



1# Project Status Report

Developing a Sustainability Assessment Standard Framework (SASF) for the global ICT industry

May 2015

Evaluating the sustainability of ICT

In the fast-growing information society, Information and Communication Technology (ICT) presents challenges and opportunities. With the increasing usage of ICT solutions, empirical findings suggest that the environmental impacts of global ICT will increase over the next few years under business-as-usual scenarios. At the same time, consumers, civil society actors, policy-makers and shareholders are voicing increasing concern on sustainability issues related to global ICT.

Alongside this development, however, it has been shown that ICT also provides products and technologies to tackle climate change and reduce

GHG emissions (GeSI Smarter 2020). With the SASF (Sustainability Assessment Standard Framework) we seek to develop a comprehensive assessment framework which addresses environmental, social and utility issues, both negative and positive, related to ICT products and services.

Nevertheless, assessing the sustainability of ICT products and services presents major methodological and practical challenges. The provision of telecommunication services is a complex process which often covers an extensive geographical area and which may include hundreds of thousands of items of ICT equipment, manufactured over a highly complex and widely ramified value chain. The assessment of such products and services requires analysis at multiple levels, for instance:

- Classic hardware (e.g. routers, media receivers etc.), including its supply chain
- Service platform, i.e. network equipment (e.g. switches, transport layers, cabling etc.)
- Operational activities, i.e. activities related to system development, deployment and maintenance (e.g. technical support, product management etc.)
- Type of service provided (e.g. Video-on-Demand, phone call using a telecom network etc.)
- Type of network used (e.g. LAN, WAN, fixed, mobile, satellite etc.)

With the development of the Sustainability Assessment Standard Framework (SASF), GeSI is fulfilling its overarching mission to become a globally recognized thought leader, partner of choice and proactive driver of the ICT sustainability agenda.

What we want to achieve: the objective of the Sustainability Assessment Standard Framework (SASF)

*The overarching objective is to develop a **comprehensive sustainability assessment framework for products and services for the global ICT industry.***

With the SASF project we are pursuing ambitious targets. The overarching objective of the project is to develop a comprehensive sustainability assessment framework

for the global ICT industry's products and services. Furthermore, the framework is intended to be progressively improved towards a sector-wide recognized standard.

By following these objectives, the following key questions will be addressed during the development of the framework:

- Which environmental and social/societal effects, both negative and positive, are generated by the present products and services of the ICT industry throughout the value chain?
- How can a standard tool be configured for continuous assessment of the

sustainability of several hundred products and product developments, if it is to be used within GeSI and its application is to take place within acceptable financial and HR budgets?

- What are the points of leverage for optimization towards sustainability, and which costs or savings do these incur and deliver respectively?

The SASF at a glance

The SASF project pursues the objective of developing a comprehensive, sector-wide assessment. Consequently, in addition to the development of the most important criteria and indicators, it is also crucial to integrate important stakeholders' input on a global scale. Key actors within the ICT sphere have the opportunity to actively participate during the course of the project through workshops and webinars.

The first SASF Stakeholder Dialogue (see page 3) took place at the GeSI office in Brussels on April 28th. The meeting marked the starting point for an ongoing stakeholder exchange and was particularly intended to provide project information to the participants and to jointly identify the possible challenges and opportunities which could occur in the development of such a project.

The second Stakeholder Dialogue in autumn 2015 pursues the goal of discussing the first draft of framework criteria and indicators, which will subsequently be tested in the participating pilot companies.

To integrate international stakeholders beyond Europe into the project, webinars will be conducted. Thereby, in parallel to the first Stakeholder Dialogue in Brussels, the provision of project information and the discussion of challenges and opportunities will be central. One webinar incorporates stakeholders from the Asia/Pacific region, the other from North America.

Benchmark analysis: evaluating existing frameworks

Prior to the development of such a holistic assessment, it is necessary to analyse how

The project phases in detail



currently applied sustainability frameworks for the ICT sector are structured in terms of their scope and boundaries. For this reason a benchmark analysis was performed. It allowed best practices to be identified but also indicated gaps within the frameworks examined. The following seven available sustainability frameworks were chosen to provide an understanding of the generic path taken by sustainability assessment approaches: (1) ITU – Sustainability Toolkit, (2) Deutsche Telekom – PMN, (3) NABU – Handy Ranking, (4) E-TASC, (5) Eco-Rating 2.0, (6) Rank a Brand and (7) Greenpeace – Guide to Greener Electronics.

Below is an extract of the findings:

- All considered frameworks address environmental aspects, while only a minority includes social aspects in the evaluation.
- Most of the frameworks do not assess services, networks and data centres.
- Assessment of utility/ functionality is only integrated in two frameworks, where one framework had very comprehensive requirements with regards to the utility.
- While five frameworks were transparent in terms of the assessment criteria used, the level of transparency varies when it comes to the evaluation of criteria, weighting system applied and information sources used for the evaluation.

On the basis of the key findings the following learnings need to be integrated in the development of the SASF (extract):

- Address and integrate well-established global ICT processes in order to avoid a duplication of efforts.
- As the utility analysis is used to analyse the practical, symbolic and societal utility of the product, its integration in the overall framework should help companies to design products which are in the end also purchased by consumers and accepted by the market.
- Resource conservation can mainly be achieved through the longer usage of products. There are several factors that help in prolonging the product life-span or usage time. Product design is only one of these.
- Other important influences are the policy of the service provider (e.g. contract design, updateable products avoiding early replacements, leasing business models, after-care services, take-back system) that can be assessed only at the company level.
- Product-durability standards need to be included in the criteria set.
- It is important to embrace product designs that enable easy remanufacturing, repair and recycling.
- Indirect positive benefits of ICT (see SMART 2020 & SMARTer 2020) cannot be

ignored completely and need to be included in the criteria set.

- Data security and protection has gained enormous importance in the public debate. These aspects need to be addressed in the criteria set.
- In the future, supply-chain related issues will be more generally viewed under the topic of human rights due diligence (as a direct consequence of the UN Guiding Principles on Business and Human Rights). Taking a human rights due diligence approach for the telecommunication sector, a general risk screening is likely to yield the following areas of risk: (1) potential human rights risks in the raw materials extraction phase (also beyond conflict financing); (2) potential human rights risks in (contract) manufacturing; (3) potential human rights risks related to data security and privacy; (4) (possibly also risks related to unsound disposal and recycling in non-OECD countries)
- A due diligence approach should go beyond risk identification. Generally, measures should be designed according to the 3 pillars: respect, protect, remedy. This means that companies should endorse a human rights policy and implement a human rights protection approach. But it should also focus on effective remedy measures.
- For raw materials, it is not expected that the industry takes remedial action for the sourcing of >30 materials, for instance. On the other hand, it is expected that the

industry takes proactive measures to remedy human rights impacts for materials where relevant (high human rights risks) and where the industry has high influence (also thanks to its high market share).

For the full benchmark please visit our website: www.gesi.org/ICT_sustainability_portfolio

Direct stakeholder exchange: the 1st Dialogue

Successful stakeholder management integrates important stakeholders into the development of the Sustainability Assessment Standard Framework (SASF) at every stage. One key element in this is active stakeholder participation throughout a series of procedural integration steps. These include two stakeholder workshops and two webinars.

The 1st Stakeholder Dialogue took place on April 28th at the GeSI office in Brussels.

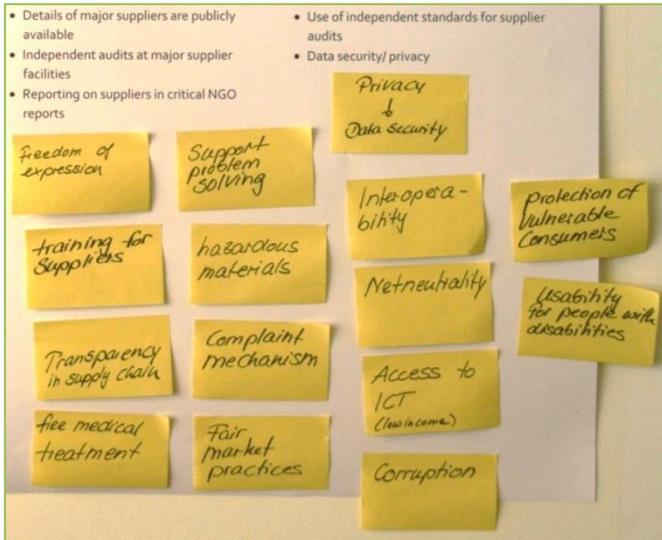
Content of the meeting

At the outset of the meeting the project's background and objectives were described to the external stakeholders. Subsequently the summarized findings of the performed benchmark were shown, which was examined to understand

List of participants (Stakeholder Meeting, April 28th)

- Allon Bar, Ranking Digital Rights
- Christian Behrendt, Stakeholder Reporting
- Laura Bergediek, Carbon Disclosure Project
- Valentina Bolognesi, Digitaleurope
- Pamela Brody-Heine, Green Electronics Council / EPEAT
- Christina Deibl, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- Sylvie Feindt, Digitaleurope
- Carolin Friedrich, Stakeholder Reporting GmbH
- Rainer Griesshammer, Oeko-Institut e.V.
- Andreas Harker, Swisscom AG
- Danaé List, Global e-Sustainability Initiative (GeSI)
- Anne Meldau, Oekom
- Luis Neves, Deutsche Telekom
- Heinz-Gerd Peters, Deutsche Telekom
- Valérie Peters, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- Siddharth Prakash, Oeko-Institut e.V.
- Rasmus Prieß, Oeko-Institut e.V.
- Danilo Riva, European Telecommunications Network Operator's Association (ETNO)
- Monika Schroeder, European Commission
- Johanna Sydow, Germanwatch e.V.
- Christian Thorun, ConPolicy GmbH
- Chiara Venturini, Global e-Sustainability Initiative (GeSI)
- Carsten Wachholz, European Environmental Bureau (EEB)
- Michael Winter, Stakeholder Reporting GmbH

the general structure of present sustainability assessments in the ICT sector. To intensify the discussion with the participants, this was followed by the introduction of the scientific basis of SASF. It was highlighted that the indicator development is not starting from scratch but is rather taking existing best practices and well-established frameworks and tools into account. At every stage, all participants were encouraged to contribute questions and remarks.



The table summits aimed to identify the most important issues and benefits in the ICT sector, as well as best practices with regards to their evaluation.

Once a common understanding of the project and its background was given, the experts were divided into Environmental and Social Table Summits.

The table summits aimed to discuss issues and benefits within the ICT sector in detail. According

to their expertise, the participants freely decided which table they wanted to join.

Lessons learned from the 1st Stakeholder Dialogue

In general the discussion was fruitful and constructive. The invited stakeholders valued the claim to develop a holistic approach covering social and environmental aspects, despite a forbidding number of known supply-chain issues. Furthermore the following general comments were made:

- The recommendation was made to integrate future aspects into the framework by developing the assessment with future ICT trends in mind, and to analyse what customers might expect from the industry in 2030, for instance. However, SASF aims to identify improvements and new opportunities to improve companies' sustainability performance. Balancing framework comprehensiveness on the one hand and the need for manageability on the other requires focusing only on the most important issues in the ICT sector. It is to be seen during the criteria and indicator development how far the SASF can go.
- It has been recommended to embrace the topic of circular economy into the SASF, if indicators in this field can be identified.
- The suggestion has been made to integrate user behaviour regarding rebound effects (resulting from the real usage of products and services compared to average scenarios) into the SASF.

During the exchange with the external experts, one central annotation appeared repeatedly:

Integration of benefits into the SASF

- On both tables (Social and Environmental) the stakeholders concurred on the great challenge of the project: the integration of benefits into the SASF. According to the experts the challenge is to measure and identify indirect benefits in an assessment which result from the usage of products and

services. Currently, most classic criteria do not allow such an evaluation. The suggestion was made to focus on impacts and include benefits as a separate module in an overall background. If the SASF continues to include benefits, these could be treated differently to social or environmental impacts.

- It was emphasized that the aspect of benefits, which include ICT-enabling effects as well as utilities, might be difficult to evaluate. Furthermore the framework should avoid neutralizing negative impacts by focusing too much on the benefits. It was mentioned that it is important to focus on reducing the negative impacts of ICT.
- The participants pointed out that while it is accepted that ICT generates a series of benefits, the main focus of SASF development should lie on reducing the most relevant sustainability impacts arising from the existing challenges in the ICT sector. It was also mentioned that it might be difficult to allocate benefits to one specific product or service. Additionally, it is crucial to prevent benefits serving as a vehicle to compensate for negative effects (greenwashing).

and utility topics) on the one hand and to be manageable on the other – the framework will merely focus on the most important issues and benefits in the ICT sector. The results from the table summits support this approach, as the stakeholders identified essential topics to be considered in the assessment.

Moreover, the dialogue highlighted the crunch issue of integrating benefits into the evaluation. For the acceptance of the framework it will therefore be crucial to find a suitable way to include enabling effects.

Upcoming milestones:

- Two webinars to cross-check the results from the first Stakeholder Dialogue
- GeSI-internal indicator workshop
- 2nd Stakeholder Dialogue will take place on September 25th 2015 in Brussels.

For the full presentation please visit our website:
www.gesi.org/ICT_sustainability_portfolio

WHAT'S NEXT: SUMMARY AND OUTLOOK

The first Stakeholder Dialogue not only marked the starting point for an ongoing stakeholder exchange. The findings from the discussions will also form the basis for the upcoming indicator development phase.

As the SASF aims to satisfy a twofold demand – to be comprehensive (including social, environmental

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