# EuropeInside

**Orange and EU policy**

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Orange Manifesto
for the new mandate

# Edito

## Towards a stronger, more resilient and greener Digital Single Market in Europe

In light of the complex geopolitical situation, the numerous global challenges ahead of us, including the green transition, and the debate on the enlargement of the European Union (EU), citizens and businesses need to rely on a stronger EU to reinforce our values, rights, and vision of the future.

A stronger EU requires enhanced EU technological leadership to deliver the Gigabit Society objectives. Network operators and the telecom industry are essential contributors to achieving these goals. This has also been recently acknowledged in the White paper "How to master Europe's digital infrastructure needs?" issued by the European Commission.

## We are turning into Tech Comm companies

The telecoms sector is evolving fast. Network virtualisation, cloud based and software managed networks, disaggregation and reconfiguration through the development of open interfaces and artificial intelligence are key evolutions that will lead to the emergence of intelligent, AI-powered, and automated networks. The telecoms and the IT worlds are increasingly converging. Networks will become more and more agile and telecoms operators will turn into 'Tech Comm' companies. These transformations will create new opportunities: technology, enabled by 5G slicing and the evolution towards Network as a Service, will make it possible to build tailor-made offers for specific usages.

Among the challenges in achieving these goals, operators must make substantial investments into connectivity networks. An estimated €200Bn investment gap presents a considerable challenge in delivering the Digital Decade targets. Ensuring the digital autonomy of the EU requires a robust strategy in terms of secure and resilient digital infrastructure, from fixed to mobile networks, as well as submarine cables and satellite connectivity networks. Removing barriers to the Single Market is also essential for enabling the telecoms sector to offer innovative and pan European services.

We are ready to step up to the plate. Policymakers also need to play their role and adapt the overall framework. We therefore welcome the European Commission's White Paper on Connectivity. It delivers an accurate picture of Europe's connectivity ecosystem, rightly calls for a step change in investment levels, and opens the path to a reform of EU rules. It is essential that the next European mandate delivers an environment conducive to investment, scale and innovation in networks, contributing to the Green transition and delivering maximum benefit to European citizens and businesses.

The EU deserves a stronger Digital Single Market, where the telecoms sector becomes more attractive for investors and where the EU is at the forefront of delivering on innovative connectivity networks and digital transition. We call on policymakers to implement a comprehensive and agile strategy to match the rapid pace of technological advancement and a switch in the regulatory framework based on three pillars.

## We call on policymakers to implement a switch in the regulatory framework

## 1. Strengthen the digital ecosystem

- Ensure greater attractiveness for investors;
- Increase support for consolidation;
- Set up more harmonisation and less regulation on telecoms markets;
- Ensure an innovation-friendly implementation of data economy rules (DMA, AI Act, etc).

## 2. Enhance security and resilience

- Support a competitive and resilient EU ecosystem for networks (vendors, OpenRAN, submarine cables);
- Ensure full harmonisation of cybersecurity rules;
- Support EU innovation with adequate funding and collaborative processes.

## 3. Accelerating the green transition

- Develop circular economy for ICT equipment;
- Support network mutualisation;
- Ensure the proportionality of taxonomy and reporting rules.

# Towards a stronger more resilient and greener Digital Single Market

# Content

# A stronger European digital ecosystem for consumers and businesses

## 2022

### €59.1Bn telecom sector investment, up from €56.3Bn in 2021

The EU has set bold targets to achieve its digital transition with the Digital Decade strategy. Succeeding requires a strong European electronic communications sector and strong network operators. Telecom infrastructure is not only necessary to meet those targets but also to achieve the EU's ambitions for digital leadership, economic and industrial competitiveness, green transition and infrastructure resilience.

This sector has been under continuous evolution: thanks to constant investment into new mobile technologies, consumers and businesses enjoy every day the benefits of innovative services, and continuous growing data packages at affordable prices, including roam like at home when travelling within the EU. Similarly new gigabit fixed networks allow households to work, watch TV or entertain while being at home. All of these have a price; **more than €500Bn invested by the sector over the last ten years, including €60Bn for Orange.  According to the State of Digital Communications 2024 report made by ETNO, European telecom investment reached €59.1bn in 2022, up from €56.3bn the previous year.**

**More than**

# €500 Bn

## invested by EU operators over 10 years

However, the European telecom sector has been facing a very paradoxical situation: despite the exponential increase in digital services and data consumption, European operators are suffering from a severe lack of return on investment. As indicated in the ETNO report, «the return on capital employed for ETNO members was almost halved in the recent past: in 2017 ROCE was 9.1%, while in 2022 it was 5.8%». This has an impact, with delays in new 5G network deployment, while other regions of the world are moving quicker than the EU.

This situation also contributes to new trends where operators divest part of their key assets, such as towers or fibre, to continue investing into networks. This leads to a highly fragmented infrastructure landscape and the rise of new non-EU investors in those towercos and fibercos. Even more problematic, it also contributes to the entry of non-EU players in the capital of Telcos.

At the same time, network operators are confronted with a more complex global context with increased competition from hyperscalers on one hand, and a heavy concentrated market for network equipment suppliers on the other hand.

Restoring growth within the industry and achieving a truly functioning Digital Single Market requires to address the following three main challenges.

## 1.1 Enhanced support for consolidation to ensure the sector's sustainability and develop pan European services

As also acknowledged by the European Commission (EC)'s White Paper on Connectivity, the extreme fragmentation of the telecom markets in Europe hampers the Digital Single Market and the achievement of the Digital Decade Targets.
**In 2023, Europe counted 45 large mobile operating groups, compared with 8 in the USA, 4 in Japan and China, and 3 in South Korea.**
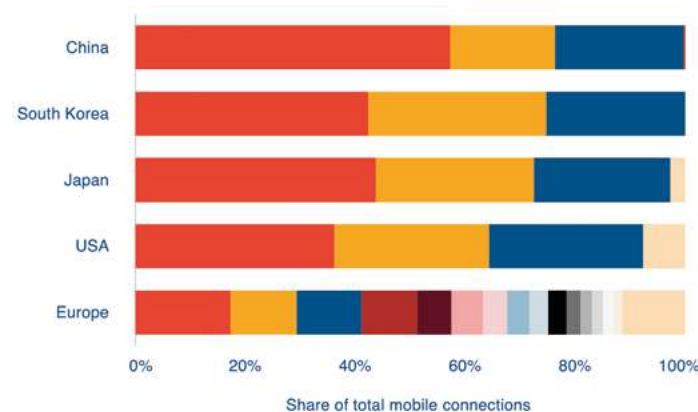


Source: Share of mobile connections, network operator level, ETNO State of Digital Communications 2024

A better balance is to be applied ensuring an efficient level of competition and restoring the investment capacity of operators. In 2022, according to the ETNO report, telecoms capex per capita in Europe stood at EUR109.1, lower than in Japan (EUR270.8), in the USA (EUR240.3) and in South Korea (EUR113.5). Operators need to be able to scale up, and to respond to the new geopolitical context.

# 2023

## 45 large mobile groups in the EU vs. 8 in the USA, 4 in China

Cross-border consolidation was initially considered to build pan European telecom operators with the critical mass for bridging the gap of Europe with the US or the Asian digital leaders. However, telecom operators build, deploy, and operate their network infrastructure within the borders of a country, in a domestic market, as spectrum authorisations are national. As a result, in the short term, gaining scale and developing sustainable growth can only happen within the borders of their national markets. In addition, as also stated in the EC White Paper on Connectivity, cross-border mergers do not bring today the same synergies as in-market consolidation. Cross-border mergers may occur in the future but only in a second stage.

When looking at in-market consolidation, the EU strategic vision and EU competition policy are currently not aligned. EU competition policy and enforcement of antitrust rules should take a more

dynamic and long-term view to drive the EU's global competitiveness by fostering investment and innovation, as well as ensuring the long-term viability of European businesses for the benefit of consumers. Merger policy should be part of EU global policies. For example, if the Digital Decade strategy provides for significant investments in infrastructures (5G and FTTH), then investment efficiencies brought forward by merging parties should be assessed in light of the implementation of those objectives. One way to achieve this would be to separate the DG Competition case team from the decision-making body.

**The bar for telecoms companies to successfully consolidate in-market remains currently most of the time too high** and is only based on a consumer welfare standard and short-term price effects. The EC should adopt a more forward-looking approach and consider the bigger picture for European competitiveness and sustainable growth of European companies by reflecting non-quantitative long-term efficiencies such as impact on investment, job creation, innovation, and quality, which would benefit overall consumer welfare.

## 2022

**Telecoms capex per capita in the EU stood at €109.1, vs €240.3 in the USA**

Efficiencies defence test should be adapted to EU policies and to the economic reality. Currently the harm and benefits of mergers are not equally balanced; no efficiency linked to incremental investments has been accepted by the EC. In addition, the timeline to assess the realisation of the efficiencies should be aligned with the remedies' timeline.

Moreover, when conducting merger assessments and subsequently imposing remedies, it is essential to take into consideration market evolutions and the emergence of different business models which bring additional competition in the market (e.g. factoring in the emergence of TowerCo or Fiberco actors and hybrid model of operators combining own deployment with mutualisation and wholesale access). In addition, the fact that remedy takers can decide later on to re-sell the assets gained through the merger also shows that such an approach does not meet market dynamics anymore, while being costly for the merged entities.

## The bar for in-market consolidation is too high

Finally, a better balance should be found process wise as the huge inflation in document requests leads to prolonging processes and pose an administrative burden for both companies and Commission teams.

All of this calls in our view for a **re-assessment of the Merger Regulation and overall competition policy**.

## 1.2 Strengthening the European Data economy

### a. Supporting innovation and a stronger EU ecosystem in the data economy

Orange welcomes the European Commission's commitment to support the EU's digital future by putting in place a clear regulatory framework for the data economy. The 2019-24 mandate showed an unprecedented focus on the digital sphere, accompanied by significant speed in the law-making process notably regarding the Digital Markets Act, the Data Act and the Artificial Intelligence Act.

## AI Act Implementation: to be pro innovation and fully harmonised

We encourage policymakers and the European Commission to concentrate for the years to come on implementation. **The DMA will open new opportunities in the digital ecosystem and help resolving specifically the lack of interoperability**, which restricts customer choice. The DMA should also contribute to the overall enhancement of user experience by granting telecom operators a cloud-based API access to the data gatekeepers collect on the quality of networks. This would help identify potential areas of improvement and optimize network infrastructure accordingly.

AI is spreading across the world at a speed that was initially not expected. We are and will be using it notably to improve our network management or our cybersecurity tools but also to liaise with our customers. **For both the Data and AI Acts, implementation should be achieved with the goal of full harmonisation in mind, while supporting the development of a vivid European innovative ecosystem.**

Finally, we support the Common European Data Spaces that are a smart way to enhance the development of a stronger European ecosystem. To facilitate their scale up, and partnerships' building between providers, data sharing between data spaces should be developed. This requires ensuring interoperability between data spaces, with standardised API and common data access protocols.

## — b. Withdrawing the sector specific ePrivacy rules

We call on European policymakers to review the state of the e-Privacy framework, which governs the processing of personal data in the electronic communications sector, and the confidentiality of communications. In the current data economy era, it is both inconsistent with the EU strategy and damaging for the European telecom industry that operators are not given the same rights as other

stakeholders to innovate based on the GDPR rules. The current ePrivacy Directive, which has been in place for more than 20 years, is outdated both legally and technologically. Privacy is a shared responsibility for all actors in the digital landscape, which means that all those actors should comply with the principle of confidentiality of communications. The processing of personal data in relation to electronic communications should be addressed as defined in the GDPR.

We therefore call for the incorporation of the principle of confidentiality of electronic communications data into the GDPR through a targeted amendment to the horizontal law, and for the repealing of the ePrivacy Directive (2002) and withdrawal of the proposal for an ePrivacy Regulation (2017).

## 1.3 Creating modernised and harmonised telecoms rules

# Market regulation to become the exception, with a safety net

**While the DNA of EU operators will remain focussed in the years to come on networks and connectivity, new market dynamics are developing:**

■ The "old copper network" will soon disappear, with the roll out of fibre;

■ The competitive landscape has widely developed. The traditional telecom rules opposing vertically integrated historical operators and alternative players seeking access will no longer be relevant. There are now various types of market players, private and public, active in the deployment of networks, including in fixed networks;

■ New actors and business models are also developing focusing on infrastructures, with tower and fibre companies (towercos/fibercos).

■ **Networks are entering a real technological breakthrough**: The virtualisation of network functions driven through cloud-native and disaggregated network architectures has started. The development of intelligent, AI-powered, and automated networks will enable innovative solutions (Edge-cloud, 5G, massive IoT) provided through connectivity platforms in a "network-as-a-service" economy. **Operators will become "Tech Comm" companies**, which can bring new business opportunities if operators manage to grow in the value chain while facing hyperscalers.

**These evolutions require fundamental adaptations to the regulatory framework applied to our sector to support investment.**

## — a. Improving economic conditions for network investment with modernised and harmonised rules for market regulation

The framework should be implemented in a way that effectively rewards private investments and when prices are regulated, they must always exceed effective incurred costs.

The lack of harmonisation in the implementation of the European Electronic Communications Code (EECC) should come to an end. This is particularly the case in terms of broadband market regulation and criteria for deregulation. With same market structures, the national regulatory decisions in Spain or France are for instance strongly divergent.

**Moreover, market regulation should become the exception while keeping a safety net that should favour symmetric rules, over asymmetric ones**, as also indicated in the EC White Paper on Connectivity.

Finally, fairness between large traffic generators (LTGs) and telecom operators should be warranted. Free riding on telecom networks by LTGs should come to an end. Fairness within the digital value chain and a level playing field with LTGs should be addressed by the future framework. This also includes to work on mobile traffic optimisation, as a great contributor to the green transition.

### Free riding by LTGs on telecom networks should come to an end

## 5G bands
allocated
in 2018 in Spain
in 2023 in Poland

## For
# 40 years
in Spain vs.
## 15 years in France

## — b. Improving legal certainty on the Open Internet

Similarly, to what OFCOM did in the UK, we call for clarification on the Open Internet Regulation regarding its implementation to specialised services and to novel use cases such as those relying on 5G slicing technology or on network-as-a-service development. To create a stable regulatory environment prone to investment and innovation, operators need a forward-looking approach with more certainty on how the Regulation will be applied to these nascent use cases.

The Open Internet Regulation only targets internet access providers and does not cover other digital players. This raises concerns for example in terms of device neutrality or regarding the position those digital players could acquire over the 5G ecosystem. Ensuring a level playing field within the ICT value chain on Open Internet principles should be a priority for the new mandate.

## — c. Enhancing harmonisation for spectrum allocation, consumer protection and governance

Lack of harmonisation of spectrum policy leads to too many discrepancies, which hamper investment and the development of a truly Digital Single Market. This is the case for instance with license duration (ex: 40 years in Spain vs. 15 + 5 years in France), or auctions timing (ex: 5G bands allocated back in 2018 in Spain and in 2023 in Poland).

Harmonisation is also strongly lacking when considering consumers protection rules. Telecom operators must comply with complex European horizontal legislation, along with extensive European sectorial rules (the EECC), complemented by detailed and often diverging national laws (for instance in terms of provider switching rules or contractual impact of prices' change). It is now time to transition from sector specific rules to harmonised horizontal consumer law that will support the launch of pan European offers. Another limit is linked to data retention or legal interception rules that are diverse and governed at national level.

Finally, there is a need to ensure a better governance on the implementation of European rules. The time has come to rethink the current system relying on a set of layers including notably national regulatory authorities, BEREC and the European Commission. Similarly, the constant addition of secondary or soft laws (guidelines, notices, recommendations, reports etc) heavily complexifies the functioning of the sector and should be urgently simplified.

**1**

**Re-assess the Merger Regulation and competition policy.**

**2**

**Withdraw the sector specific rules on ePrivacy and incorporate the principle of confidentiality of communications within the GDPR.**

**3**

**Reverse the principle of the EECC with market regulation becoming he exception with a safety net, and favour symmetric over asymmetric rules for market regulation.**
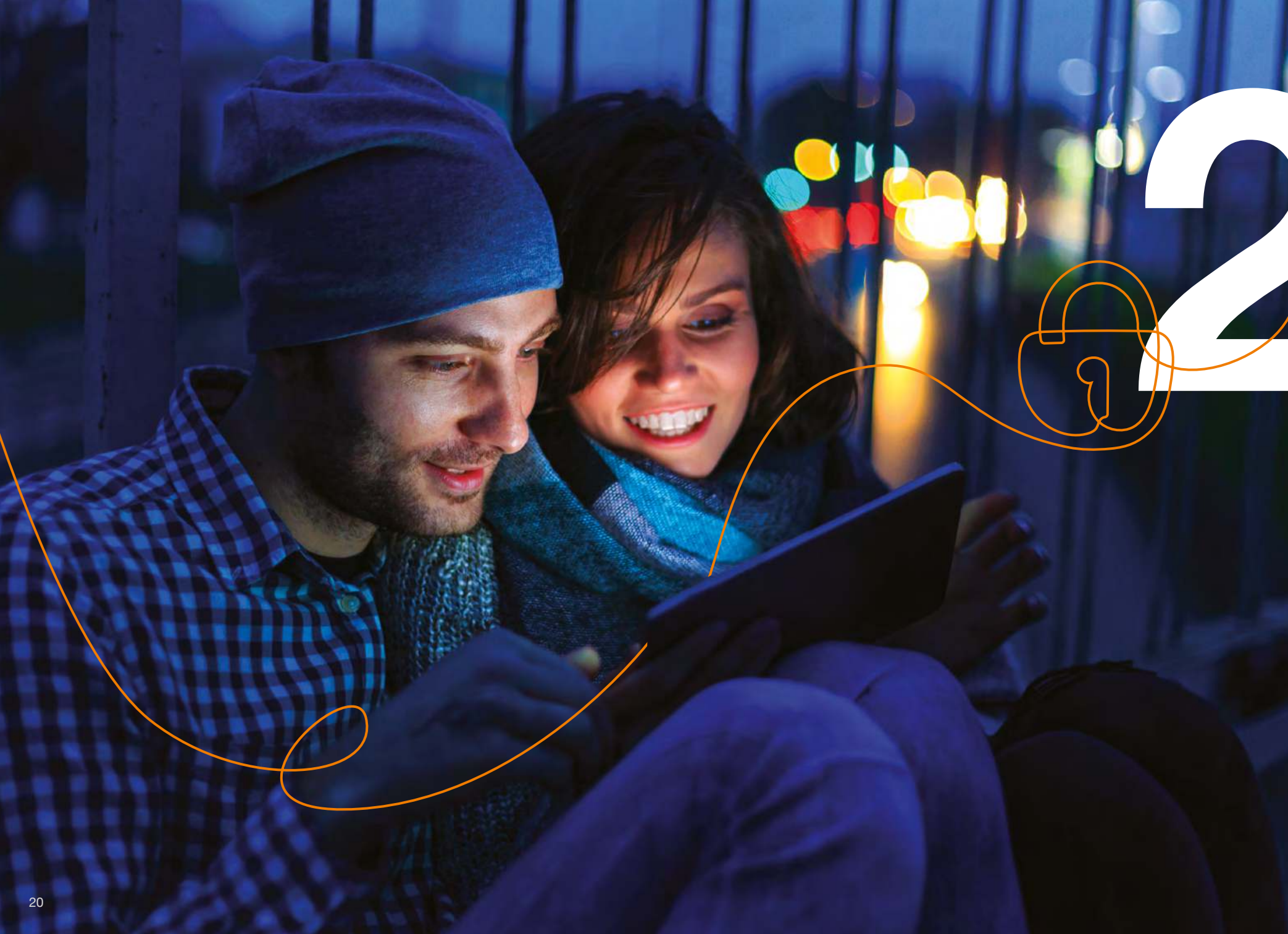
**4**

**Create a level playing field ensuring fairness between operators and Large Traffic Generators.**

**5**

**Fully harmonise at EU level the conditions for spectrum auctions and consumer protection.**

# Proposals

# 2 A more secure and resilient environment

According to ENISA, starting from the first half of 2023, both global (i.e. non-EU) and EU cyberattacks have shown a relevant increase, among which those targeting digital infrastructure (7%) and digital service providers (6%) form a substantial portion of the events observed**.**

Protecting digital infrastructure and services that have become critical is therefore a must.

**Break down og global and EU events (July 2022 - JUne 2023)**

Year ■2022 ■2023
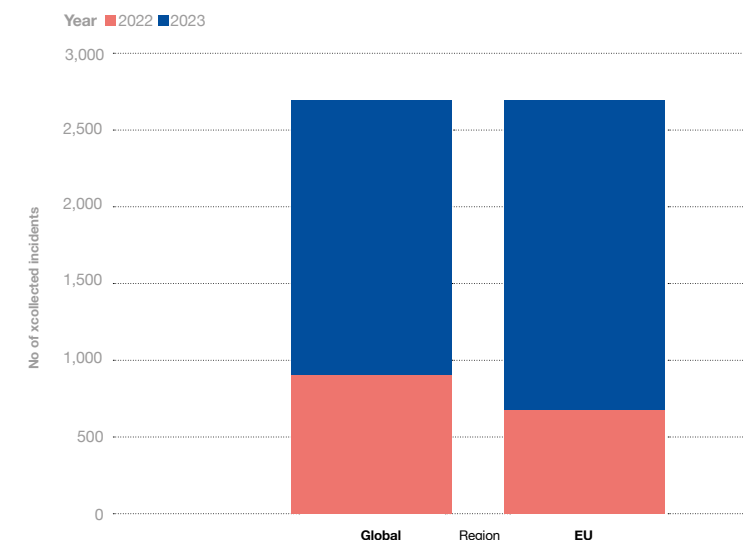


Source; ENISA Threat Landscape 2023

# EUCS cybersecurity certification scheme to be adopted across the EU

## 2.1 Strengthening EU cybersecurity

### ▬ a. Ensuring resilience and security of the supply chain whilst enabling diversity of vendors

**We as telecommunications operators have a responsibility to deliver highly secure and resilient networks and products to our users**, including with our dedicated unit Orange CyberDefense.

This requires notably the ability to manage the risks and dependencies on suppliers in our supply chain across our Group. On this aspect, any measure on high-risk vendors imposed to operators should duly take into account a proportionate transition period, to adapt networks and equipment, and should deal with the corresponding costs. It should also ensure that the two last European vendors available remain innovative and competitive in terms of prices.

### ▬ b. Promoting a harmonised and high level of cybersecurity across the digital value chain

Orange welcomes the EC's increased efforts to contribute to the security and resilience of the EU's economy and society. We encourage the upcoming European Commission to concentrate on the harmonised implementation of the different EU texts, such as the CER, NIS2, CRA, DORA, across sectors and Member States to ensure an EU fit for a secure and resilient digital decade ahead. Harmonising and streamlining reporting and vulnerability handling at EU level are essential.
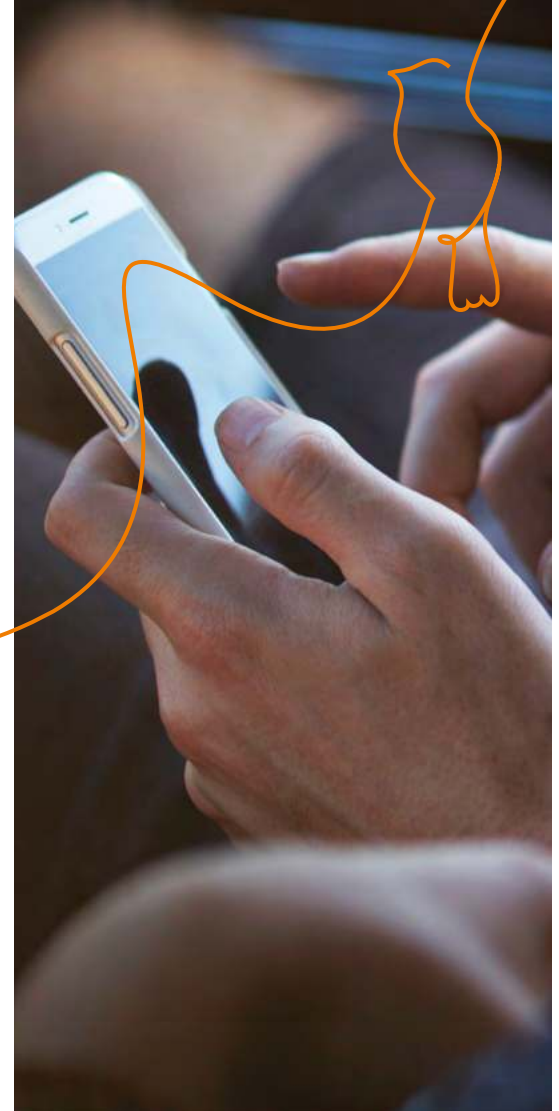
## Cyber Rating Agencies: need for EU requirements

### ▬ c. Continuing development of European certification schemes

To further enhance the security and resilience of our networks, products and services, we recommend that the EU continues to develop EU cybersecurity certification schemes as per the EU Cybersecurity Act of 2019. This should allow the use of existing standards, follow a risk-based approach to security and resilience, and be done in a timely manner to adapt to market conditions.

We support and encourage the EU to pursue the rapid adoption of the cybersecurity schemes under drafting. It is also **essential to pursue a harmonised adoption across the EU of the EUCS cybersecurity certification scheme** to offer customers a heightened protection from non-EU extra territorial measures.

### ▬ d. Setting up EU rules on Cyber Rating

Businesses that operate critical infrastructure and critical services (electronic communications, healthcare, energy sectors, etc.) are increasingly subject to cyber ratings around the world. Today, European companies are evaluated by mainly US-based firms, with criteria that often do not correlate with the actual cybersecurity maturity of the evaluated companies. These ratings assessment can have very detrimental impacts, including loss of business for a company and increase costs for cyber insurance.

**Therefore, Cyber Rating Agencies should be subject to similar minimum requirements such as credit rating agencies:** Information; Increased transparency; Solid methodology; Need to opt-in / right to opt-out by the company being rated. From an EU digital sovereignty perspective and to give more confidence to the whole ecosystem, we urge the European Commission to:

■ Kick-off a broad debate to define minimum requirements for Cyber Rating Agencies at EU level.

■ Establish an EU official registry or inventory/ listing of approved Cyber Rating Agencies.

■ Mandate ENISA to work on this with industry, eventually with a forward-looking vision of having an EU agency in charge of monitoring and surveillance of Cyber Rating Agencies.

# 2.2 Strengthening EU sovereignty on networks and innovation

## — a. Call for a European strategy on submarine cables and satellite

Submarine cables are key infrastructures for European digital sovereignty: 99% of intercontinental traffic transit through submarine cables. For decades, consortia of telecommunications operators made up the bulk of the required investments. But today Orange and Orange Marine remain one of the last European telecom operators active in the market, while the main investors are now US or Chinese actors.

# 99%

**of intercontinental traffic transit through submarine cables**
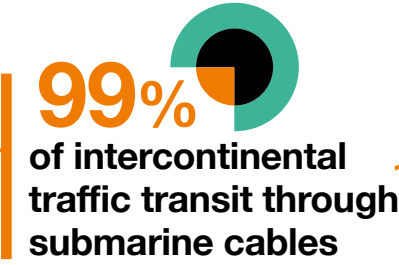
Escalating geopolitical tensions has made submarine cables even more strategic infrastructures. The replacement and modernisation of the previous generation of cables as well as the increasing need for connectivity (especially for EU's outermost regions, islands,

# Call for a meaningful European budget for CEF

and coastal territories) will require high level of investment. This becomes a huge opportunity for the EU to strengthen its sovereignty and for its industry to grow. It also calls for direct EU support for many critical projects facing a situation of market failure both via the CEF and Global Gateway programmes.

We therefore **welcome the EC Recommendation on Secure and Resilient Submarine Cable Infrastructures adopted in February 2024**. We share the EC goals aiming at ensuring enhanced coordination and best practices at EU level on submarine cables and defining a list of Common Cable Projects of European Interest. We stand ready to contribute to its definition. In addition, with the goal of EU strategic autonomy in mind, the EC could also investigate the situation of terrestrial long distance fibre backbone in the EU.

Finally, satellite connectivity has tremendously evolved over the last years, both in terms of available capacity and prices. New actors have also entered that market, including non-European. Satellite connectivity is expected to play an important complementary role to mobile and

terrestrial connectivity networks, both in Europe and in Africa, especially to fight against the digital divide. It's also a way to increase network resilience. In this evolution, European stakeholders have also a role to play. **We strongly welcome the IRIS² initiative to which Orange is part of**; Telecom operators' involvement including for 5G is essential for the success of this constellation.

## — b. Supporting EU innovation, including with adequate funding and collaborative processes

Open and collaborative processes are very often a prerequisite for a successful launch of innovations, and a way to remain competitive globally. It is crucial for EU stakeholders to work together on innovative projects to gain sufficient scale, which calls for a positive stance and support from policymakers including competition authorities.

Innovation in European networks is ongoing, and Orange is deeply involved in those processes. For instance, **in the transition to deliver Network-as-a-Service (NaaS), operators have been developing the Open Gateway initiative with the GSMA and the CAMARA project;** it is an open-source project within the Linux Foundation to define, develop and test the APIs that developers can use to access operators' networks. European operators are also working together to develop a common stack for a telco edge cloud, named Sylva under the Linux Foundation.

On top of the Horizon Europe programme, we therefore strongly welcome the priority given by the EU on supporting European innovative projects and networks with the Digital Europe Programme (DEP), the Connected Europe Facility (CEF) and Important Project of Common European Interest (IPCEI) programmes. It is crucial to keep pursuing such efforts and **confirm a meaningful European budget for CEF and DEP**, especially for cybersecurity, or backbone and submarine cable projects.

Other telecom innovations should also be embedded, and notably Open RAN. We are working with the industry towards standards and technical specifications that define open interfaces within the radio system, including hardware and software, so that networks are deployed and operated based on mix-and-match components from different suppliers. **We need a stronger European ecosystem and support from policymakers on Open RAN** notably in terms of funding to enable EU open labs, and governance towards the emergence of an EU ecosystem, to ensure that the solutions operators will widely use tomorrow do not rely solely on non-European providers.

Regarding IPCEI, while we strongly support the objective to strengthen cross border European innovative projects – Orange is a participant in two IPCEIs, on microelectronics and cloud – the process should be amended to ensure its duration better matches with the pace of innovation. Two years to validate such projects is far too long to effectively support EU competitiveness. While the new European Digital Infrastructure Consortium (EDIC) programmes aim specifically at easing multi-country projects, we expect it to be more agile.

## — c. Strengthening the EU intellectual property framework

The importance of the standardisation ecosystem based on open standards to European innovation must be underscored. The global rollout of cellular technology over the last 30 years has enabled the EU to become an effective world-wide leader in standards. Despite political goodwill and massive investments, the EU is still finding itself trailing behind other global players in the digital sphere.

In concrete terms, contributors to technology standards must be able to rely on an effective intellectual property framework which supports and rewards innovation, through FRAND-based licensing revenues. **We consider that the current draft Regulation on Standards Essential Patents (SEP) should be amended** to achieve this goal.

# 2.3 Reaping the full benefits of the Global Gateway Initiative

The Global Gateway initiative stands at a pivotal point two years after its launch. With our presence in 18 African countries, we strongly endorse this initiative aiming notably at strengthening the partnership between the EU and Africa.

## 18 Countries: Orange strong presence in Africa

However, we consider that the Global Gateway implementation should be accelerated and improved to deliver on its goals.

## — a. Increasing Global Gateway support to infrastructure investment and extending its scope to services and digital inclusion

The expansion of network roll-out in African countries is integral to power availability, fostering innovation and promoting development. It is therefore of utmost importance that support to connectivity infrastructure projects remains a key pillar of the Global Gateway initiative, which should be extended to digital skilling. On this aspect, as also showed by Orange Digital Centers, public private partnerships are often a key asset for a successful programme.

## — b. Developing a more efficient process for Global Gateway

To meet its objectives, the Global Gateway initiative must enhance its effectiveness with a faster, more streamlined project development process. Coordination mechanisms are key to ensure the alignment of resources, expertise, and objectives for impactful and timely project completion.

To bolster the Global Gateway initiative's impact, adopting financing models that offer loans in local currencies at competitive rates appears essential. **The Global Gateway initiative must also extend beyond guarantees and loans, encompassing substantial grants to address market failures**.

## — c. Reinforcing economic diplomacy for more favourable regulatory and fiscal frameworks in Africa

Global Gateway can also act as a catalyst for sustainable global development by aiding partner States in creating regulatory and fiscal frameworks conducive to investment, for which stability and predictability are essential. This includes providing incentives for partner countries to implement principles such as fair competition and Most Economically Advantageous Tender principles in tenders. Environmental aspects should also be considered to ensure private players can generate and sell power at fair prices, fostering the development of clean green certificates and facilitating power purchasing agreements.

# 6

**Ensure the highest level of harmonisation when implementing EU cybersecurity laws and EU cybersecurity schemes, including the EUCS.**

# 7

**Develop a new EU initiative to define the relevant rules framing Cyber Rating Agencies operations, with corresponding enforcement bodies.**

# 8

**Confirm the CEF and DEP programmes with relevant budget for the years to come, especially for cybersecurity, backbones and submarine cable projects.**

# 9

**Support the setting up of an EU ecosystem on Open RAN, including with adequate funding for EU open labs.**

# 10

**Ensure the Regulation on Standard Essential Patents puts in place a balanced framework which allows continuous reward for innovation and R&D.**

# 11

**Accelerate the implementation of the Global Gateway initiative through close collaboration with the private sector and improve its scope, process and financing tools.**
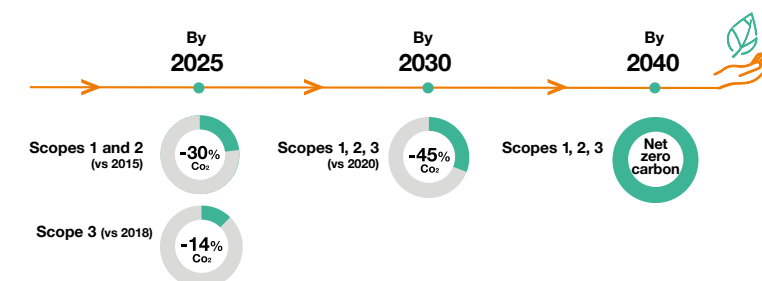
# Proposals

# 3

# Accelerate the Green transition of the EU thanks to a greener digital sector

Orange has adopted an ambitious objective **to be net zero carbon by 2040** based on considerable efforts to reduce direct and indirect CO2 emissions, whether via energy efficiency, renewable energy, circular economy, or carbon capture for residual emissions.

**We are committed to reducing our scopes 1, 2, 3 CO2 emissions by 2040, with the first goal of -30% on scopes 1 and 2 to be achieved by 2025 compared to our 2015 emissions; 14% on scope 3 emissions compared to our 2018 emissions; and a further milestone in 2030 with a 45% reduction in our emissions across all scopes compared to 2020.**

**To support this massive transformation, we need additional support at European level.**

## Orange's path to be net zero carbon by 2040

| By 2025 | By 2030 | By 2040 |
| --- | --- | --- |
| Scopes 1 and 2 (vs 2015) **-30%** CO₂ | Scopes 1, 2, 3 (vs 2020) **-45%** CO₂ | Scopes 1, 2, 3 **Net zero carbon** |
| Scope 3 (vs 2018) **-14%** CO₂ | | |

# Eco-design principles for network equipment is a win-win formula

## 3.1 Strengthening circular economy in Europe also for ICT equipment

### __ a. Developing the circular economy for network equipment

Even if we welcomed the initiatives of the EC to enable a circular economy and limit electronic waste, such as applying eco-design principles to smartphones or the approved Critical Raw Material Act, we call the EU institutions to go deeper in that direction.

Firstly, network equipment should be covered by eco-design principles. By enabling the extension of the life cycle of network equipment through better eco-design and increased re-use of products across the value chain, via efficient and secured refurbishing and resale processes, the EU can expect a win-win formula delivering the following advantages:

- Significant reduction of the supply chain's greenhouse gas emissions;

- Reduction of electronic waste through the promotion of refurbishment (life cycle extension) and improved recycling;

- Better management of raw materials;

- Great potential for job creation in the EU.

We have initiated a virtuous cycle thanks to our Reuse Equipment Program "Oscar" but to scale it up, we call for a new EU initiative to develop a new industrial cluster and a vast secondary market for network equipment in the EU.

## Digital technologies

**8-10%**
of EU energy consumption

**2-4%**
of EU greenhouse gas emissions

Source: European Commission DG Connect



Secondly, the Waste from Electrical and Electronic Equipment (WEEE) Directive should be reviewed to enhance its contribution to the circular economy goal by:

- Simplifying the EEE transfer rules from one country to another; as they are very complex even for transfers between the affiliates of a single Group, discouraging the implementation of circular models, and depriving telecom operators of potential carbon emission savings.

- Clarifying the role of manufacturers; they should become liable for recollecting their products, thereby transposing into the ICT value chain the producer-pays principle. The approach developed in the Critical Raw Material Act could be applied in the field of the WEEE, by requiring manufacturers to either provide a second life to a product or to take back their raw materials.

Finally, to simplify the re-use of equipment inside the EU, equipment licenses should not overly restrict equipment usage across borders. Currently, telecom operators are often prevented by the terms of their equipment license from using them in the country of their choice, even within the EU. Encouraging manufacturers to alleviate such restrictions would highly contribute to network equipment recycling.

### __ b. Promoting greater transparency on the origin and composition of telecom products

The lack of relevant information on products in the field of circularity is a major challenge we are facing. It is crucial to establish a standardised framework at EU level for information sharing. Manufacturers should disclose detailed information on their products, based on common protocols, including materials used and manufacturing processes to allow telecom operators to better understand the management of their EEE and be able to comply with reporting obligations.

We call the European Commission to onboard these obligations in the future Digital Product Passport.

## 3.2 Supporting the green transition of the ICT sector

### — a. Reducing the carbon footprint of operators through enhanced network sharing

Network sharing is a contributor to network greening by avoiding overbuild, reducing carbon emissions and increasing energy savings. Policymakers and competent authorities should further support and incentivize such good practice.

### — b. Promoting taxonomy rules adapted to networks

The taxonomy is an essential tool to make the EU economy greener, by rightly directing financing to green activities. Connectivity networks should be included in the EU taxonomy (based on realistic and proportionate rules). We invite the European Commission to closely work with stakeholders to define relevant criteria, such as those proposed by ETNO/GSMA.

### — c. Simplifying reporting requirements for the industry

Reporting obligations from the different EU initiatives can help the industry to adapt its way of operating thereby contributing to Green Deal targets. However, such obligations should remain proportionate for companies. Following the recent initiative launched by the European Commission to reduce reporting requirements by 25%, we believe such simplification should also apply to the Sustainable Finance Disclosure Regulation (SFDR), the Corporate Sustainability Reporting Directive (CSRD) and the Taxonomy provisions.

**Taxonomy: we call the EC to closely work with stakeholders to define relevant criteria**
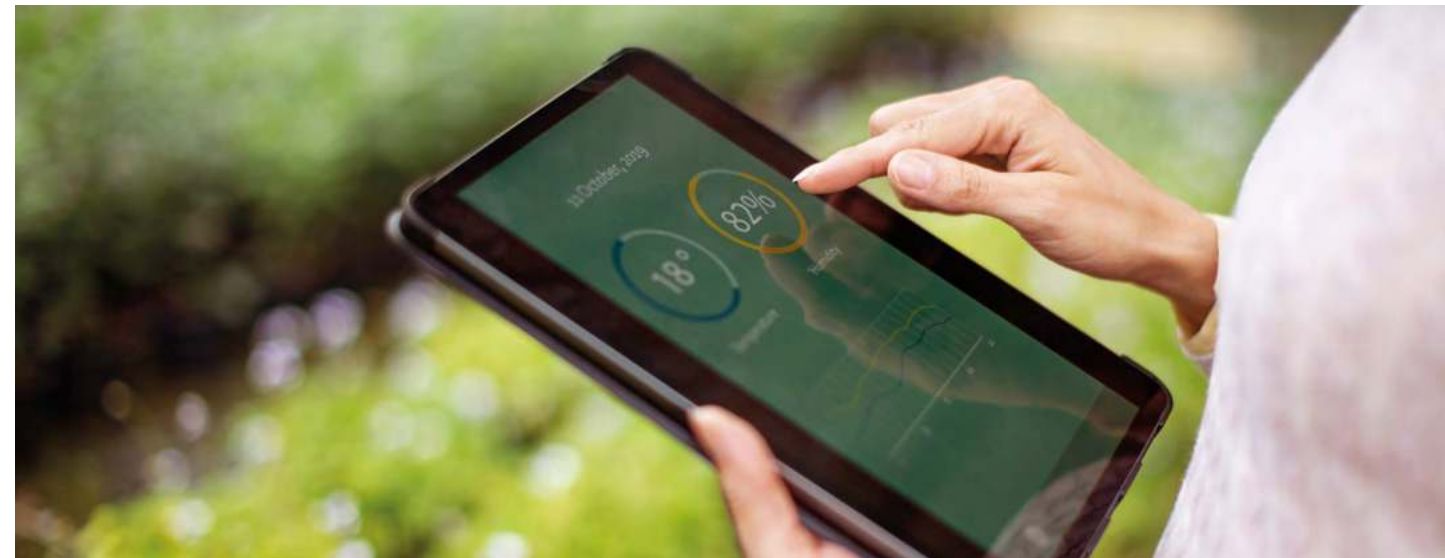
**Network sharing contributes to network greening: less overbuild, less carbon emissions and more energy savings**

## Digital sector Carbon footprint

**79%** Devices

**16%** Data Centers

**5%** Network

Source: ARCEP Report «Achieving digital sustainability" 2024

## 3.3 Supporting the enabler role of the telecoms sector in the green transition

Telecom operators provide substantial capacity to facilitate and empower other sectors in reducing their respective carbon footprint, thanks to connectivity and Internet of Things (IoT) services, for instance with smart cities or manufacturing. We strongly support the use of ITU L1480 standards to assess at EU level the enabling potential of digital solutions and connectivity infrastructure and quantify carbon emissions avoided.

Overall, this must also help to elaborate on the concept of Scope 4 for telecom operators, which refers to telcos' contribution to decreasing the carbon emissions of other stakeholders. We should define the scope and boundaries of this metric within the ICT sector.

# 12

**Ensure the Digital Product Passport rightly addresses transparency requirements for network equipment and device manufacturers.**

# 13

**Review the WEEE Directive to improve cross border use and recycling of network equiment and device manufacturers.**
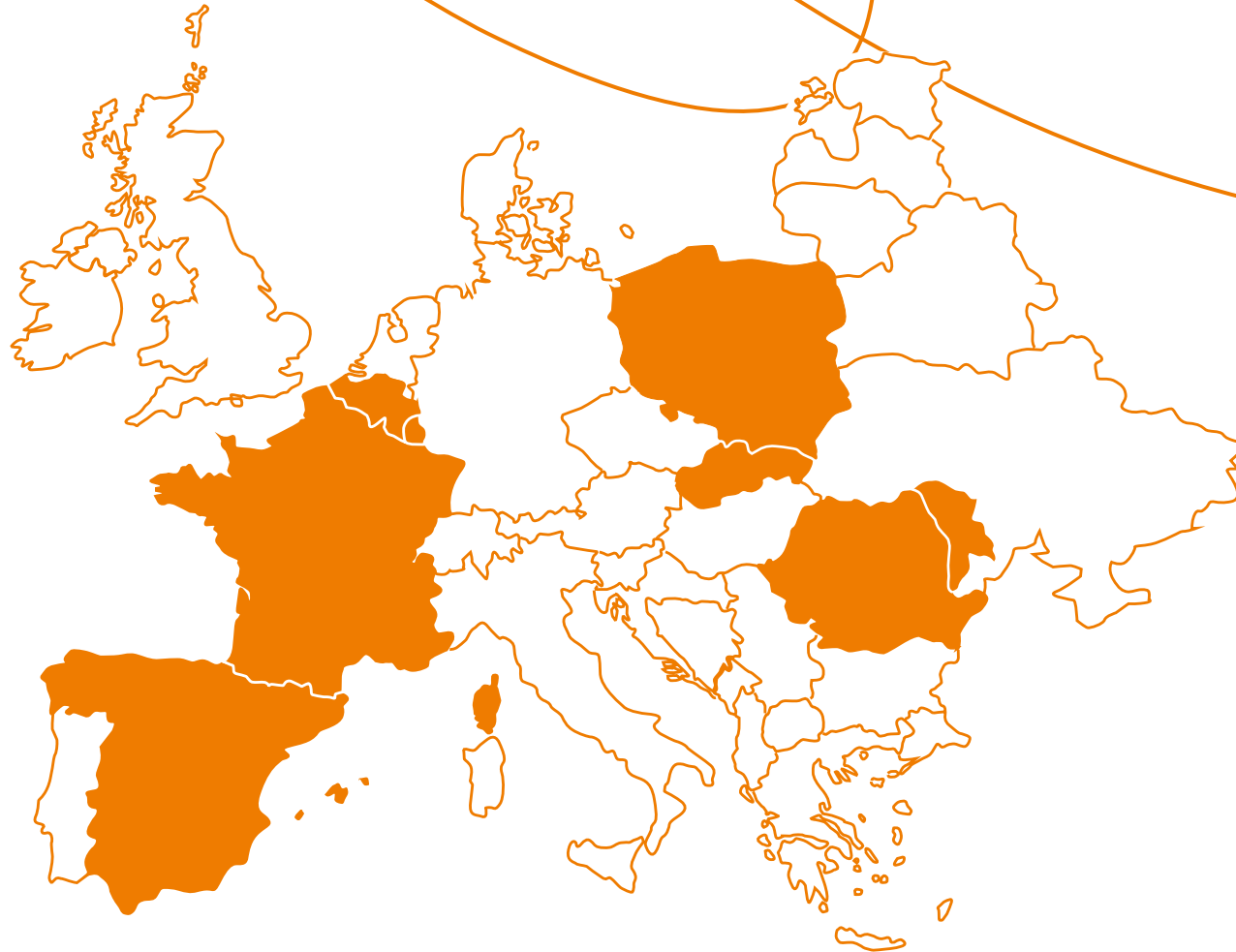
# 14

**Develop a more consistent and proportionate approach for reporting obligations within the SFDR, CSRD and taxonomy rules.**

# 15

**Develop taxonomy rules for connectivity networks including relevant technical screening criteria in co-construction with the sector.**

# Proposals

# Orange's footprint

**8 countries
in Europe**

**18 countries in Africa
and the Middle East**

# Contact:

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