

10 Years and Beyond



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A. Foreword

Sustainability is a cornerstone of the renewed Lisbon agenda for jobs and growth.

The integration of sustainability goals into business strategies is essential for the achievement of these objectives.



Stavros Dimas
European Commissioner
for Environment

ICT industries have a long record of commitment to environmental protection and sustainability. Through the ETNO Charter telecommunications network operators are striving to implement sustainability principles in their business practices, to monitor progress and report on results. When the ETNO Charter was launched in 1996, ETNO members were front-runners. They have played an important role in raising awareness among companies of the importance of sustainability.

The overall aim of the EU sustainable development strategy is to contribute to continuous improvement of quality of life both for current and for future generations. This will be achieved through the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion.

It is largely recognised that a wider usage of the information and communication technologies can contribute to meet key environmental, social and economic challenges and achieving EU sustainability goals.

New broadband based services have the potential to significantly improve quality of life while also increasing efficiency and productivity of businesses. As highlighted in the roadmap recently published by ETNO and WWF, a better and systematic integration of ICT in daily live and business processes can contribute significantly to reducing CO₂ emissions.

The integration of ICT in sustainability strategies is therefore essential.

Stavros Dimas

B. Cooperation in Competition

One can hardly imagine a more fierce competition than that of the global ICT sector. Value for money is what customers demand: a better and more affordable life, whether for business, entertainment, communication, health care or learning.

This value also includes helping to reduce the burden on the environment and creating opportunities for economic and social growth.

ETNO was a visionary in this sense when it decided in 1996 to launch the Environmental Charter of European Telecom Operators. This paved the way for its Sustainability Charter, which is in force today and open to all telecommunications companies operating in Europe.

Over the years ICT has proven to be a caring industry, capable of blending business opportunities with responsibility. Moreover, ETNO has been able to create a highly cooperative environment where all member companies that accept the challenge can work together to improve both their individual and collective value.

The initial 21 companies that signed ETNO's Environmental Charter in 1996 in Frankfurt eventually grew to include 25. Then as a follow-on action, 19 companies - accounting for an aggregate turnover¹ of more than 217 billion Euros - decided to take this idea a step further in 2005 and commit to a broader pledge embracing the three pillars of sustainability. What happened to the others? They and other potential signatories are now developing their own sustainability strategy and will be able to profit from the benefits and drawbacks, the success stories and mistakes of those who have already gone before them.

By committing to the UN Secretary General's Global Compact principles, ETNO has reinforced its responsibility to promote sustainability across its membership. ETNO will encourage not only its members but all other organisations it is in contact with, to do the same—by words and deeds.

This report aims to explain simply and clearly how ETNO's results have been achieved and why working together can make the difference. We hope that many others will join the effort.

*Alfredo ACEBAL, ETNO Executive Board Chairman
Danilo RIVA, ETNO WG Sustainability Chairman*

December 2006

1_ The Turnover here refers to Operations in companies' home country.

C. Accountability & Communication to Stakeholders

By signing up to the Sustainability Charter each Signatory has freely accepted a number of commitments, recognising the importance and the value of doing business in a sustainable way. Each signatory is aware that signing should not be taken light-heartedly, and that deeds must follow words.

In order to make the Charter a credible commitment, ETNO reports every other year on the combined performance of Signatories. Since the inception of its Environmental Charter in 1996, ETNO has developed its own data collection and reporting mechanism, based on both qualitative and quantitative indicators. Information is supplied by each individual Signatory under its own responsibility. The reporting boundaries for the data provided by a Signatory must cover at least 80% of the company's operations in its home country; this figure refers to turnover and the number of employees. Both must be met.

This mechanism has been upgraded over the years to give as complete and clear picture as possible to stakeholders of what companies are doing to fulfil their commitments. We consider accountability and transparency an essential requisite for measuring progress.

Most Charter Signatories report every year on an individual basis about their Sustainability or Environmental performance; some are also involved in the completion of surveys run by rating agencies that develop stock exchange indexes. The latter look for business performance and sustainability excellence in each business sector. This argues that the link between sustainability and business is strong, and that investing in sustainability has its rewards, since it guarantees increased social and economic value. It is no surprise, then, that certain Charter Signatories appear in the top rankings of indexes such as Dow Jones, FTSE4Good and others.

In any case, reporting means having the tools in place to help us understand and monitor company performance, and identify actions for improvement. Open and transparent communication with stakeholders helps understand their expectations and to let them know what the industry can actually do. A constructive dialogue offers the pre-requisites for creating a win-win situation. This is the message we continuously spread across the ETNO community. And that message is getting through!

- **84%** of Charter Signatories regularly produce a Sustainability or Corporate Responsibility Report that covers environmental issues either as a separate document or as part of the company's annual report;
- surveys among Charter Signatories show that two-way dialogue on sustainability issues is strongly established with stakeholder groups, particularly employees and governments/institutions. Dialogue with these two groups cover environmental issues (**95%** and **79%** respectively) and social issues (**89%** and **95%** respectively). Dialogue with unions is good regarding social issues (**89%**) and average regarding environmental subjects (**58%**), for instance. Dialogue with NGOs is good for environmental (**68%**) and social issues (**79%**). The companies' dialogue with the public and society at large is average on environmental issues (**47%**) and stronger on social issues (**68%**). In general positive consultative results increase whenever specific issues are tackled at the local level. Shareholders and investors and CSR (corporate social responsibility) Rating Agencies are increasingly interested in companies' CSR performance. Not surprisingly two-way dialogue with these specific stakeholders is increasing: **58%** of ETNO Charter signatories have established a dialogue with shareholders on environmental issues and **68%** of them on social issues. As far as rating agencies are concerned, **63%** of signatories have established dialogue on environmental issues and **74%** on social issues.

What is two-way dialogue?

The advantage of establishing a regular constructive dialogue with external parties—from local communities to governments and institutions—is twofold: understanding stakeholders' expectations and requirements, and explaining in a transparent way what companies do, what the real impacts are and which kind of cooperation they envisage to exploit opportunities that can benefit all. Consistent messaging to all stakeholders is key to achieving these goals.

Charter Signatories have developed various ways to engage external stakeholders in a proactive discussion. These include:

- workshops and roundtables where the company introduces specific issues, and experts and members from various stakeholder groups are invited to present their views and recommendations;
- preferential open channels (such as dedicated e-mail addresses) by which interested parties can explore company policy, request information, provide feedback to company initiatives, surveys and reports; all such enquiries are answered by company sustainability experts including direct personal contact;
- meetings with government representatives and NGOs to explain company actions and positions, and to identify possible areas for cooperation;
- events open to the general public;
- technical meetings with suppliers to incorporate sustainable aspects into product specifications, and to create agreements regarding product stewardship and re-use/recycle/end-of-life solutions;
- meetings with unions and worker representatives on employment matters and initiatives regarding occupational health & safety and environmental management;
- meetings with interest groups, associations or communities and experts to develop services for people with disabilities and other special needs.

Marketing campaigns can also be used to communicate to stakeholders the positive contributions of ICT products and services whose life cycles are developed in regard to their impact on the environment and society. Research and development is crucial, as it is all about investing in the future of the planet.

- All Charter Signatories include environmental considerations in the development of new product and services; **11%** do this systematically; **53%** communicate the positive impact on the environment of such products and services in their marketing campaigns.
- All Charter Signatories take into account the impact on society of new products and services; **32%** do this systematically; **74%** communicate the positive social contribution of such products and services in their marketing campaigns.

A. Awareness

Understanding impacts and creating sound stakeholder value out of them is much more than just "toeing the triple bottom line" because of external pressure. Awareness is crucial in developing a vision and a strategy; raising awareness and deploying the strategy internally is essential in making things happen by reaching goals and targets.

Charter Signatories began long ago to investigate the environmental footprints of their activities, and moved forward progressively to include the other two pillars into the scope of their assessment: the resulting picture is that telecommunications is a sector which has a high potential for delivering sustainability, and positive impacts can easily overcome negative ones if the latter are properly understood and managed.

Success requires the involvement of both external and internal stakeholders. Internally, the main focus is on getting people involved and creating commitment by developing a credible vision and strategy based on job functions that define responsibilities accordingly. Regular communication on how to create business value while delivering stakeholder value; focused training to enable actors to contribute effectively; wielding the right tools: all are needed to turn policies into common practices and continuous improvement.

Most Charter Signatories have established internal communications on sustainability programmes based on their own internal resources: dedicated intranet pages and newsletters and printed company magazines. These are distributed to employees and often contain articles on sustainability topics, both of general interest and specifically focused on ICT and the company's actions and contributions. Employees are invited to ask questions on specific issues or to submit proposals for improvement, which are answered by company experts.

In some companies, events such as a yearly "Sustainability Day", or conventions and workshops on "hot" sustainability issues are becoming common practice. They provide good ground for open discussion and exchanges of experience. Often the participation and contribution of external stakeholder experts—from government, academia, other industry sectors, rating agencies, and NGOs—helps increase the understanding of relevant issues and establish specific action programmes.

Intranet-based training courses are now widely used: specialists and employees directly involved in specific activities receive training focused on issues such as waste management, environmental audit, product stewardship and new legislation. Training courses are also

organised using external consultants when a deeper and specialist insight is required. Sustainability and, in particular, specific environmental and safety at work training to newly employed people is now becoming common practice in most companies.

Do you really have to ...

- **Travel?** People like travelling and though business trips are limited by budgetary constraints, face-to-face meetings are often needed for the decision-making process to be more effective. But sometimes trips, be they by car, train or plane, can be avoided and thus reduce greenhouse gas emissions and, incidentally save money. Some companies communicate these advantages to their employees by adopting simple means (such as on-line CO₂ calculators) to make them more aware of the burden their trip would impose on the environment, and propose alternative ICT services such as conference calls or videoconferences. It does seem to work!
- **Print it?** Electronic documents, even newspapers and magazines, can be sent around quickly and effectively. But this may not reduce the amount of paper and chemicals used for printing, since many users prefer to have a hard copy available for reading and transport. But today LCD monitors have noticeably reduced visual fatigue, while very small, portable and lightweight disks or pen drives can store an incredible amount of information and occupy very little space. Laptops now offer affordable prices, smaller size and weight, and long battery lives. Electronics and ICT can really help here. Though a completely paperless office is not realistic, some companies are encouraging their people to avoid printing whenever possible, thus supporting the difference between common and preferred practices.
- **Throw it away?** There are many campaigns that aim to get more efficient use from office consumables such as paper ("Use both sides!") and ink cartridges ("Re-fill them!") before their final disposal, or to find proper ways at preventing still-usable electronic goods (i.e., mobile phones) from ending up in waste streams. Some of the signatories make collection points available for these items and ensure proper management of them.

- **Keep it turned on?** It seems trivial, but turning off unused equipment and lighting in offices at night and during weekends can save energy and reduce emissions. While most PCs have energy-saving settings such as standby, hibernate and shutdown, a study² published in 2004 shows that a high percentage of users disable or don't use their low-power settings: at least 60% of desktop computers were found to be running during non-working hours. Power management seems to be most successful among monitors and laser printers, and least successful among desktop computers, inkjet printers, copiers, and fax machines. Turn-off rates are highest (40%) among integrated computer systems, copiers, and scanners, and lowest (20%) among laser printers, LCD monitors, and multi-function devices. Some companies are encouraging their employees to adopt more responsible behaviour and check their equipment when they leave their offices.

B. Sponsorship and Charity

Corporate social contribution and charitable activities are an integral part of the corporate culture of ETNO member companies.

Cash and in-kind donations aimed at specific foundations and/or initiatives are coupled with sponsorship of cultural events, exhibitions and concerts, promotion and support for sporting activities or teams, recovery and restoration of cultural heritage and environmentally valuable areas of interest.

An important part of such activities is dedicated to helping people access ICT services by means of training courses specifically tailored for the elderly and physically impaired, young people and disadvantaged users by making lines and equipment available at affordable rates or even free of charge. The "digital divide" refers not only to the technological gap between industrialised and developing countries; it also points to illiteracy, distance, poverty and other obstacles within developed countries that may prevent people from taking advantage of the services they need to study, work, receive health care, or just communicate with one another.

The "3 C's"—connectivity, content and capability—form the baseline of the programmes that Charter Signatories have established to increase digital inclusion. Partnership with governments, local administrations, communities, other enterprises and NGOs is needed to bring ICT to people who otherwise could not take advantage of it.

- **79%** of Charter Signatories take environmental considerations into account when sponsoring different kinds of projects, and **84%** specifically sponsor projects with an environmental focus and benefits;
- **100%** of Charter Signatories consider the impacts on society of the projects they are asked to sponsor, and **95%** sponsor project with specific focus on social improvement and development;
- **89%** of Charter Signatories have a specific programme in place to bridge the digital divide, mainly in the geographical areas where they operate.

C. Procurement – Managing the Supply Chain

Supply Chain Management is about extending our responsibility along the whole supply chain. It is also about the societal, ecological and economical actions needed to ensure responsible business. This includes sustainable purchasing policies, effective supplier management and value-optimised procurement.

Increasing numbers of individual consumers are interested in the ethical dimension of the products they buy, i.e. whether something has been sourced in a responsible way. For large business and government tenders, the need to demonstrate effective corporate responsibility as a part of the tender response is growing.

Most ETNO companies are now expanding globally, with increasingly international supply chains, an ever-widening customer base and the overseas outsourcing of certain services. This can mean that ETNO companies are now operating in potentially riskier parts of the world. Embedding corporate responsibility into the way companies do business and into supplier programmes can help to reduce this risk and create new management models to help local businesses and authorities improve labour conditions and build capacity.

A supplier programme refers to the integration of environmental and/or social factors (such as human rights) into the procurement process of an organisation. It can take the form of information exchange and co-stewardship agreement.

Tools used to check suppliers' performance are environmental and/or social check-lists for suppliers, social requirements and ecological product agreements with suppliers and—as a result—environmental and/or social assessment of suppliers.

- **84%** of Charter Signatories have involved their suppliers in active cooperation programmes aimed at improving performance and environmentally responsible development/management of purchased goods/services; **42%** of such programmes cover more than **50%** of total purchases;
- **74%** check on the environmental performance of their suppliers;
- **58%** of Charter Signatories have involved their suppliers in active cooperation programmes designed to integrate corporate responsibility principles in the procurement process; **37%** of such programmes cover more than **50%** of total amount purchased;
- **47%** check on the corporate responsibility performance of their suppliers.

In June 2006, ETNO's Sustainability Working Group completed a benchmarking exercise that looked at the way PC/laptops are used in our office environment regarding their regulatory compliance with the EU's current and forthcoming regulations, energy consumption, turnover time and end-of-life programs.

The benchmark drew the following conclusions:

- **Compliance:** There is a need to pay attention to Restriction of Hazardous Substances (RoHS) requirements, especially for current contracts and deliveries after 1/07/2006;
- **End-of-Life:** The turnover time of IT equipment is roughly 4 years on average and there is no difference in turnover time related to type or model for different actors. Only 48% of operators have their own end-of-life program;
- **Weight:** Replacing standard desktop devices by laptops & notebooks offers an opportunity to substantially reduce the amount of raw material bought-in, and thus, to dispose of it at end of life;
- **Energy:** There is significant potential to reduce energy consumption by replacing desktops with laptops and optimising the use of different devices (run times, sleep) by:
 - development of IT policies
 - adapting PC standard settings
 - choosing the most suitable equipment for each employee.

The Supply Chain: a manageable strategic issue

Driving sustainability across the supply chain and monitoring application of codes by suppliers is a challenge for operators. ETNO has been very active here, working within GeSI—the Global e-Sustainability Initiative—whose Supply Chain Working Group is helping companies in the ICT sector to improve sustainability and social responsibility within their supply chains, boost the efficiency of their purchasing methods and reduce the burden on suppliers of responding to multiple questionnaires.

GeSI is now working in partnership with the Electronic Industry Code of Conduct Implementation Group (EICC IG)³, to develop a consistent set of tools and processes to measure, monitor and improve supply chain corporate responsibility (CR) performance across the ICT sector. These will include:

- A supplier self-assessment questionnaire for collecting supplier CR performance data.
- A risk assessment tool and methodology to assess CR risks in the supply chain.
- A web-based e-tool to promote efficient information flow and management between participating companies.
- A common auditing approach/methodology for the ICT sector when conducting supplier CR audits.

A self-assessment questionnaire was published in English, Spanish and Chinese in October 2005 (available on GeSI's web site: www.gesi.org) and covers code conformance (labour, ethics, health, safety, environment and implementation of management systems) and risk potential (hazardous material use, employment of contract workers, etc.).

WEEE and RoHS: are we prepared?

The European Union's Waste Electrical and Electronic Equipment (WEEE) directive and a related directive on restrictions of the use of certain hazardous substances in electrical and electronic equipment (RoHS) must be implemented in each member state. Though WEEE will be implemented in each member state in a different way, its basic principles and targets will still need to be met. These differences are linked to the various approaches each country takes toward recovery, treatment and recycling infrastructure. These have led to delays in the directive's implementation in some member states. By contract, the RoHS directive will be implemented the same way across the whole of the EU.

Telecom operators mainly use long-term usable and recyclable materials for their products and therefore ensure a sustainable product life. On the other hand, the real time of use of certain mass-market IT products is limited by fashion. This results in an increasing amount of electronic scrap that, of course, underlines the need to deal with this issue.

ETNO member companies are fully engaged on both sides of the 'waste-stream'. Strong co-operation with manufacturers to develop innovative alternatives to non-sustainable materials used in their products is one topic, for example. Concepts for re-use and recycling regarding product-specific take-back scenarios is another.

Not all ETNO member companies are established in the EU but they are investigating how they can implement the WEEE and RoHS directives within their companies and thus set good examples for their country.

There are still several unanswered questions, of course, for which ETNO needs to find solutions in the coming years. Environmentally correct management in the country of collection is not always sound in general. For instance, what happens to supposedly functioning mobiles shipped to other countries that are actually broken or to those shipped and re-used but then become broken? In other words, where do our responsibilities stop?

So, environmentally correct is not enough. End-of-life options must also be socially fair. Additionally, what is more environmentally friendly: re-use or recycling? And is re-use after repair and/or refurbishment the best option?

Of course, there is no 'one size fits all' solution so ETNO member companies will continue to work on these outstanding topics.

Telephone Poles – Not yet a Piece of History

ETNO's task force, "Poles", carried out a survey in 2005 among the major European telecom operators concerning the disposal costs and interpretation of legislation on the re-use of telephone poles. The background for this study was that the EU directive's classification, as of 2002, of poles impregnated with chromated copper arsenate (CCA) and creosote as hazardous waste when no longer used for their original purpose – i.e. as telephone poles. Before 2002 the re-use of telephone poles for bridges and fences was a common practice, which created large demand for used telephone poles. That was a real win-win situation between different stakeholders – the telecom operators who were spared disposal costs and those who could re-use material at affordable prices. This saved a huge amount of natural resources and thus avoided CO₂ emissions.

Telecom operators that participated in the survey have more than 35 million telephone poles. Some 45 % of these contain creosote and 39 % contain CCA, with balance either containing copper-chrome (CC), or made of concrete, steel or fibre glass. Nearly 1 million new telephone poles are purchased annually. The disposal costs vary across Europe, in the range of € 17-90 per pole or € 50-400 per tonne. These mainly concern CCA poles because they can not be incinerated as easily as creosote-only poles due to their chemical mix. Their associated costs come mainly from incineration and transportation, including to other countries. However, the findings of a Life Cycle Assessment study carried out by one ETNO member strongly support a hierarchy of preferred waste management options. Re-use (avoiding a product becoming waste) should always be the preferred choice, having the lowest overall impact. A second lifecycle (through re-use) avoids the release of both the stored carbon in the timber and that from the manufacture of a product from virgin materials to carry out the function the re-used pole would otherwise fulfil. Whilst incineration with energy recovery had significantly higher environmental impacts than re-use, landfill was considered the worst option.

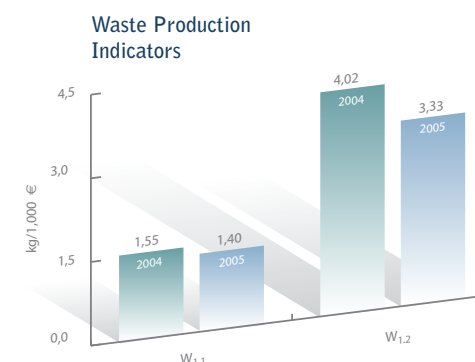
The interpretation of the EU directive for re-use is not uniform across Europe, which has led to different practises across the member states. Incineration seems to be the most common practise. However some countries obviously still allow the re-use of CCA poles for purposes other than telephone poles or selling only for professionals. While official re-use is apparently minimal, the poles' re-use as fencing, landfill and "unknown" is very common.

The high disposal costs of telephone poles and different interpretation of re-use requirements create unfair competitive conditions for telecom operators. It can also create unnecessary transportation of poles between different countries, which increases CO₂ emissions for their disposal. Environmental authorities should harmonise the rules for re-use of poles within EU. The re-use of telephone poles should be the preferred option until final disposal.

Managing Waste Streams

Waste production, together with consumption of natural resources, also has a major impact on the environment. For telecoms operators the amount of waste produced may exhibit considerable variations from year to year, depending on specific disposal activities such as network equipment replacement and renewal, for example.

To account for waste production, two indicators were defined: **W_{1.1}**, where Signatories are considered as one large single company. This was calculated using the total amount produced normalised against total turnover; and **W_{1.2}**, which is the mean value of individual waste production efficiencies (i.e. the ratio of individual waste production to individual turnover).



The former shows an improvement of 9.7% in 2005 compared to 2004, while the latter diminished by 17.2% over the same period. In general, Charter Signatories sent 52% of their total waste for recycling in 2004, and an impressive 62% in 2005.

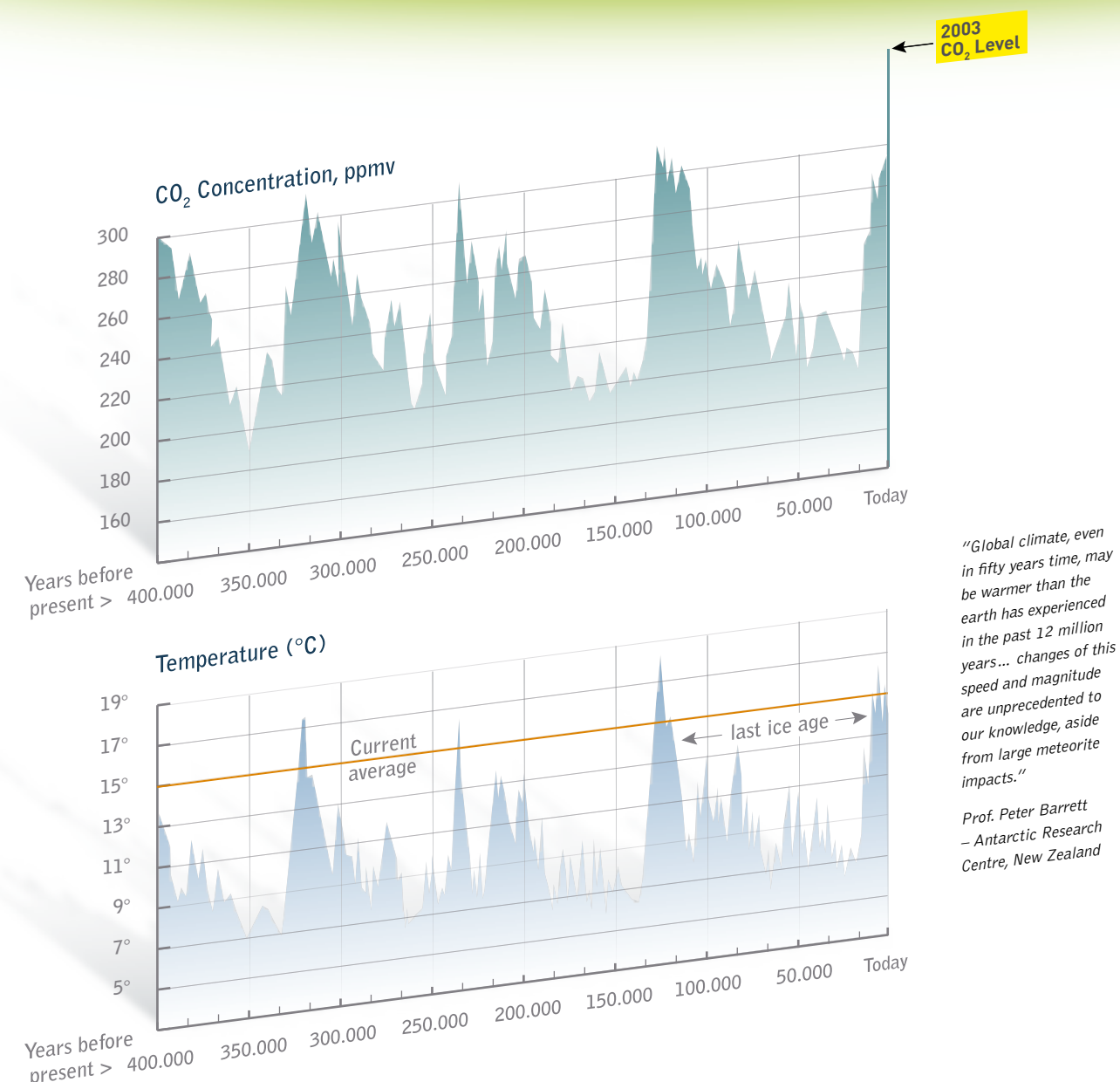
D. Climate Change

Climate change poses a potentially devastating threat to the planet's future. It is likely to provoke water and food shortages affecting millions of people and drive thousands of plant and animal species into extinction.

Around the globe, the effects of climate change are already felt in the form of more frequent and severe flooding, storms, drought and heat-waves. Scenarios developed by the Intergovernmental Panel on Climate Change forecast an increase in global mean surface temperature of 2.0–6.4 degrees Celsius above pre-industrial levels by 2100, increased incidence of floods and droughts, and a rise in sea level of up to 88 centimetres between 1990 and 2100⁴. To avoid such risks, energy must be produced in a sustainable way to meet the ever increasing demand of an expanding world population and the rapid uptake of industrialisation in developing countries in particular.

At the Earth Summit in Rio de Janeiro in 1992 some 160 nations agreed the Framework Convention on Climate Change (FCCC). The Kyoto Protocol of 1997 requires developed nations to reduce their emissions of greenhouse gases (GHG) by 2010 by 5% on average, compared to 1990. Therefore, it is important that European business and industry seize this opportunity for sustainable innovation through the use of 'clean' technologies. They must actively promote climate change action. Not only is the potential impact of climate change under business-as-usual scenarios frightening, the use of fossil fuel is also related to many other key challenges. Reducing carbon emissions is linked to higher resource efficiency. This can lead to a general reduction of resource use and thereby make a broader contribution to other environmental objectives. Solutions to climate change will address a chain of other important issues such as oil spills, oil/coal exploration in sensitive areas and international conflicts to secure energy supply. As senior officials in the EU have often stressed, smart development is more important than smart bombs for sustainable development⁵.

The EU has argued that a cut of at least 15-30% in greenhouse gas emissions should be considered for rich countries by 2020, and reductions of 60-80 percent by 2050 have been discussed as well⁶. In an unprecedented joint statement in June 2005 the world's leading national scientific academies (France, Russia, Germany, United States, Japan, Italy, Canada, Brazil, China, and India) urged leaders of the G8 summit to commit to taking prompt action to reduce emissions of greenhouse gases, based on the principles of the UNFCCC (United Nations Framework Convention on Climate Change⁷). To reach these reductions it is necessary to move beyond marginal improvements.



What the graph simply shows is that high levels of CO₂ in the earth's atmosphere have been recurrent across the eons, and scientists explain that each time that happened our planet has been facing extreme environmental conditions. What to expect now, when CO₂ has reached an unprecedented level, marked by the yellow flag⁸? ETNO does not wish to be alarmist, but the time to act is now, for this is a real challenge. We still have time to act, but we must use it well.

Combating Climate Change was, in fact, identified as one of the main responsibilities for ETNO member companies which calls for both internal and external action on their part by providing solutions to meet the local and global challenges.

4_ Millennium Ecosystem Assessment Synthesis Report, p. 2a9

5_ <http://www.guardian.co.uk/afghanistan/story/0,1284,647516,00.html> <http://www.europaworld.org/issue71/awakeupcall1302.htm>

6_ http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/84335.pdf, http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/envir/84322.pdf

7_ <http://www.the-scientist.com/news/2005060701>

8_ According to the report "Meeting the climate challenge" prepared for the G8 and released in January 2005, we are not far from an atmospheric CO₂ level of 400 ppm, corresponding to a global average temperature rise of 2° C, which is 43% above the pre-industrial level of 280 ppm. It is worth noting that the earth has not experienced such a high CO₂ level in the last 25 million years.

Saving the Climate @ the Speed of Light

So far the ICT sector has been largely excluded from discussions about resource savings and CO₂ reductions. But there is a huge opportunity to engage a sector that is accustomed to rapid changes whose number includes some of the most innovative people in business and industry. Given the right incentive structure, this sector could play an important role in combating climate change. This is something that consultants in the sector have begun to realise. The EU should support this as a unique opportunity to combine innovation, competitiveness and action on climate change.

The project, "Saving the climate @ the speed of light", is a joint ETNO-WWF initiative. ETNO and WWF share the same objectives: using technology to improve people's quality of life at global level. That's why they decided to join forces to carry out a comprehensive investigation and communicate a joint message to those who have the power to make things happen. The project rests on four assumptions: a need to act now, a strategy to ensure that ICT will help reduce CO₂ emissions, a need for a clear focus and, finally, a scaling up of existing applications that currently deliver good results.

The strategy contains three goals to ensure development of policy in Europe that supports sustainable utilisation of ICT services. These goals steer the work and provide a framework for discussions with relevant decision makers in the EU.

Goal 1: ICT must be recognised as an important part of the solution
for combating climate change in Europe

Goal 2: Key actors must have a climate change strategy for ICT

Goal 3: Concrete "ICT-Climate change" programmes must be initiated in Europe by 2007

The potential of ICT has been demonstrated: concrete examples of services now available and implemented on a small scale have been identified, along with their potential savings. A brief description of each example includes analysis of what could happen regarding CO₂ emissions if the application of these services was scaled up.

Such case studies were selected to build a roadmap that can be downloaded from the Association's web site, www.etno.be. The next steps will depend on whether actors in the EU are willing to move from words to action. ETNO and WWF will set up meetings with key stakeholders to see who is willing to take on the challenge to ensure that the EU develops and implements a sustainable e-strategy, thereby ensuring a reduction of CO₂ by 2007.

Managing Energy Wisely:

Energy consumption is the single largest environmental impact of every ETNO member company. The bulk of ETNO members' energy use is from electricity consumption, which is used for their communication networks. Therefore it is the responsibility of all Charter Signatories to ensure that energy consumption is kept to a minimum.

Additionally, EU legislation is now forcing business to ensure that the design of electrical and electronic equipment (EEE) minimises the impact on the environment during its life cycle. The aim is to establish a framework for defining eco design requirements for energy-consuming products.

Lastly, our products and services are developing rapidly. With the introduction of new services such as broadband, the communications industry faces a new challenge if it is to keep its energy consumption to a minimum.

Speed of information and communications technology leads to new demands. At the same time, smart control systems can significantly cut usage and waste. ETNO member companies need the best possible standards to ensure that equipment and usage is as energy efficient as possible. This means removing the least efficient equipment from our networks and encouraging competition between our suppliers to achieve improved products and network equipment and, finally, making it easier for our procurement teams to choose the best equipment and suppliers.

Ways to do so include minimum standards, voluntary agreements, procurement policy and better information on product performance. Provided manufacturers are given adequate time to change their product specifications, higher standards should not damage our industrial competitiveness. Indeed, if properly designed, these benchmarks can help European manufacturers predict and meet rising consumer expectations in other parts of the world.

ETNO has a wide remit and recognises the paramount importance of getting improvements in energy efficiency underway as soon as possible. Therefore it formed an 'energy task team', comprised of energy and environmental experts from most Signatory companies, whose objectives are:

1. To maintain a network of energy experts committed to the use of benchmarking as a means of driving energy efficiency.
2. To ensure efficient energy utilisation and the reduction of environmental impacts through improved energy management.
3. To contribute to national and global efforts to reduce GHG emissions.
4. To provide opportunities to market environmental practice and demonstrate the viability of voluntary actions.
5. To share knowledge and best practice among all the Association's members.

Against this background, ETNO has developed and adopted a set of guidelines describing best practices for the implementation of a company policy on energy efficiency and management. Its main goal is to help ETNO Members stake out a general approach to energy management, plan key procedures and define their energy and GHG targets.

ETNO Energy Policy Guidelines:

Though telecommunications is perceived as an environmentally friendly technology, in reality ETNO member companies do use large quantities of energy and exert a significant impact on the environment. ETNO believes that a recommended energy policy will contribute to reducing this impact.

Telecommunications operators should follow the below principles to create greener ways of working, minimise energy consumption and reduce the effects of global warming:

1. Monitor and measure all types of energy consumption effectively (electricity, gas and oil) in order to identify areas for improvement and set quantitative improvement targets.
2. Identify, monitor and measure all major GHG emissions from direct and indirect activities related to running a telecommunications business.
3. Improve energy and emission efficiency in mainstream processes (networks, buildings, mobility, overhead...) and reduce energy consumption and emissions where practicable relative to business growth.
4. Design energy efficiency into all new equipment and services, including terminals, fixed/mobile network elements, buildings, offices... etc.
5. Increase, where possible, the use of energy from renewable sources and give preference to energy suppliers with less GHG emissions per energy unit.

6. Incorporate energy efficiency criteria in purchasing, supplier selection and sub-contracting processes and work in partnership with suppliers to minimise equipment energy consumption.
7. Educate employees, customers and partners about energy issues, the impact operators have as major organisations and what they can do to help.
8. Share knowledge and good practice with other ETNO members by joining the ETNO Sustainability Charter, and report on energy performance within ETNO's annual sustainability reports.
9. Support and help develop EU initiatives on the reduction of energy consumption (e.g. the Code of Conduct on energy consumption of Broadband Equipment).
10. Comply with all applicable legal requirements, regulations and standards.

Some key warnings:

WWF's Living Planet Report 2006⁹ clearly shows that humanity's ecological 'footprint' has reached a critical point in terms of resource consumption and the likely consequences linked to it. Referring to the size of this footprint, WWF International's Director General James Leape said: "It is time to make some vital choices; change that improves living standards while reducing our impact on the natural world will not be easy. The cities, power plants and homes we build today will either lock society into damaging over-consumption beyond our lifetimes, or begin to propel this and future generations towards sustainable living."

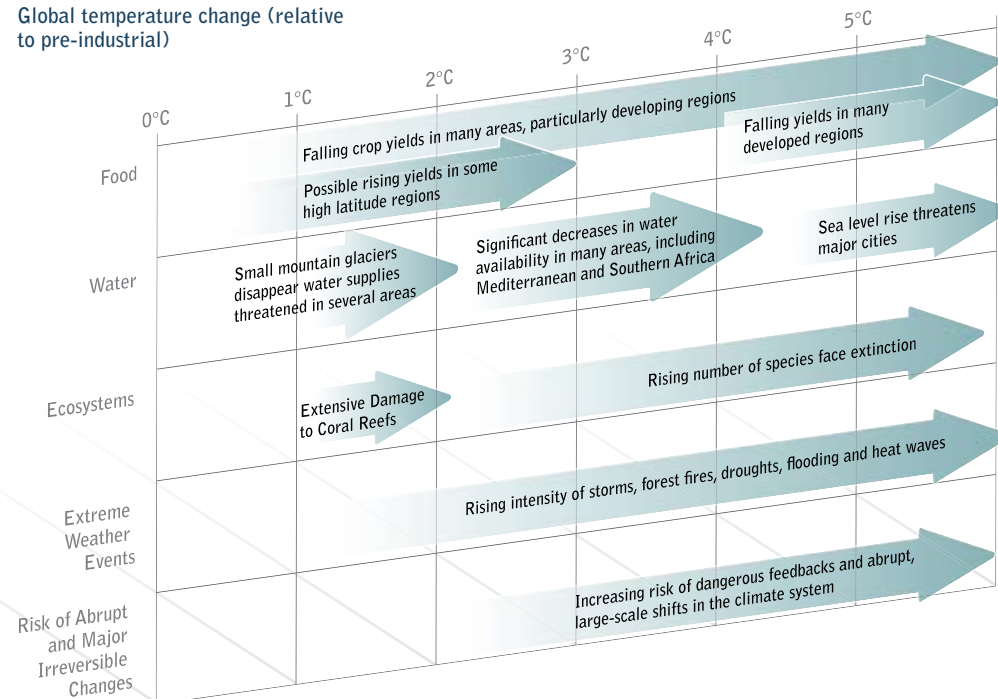
The recently published "Stern Review on the Economics of Climate Change"¹⁰, warns that "if we don't act, the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP each year, now and forever. If a wider range of risks and impacts is taken into account, the estimates of damage could rise to 20% of GDP or more. In contrast, the costs of action – reducing greenhouse gas emissions to avoid the worst impacts of climate change – can be limited to around 1% of global GDP each year. If no action is taken to reduce emissions, the concentration of greenhouse gases in the atmosphere could reach double its pre-industrial level as early as 2035, virtually committing us to a global average temperature rise of over 2°C. In the longer term, there would be more than a 50% chance that the temperature rise would exceed 5°C. This rise would be very dangerous indeed; it is equivalent to the change in average temperatures from the last ice age to today. Such a radical change in the physical geography of the world must lead to major changes in the human geography – where people live and how they live their lives."

⁹_ See: www.panda.org

¹⁰_ See: www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/sternreview_index.cfm

Projected Impacts of Climate Change (Source: Slides for Launch of Stern Review on the Economics of Climate Change)

Global temperature change (relative to pre-industrial)



Working with Legislators

Expectations are that broadband equipment will contribute to the electricity consumption of households in European Community in the near future. To help minimise the effects of broadband rollout ETNO recently collaborated with the Joint Research Centre of the EU¹¹ to implement solutions for the reduction of energy consumption, with related advantages in terms of costs saving and greenhouse gas emissions¹². The outcome of this joint effort was the development of a 'code of conduct' for broadband equipment.

The code of conduct is designed to help all parties address the issue of energy efficiency whilst avoiding competitive pressures to raise the energy consumption of equipment. All service providers, network operators, equipment and component manufacturers are invited to sign this code.

The Code of Conduct sets out energy efficiency guidelines for all parties involved in broadband equipment operating in the European Union.

ETNO believes the code represents a significant step forward in improving energy efficiency for our products and services. Just as important, it provides us an opportunity to get the commitment of our suppliers too.

Working with Standards Organisations

Telecom Network Operators within ETNO have expressed great concern about the energy costs associated with the operation of their telecommunications networks. Energy consumption during the customer-use phase has been identified as the aspect with greatest environmental impact during the product lifecycle of a piece of broadband network infrastructure equipment.

To improve energy efficiency ETNO is currently working with the European Telecommunications Standards Institute (ETSI) to better determine the energy consumption of equipment. This should lead to improvements in the sizing of power plants and more effective control management of power equipment.

Designing a distributed network of information infrastructure equipment usually involves standardising a particular size of power and battery infrastructure in order to streamline ordering and installation. ETNO recognises that a one-size-fits-all scheme, which allows excess conservatism, is no longer appropriate.

Electrical power consumption and emissions

Electric power is crucial to operate and manage communication networks. Although electrical energy is produced in different ways across the European countries where ETNO members operate (ranging from 100% renewable sources to 100% fossil fuel-based energy), most of the energy used comes from combustion of fossil fuels. This causes high emissions of CO₂ and other pollutants. Charter Signatories have strived to reduce their consumption, adopt more efficient solutions, optimise space and equipment use, and reduce and upgrade vehicle fleets.

11_The Joint Research Centre is a research based policy support organisation and an integral part of the European Commission. It is a Directorate General, providing the scientific advice and technical know-how to support EU policies.

12_For more information, see <http://energyefficiency.jrc.ec.eu.int/>

The following graphs show the trend over time of the energy indicators, some of which have been used by ETNO since the very start of its reporting scheme. Two indicators are related to electricity consumption: the first one, **I_{1.1}**, shows the trend of overall electricity management, where all signatories together are considered as one large single company. It is defined as follows:

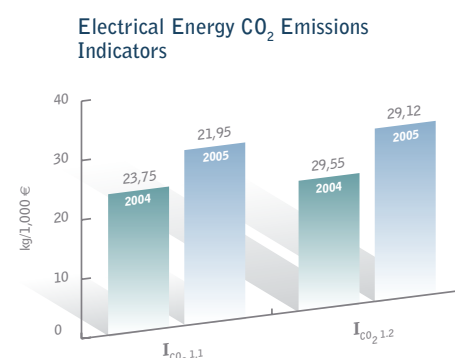
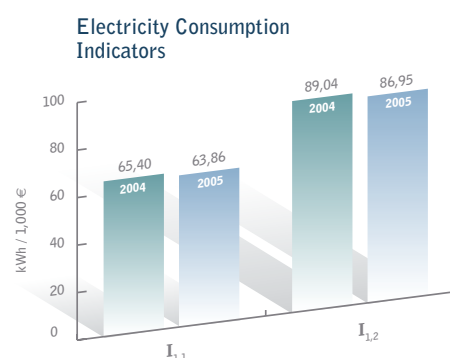
$$\mathbf{I_{1.1}} = \text{Overall Amount of Electrical Energy Used} / \text{Total turnover}$$

The second one, **I_{1.2}**, is the average of individual electricity management efficiency indicators, which vary considerably among signatories, and is defined as follows:

$$\mathbf{I_{1.2}} = \frac{\sum (\text{Amount of Electricity Used by Each Company} / \text{Company Turnover})}{\text{Number of Signatories}}$$

In both cases turnover—either collective or individual—is used as a normalising factor to make calculations as independent as possible of companies' size. For all indicators the following applies: the lower the value of the indicator, the better the performance.

The same approach is used to illustrate CO₂ emissions¹³ originated by Electricity consumption via the two indicators, **I_{co₂ 1.1}** and **I_{co₂ 1.2}**. Analysing the trends of the past two years, overall electricity management efficiency (**I_{1.1}**) shows an improvement of **2.3%**. Average individual electricity management efficiency (**I_{1.2}**) has also improved by **2.3%**. CO₂ emissions have fallen: the overall CO₂ emissions average (**I_{co₂ 1.1}**) shows a reduction of **7.6%**, while the average value of individual CO₂ emission efficiency (**I_{co₂ 1.2}**) in 2005 was **1.5%** less than in 2004.



Vehicle Fuel consumption and emissions

The approach followed to illustrate management of signatories' vehicle fleet is exactly the same. The two indicators used are:

$$\mathbf{I_{2.1}} = \text{Overall Amount of Vehicle Fuel Energy} / \text{Total Turnover}$$

and

$$\mathbf{I_{2.2}} = \frac{\sum (\text{Amount of Vehicle Fuel Energy Used by Each Company} / \text{Company Turnover})}{\text{Number of Signatories}}$$

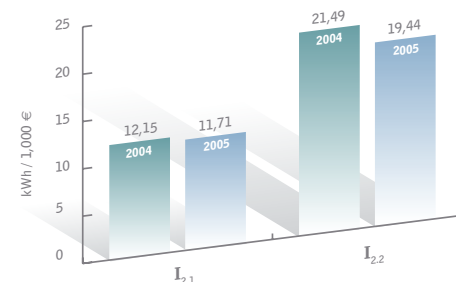
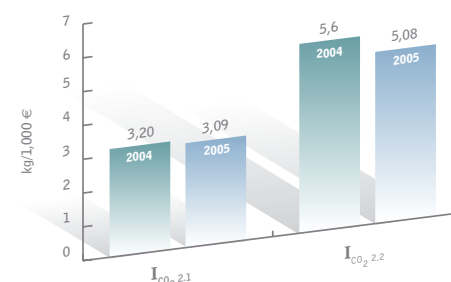
CO₂ emissions¹⁴ originated by vehicle fuels are illustrated via the two indicators **I_{co₂ 2.1}** and **I_{co₂ 2.2}** which are built in the same way. Analysing the trends over the past two years, overall vehicle fuel management efficiency (**I_{2.1}**) shows an improvement of **3.6%**; average individual vehicle fuel management efficiency (**I_{2.2}**) has also improved by **9.5%**. CO₂ emissions have fallen: overall CO₂ emissions average (**I_{co₂ 2.1}**) shows a reduction of **3.3%**, in 2005, while the average value of individual CO₂ emission efficiency (**I_{co₂ 2.2}**) is **9.3%** lower than in 2004.

Vehicle management efficiency improvement derives from both optimisation of vehicle use and from the composition of company fleets (i.e., number of cars and their average consumption). Replacing old vehicles with new ones, which leads to lower fuel consumption and reduced emissions, combined with outsourcing fleet management and improved logistics planning have all contributed to higher efficiency.

To help get a full picture of ETNO member companies' footprint in this area, the Sustainability WG has started an internal benchmark. Its objectives are to share best practices and identify potential areas for improvement. The result of the investigation will be available by late spring 2007.

13_ The emission factors used come mostly from national inventories. Where such factors were not available, those used come from tables published in the UNEP's Guidelines. "The GHG Indicator", ed. 2000.

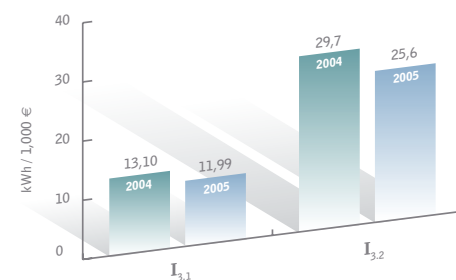
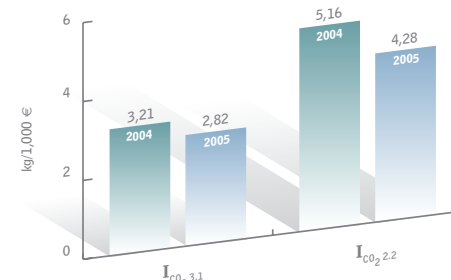
14_ CO₂ emission coefficients for vehicle fuels were taken from UNEP's Guidelines "The GHG Indicator", ed. 2000.

Vehicle Fuel Consumption
IndicatorsVehicle Fuel CO₂ Emissions
Indicators

Heating Fuel consumption and emissions

Use of heating depends on geographical location and meteorological conditions, therefore the spread of individual efficiencies is quite large. Efficiency nonetheless has increased over the past two years. It is worth mentioning that more than 23% of the overall heating power used by signatories came from district heating in 2005. The amount of district heating used is included in consumption efficiency calculations, while CO₂ contributions from district heating have not been included in emission calculations since details on various combinations possible for heat generation were not available. Calculations were therefore limited to the emissions generated by fuel burnt directly in Signatories' heating plants at their premises.

As above, both approaches — “one single company” and the “arithmetic mean of summation of individual efficiencies” — were used. As one single company, the consumption efficiency, I_{3.1}, and the CO₂ emission efficiency, I_{co₂ 3.1}, show an improvement of **8.5%** and **13.8%**, respectively, in 2005 compared with 2004. The mean averages of individual efficiency in term of consumption, I_{3.2}, and emissions, I_{co₂ 3.2}, show an improvement of **12.1%** and **17.1%**, respectively, in 2005 compared with 2004.

Heating Fuel Consumption
IndicatorsHeating Fuel CO₂ Emissions
Indicators

E.Managing Commitments

A structured approach for converting commitment into practice—with defined roles and responsibilities, clear objectives and targets, well organised monitoring and audit processes in place, effective procedures and tools—is better known as a management system.

The basic objective is to ensure compliance with relevant legislation, but companies should not—and do not—limit their efforts only to this. Taking further steps may require investment, but there is always a pay-back. Codes of ethics, declarations, signing up to sustainability-focused initiatives: all these underscore a will to do more, accept the responsibilities and seek the benefits as well. After all, a win-win situation is one where all parties take advantage of positive outcomes. In the business world the economy and sustainability not only go hand in hand, but reinforce each other.

The concept of sustainability as “value” has gained increasing attention, and the challenge to businesses now also covers their own responsibility versus society at large. Creating value not just for shareholders but for all stakeholders is a real business opportunity. This is particularly true for the telecommunications sector because of its influence in shaping tomorrow's society, its role in helping the EU achieve its sustainability objectives and the direct contribution ICT can make to improving people's quality of life at global level.

Even if it is sometimes difficult to demonstrate value for shareholders that good practices create, it is unquestionable that bad practices can destroy it very rapidly. We have seen many examples recently. Re-building a reputation takes much more time and economic effort than that required to spoil it.

Everything is about properly managing commitments and discovering how this brings positive outcomes:

- quickly identifying opportunities and solutions, e.g. recognising that optimisation of the use of natural resources and energy means savings and earnings as well;
- learning from success stories and mistakes helps doing things right the first time; once again this means savings;
- enhancing reputation and credibility helps build trust in the company and its ability to create value for shareholders, and this means competitive advantage;
- establishing an open dialogue with institutions and governments, both locally and at EU level, helps identify opportunities for cooperation on critical issues, with mutual advantage;
- identifying and managing risks prevents economic, regulatory and legal consequences: proper measures must be put in place to cope with rapidly changing operating environments. This also means having procedures in place to achieve full compliance with all relevant legislation and other regulatory requirements.

- **89%** of Charter Signatories have issued a formal Corporate Governance Policy;
- **All** have an environmental policy approved at board level, although it may not always be in the public domain but be released as an internal document; **95%** have translated it into objectives and targets;
- For **79%** the policy includes broader Corporate Responsibility commitments, which are public for **68%**, and which have been translated into objectives and targets for **74%**;
- **All** Signatory Companies have appointed a manager responsible for coordinating programmes of environmental improvement; in **58%** one of main Board Members has been given specific responsibilities over company's sustainability performance, environmental and/or social policy;
- **74%** of Charter Signatories have an Environmental Management System in place, **63%** have it certified according to ISO 14001; **21%** are currently building their own EMS. Typically, such a system covers the parts of a company that have a more specific environmental impact, e.g. its network or building management and technical services, and is, in most of the cases, integrated with its Quality Management System. Such integration helps the two systems to reinforce each other and achieve a better degree of optimisation.

F. Seamless Communications (EMFs)

Wireless connections are undoubtedly changing the way we live and communicate at an unprecedented pace, thanks to the continuous and sophisticated level of technological development needed to satisfy the public's increasing demand for improved mobility and added value services.

The times when phones were hanging on a wall and only voice could be transported over copper cables now seem to belong to long-ago era. Today's imagination is unchained, free from physical constraints. A laptop can be turned into a mobile office, a game arcade, a shopping centre or a theatre, depending upon its owner's preferences and needs. But wireless communications also offers tremendous potential in powering services of public and social utility, from remote monitoring and management to data transmission and transactions to simply hearing a friendly voice and knowing that one dear to you is well. Moreover, such technology can make a dramatic contribution to the economies in developing countries where building fixed network would be impractical and tremendously expensive.

New features mean new issues to care about, which are common to bringing people access to communication services. One issue typical of seamless communications is that of exposure to electromagnetic fields in specifically allocated frequency ranges and their associated power levels.

The European Commission is addressing this issue, which is seen against a background of growing scientific evidence since the October 2001 publication of an opinion by the Scientific Committee on Toxicity, Ecotoxicity and the Environment (CSTEE), known as "Possible effects of Electromagnetic Fields (EMF), Radio Frequency Fields (RF) and Microwave Radiation on human health." The Commission has asked the Scientific Committee on Emerging and Newly Identified Human Risks (SCENIHR) to update this opinion and to monitor new information that may influence the assessment of risks to human health in this area. The Commission's intention is to issue a new report on EMF to the Council of Ministers.

SCENIHR adopted a preliminary opinion in July 2006, and a public consultation has been launched by the Commission's Directorate-General for Health and Consumer Protection, which seeks comments from interested stakeholders.

While no new evidence has emerged about serious diseases such as cancer being induced by exposure to RF fields below existing guidelines for the general public, the Committee recognises that further investigations are needed to better understand the sector's rapid technical developments and the fact that sources of RF exposure are increasingly common.

Particular consideration was given to mobile phones and children, since in the last few years the use of mobile phones by children and young people has increased dramatically¹⁵. SCENIHR's Opinion says: "While no specific evidence exists, there is a general concern that children or adolescents may be more sensitive to RF field exposure than adults. Children, as adults, will also have a much higher cumulative exposure compared to today's adults. To date no epidemiologic studies on children are available."

The World Health Organisation (WHO)¹⁶ has recently expressed its opinion that "considering the very low exposure levels and research results collected to date, there is no convincing scientific evidence that the weak RF signals from base stations and wireless networks cause adverse health effects." WHO recognises instead that consideration must be given to Electromagnetic Hypersensitivity (EHS)¹⁷, which is characterised by a variety of non-specific symptoms that differ from individual to individual. However, it says "there are also some indications that these symptoms may be due to pre-existing psychiatric conditions as well as stress reactions as a result of worrying about EMF health effects, rather than the EMF exposure itself." The conclusion is that although characterised by real symptoms and requiring medical assistance, "EHS has no clear diagnostic criteria and there is no scientific basis to link EHS symptoms to EMF exposure."

According to a survey conducted by ETNO, public perception across Europe of the potential risks associated with exposure to EMFs is quite different from one country to the next, and even within the same country. A principle objective of ETNO Members is to maintain the highest standards in terms of quality and safety for both the public and their own employees in the provision of services and in the operation of their networks. Both ETNO as an Association and its individual members carefully follow the progress made by the scientific community as it investigates the possible effects that exposure to EMFs may have on health. ETNO and its members communicate directly and transparently with interested stakeholders on this specific issue whenever the need arises.

15_According to a Eurobarometer survey of May 2006, 70% of European youngsters aged 12-13 years and 23% of children aged 8-9 years own a mobile phone.

16_Fact Sheet N. 304 of May 2006, on Base Stations and Wireless Networks.

17_Fact Sheet N. 296 of December 2005, on Electromagnetic Hypersensitivity

ETNO is always open to strengthening cooperation with other industry associations involved in the wireless communication business such as GSM Europe and the Mobile Manufacturers Forum. Efforts in this regard have led to successful initiatives, especially aimed at European Institutions.

Certain ETNO member companies have mobile communication branches, or business units operating as separate companies which are also members of GSM Europe. ETNO recognises the considerable contribution of the GSM Association to a better understanding of issues related to mobile communications and to EMFs in particular. We encourage interested parties to visit GSMA's web site and examine the page dedicated to such issues, www.gsmworld.com/using/health/index.shtml, where a comprehensive review of the latest scientific findings can be found.

G. Sustainability in the Workplace...

Human resources are key to the success of an enterprise: a sustainable enterprise is successful because it attracts the best skills, and provides its people with a workplace that is safe, stimulating and full of opportunities for professional growth.

ETNO is actively working on employment and workplace related issues together with other sector's social partners.

In 1998 the European Commission established sectoral dialogue committees to promote a dialogue between the sector's social partners at European level (Commission decision of 20 May 1998 – 98/500/EC). The joint committee on Telecommunications, created in 1990, was transformed into a Social Dialogue Committee (SDC) in 1999 whose social partners are ETNO, which represents employers, and UNI Europa-Telecom (part of Union Network International), which represents the unions. Four work-streams are currently active in the SDC. These deal with work organisation, diversity, health & safety and skills & training¹⁸.

18_More information regarding the Social Dialogue Committee on Telecommunications can be found at: http://ec.europa.eu/employment_social/social_dialogue/sectoral_en.htm

In 2005 a “Diversity Project” was launched, with the aim of promoting diversity, gathering information about best practices and publishing a leaflet offering the best practices.

The social partners also have been engaged in a broad discussion on Skills and Training in their sector. This will lead to the identification of needs and the definition of programmes and tools to satisfy such needs. A significant focus was also put on the enlargement of the EU and its consequences for the SDC. Concerns on how new members states can be more involved in the social dialogue were highlighted.

2005 was the year of the “MSD (Musculo Skeletal Disorders) Project”. Research carried out by ETNO in 2003 revealed that over 60% of 1.3 million people employed by its member companies are display screen equipment (DSE) workers, while approximately one quarter are service technicians. Risk assessment of this latter group showed that 85% have a high or medium risk of developing MSD. It further showed that a range of activities are being undertaken to address these problems, though there is no clear statement of good practice which would help to provide a common understanding of the risks and how they can be minimised.

The Social Partners therefore decided to conduct further and more detailed research in this area so that good practice relating to the prevention of MSD could be accurately defined and then widely promulgated. A project group was set up, with generous support from the European Commission. More information on the results and the good-practice guidelines can be found at www.msdonline.org. The project is an example of how corporate social responsibility can be put into practice by fruitful and open discussion and cooperation among interested stakeholders.

The ETNO-UNI Call Centre Agreement

In 2004, in a groundbreaking initiative to support fair and professional working conditions in e-communications, ETNO and the pan-European labour organisation, Union Network International (UNI), jointly defined a new set of principles to govern the operation of call centres.



The new principles laid down high standards of employment and training, working conditions and employee rights, including the freedom to join a union and apply them to each signatory’s call centre operations across the globe.

This is the kind of cooperation between industry and labour that delivers results: positive for all involved. The new principles aim for professionalism and skills development in the workplace—thus delivering reliable service to the customer—while guaranteeing safe and flexible working conditions for all our call centre employees.



The new principles cover a broad range of activities related to training standards and working conditions, from ways to ease stress on the job to access to training to respect for family-versus-work obligations. They are designed to deliver benefits to both sides of the work equation: higher job satisfaction for the employees in terms of solid training and career prospects under safe work conditions and—for the employer—retention of a well-trained and satisfied staff that brings reliable and high-quality service to the consumer.

Individually Charter Signatories apply important policies/initiatives in the workplace, e.g.:

- **All** Charter Signatories apply a non-discrimination and equal opportunity policy to promote diversity as part of their corporate culture, i.e. recognising and respecting the individuality and pluralism of employees and using their potential for business success.
- **All** Charter Signatories conduct periodical employee satisfaction surveys, though these may not be applied to the whole corporation.
- **All** Charter Signatories evaluate periodically the performance of their employees and executives; for **84%** of signatories this evaluation covers more than **80%** of their people.
- **74%** of Charter Signatories have a work-life balance programme or a set of initiatives in place, recognising that there are tangible benefits to supporting flexible working practices, implementing family-friendly initiatives and assisting employees to achieve a balance in their work commitments and their life outside of work.
- **All** Charter Signatories have a programme in place which is regularly carried out to present their company to graduates; for **95%** of signatories this includes employing interested persons temporarily as trainees.
- **All** Charter Signatories have written standards and procedures to ensure health and safety at work, and carry out internal safety audits regularly.

H. ...and Beyond

The commitments of the Sustainability Charter and the 10 Principles of the Global Compact that the Association embraced in 2004 are the basic guidelines that ETNO encourages its Member Companies and all the actors in the ICT business to apply.

Promoting the UN Secretary General's vision for a sustainable global economy and playing a key role in the European marketplace by helping the EU and local governments achieve the Lisbon Strategy and reach their sustainability targets is what we call responsible business.

ETNO does, of course, realise there remain issues to be tackled to fully exploit the potential of ICT in fostering economic growth, creating better and safer living conditions, and reducing the burden on the environment. Such issues include:

- consumption of natural resources, emissions and waste production: only an active cooperation and the will to find solutions can reduce humanity's footprint on the planet; ETNO members and their suppliers must join forces to identify proper alternatives to materials used in manufacturing products and technical solutions applied to products and services;
- bridging the digital divide to enable social development at home and in countries whose economy is going through a transition phase that hopefully will lead to improved living conditions;
- ensuring that ICT tools and services are properly managed and used, protect customers from fraud and privacy violation and, in particular, shield children from the misuse and access to unsuitable content;
- promoting respect for human rights and the application of suitable working conditions across the supply chain, especially in developing countries by exporting good practices and building capacity there.

Through the Global e-Sustainability Initiative, of which ETNO is a founding member, the Association debates all these issues with peers and equipment manufacturers to identify the best way forward.

The Charter is open to any responsible company whose business provides voice and data communications services over any kind of network across Europe. There is no need to be an ETNO member to join: this is a decision the Association took years ago, realising that the value of committing to the Charter and working together with other Signatories should be open to all parties willing to take advantage of it. There is no specific entry level.

Signatory Companies look forward to having new members come on board.

A. The Sustainability Charter of the European Telecommunications Network Operators' Association

Our Vision

Sustainable development is a global strategic goal, which seeks to achieve economic growth that promotes a fair and just society while conserving the natural environment and the world's scarce, non-renewable resources for future generations. It is our belief we can play an important part in making this happen.

Corporate Social Responsibility also needs to be understood in the context of sustainable development:

- Corporate Social Responsibility is the business contribution to making sustainable development happen, through the proactive management of a company's environmental, social and economic impacts.

This Charter embodies our commitment to sustainable development via:

- a sustainable provision of products and services with significant environmental, social and economic benefits;
- a determined effort to integrate our business activities with environmental, social, and economic responsibilities — minimising, where practicable, any negative impact these activities may generate.

Our Approach

We believe, as do our employees, customers, shareholders and governments, that today's world demands close attention to business principles and ethics, employee relations, human rights, environmental management, community investment and general working conditions, within a company and regarding its outside suppliers.

Collectively, these activities form the basis for Corporate Social Responsibility (CSR).

CSR commitment demands regular performance assessment. Thus, our reports offer stakeholders a means to judge how effective our improvement programmes have been. Moreover, the spread and reach of telecommunications across contemporary society imposes on us, as responsible corporate citizens, the social obligation to demonstrate this commitment, to reflect how we run our businesses.

Collectively, our companies' combined turnover represents a significant proportion of European trade, which offers a unique opportunity for ETNO member companies to co-operate actively with policy-makers and Governments to make a real difference. Indeed, our CSR activities can offer a significant contribution to sustainable development.

Our Pledge

We, as Charter signatories, whether individually or collectively, are committed to continuous improvement and the sharing of best practice via action in the following areas:

1. Awareness

To acknowledge all the relevant environmental, social and economic impacts of our products and services: whether positive or negative. In particular we will build CSR aspects into company communications and training programmes.

2. Regulatory Compliance

To achieve full compliance with all relevant legal requirements and, where appropriate, to exceed them.

3. Research And Development

To support research and development into the contributions that new telecommunication products and services can make to sustainable development.

4. Procurement

To implement efficient management of resources, energy use, waste, emissions reductions, environmentally friendly process and product requirements; eliminating use of hazardous materials; observation of human rights and labour conditions.

5. Accountability

To make available to all stakeholders' material data, case-study examples and information about our environmental, social and economic performance, as accountability and transparency are key elements of CSR.

To maintain an inclusive approach to stakeholder relationships, in order to reflect their aspirations and needs in our business activities.

6. Cooperation

To co-operate constructively with governments, customers, industry partners, civil society and international organisations when investigating, developing and promoting the benefits that information and communications technologies generate for sustainable development.

7. Management Systems

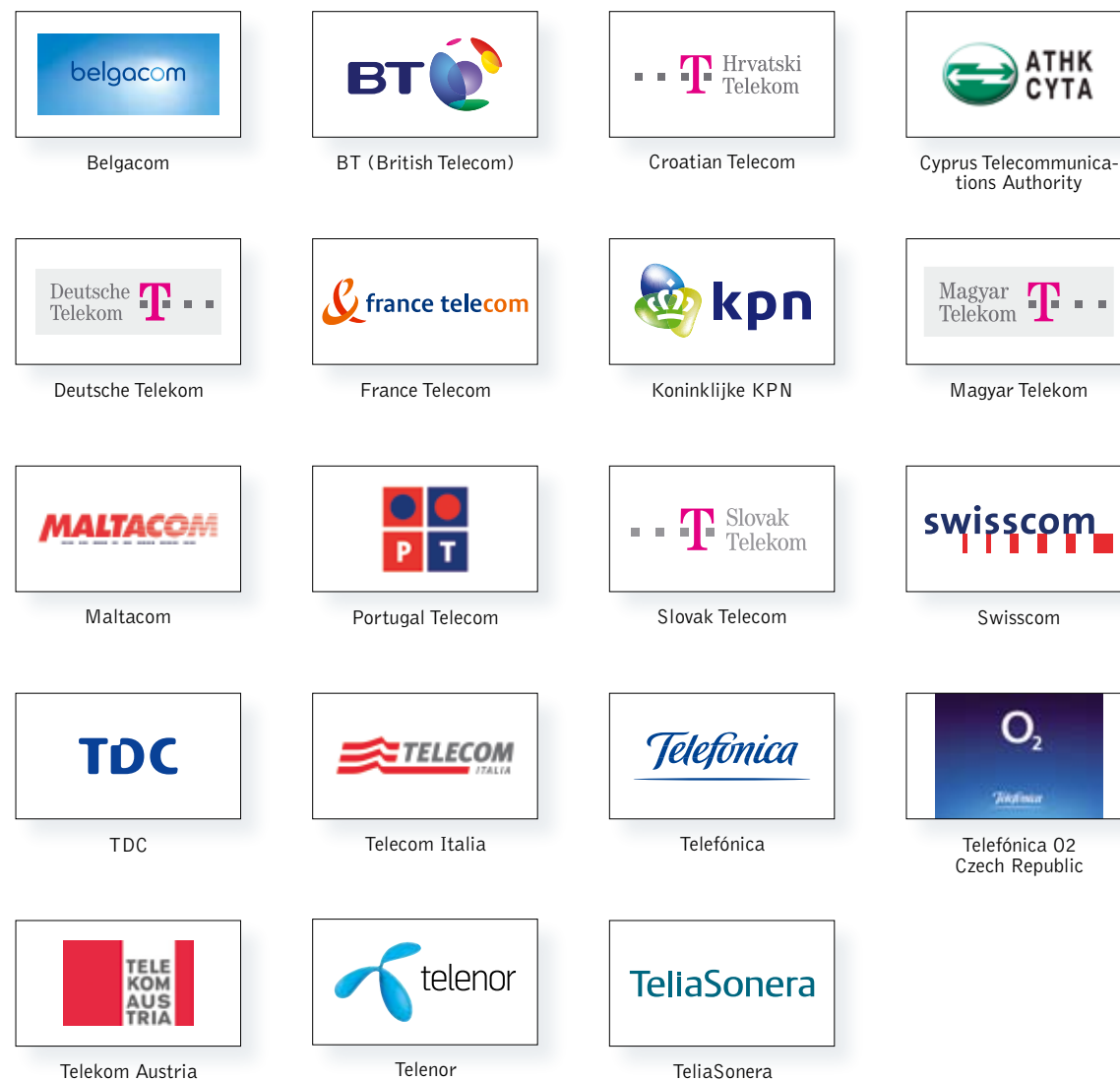
To offer a statement of business principles, an environmental policy, the appointment of a management board member with specific CSR responsibilities, and a manager(s) with designated responsibility for co-ordinating programmes of continuous sustainability improvement.

Finally, to implement management systems that support development of appropriate and well-structured programmes on environmental protection, labour conditions, occupational health and safety and social accountability.

8. Employee Relations

To create work environments that promote the work-life balance, professional development, diversity and health and safety, maintaining a highly motivated and productive workforce.

B. Signatories of the ETNO Sustainability Charter



C. Acknowledgments

This Report was prepared for ETNO by its Working Group on Sustainability, in cooperation with the Association's Working Group on Employment, Health and Safety.

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D. About ETNO



Based in Brussels ETNO – the European Telecommunications Network Operators' Association – is the industry's leading policy voice. It represents 41 major European telecommunications companies in 34 countries, inside and outside the EU.

ETNO members account for an aggregate annual turnover of more than 240 billion Euros and employ over one million people across Europe.

ETNO members deliver a comprehensive and growing range of electronic communications solutions, including both traditional services, such as fixed or mobile voice, and innovative data products. They provide value for customers based on high quality service, creativity and innovation.

ETNO members heavily invest in tomorrow's technologies with a clear long-term commitment to contribute to building a more sustainable society. ETNO member invest annually about 35 billion Euros in infrastructure, technologies and services, thus underpinning the future deployment of broadband. They devote a significant amount of their resources to research, development and innovation, paving the way for the future.

ETNO is a key interlocutor on a wide range of regulatory and technical matters related to the sector. The association also takes part actively in the debate on issues such as environmental protection and sustainability, Internet governance, network security, data protection and network numbering and addressing.

For more information: www.etno.eu





ETNO Contact details:

Avenue Louise 54 | B-1050 Brussels | Belgium

Tel. 32 2 219 32 42 | Fax 32 2 219 64 12 | www.etno.eu