





Brussels, 12 January 2021

Ref: Draft Delegated Regulation on a climate change mitigation and adaptation taxonomy

Dear

ETNO and the GSMA, in representation of the European telecoms sector, would like to welcome the European Commission work to develop and finalise a "Delegated Regulation on a climate change mitigation and adaptation taxonomy", in the context of Europe's EU Green Deal efforts.

Our Associations have been vocal supporters of your work on the EU Green Deal as well as the EU digital strategy. More specifically, we warmly welcome the political and policy attention that is currently being devoted to the strong interdependence between the achievement of Europe's green and digital goals. We fully share your view that widespread and profound digitalisation are a key lever for achieving Europe's decarbonisation targets, while increasing socio-economic opportunity.

In this context, we warmly welcome DG FISMA's work on crafting a new "Delegated Regulation on a climate change mitigation and adaptation taxonomy", which we believe will be a fundamental tool in accelerating the achievement of the EU Green Deal targets.

For this reason, we would like to propose that the final text of the Delegated Regulation fully reflects the telecoms industry's importance as an enabler for all sectors of the economy and society, while facilitating the sector's own transition to green operations. Financial instruments will be crucial to achieve both the sector's "greening of" efforts as well as its "greening by" potential.

In terms of potential contribution to the achievement of the EU Green Deal Goals, the "greening by" aspect has a much deeper and broader impact across sectors of the economy and of the society. A recognition of the enabling potential of digital tools in the Draft Regulation — with specific regard to telecom networks — is an important step towards facilitating adoption of sustainable business models on the demand-side. Sectors as diverse as manufacturing, transport, healthcare and the public administration can only achieve carbon neutrality by accelerating their digital transformation.

We therefore propose that the Delegated Regulation fully and explicitly reflects the specific contribution of the telecommunications sector to the climate change mitigation and adaptation taxonomy. A recent report (1) has shown that mobile technologies are helping to enable carbon reductions 10 times the emissions of the mobile sector across the wider economy. With further digitisation this is expected to double by 2025. In addition, a 2018 report (2) showed how an increase of digital access translates into a direct reduction of carbon emissions. We therefore believe that an explicit mention of the sector and telecommunications networks will ensure legal certainty as businesses seek funding for their telecom-enabled transformation.

In addition, we note that European telecom companies have a strong track record in terms of "greening of" their own operations. Our sector has been devoting decisive action towards the deployment of new mobile high-speed networks and particularly energy efficient 5G technology as well as fiber networks, which results in increased energy efficiency in operations of existing mobile and fixed networks.





According to a recent report (3), by 2019, almost 50% of the energy used by our companies came from renewable resources. This reflects positively on the green performance of the sector, which in 2019 reduced its overall emissions by 8.5% with respect to the previous year. Also, carbon intensity is decreasing, with ETNO companies reducing emissions from 32 grams per EUR earned in 2018 to about 29 grams in 2019.

In this context, we believe that such efforts should be reflected in our sector's ability to access to long-term and sustainable funds. This is why a clear wording in the Draft Delegated Regulation can prove crucial in facilitating the telecom industry's access to the necessary resources for shifting towards energy-efficient networks such as 5G and fibre (4). This is particularly relevant in a capital expenditure-intensive industry such as ours, where the effort to include all European regions in the Gigabit Society is today still incomplete and will necessitate a dramatic increase in network investment.

The European telecoms industry has appreciated the opportunity to send comments to the Draft Regulation via the public consultation. ETNO and the GSMA are looking forward to closely collaborating with your DGs in the coming months, as the work to craft a future-oriented regulation evolves further.

In this context, we would like to propose a meeting with the experts from our member companies to share our views and provide additional information.



- (1) GSMA & Carbon Trust, The Enablement Effect, 2019
- (2) Accenture for GeSI, SMARTer 2030, 2018
- (3) ETNO-Analysis Mason, State of Digital Communications, 2020
- (4) Deloitte for GeSI, Digital with Purpose, 2019





About ETNO:

ETNO is the European Telecommunications Network Operators' Association. We proudly represent Europe's main telecom operators, who innovate and invest in the continent's digital backbone. Our companies are the providers of Europe's most advanced digital networks and services. ETNO's mission is to develop a positive policy and regulatory environment empowering the delivery of world-class services for European citizens and businesses.

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About the GSMA:

The GSMA represents the interests of mobile operators worldwide, uniting more than 750 operators with almost 400 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces the industry-leading MWC events held annually in <u>Barcelona</u>, <u>Los Angeles</u> and <u>Shanghai</u>, as well as the <u>Mobile 360 Series</u> of regional conferences.

For more information, please visit the GSMA corporate website at www.gsma.com. Follow the GSMA on Twitter: @GSMAEurope