



WELCOME TO ACTION 1 GETTING YOUR OWN HOUSE IN ORDER

Ad Net Zero now requires supporters to set a public science-based net-zero target and calculate and report emissions annually and publicly.



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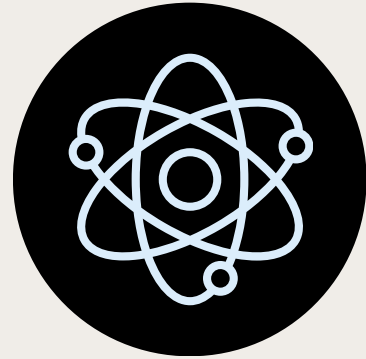
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KEY DEFINITIONS



Science-based target

We use the definition on the [Science Based Targets Initiative \(SBTi\)*](#) website:

'Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.'



Carbon Neutral

This is a state achieved when the GHG emissions associated with an entity, product or activity are reduced and offset (not removed) to zero for a defined duration.

This only covers Scope 1 & 2 emissions which are in-house emissions from things like waste, heating, and electricity.



Net Zero

Put simply net zero refers to a balance between the amount of greenhouse gas produced and the amount removed from the atmosphere. We reach net zero when the amount we add is no more than the amount taken away.

The "net zero" terminology was introduced in the Paris Agreement in 2015.

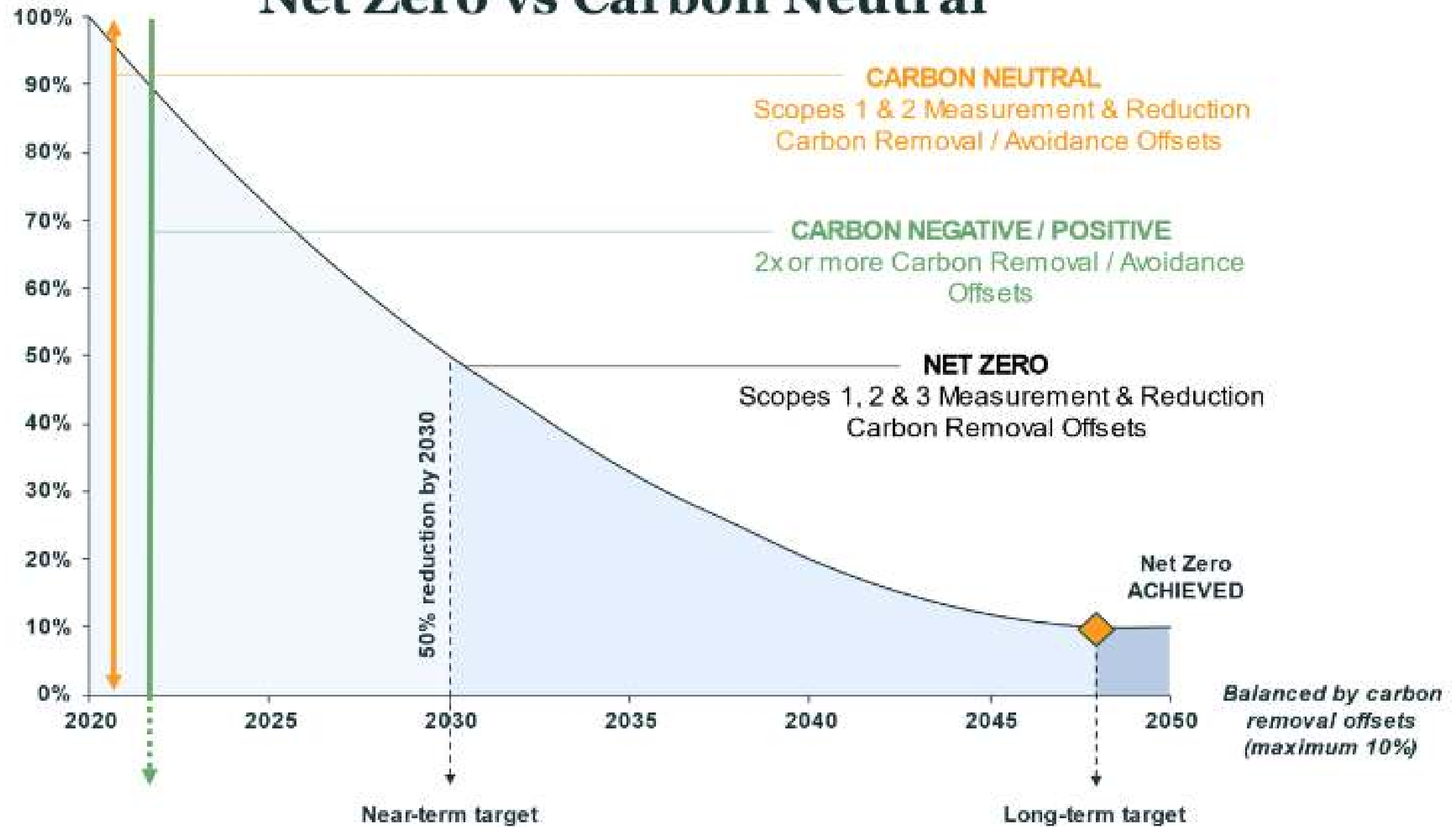
*SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBTi is a globally recognised target validation organization. Over 4,800 business leaders are taking ambitious climate action with SBTi, following a specific process to set science-based targets, cut their company's greenhouse gas emissions and future-proof their businesses.



KEY DEFINITIONS



Net Zero vs Carbon Neutral

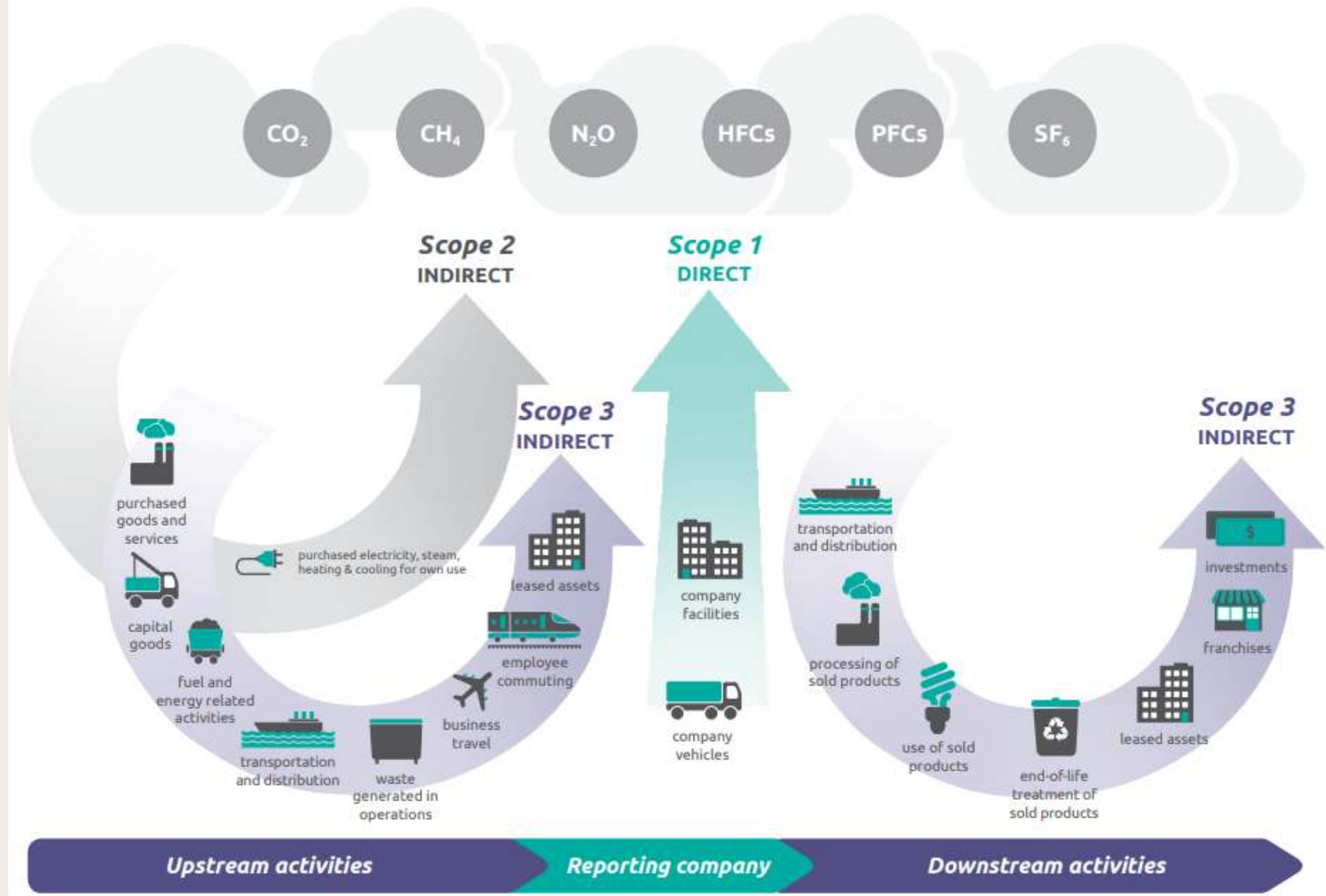


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KEY DEFINITIONS: SCOPES 1-3

Figure [1.1] Overview of GHG Protocol scopes and emissions across the value chain



*Credit: [GHG Protocol, Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#)



SECTION 1: TARGET SETTING

What?



Set a Net Zero target of 2050 or sooner- 2050 is the latest 90% emissions reduction date in order to keep to a limit of 1.5 degrees Celsius compared to pre-industrial levels, as set out in the Paris Agreement*, according to the most recent science.



If you choose to split out a near term reduction target and longer-term absolute net zero target, our recommendation is a near-term emissions reduction target of 2030 (the year set out by the Paris Agreement as a reduction target) e.g., “We will reduce our emissions by X % by 2030 from X-year base line emissions.”



This net zero target should include minimum 90% reduction of absolute scopes 1 and 2, and 3 emissions, as outlined in the SBTi Net Zero Standard.**



This target must be made public, for example via your website or in your ESG (Environmental, Social and Governance) report. We also recommend third-party verification and disclosure on CDP or another registry. More information in section 2.



Targets may be set at the highest corporate level (holding or parent company); however, if a subsidiary has more granular targets and reporting, that is welcomed for additional transparency and accountability.

*[UNFCCC](#) **[SBTi Net Zero Standard](#)



SECTION 1: TARGET SETTING

When and Why?

For existing supporters (as of June 2023) this public science based net zero target must be in place by June 2024. For new supporters, this needs to be in place within 12 months of joining.

By setting science-based targets and declaring these publicly you will be demonstrating your commitment to transparency and engagement with environmental improvement and playing your part in Ad Net Zero's mission to decarbonise advertising. Aligning with the latest climate science ensures the industry can play a positive role in ensuring we operate within a 1.5-degree boundary.

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Companies up and down the advertising supply chain must use their influence to accelerate the removal of emissions and the promotion of the net zero economy. The urgency of this cannot be understated. Joining in with our action plan can help businesses do that.

- **Sebastian Munden, Chair, Ad Net Zero**

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SECTION 1: TARGET SETTING

The Business Case

You will also be creating a business advantage for your company, distinguishing yourself from competitors and proactively aligning with what advertisers want to see from their partners, as their scope 3 emissions include all agencies and partners.

Most brand and agency briefs / RFIs now include specific questions about sustainability, including science-based targets.

The recent GARM Media Sustainability Guide shows the priority for reducing emissions is to find a sustainability-assured partner.

65% of the annual revenue of the world's largest 2000 companies now covered by a net zero target.*

“ Today, investors representing literally tens of trillions of dollars support climate-related disclosures because they recognize that climate risks can pose significant financial risks to companies, and investors need reliable information about climate risks to make informed investment decisions.

- [Gary Gensler, SEC Chair, 2022](#)

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SECTION 1: TARGET SETTING

How?

Before setting your company's science-based target, you need to "get your own house in order". The first step is to calculate your GHG emissions inventory.

After completing your emissions inventory, make your science-based target public via your website, SBTi, SME Climate Hub, Climate Pledge, Race to Zero, or alternative.

Measurement: Conduct an enterprise level (scopes 1, 2, 3) GHG emissions inventory following internationally recognized standards such as ISO 14064-1 Standard and the GHG Protocol.



Accuracy: Ad Net Zero recommends you have your GHG emissions inventory report accredited by a 3rd party. Examples of accredited verification organisations include: LRQA, Cameron Cole, and Ruby Canyon Environmental.



Validation: Ad Net Zero recommends setting and validating your science-based net zero and/or near term targets with SBTi (or alternative third-party accreditation).



SECTION 1: TARGET SETTING

Resources

We understand that some, especially larger, companies have dedicated sustainability teams and are fully capable of doing this internally. However, for SME's (under 250 employees) or those less confident with emissions data, there are many resources and options available to you.

Use the SBTi or the SBTi SME-version process, often seen as the "gold standard" of net-zero target setting. You may need to work with a sustainability consultant to guide you through this, particularly if you are a non-SME going through the more rigorous SBTi process.

Sustainability consultants (e.g., Planet Mark, The Alpine Project, All Planet, 51-0 or larger firms such as PwC); this is ideal for those in a novice situation as they guide through the process, options, and tools, and can help with data collection.

Work with carbon accountancy programme/tool such as the Green Element Compare Your Footprint tool (available free of charge for UK and Ireland supporters; other tools available from consultants in the US) or Cedara's decarbonisation tool. These tools can guide you through the process of measurement for your GHG emissions inventory, and adhere to SBTi and GHG protocols.





SECTION 2: REPORTING

What?



It is mandatory* for Ad Net Zero supporters to report fully on Scopes 1 & 2, and as much of scope 3 as possible. It is ideal if you can report fully on Scope 3, as this is often where the bulk of emissions is generated, but for now it is only mandatory for you to report on business travel within Scope 3.



You must report against progress annually, and publish it on a publically available platform. Recommendations from the SBTi include annual reports, sustainability reports, the company's website, and/or CDP's annual questionnaire.



The only exception when it comes to reporting is for SMEs (i.e., >250 employees), who have the option to share their reports directly with Ad Net Zero instead of publicly reporting.



For existing supporters, this reporting must be in place by June 2024. For newer supporters, this needs to be in place within 12 months of joining.



SECTION 2: REPORTING

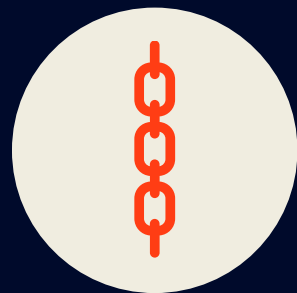
Why?



By reporting we can understand the broader scope of our emissions- how we compare to other businesses, what examples of best practices we are demonstrating or can learn from. This helps to educate and force positive action, moving towards a collective goal, rather than stagnation.



Environmental considerations and reporting against emissions is becoming increasingly prevalent in legislation, both in the UK and globally.



The requirement for scope 3 measurement in this legislation will lead to even more requests from large organisations for data from their supply chains, and thus will indirectly affect SMEs as well.



SECTION 2: REPORTING

Key Legislation

The UK's Financial Conduct Authority (FCA) has mandated climate disclosures for listed companies and financial institutions this year, using the Taskforce for Climate-related Financial Disclosures (TCFD) as its mechanism.



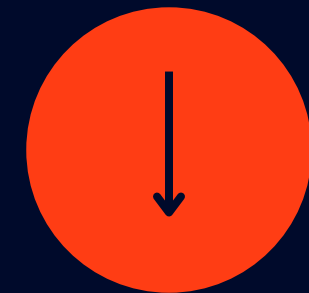
[Read the report.](#)

In the US, the Securities & Exchange Commission (SEC) has proposed legislation that is expected to be reviewed beginning fall 2023, and the state of California has passed two bills that will require reporting on scopes 1 & 2 beginning in 2026, with scope 3 in 2027. These will impact any business with \$1 billion or more in revenue, including outside of California.



[SEC Announcement.](#)
[California Bill SB253.](#)

From next year, TCFD is being replaced by the even more robust IFRS S1 and S2 standards. These are being widely adopted as the minimum international standard for disclosures, which the UK, EU and USA have all committed to using.



[International Financial Reporting Standards Announcement](#)



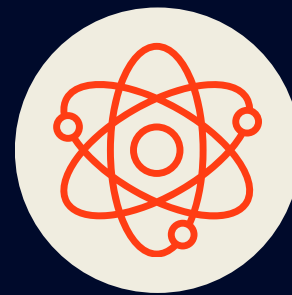
SECTION 2: REPORTING

How?

Create a comprehensive annual report that details:



A public science-based net zero goal of 2050 or sooner (in line with Paris Agreement).



Which science-based verification commitments, if any, you are in line with (SBTi, SME Climate Hub, Race to Zero, The Climate Pledge).



Interim “near-term” targets set for 2030 or an earlier near-term date, if net zero is not feasible by that time.



Engagement with the Ad Net Zero 5-point action plan.



Your understanding of and plan to address Scopes 1, 2 and at least Business Travel within Scope 3



Current emissions and energy usage.

AD NET ZERO 

ALL FOR NONE

THANK YOU FOR READING

For all enquiries please contact team@adnetzero.com