Why a circular economy matters and how it impacts your business

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Welcome

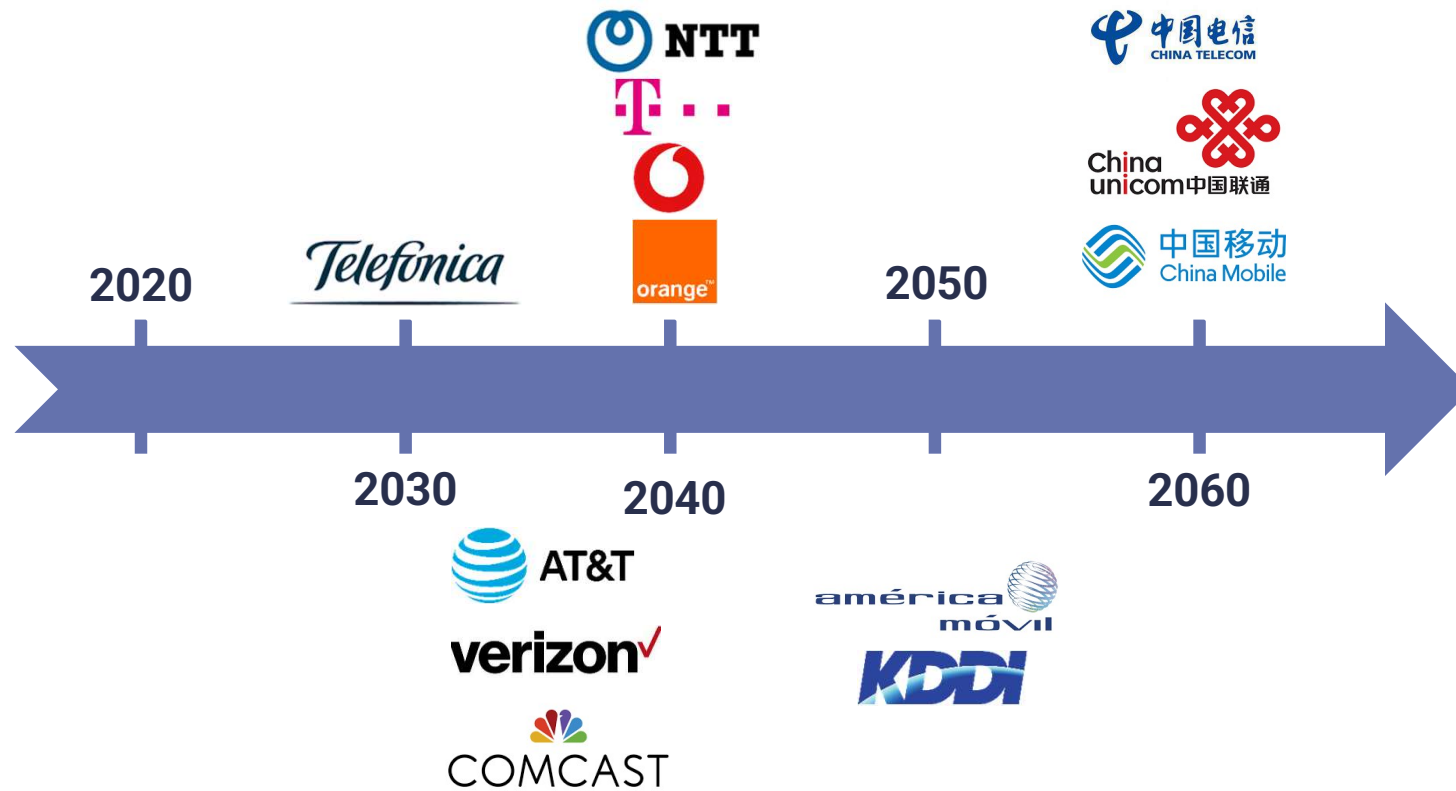Host: Shaun McCarthy, VP Sales, Mass Scale Infrastructure Group

Earth Day: April 22, 2022

Net zero carbon emissions: why, when and how?

Tilly Gilbert, STL Partners Principal Consultant

STL PARTNERS

Most major service providers have already committed to a net zero goal – and now need to deliver on it

Reducing carbon emissions makes good business sense for service providers

Ensuring stakeholder and customer satisfaction	Delivering clear business benefits

Governments

Enterprises

Stakeholders

Reducing CAPEX and OPEX

Growing revenues

We are already seeing strong progress made by leading service providers

Leading service providers are already well underway	Broadly service providers are progressing in the following ways

Telefónica

kpn **Telia**

TELUS

Singtel **NTT**

Initial focus: improving energy efficiency and automation (scope 1 & 2)

Then, there is an effort on sourcing greener energy (scope 2)

Then effort is *extended* to developing sustainable supply chain (scope 3)

Successful service providers will be focused on carbon emission reduction on a number of fronts

Networks

- Accelerating replacement of copper with fibre
- Managing the impact of increased data traffic with the roll out of 5G
- Shifting the way that network performance KPIs are evaluated

IT

- Evaluating green cloud practices
- Committing to compliance with ISO standards
- Embracing the circular economy and the new business models that may come with this

Data centres

- Designing sustainable data centres
- Moving non-latency sensitive workloads to regions with green electricity

Offices and employees

- Reducing energy usage and waste through efficiency programmes
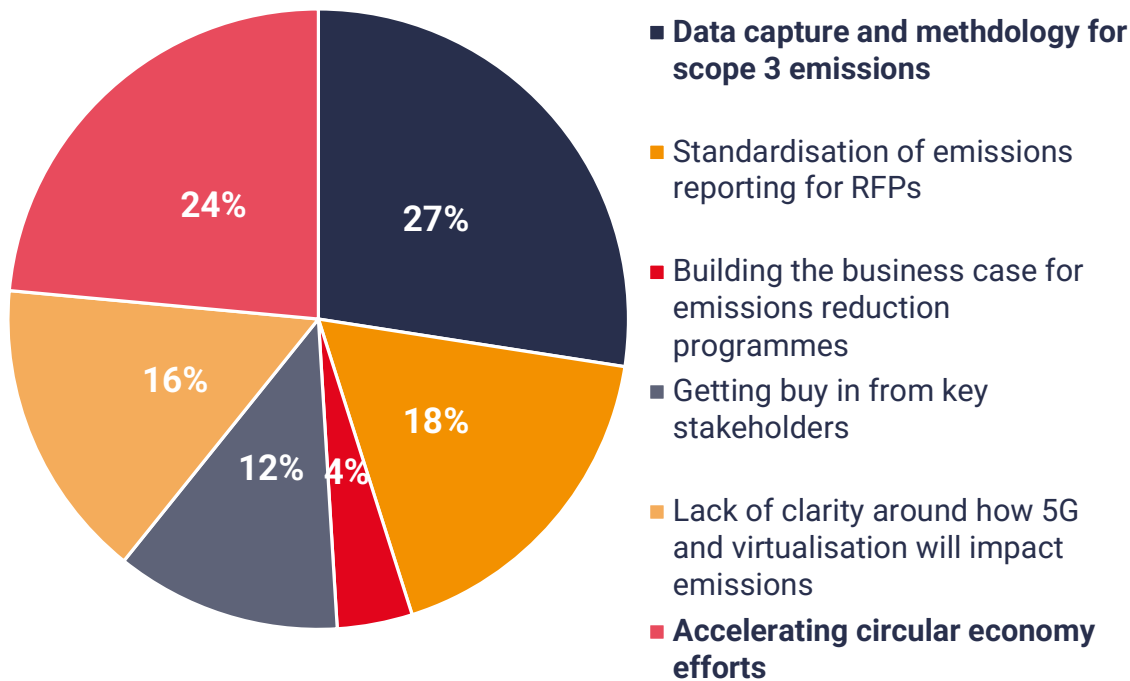- Minimising unnecessary employee travel

Procurement

- Upgrading the importance of CSR capabilities in procurement selection criteria
- Working with suppliers to reduce carbon impact

Scope 3 emissions must be front and centre of emissions reduction efforts

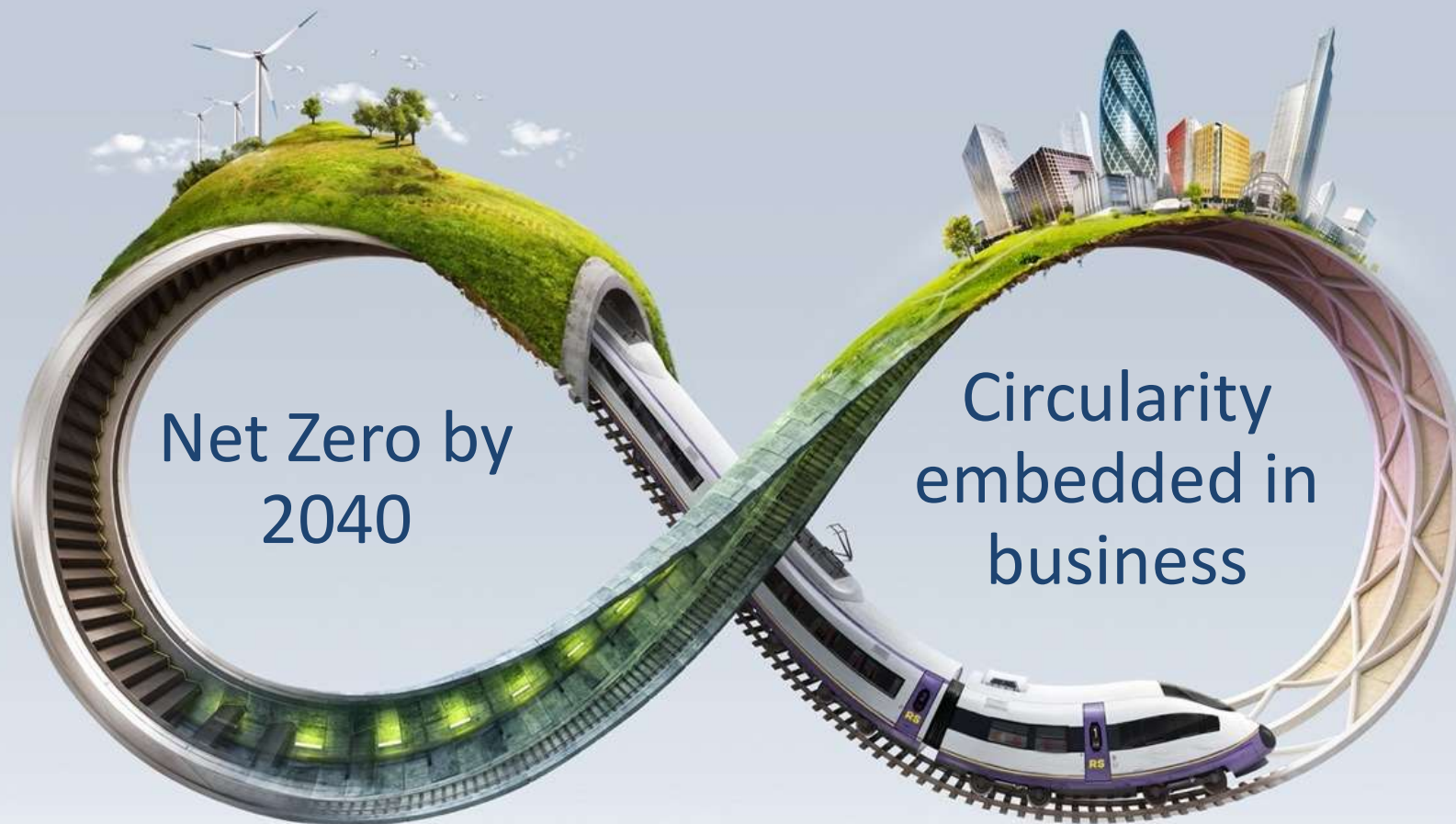**What are the biggest challenges around reducing carbon emissions for telcos?**

- ■ **Data capture and methdology for scope 3 emissions**
- ■ Standardisation of emissions reporting for RFPs
- ■ Building the business case for emissions reduction programmes
- ■ Getting buy in from key stakeholders
- ■ Lack of clarity around how 5G and virtualisation will impact emissions
- ■ **Accelerating circular economy efforts**

There are a number of areas where service providers should focus

- ✓ Use product rather than supplier level reporting when evaluating partners
- ✓ Automate reporting on sustainability KPIs for enterprise customers
- ✓ Focus on the circular economy
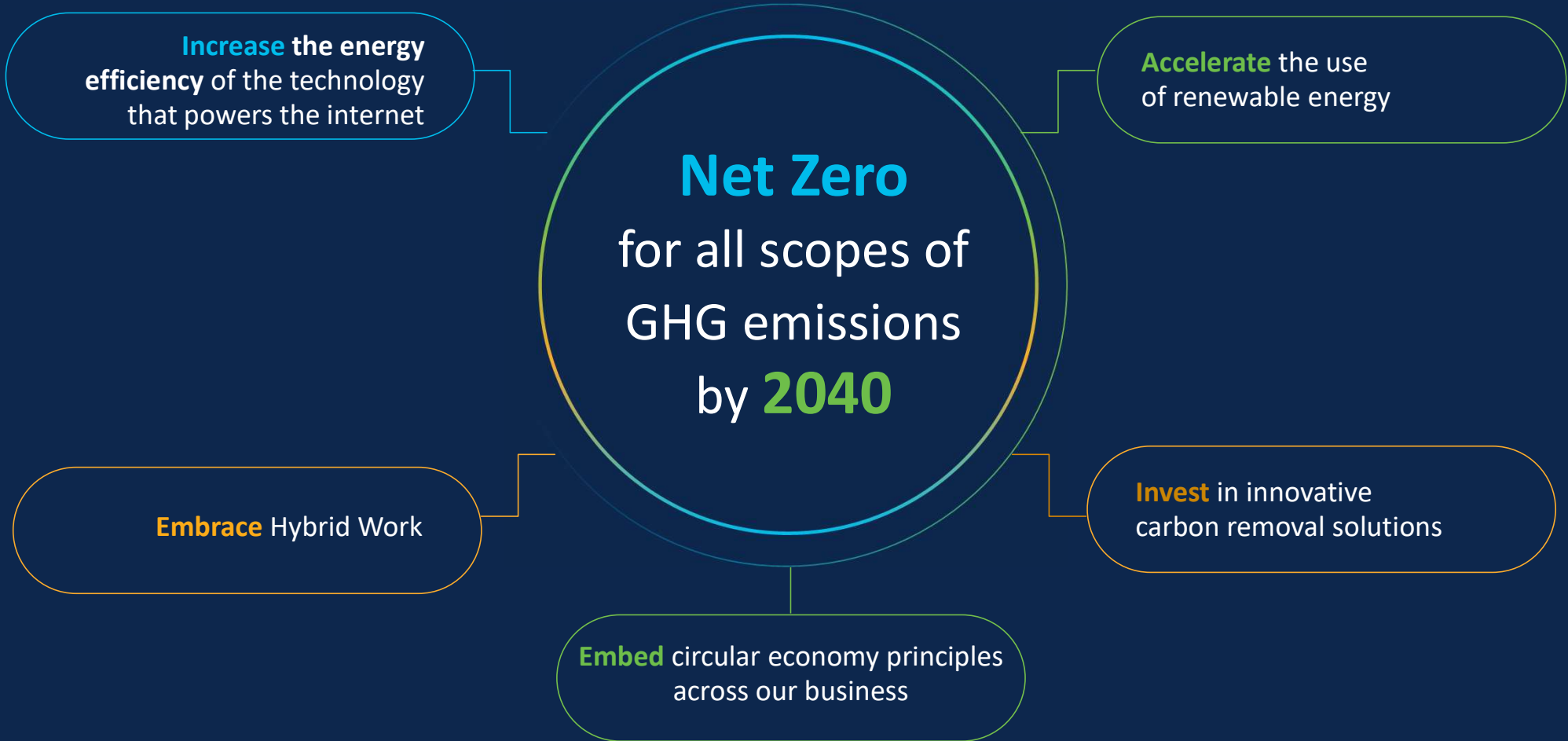- ✓ Play an active role in industry collaboration

An inclusive future depends on a healthy planet

- Esther Roure Vila
- Customer Success Specialist @Cisco

Net Zero by 2040

Circularity embedded in business

Net Zero

for all scopes of GHG emissions by **2040**

Increase the energy efficiency of the technology that powers the internet

Accelerate the use of renewable energy

Embrace Hybrid Work

Invest in innovative carbon removal solutions

Embed circular economy principles across our business

100% renewable energy in US, Canada and parts of Europe.

Reuse or recycle 99.9% of returned products

CISCO Refresh

Modular design

Leading by example

Make

Waste is a resource
Unwanted products are repaired, remanufactured, and reused.

Reuse & Recycle

Use

Circular Economy

How can Cisco help:

Successful service providers will be focused on carbon emission reduction on a number of fronts

Networks

IP/Optical Layer Convergence Architecture (Routed Optical Network) >40% Energy Reduction through convergence

Silicon One Semiconductor technology exponentially increase energy efficiency and throughput

Ensure that CSPs have good quality data about the products/services they purchase. Full Stack Observability and CX Cloud.

IT

Reduce carbon footprint with innovative architectures

Embedding circularity in the design process

Data centres

UCS-X servers are engineered to be quickly assembled and disassembled. The latest generation uses recycled plastic parts, recycled foam packaging, no wet paint, and has a 62% reduction in powder coat compared to the prior generation.

Offices and employees

Hybrid Work

Smart Buildings

Procurement

Capture value from end-of-life equipment: Recycle, reuse

Supply Chain

Using technology as an enabler

- Green and Blue Innovation

- Smart water solutions: Case Study: Albuquerque Bernalillo County Water Utility Authority

- Total Economic Impact™ Of Meraki MT Sensors Forrester study

- Business continuity and travel reduction Case Study: Del Brenta

- One independent study[1] showed that total emissions from the few hours of a single long-haul flight are equal to the whole lifecycle of the Desk Pro – its production and five years of cloud collaboration for your business.

- Reducing Germany's carbon footprint one Cisco IoT router at a time

[1] NORSUS Norweigian Institute for Sustainability Research, Nov 2021

ESG Reporting Hub & Purpose Report

Visit: cisco.com/go/esg-hub

Working together for a sustainable future

Thank you

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
BUSINESS AMBITION FOR 1.5°C

Cisco has committed to reaching net zero by 2040

Smart Building IoT sensors and PoE can increase energy efficiency in buildings

MSCI ESG RATINGS — AA
| CCC | B | BB | BBB | A | AA | AAA |

New Member of the European Green Digital Coalition
Chuck Robbins, CISCO, CEO

Member to further the twin transition to green and digital

1
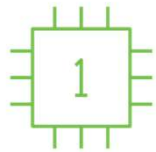
Silicon One provides more bandwidth while using less power.

Global Problem Solver Challenge awards $1M USD annually to environmental innovation projects

Cisco **Global Problem Solver** Challenge

100% Renewable Energy

For Cisco operations in US, Canada and several European countries.

CDP DISCLOSURE INSIGHT ACTION

CDP Supplier Engagement Leader

Gartner.

#1

in the Gartner Supply Chain Top 25 report for 2021 and 2022

cisco Foundation

Investing $100M in climate solutions over 10 years

Cisco reuses or recycles 99.9% of all products that are returned to us.

Member of **Dow Jones Sustainability Indices**
Powered by the S&P Global CSA

CISCO

The bridge to possible