Telecoms services also provide the means to collect the energy consumption data that is required for planning and reporting. Nevertheless, the telecoms industry must take responsibility for its own carbon emissions.

Any company in the UK that is bidding for government contracts worth more than GBP5 million per year must have a carbon reduction plan in place, and must provide Scope 1, 2 and 3 reporting.^{1,2} This requirement tends to ripple through the entire economy because prime contractors also require their subcontractors to provide the same evidence.

An INCA conference panel focused on net zero emissions

Ian Adkins, Principal at Analysys Mason, chaired a panel discussion on achieving net zero carbon emissions at the Independent Networks Co-operative Association (INCA) conference in Liverpool on 16–17 November 2022. The panel members were:

- James Thornton, Environment and Sustainability Manager, CityFibre (altnet)
- Lee Spicer, Key Account Manager, Acome (provider of fibre network equipment)
- John Bathgate, Safety, Health & Environmental (SHE) Manager, Emtelle (manufacturer of pre-connectorised, blown fibre cabling and ducted network solutions)
- Charles Cameron, Partner, Cameron Barney (financial advisors/investors).

Vendors have been dealing with sustainability for a few years because of their role in supplying large operators with advanced sustainability requirements. Large network operators have also been visibly addressing sustainability for several years. More recently, smaller operators have also started to turn their attention to

¹ Cabinet Office (June 2021), [Procurement Policy Note – Taking Account of Carbon Reduction Plans in the procurement of major government contracts](#).

² Greenhouse Gas Protocol, [A Corporate Accounting and Reporting Standard](#).

sustainability concerns, partly because of the demand from investors and customers. For example, CityFibre recently appointed James Thornton (from outside the telecoms industry) as its full-time sustainability manager, which shows how important the topic of sustainability is for their business. Indeed, small operators feel that investor requirements are one of the most important drivers of carbon reduction, in particular. Carbon reduction is essentially about using less energy and sourcing the energy used from low-emissions sources.

Some uncertainty remains in terms of which standards or frameworks to use

The panel members felt that there is still uncertainty about sustainability standards and the ways in which to evaluate carbon reduction plans. Major operators have sustainability requirements, but these vary from one operator to another and are not based on a particular standard. Scopes 1, 2 and 3 are conceptually clear in what they cover, but the actual means of measuring and accounting for all the emissions a business generates seem to not be well-understood by smaller operators.

INCA can take a leading role

We believe that INCA should take the lead in helping its members to devise methods for sustainability planning and reporting. Sustainability, even just the net zero aspects, is a complex and rapidly evolving topic. INCA members do not have the scale and resources of larger telecoms companies, but they need to comply with essentially the same requirements. For INCA members, sustainability will primarily concern compliance and proper accounting for energy consumption. Having consistent rules will therefore be a big help.

Analysys Mason is helping customers with sustainability requirements

In the course of our strategic advisory work in regulation, transformation and transaction support, we regularly consider a range of sustainability goals and advise clients on the appropriate methods to deal with those requirements.