



## DIGITAL WITH PURPOSE

Digital with Purpose Performance Framework Results for 2022

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### **1** INTRODUCTION

## **GeSI launched the Digital with Purpose (DwP)** Movement in May 2021 during the Portuguese Presidency of the European Union.



The DwP Movement is an ambitious movement to catalyse collective action in the private sector, requiring corporates to make a Pledge to work towards the Four Universal Commitments outlined in the GeSI "Digital with Purpose-Delivering a Smarter 2030 report". The Movement is not about repackaging existing efforts or restating previously declared intentions – it is a race to the top. With the Universal Commitments as the foundation and in order to ensure they are implemented, a group of experts helped to develop "the DwP Framework". The Framework provides a rigorous process for participating companies to articulate their ambitions for contributing to the Sustainable Development Goals (SDGs) in different impact areas. Those are a "Purpose pillar", which scores a company's overall commitment to the SDGs and impact transparency; a second pillar scoring on digitally enabled solutions covering natural capital, climate change, human rights, health and wellbeing and education; and lastly, the pillar covering the concept of "digital impact themes": climate action, circular economy, supply chain, digital inclusion, and digital trust and responsibility. These together represent the priority areas in which a company deploys technology to deliver their ambitions articulated in the Purpose Pledge. An overall Digital with Purpose score is calculated for each participating company, using weighted scoring against the Framework criteria, providing a measure to which participants can take action on and overcome barriers to drive progress to achieve the SDGs. Developing this entire Framework had oversight from a Performance Co-ordination Board, incorporating external stakeholder representation, with the Cambridge Institute for Sustainability Leadership as Chair.





The DwP Framework is very different from traditional ESG assessments and most company ratings:

- + it gives as much weight to innovation and creating digital solutions to achieve the SDGs as it does to solving the problems caused by digital tech;
- the Framework's maximum score does not reflect best practice today, but best practice in 2030; and
- + metrics are reviewed by an independent accredited company.

#### Together these mean it is tough, rigorous and challenging.

We are thrilled with and applaud those companies listed in this first Performance Framework report that signed and completed their Framework response. Just getting to this stage demonstrates corporate courage and sector leadership.

However, we would like to stress that the DwP Framework is not just about assessment. It's a fundamental tool that companies can use to plan a pathway to sustainability leadership in the development and deployment of digital solutions that address the SDGs, therefore generating substantial business value through a sustainability oriented strategic approach.

We look forward to all those in the industry joining our initial cohort of members on the pathway to sustainability excellence.

Luis Neves GeSI CEO





### 2 DIGITAL WITH PURPOSE MEMBERSHIP

## Improving the health of our planet and developing the forward-looking business models that deliver the economic benefits of digital technologies require widespread collaboration.

The Digital with Purpose movement is an integral part of this effort. The guidance and metrics contained in the Framework help companies align with purposedriven business principles, operate more responsibly in adopting digital technologies, and deliver digitally enabled solutions to sustainability worldwide.

### **THE PLEDGE**

On joining, all members of DwP are required to sign a Pledge to four universal commitments:

- To establish practical and incremental steps to become a purpose-led business supporting the United Nations Sustainable Development Goals
- Taking and reporting concrete action on climate change, in line with the Paris Agreement.
- Embracing the principles of impact transparency and reporting accordingly every year.
- Developing and deploying digital technology responsibly with the goal of delivering positive societal impact.

In addition, the Pledge commits members to take part in an open evaluation process and to collaborate with others to develop and realise their ambitions to maximise their positive impact on the Paris Agreement and SDGs.

#### **MEMBERSHIP CLASSES**

On the one hand, DwP company members can be from the digital sector, that is, for example, the suppliers of digital technologies, network and data centre operators, digital systems integrators or digital service providers. On the other hand, they can be companies from other sectors that make extensive use of digital technologies to address sustainability. Companies can also range in size. Taken together this means there are four classes of membership: Large digital; Digital SME; Large non-digital; and Non-digital-SME, where the DwP definition of an SME is a company with up to 500 employees.

Since the beginning of the DwP Movement and the date of publication of this report, the CEOs of the following companies signed the Pledge and therefore joined as members of DwP Movement.





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### DWP MEMBERS BY CLASS

Large Digital	Digital SME	Large non-digital	Non-digital SME
Accenture	CMAS Systems	Cuatrecasas	CSCP
Bell Canada	Innowave		Greener Intelligence
CNN Portugal*	.PT		Hummeltorp
Dassault Systems	Tangivel		Ridley Scott
DXC Technologies	Unipartner		Creative Group
EDP	Beta-i		TM Ausbau
Huawei	BOLD by Devoteam		Vieira de Almeida
NOS	Innovagency		
NTT Ltd	Knowit		
SIBS			
Superior Essex			
Communications			
Swisscom			
Taiwan Mobile			
Tata Consulting			
Services *			
Telstra			
ZTE			

(\*) joined in 2022

All digital company members, large and SMEs, that had signed the pledge in 2021 were expected to respond to their respective Performance Framework Metrics. Companies joining after June 2022 (identified by a \* in the above table) and all non-digital companies were not required to respond in 2022 but will be required to do so in 2023.





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### **3** DWP METRICS FRAMEWORK

## The DwP metrics are intended to be measurable and quantifiable, impactful, ambitious, and often difficult to achieve.

A maximum score across all themes is intended to reflect best practice in 2030. It is therefore not surprising that companies rated in 2022 have good headroom for improvement to the end of the decade.

There is a different set of DwP performance metrics for each class of the membership. The metrics for large companies go broad and deep, whereas the metrics for SMEs better reflect the resources available to SMEs and are more streamlined than those for large companies. In 2022, it being the first year of evaluation, only digital companies were asked to respond to the framework. It is planned to extend it to non-digital members in 2023.

A Performance Framework Coordination Board had independent oversight during the development of the metrics. It was chaired by the Cambridge Institute for Sustainability Leadership and included representatives from Be Shaping the Future, The Capitals Coalition, Circularity Capital, CDP, Columbia University, ENEL Foundation, World Benchmarking Alliance, and two GeSI members, AT&T and Deutsche Telekom.

### FRAMEWORK COORDINATION BOARD COMPOSITION

Cambridge Institute for Sustainability Leadership (CISL) (Chair)		Jake Reynolds
AT&T	ee at&t	Tim Fleming
Be Shaping the Future	Be shaping the future	Stefano Quintarelli
Capitals Coalition		Mark Gough
CDP		Paul Dickinson Jon Ward
Circularity Capital	CIRCULARITY O	Jenny Boyd
Columbia University		Peter Micek
Deutsche Telekom	Ŧ··	Birgit Klesper
ENEL Foundation	Cincl	Carlo Papa
Ellen McArthur Foundation	ELLEN MACARTHUR FOUNDATION	Nikki Kapp
World Benchmarking Alliance	World Benchmarking Alliance	Paul Druckman





### FRAMEWORK STRUCTURE

# The DwP Framework has three main components with principles and associated metrics covering:

+	<b>Purpose:</b> informing a company on becoming a purpose-led business.
+	<b>Digitally Enabled Solutions:</b> reflecting how a company contributes or uses innovative digital solutions.
+	Responsible Business: covering how a company operates its digital value chain

Responsible Business: covering how a company operates its digital value chain with respect to climate change, digital trust and responsibility, the circular economy, digital inclusion, and supply chain.



Figure 1. The DwP component parts contain expert-developed metrics and follow a path from fundamental to advanced.

Each of the three component parts are scored out of 100 and then combined using a weighting of 10% for Purpose and 45% each for Digitally Enabled Solutions and Responsible Business.

Scoring is initially performed via a company self-assessment. Once completed the company self-assessment is subject to independent review against supplied evidence.

There follows an outline of each theme with examples of the level of performance required by a large digital company to score highly.





### **PURPOSE**

Companies committed to DwP must, first and foremost, establish a connection between their core business model, digital technologies, and the UN Sustainable Development Goals. This sets the foundation for Responsible Business and Digitally Enabled Solutions.

The DwP metrics are based on the thesis that a strong business model-to-SDG connection denotes a "purpose-led business" and is marked by a genuine commitment by a company to deliver positive societal impact through its core capabilities and minimise the negative impacts of its operations.

This commitment is buttressed by robust governance, stakeholder engagement, and measurement to track progress. It goes beyond philanthropic activities and shallow claims of environmental and social stewardship ("greenwashing"). To score highly on Purpose companies would need to:

- 1. Have a clearly articulated purpose built on materiality analysis and stakeholder engagement that links core business activity to intended impact on identified SDG themes, especially through digital solutions.
- Incorporate its impact themes in corporate research, product development, strategy, investment, and employee training.
- B. Ensure that the company's political advocacy is consistent with the stated purpose.
- Regularly measure and report on the impact of progress against the impact themes.
- Have a robust purpose governance system, with oversight sitting at board level and progress against impact themes tied to management and employee reward.





### **DIGITALLY ENABLED SOLUTIONS**

In general, business orientated sustainability performance frameworks focus on policies and actions that minimise a company's negative impacts on the world. DwP is highly unusual in that it gives equal weight to increasing a company's positive impact as it does to minimising its negative impact.

In the case of digital companies, the Digitally Enabled Solutions metrics measure how the company <u>develops and delivers</u> innovative digital solutions through its products, services, and core business practices in ways that improve the sustainability of society overall. In the case of non-digital companies, the Digitally Enabled Solutions metrics measure how the company <u>uses</u> digital solutions to improve the sustainability of society.

Currently the Digitally Enabled Solutions metrics allow an assessment against five solution themes related to the SDGs: climate change; education and skills; health and well-being; human rights; and natural capital.



Figure 2. The five themes in the DwP framework and the SDGs they address





Within each of the five themes the Digitally Enabled Solutions metrics cover three key areas:

+	Sca	ling the size of the opportunities open to a company.
+	Dev	veloping the opportunities in collaboration with others.
+		asuring and publishing the scale of achieved benefits and ociated revenues.
		ore highly on Digitally Enabled Solutions panies would need to:
	1.	Actively addressing at least three SDG related enabling themes.
	2.	Work collaboratively across digital and customer sectors, and with topic experts and NGOs.
	3.	Support innovation and development to establish new applications.
	4.	Quantify and report on the environmental and social benefits derived from solutions delivered.
	5.	Quantify and report on the revenue derived from solutions delivered.





### **RESPONSIBLE BUSINESS**

Taking a key focus on its digital value chain, the full measures of Business Responsibility include setting aggressive carbon emission targets, employing active measures to conserve scarce resources, respecting workers' rights, managing customers' data, encouraging greater inclusion, and protecting privacy and freedom of expression.

> The DwP Responsible Business Framework reflects these principles in the following areas; Climate Change; Circular Economy; Supply Chain; Digital Trust and Responsibility; and, Digital Inclusion. Large companies must respond to all five themes whereas SMEs can select the three that they can show to be the most material to their business.

### **CLIMATE CHANGE**

# Digital technology has significant climate impacts at all points of its value chain:

+	The embodied carbon in the materials used to manufacture ICT products.
+	The energy used to manufacture ICT components and product fabrication.
+	The electricity used to run data centres and telecommunication networks.
+	The electricity used by anyone running ICT equipment.

To score highly on Climate Change companies would need to:

- 1. Be exemplary in TCFD reporting.
- 2. Have a 1.5C aligned SBT with clear delivery plans.
- 3. Have a Net zero target for scope 1, 2 and 3, of 2035 or earlier, with clear delivery plans.
- 4. Have offset 50% of its residual emissions with carbon sinking credits and 50% with carbon non-sinking credits.
- 5. Be purchasing >95% high quality renewable electricity





### **CIRCULAR ECONOMY**

The circular economy is an all-encompassing, system of systems concept that seeks transformational improvements across entire value chains and across multiple lifecycles, including, not only aspects of production and consumption of products and services, but also the interrelationships and behaviours of actors within and around these value chains.

The Circular Economy metrics seek to assess system-level improvements by considering a broad range of indicators across multiple business aspects from enablers to outcomes.

The Circular Economy metrics cover three key areas:

+	how circularity is reflected in the company's vision and ambition levels.
+	enabling factors such as strategic planning, circular innovation, and external engagement on circularity.
+	outcomes including products, materials, and services.

To score highly on Circular Economy companies would need to:

- 1. Be exemplary and publicly transparent in circularity aspirations and reporting.
- 2. Have a company strategy aligning innovation, people skills, operations and external engagement with the latest in circularity principles and practices.
- 3. Be a top 10% performer in circular products, services and business models (against a global benchmark\*).
- 4. Be a top 10% performer in circular plant, property and equipment (against a global benchmark\*).
- 5. Be a top 10% performer in circular energy, and water if applicable (against a global benchmark\*).

\* In 2022 the global benchmark was provided by the Circulytics framework.





### SUPPLY CHAIN

## The DwP Supply Chain focus is on mitigating responsible business and social responsibility risks for labour management, worker rights and health and safety.

Supply Chain metrics cover three key areas:

+	The foundational elements of a Responsible Business program for supplier management including risk identification (required focus for labour management and health and safety) and compliance tracking by supplier type.
+	Key policy elements to a successful responsible business program that drive meaningful supplier workforce results, tracking and improvements.
+	Achieving quantifiable results. The metrics include impact statements for labour management and health and safety goals for supplier achievement.

To score highly on Supply Chain companies would need to:

- 1. Demonstrate a measurable and proactive increase in spend with suppliers who have an exemplary focus on sustainability.
- 2. Establish a program to improve supplier workforce living wages.
- Actively eliminate medium and/or high-risk indicators for labour management/worker rights for all evaluated suppliers by 2030.
- 4. Have zero tolerance for incidents of child or forced labour for evaluated suppliers.
- 5. Actively eliminate any suppliers evaluated as medium or high health and safety risk by 2030.





### DIGITAL TRUST AND RESPONSIBILITY

Given the global reach and extensive value chain of digital technology, it is imperative that each member company conducts business responsibly and ethically, maintaining a reputation for trust and responsibility wherever it operates with an emphasis on protecting the information of users and stakeholders.

A comprehensive set of internationally recognised principles and standards informed the foundation of the Digital Trust and Responsibility metrics.

The Digital Trust and Responsibility section consists of four sub-themes:

+	Data Privacy
+	Ethical Behaviour
+	Freedom of Expression
+	Safety and Security

To score highly on Digital Trust and Responsibility companies would need to:

- 1. Ensure that protection of customer data is integral to the development of products and systems.
- 2. Provide users with a genuine choice and control that puts them in charge of how their data is collected, used, and stored.
- 3. Publicly advocate against restrictions that hinder freedom of expression.
- 4. Avoid the sale of technology products and services that undermine human rights and to remedy negative impacts upon users
- 5. Regularly collaborate with stakeholders to review the human rights impact of the company's products and services.





### **DIGITAL INCLUSION**

The concept of leaving no one behind is a central part of the UN's Sustainable Development Goals. It represents the commitment to ending poverty, discrimination and exclusion, and reducing inequalities. As the world becomes increasingly connected, digitalised and online, it is essential that digital companies keep this concept at the core of their work.

The Digital Inclusion metrics are structured according to four key challenges:

+	ICT Availability - providing a framework towards widespread ICT access.
+	Accessibility - providing easy access to ICT technology and services for all members of society including those with physical impairments.
+	Digital Literacy – promoting the competent use of ICT and digital technologies via ICT academies, collaborations with universities and digital skills programmes.
+	Workforce Diversification - addressing the systematic workforce inclusion and recognition, independent of gender, ethnicity, ability, etc.

To score highly on Digital Inclusion companies would need to:

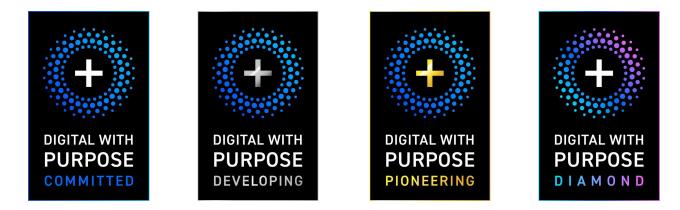
- 1. Help people benefit from the competent use of ICT and digital technologies regardless of their gender, age, ethnicity, ability, disability, skills, language, sexual orientation, wealth and geographical location.
- 2. Demonstrate state of the art accessibility in delivered digital services and technology.
- Promote access to services for disabled people and tackle low accessibility rates in disadvantaged areas.
- 4. Set minimum standards and support education towards widespread ICT literacy.
- 5. Promote a diverse environment within the company's workforce and leave no one behind.



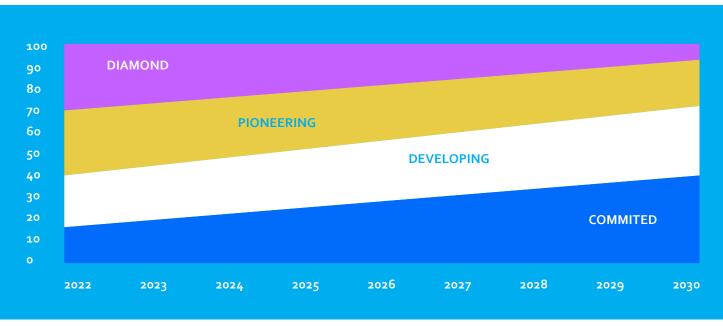


### DWP ASSESSMENT PROCESS AND CERTIFICATION LEVELS

There are 4 certification levels: COMMITTED, DEVELOPING, PIONEERING and DIAMOND.



Companies signing the DwP Pledge are designated as "Committed." Within a year of signing and every year thereafter, DwP companies are expected to conduct a self-assessment based on the full set of DwP metrics relevant to their membership class. In keeping with the DwP spirit of 'a race to the top' and in order not to disadvantage early adopters of the DwP Framework, the scoring thresholds will be increased over time \*.



\* Figure 3. DwP certification thresholds. Levels for 2022 are correct. Levels beyond 2022 are for illustration purposes only. Thresholds are reviewed on an annual basis.





### ANNUAL REVIEW AND CERTIFICATION PROCESS

## To ensure full public credibility of the DwP certification process all self-assessments are subject to independent review to ensure that the company can underpin their self-assigned scores with substantive evidence.

For 2022 GeSI appointed Ernst &Young (EY) as the independent reviewer.

The review process is limited to a fixed number of carefully selected metrics. These metrics are considered, on average, to be statistically representative across all themes and, following the independent review, GeSI makes an adjustment to the company's total self-assigned scores to reflect the level of adjustments identified by the independent reviewer.

To begin the process EY worked with GeSI to determine which metrics were subject to the Independent Review in the current year.

## In 2022 eighteen metrics were selected for large digital companies comprising:

+	two Purpose metrics;
+	two from each of the five Responsible Business themes; and
+	six Digitally Enabled Solutions (DES) metrics.

## For digital SMEs five metrics per company were subject to review:

+	one Purpose metric;
+	one from each of three Responsible Business themes deemed material; and
+	one Digitally Enabled Solutions metric

DwP companies were fully briefed on the metrics selected for review and the subsequent steps of the review process. EY then conducted its independent review of the selected metric responses and associated evidence. The evidence supplied by companies could only be seen by EY. Neither GeSI employees, nor its contracted advisors had access to the evidence. In this way EY could ensure all commercial confidentialities were respected.

## For each metric that fell within the scope of the independent review, EY ensured that:

+	evidence had been provided to support the response submitted by the company;
+	the type of evidence submitted was in line with the suggested evidence in the DwP Reference Manual, or was an appropriate alternative; and
+	the quantitative and qualitative information included in the submitted evidence was sufficient to justify the company's self-assessed response for that metric.

Where EY found the evidence insufficient to justify the response they communicated this to the company who was then given a chance to improve the evidence. Where the company still failed to provide sufficient evidence then its score for that metric was downgraded accordingly. Finally, GeSI made an adjustment to the company's total score for each theme proportionate to any changes that took place to the reviewed metric(s) for that theme. The adjusted theme scores were then combined according to the standard DwP weightings as described previously.

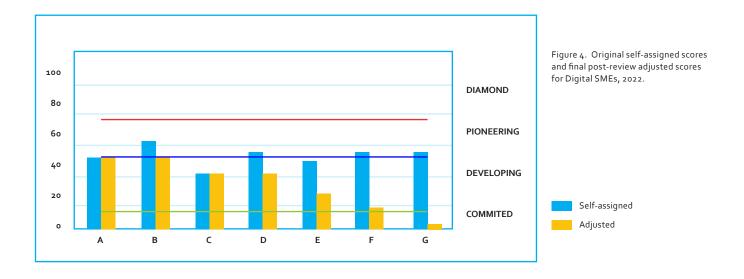


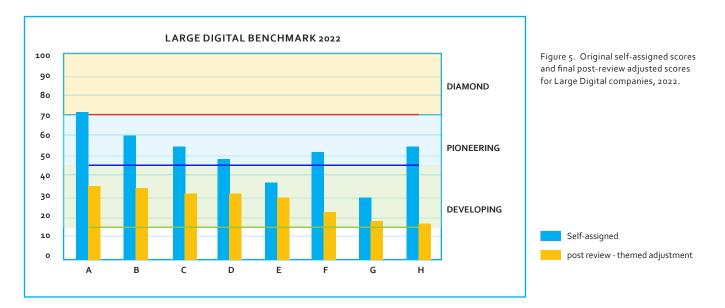


### 5 RESULTS

In 2022 nearly all companies experienced a reduction in score from their original self-assessed score to their final post-review score. In some cases, this reduction was substantial, highlighting the need for companies to ensure they can substantiate any self-assessment with adequate evidence before submitting their original responses.

For the purposes of this report company names have been removed and replaced by letters in the following charts.









## THE FINAL CERTIFICATION LEVEL FOR EACH COMPANY COMPLETING THE FRAMEWORK IN 2022 IS LISTED BELOW:

Company	Membership Class	2022 DwP Certification Level
Bell Canada	Large Digital company	Developing
Dassault Systems	Large Digital company	Developing
EDP	Large Digital company	Developing
NOS	Large Digital company	Developing
NTT Ltd.	Large Digital company	Developing
Swisscom	Large Digital company	Developing
Taiwan Mobile	Large Digital company	Developing
Telstra	Large Digital company	Developing
CMAS Systems	Digital SME	Committed
, DXC Technologies*	Large Digital Company	Developing
Innowave	Digital SME	Committed
.PT	Digital SME	Developing
Superior Essex	Large Digital Company	Developing
' Communications*		. 5
Tangivel	Digital SME	Developing
Unipartner	Digital SME	Developing

(\*) Superior Essex Communications and DXC Technologies were given special dispensation to complete the SME Framework despite being classified as a large digital company. In 2023, they will be expected to complete the large digital submission.

The following companies did not respond to the Framework in 2022. Therefore, they will remain with the "Committed" certification in 2022. Failing to respond again in 2023 will lead to exclusion from the DwP Movement.

Accenture	Large Digital Company	Committed
Huawei	Large Digital Company	Committed
ZTE	Large Digital Company	Committed
Beta-I	Digital SME	Committed
BOLD by DEVOTEAM	Digital SME	Committed

The following companies **failed to comply** with the DwP Movement principles and have therefore **been excluded** from the DwP. Consequently their "Committed" certification has been withdrawn.

Innovagency	
SIBS	
Knowit	

Non-digital companies were not required to respond in 2022 but will be required to do so in 2023.





### 6 PLANS FOR **2023**

Plans for 2023 include:

- launch of an on-line platform to manage company submissions and the annual review process;
- inclusion of non-digital members, large and SMEs;
- review of the Circular Economy theme to focus more directly on digital technologies;
- improving metrics and processes in consideration of EY's recommendations; and
- Award and recognise the certified companies at the DwP Global Summit 2023.





To fully support the transformation required by the SDGs, digital technologies need to be developed and deployed with positive societal impact in mind and within a context of shared aspiration: digital with purpose. For more information about the full Digital With Purpose report visit:

### digitalwithpurpose.org/



