



CIONET

DISCUSSION SUMMARY

**SUSTAINABILITY
WITH IT**



Business

On 23 November 2023, the Telenet Business Leadership Circle, organised and moderated by CIONET at the invitation of Telenet Business, took a deeper look at the important topic of sustainability and its relationship to IT. A diverse panel of CIOs shared their insights on how they think the pursuit of greater sustainability is a journey, based on continuous improvement and incremental goals.

Upon introducing the debate participants, it immediately became clear that sustainability can be interpreted differently depending on the particular context of a company. For a parcel delivery service, for example, it's important to scale up capacity very quickly in response to peaks in demand such as Black Friday or the end-of-year period. To achieve this, cloud services are indispensable, resulting in a peak in IT-related emissions. At the same time, sustainability in IT can be found in small measures, such as choosing recyclable laptops.

The total footprint must be reduced

It's clear that the perspective on sustainability taken by a manufacturer of e.g. large, industrial machines, is very important. This includes not only the energy consumption and emissions produced during the manufacturing process, but also and especially the ecological footprint of the machine across its entire lifespan. That footprint in particular must be reduced. For a supermarket, the pursuit of greater sustainability is reflected in the choice to purchase from more local suppliers – fruit and vegetables are a good example – resulting in less transport, cooling and packaging.

Customers are clearly supportive of these developments, but they don't necessarily want to pay more for more sustainable products and services. The pandemic certainly gave the short supply chain a boost, and that effect has lingered. Now other sectors – such as clothing and footwear – are looking for ways to achieve greater sustainability. They do this by focusing more on private labels and offering a sustainable alternative that way, among other initiatives. Another solution is to extend the lifespan of products, resulting in less waste.



Ineke Rampart
Director CEO Office & Sustainability
Telenet

Telenet and ESG: “The S is in our DNA, the law is the driving force behind the E”

Telenet’s mission is to bring digitalisation to everyone. This fits perfectly with the services the company offers. In the context of ESG, Telenet focuses mainly on the S for Society. The company has pioneered many social initiatives that focus on digital inclusion. A product like Telenet Essential Internet, for example, brings an internet connection within reach of socially vulnerable target groups.

“We offer these products through social organisations,” says Ineke Rampart, Director CEO Office and Sustainability at Telenet. “We don’t do this for free: people pay €5 per month for a mobile subscription or €10 for an internet subscription. This is a conscious decision because we respect people’s dignity and regard them as customers, just like all our other customers.” Telenet currently has about a thousand of these subscriptions. While the social aspect is truly in Telenet’s DNA, environmental legislation is the main driving force behind the E in ESG. “Of course, that part of sustainability is also important,” says Ineke, “but we must be careful not to get caught in the reporting trap.” CSRD and the associated taxonomy feel far too broad. There’s a lot of focus on reporting, with the risk that less time and resources will be spent on real change. “Of course we are committed to reducing emissions, but it’s a complicated issue.”

No less than 97% of Telenet’s emissions are in Scope 3. “So we have to work very closely with all our suppliers to tackle this. At the same time, there will also need to be more cooperation with other telecom operators, so that we don’t all solve the same issues separately. We need to do more as a sector.” Furthermore, it remains a challenge to figure out how Telenet’s activities individually contribute to emissions. “From 2024, we’ll link our environmental objectives to our business budgets, among other measures. This way we can make business decisions that take the reduction of emissions into account. We’re making progress step by step. We see it as a journey.”

Practice does not always follow

On the other hand, we often see well-intentioned initiatives that overshoot their target. This is the case with the many refillable drinking bottles that have become ubiquitous, and the reusable bags you get in shops. Everyone has a few of these drinking bottles and bags lying around the house – most of them unused. The idea is sound, but in practice it often leads to more unnecessary production – and ultimately more waste.

In the logistics sector, too, practice doesn't always live up to the promise. In its pursuit of CO₂-neutral services, a parcel company might want to switch to all-electric vans by 2030. But to do the job, it needs vans with a range of 300 kilometres. These do not appear to exist today. In short, if the company wants to use electric vans, it cannot cover the same ground every day and therefore has no choice but to work in a suboptimal manner.

However, the electric van example assumes a one-to-one replacement of the existing business model. To achieve a higher degree of sustainability, we sometimes have to dare to redesign the entire business model. In the case of a parcel delivery service, this means a differentiation of service: not only home delivery, but also delivery to shops or lockers, in order to reduce the cost and footprint of the last mile.

Look at the entire chain

It's also important that the pursuit of greater sustainability doesn't rely on the efforts of a single link in the value chain. Of course, as a company you can start with yourself and, for example, tackle your own emissions from Scope 1. But in many sectors – the manufacturing industry, for example – companies rely on close cooperation with hundreds, sometimes thousands, of suppliers.

To reduce emissions in that chain – Scope 2 and 3 – an overarching approach with more cooperation is needed. But the reality is that sustainability isn't as high on the agenda everywhere in the world as it has been in Western Europe for some time now. By tackling the challenge at a sectoral level, more awareness is created and support for greater efficiency grows. At the same time, cooperation at sectoral level is often a necessity. As a sector you are stronger and have more leverage, for example compared to large suppliers, than you do as an individual company.



Toon Torfs

Innovation, Business Development
& Sustainability Manager
Schoenen Torfs

More sustainable means more human

Schoenen Torfs is a Belgian footwear retailer with a network of 75 stores. "For our business, sustainability has always primarily had to do with the human character of the organisation," says Toon Torfs, Innovation, Business Development and Sustainability Manager at Schoenen Torfs. "That's what our company has always been focused on. The sustainability dimension related to the climate has only been added in the last 25 years." But Schoenen Torfs also wants to be a pioneer in this area. Today, Torfs is a climate-neutral company, with climate-friendly stores. The largest contribution to Torfs' ecological footprint comes from the manufacturers of shoes, especially waste, packaging and transport.

Schoenen Torfs makes efforts to purchase more sustainably. But that's often a difficult exercise, because every link in the supply chain must be examined and assessed. Another way to focus on sustainability is to offer a shoe repair service. "Repairing shoes instead of throwing them away," says Toon, "reduces the waste mountain. But at the same time it's a challenge for a company like ours, because in this instance sustainability and sales are diametrically opposed to each other."

An additional challenge is the fact that Schoenen Torfs collaborates with more than 250 brands. "They in turn each have their own suppliers," Toon explains. "That makes it very complex to achieve a higher level of sustainability throughout the entire supply chain. That's why we introduced our code of conduct – with objectives regarding emissions and the quality of working conditions, among other things – which all our partners sign."

Legislation should not be a brake

In the context of ESG, there is a greater need to think in terms of ecosystems and partnerships. The government isn't always a fan of too much cooperation, it was said around the debate table, because it could potentially weaken competition within a sector. So in the context of sustainability, opportunities that would lead to greater efficiency are sometimes lost.

There is also some concern among businesses about the European Union's Corporate Sustainability Reporting Directive (CSRD). From 2024, this directive will be translated into national legislation. There are fears that the law will put too much pressure on creativity and innovation. In that context, the dreaded reporting trap appears, where small and medium-sized companies in particular will spend their resources primarily on reporting in order to achieve compliance.

This may leave fewer resources available to spend on sustainability. Moreover, the participants noted that Belgium sets the bar higher than Europe demands, which will present quite a challenge, especially in Wallonia and Brussels, where demands are even stricter than in Flanders.

Ultimately, economic reality decides

Embedding sustainability in business processes will be the only real lever that will help us achieve all our sustainability goals, because the economic reality is that in the end only the bottom line counts. That's why it's so important to make the correct comparison. Suppose a customer who orders from a European company must take into account all aspects of their purchase, including the emissions from production and transport. But if they buy the same product elsewhere in the world in a less sustainable but cheaper way, their decision is easily made.

If you don't want to price yourself out of the market in that situation, you have to offer the best solution in all areas, including product quality, price and sustainability. So you must ensure that you have a solution for reducing emissions (E), but also that you maintain employment (S) and organise all of this in the appropriate way (G). That's the real challenge today.

The participants clearly see where the challenge lies. At the same time, they note that most companies – and by extension the entire Belgian economy – have already taken major steps in the past two years, not only in terms of awareness, but also concrete action. Yet the risk of window dressing remains, with a mention in the sustainability report being the only driver of some small projects. But that is generally considered a growing pain. That's another hurdle that we must jump, so that we all contribute in our own way to what is a challenge for the entire world.



Danny Goderis
Senior Business Group Leader Telecom
Agoria

IT can eliminate up to five times its own footprint

Yes, IT contributes to CO2 emissions but it also provides a lever that helps us reduce emissions. The [Digital4Climate](#) study conducted by Accenture and Agoria points to a number of opportunities. "Focusing on sustainability through digitalisation also contributes to the business," says Danny Goderis, Senior Business Group Leader Telecom at Agoria. "For example, digitalisation results in less energy consumption, but also greater efficiency, or it ensures more circularity." So even though IT itself has a certain ecological footprint, it also helps the world move forward.

The focus of the study was on the manufacturing and processing industries, the construction sector, the energy sector and the logistics sector. These four sectors together are responsible for 87% of all CO2 emissions in Belgium. Digitalisation can significantly reduce these emissions. The use of a building management system allows the heating and cooling of a building to be controlled more efficiently – and therefore consume less energy. With BIM (building information modelling) you have data about all the materials used in a building, which allows you to reuse and recycle materials more efficiently at the end of the building's life cycle, resulting in circularity.

The footprint of the Belgian IT sector consists of devices (due to a lack of circularity), data centres and operator networks. "Two percent of total Belgian emissions come from the IT sector," says Danny Goderis. "But by using IT we can reduce total emissions by 10% by 2030. So IT can eliminate up to five times its own footprint. That means we can achieve 20–30% of the 2030 objectives through the use of IT." But that will require an investment from all businesses. "That's why it's so important to connect sustainability and business. And everyone must be on board, starting with the CEO. Otherwise it won't work."

Conclusion

It's clear that IT plays a dual role in the field of sustainability. On the one hand, it's responsible for 2% of global CO2 emissions. On the other, IT solutions can actually reduce emissions by five times that amount.

At the same time, the participants point out that sustainability encompasses more than the climate alone. ESG is not just about Environment, but also about Society and Governance.

But although everyone is convinced that companies must invest in sustainability, in practice it appears that the market has the final say. So the biggest challenge is to invest in sustainability in such a way that the customer doesn't pay the price – and therefore has no reason to argue.

Anchoring sustainability in business processes will be the biggest challenge. That will be the real lever to make progress and achieve the long-term objectives.





About CIONET

CIONET is the leading community of more than 10,000 digital leaders in 20+ countries across Europe, Asia, and the Americas. Through this global presence CIONET orchestrates peer-to-peer interactions focused on the most important business and technology issues of the day. CIONET members join over a thousand international and regional live and virtual events annually, ranging from roundtables, programs for peer-to-peer exchange of expertise, community networking events, to large international gatherings. Its members testify that CIONET is an impartial and value adding platform that helps them use the wisdom of the (IT) crowd, to acquire expertise, advance their professional development, analyse and solve IT issues, and accelerate beneficial outcomes within their organisation.

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About Telenet Business

Telenet Business, part of the Telenet Group, is so much more than connectivity. As a managed service provider they help Belgian companies turn their digital challenges into business opportunities. They support and unburden, large and medium-sized enterprises as well as small entrepreneurs. You can count on them for high-quality managed services such as internet, telephony, solutions to collaborate and communicate digitally, cybersecurity and smart displays.

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