

**AD NET ZERO** 

**ALL FOR NONE**

**WELCOME TO ACTION 1  
GETTING YOUR OWN  
HOUSE IN ORDER**

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





# CONTENTS

Slides 3-5: Key definitions

## Section 1: Target Setting

- 6: What is mandatory for net zero targets?
- 7: When and why should targets be set?
- 8: The business case
- 9: How should targets be set?
- 10: Resources

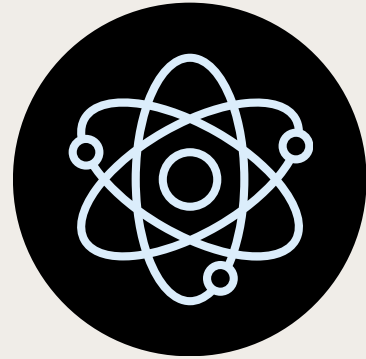
## Section 2: Reporting

- 11: What should you be reporting?
- 12: Why should you be reporting?
- 13: Key environmental legislation
- 14: How should you be reporting?



# KEY DEFINITIONS

## Corporate Level



### 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 below 1.5°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.'



### Carbon Neutral

Carbon neutrality means having a balance between emitting carbon and absorbing carbon from the atmosphere in carbon sinks. Removing carbon oxide from the atmosphere and then storing it is known as carbon sequestration. (European Parliament, 2023).

Ad Net Zero refrains from endorsing 'Carbon Neutral' status at the corporate level due to its lack of alignment with a temperature cap or carbon budget and shortcomings in emissions coverage, reductions, and forward-looking ambition.



### Net Zero

Science-based net-zero at the individual entity level means cutting GHG emissions across all 3 scopes by a minimum of 90%. Any remaining emissions at the net-zero target date are to be physically and permanently removed through high quality credible removals (up to a maximum of 10% of the base year level).

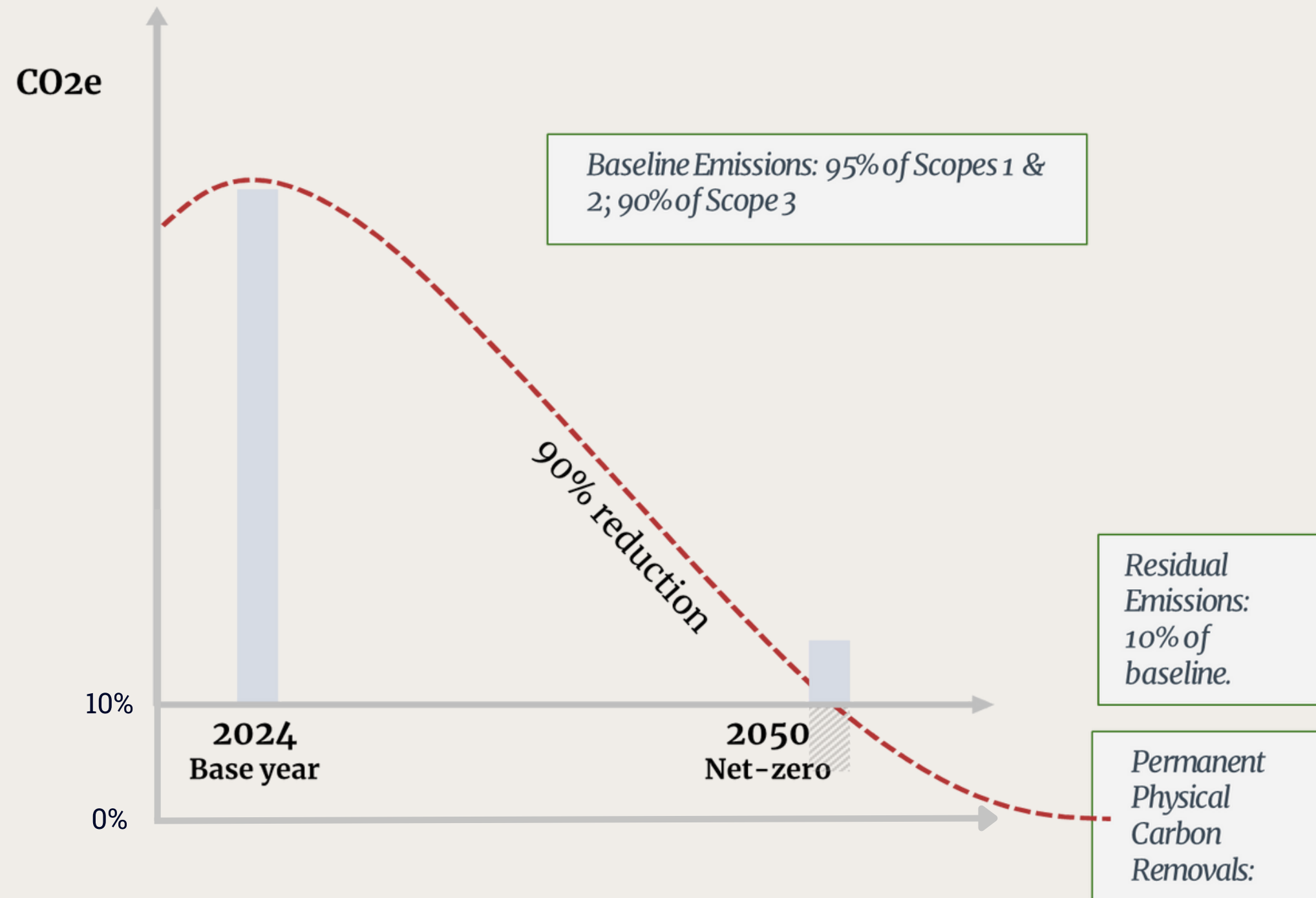
The "net zero" terminology was introduced in the Paris Agreement in 2015.

\*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



## What does reaching science-based net-zero mean?

Long-term science-based targets are your net-zero targets (a 90%+ reduction in emissions), with a maximum date of 2050.

## What is included in net-zero targets?

95% coverage of scopes 1 & 2 and 90% coverage of Scope 3 emissions must be included in the baseline and targets.

## What is the minimum ambition for long-term SBTs?

Long-term scopes 1,2 & 3 targets must be aligned to the 1.5C cap. The reduction must be a minimum of 90% of base year emissions.

## What type of residual carbon removals are recognised?

An equivalent quantity as the net-zero date residual emissions (up to 10% of base year levels) can be physically and permanently removed through sequestration, to occur by the net-zero date and each year thereafter.

**For world temperatures to remain within 1.5C of pre-industrial levels, we must radically reduce carbon emissions.**



# KEY DEFINITIONS: SCOPES 1-3

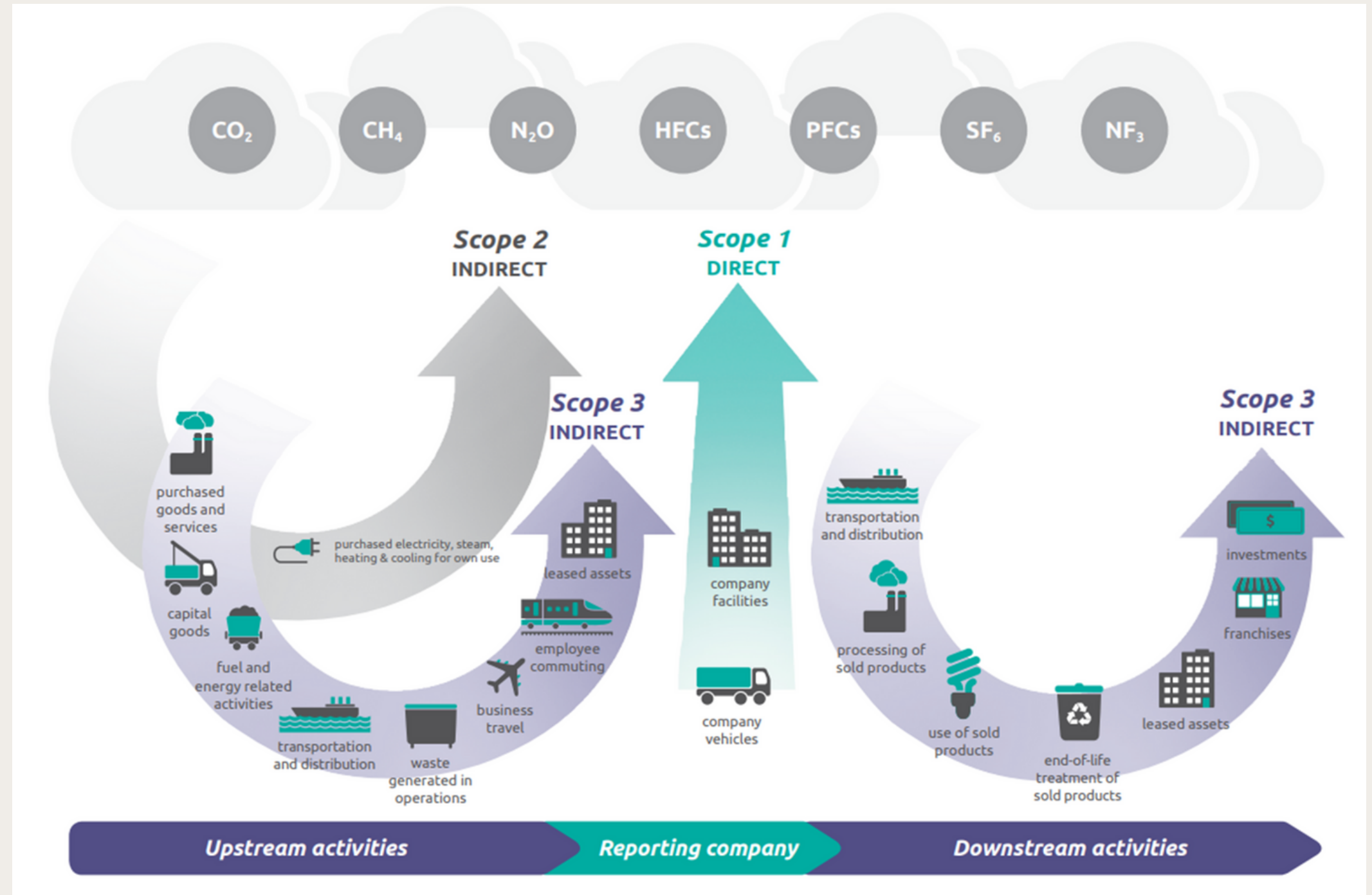
A carbon footprint is measured in tonnes of greenhouse gas emissions (GHGs).

Greenhouse gases are those which have a global warming potential (GWP).

The main three GHGs are carbon dioxide, methane and nitrous oxide.

Emissions are converted into CO<sub>2</sub>e, or carbon dioxide equivalents, a standard unit for measuring carbon footprints.

CO<sub>2</sub>e expresses the carbon footprint as a single number with the same global warming potential as the sum of all the different greenhouse gases measured.



Credit: [Green Element](#)

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



# SECTION 1: TARGET SETTING

## What is Ad Net Zero asking?



**Target Coverage:** The emissions inventory for your near term emissions target should include at least 95% scope 1 and 2 coverage, and minimum 67% scope 3 emissions coverage. Your emissions inventory for your net zero target should include 95% scope 1 and 2 coverage, and minimum 90% scope 3 emissions coverage.



**Target Ambition:** Your net zero target should include at least 90% reduction of your scope 1, 2 & 3 emission, as outlined by the SBTi. Please see the next slide for the SBTi's full breakdown of coverage and reduction figures.

As a reminder, media emissions are an important part of scope 3 emissions, and can be one of the largest categories for some businesses.



Set a science-based near-term emissions reduction target to demonstrate progress towards your net-zero goals.

See the next slide for more information about what near-term emissions reduction targets should include and aim for.



This target must be made public, for example via your website or in your ESG (Environmental, Social and Governance) report. We also expect third-party verification of targets, reduction plan and progress. 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.

**\*SBTi Net Zero Standard**



# SECTION 1: TARGET SETTING

		Scope 1 and 2			Scope 3				
Near-term science-based targets	Target boundary	95% coverage of scopes 1 & 2			If scope 3 >40% of total emissions: boundary to cover minimum 67% of scope 3				
	Target year	5-10 years from date of submission (except maritime)			5 - 10 years from date of submission				
	Method eligibility and minimum ambition	Method	Absolute reduction	Sector-specific intensity convergence	Renewable electricity (scope 2 only)	Cross-sector absolute reduction	Sector-specific intensity convergence	Supplier or customer engagement	Scope 3 physical and economic intensity reduction
		Eligibility and min. ambition	<ul style="list-style-type: none"> <li>Minimum of 4.2% linear annual reduction (LAR) dependant on base year.</li> <li>Exception: FLAG pathway is 3.03% LAR</li> </ul>	<ul style="list-style-type: none"> <li>Depends on sector and company inputs</li> </ul>	<ul style="list-style-type: none"> <li>80% RE by 2025</li> <li>100% RE by 2030</li> </ul>	<ul style="list-style-type: none"> <li>2.5% LAR</li> </ul>	<ul style="list-style-type: none"> <li>Depends on sector and company inputs (SDA)</li> </ul>	<ul style="list-style-type: none"> <li>e.g. 80% of suppliers by emissions by 2025</li> </ul>	<ul style="list-style-type: none"> <li>7% year-on-year (both options)</li> </ul>
Long-term and net-zero science-based targets	Target boundary	95% coverage of scopes 1 & 2			90% coverage of scope 3				
	Target year	2050 or sooner (2040 for the power sector and maritime)			2050 or sooner				
	Method eligibility and minimum ambition	Method	Absolute reduction	Sector-specific intensity convergence	Renewable electricity (scope 2 only)	Cross-sector absolute reduction	Sector-specific intensity convergence	Supplier or customer engagement	Scope 3 physical and economic intensity reduction
		Eligibility and minimum ambition	<ul style="list-style-type: none"> <li>90% reduction (cross-sector pathway)</li> <li>72% reduction for FLAG</li> <li>Other sector pathways vary</li> </ul>	<ul style="list-style-type: none"> <li>Sector /commodity pathways vary</li> </ul>	<ul style="list-style-type: none"> <li>100% RE</li> </ul>	<ul style="list-style-type: none"> <li>90% reduction (cross-sector pathway)</li> <li>72% reduction for FLAG</li> <li>Other sector pathways vary</li> </ul>	<ul style="list-style-type: none"> <li>Sector/ commodity pathways vary</li> </ul>	<ul style="list-style-type: none"> <li>Methods are not eligible for long-term SBTs</li> </ul>	<ul style="list-style-type: none"> <li>97% reduction (both options)</li> </ul>

Not eligible
15°C ambition
Well below 2°C ambition





# NET ZERO 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.

“

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**

”





# NET ZERO 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](#)

”



# NET ZERO 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, you can then establish a baseline year for emissions data, and set your net-zero targets. Following this, you should make your science-based target public to demonstrate your commitment. This can be done in different ways, for example 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 strongly suggests supporters have their GHG emissions inventory verified through a recognised 3rd party, i.e., a sustainability consultant.



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).





# NET ZERO 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 validation. 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 Cedara); 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.



SBTi is a globally recognized target validation organization and leads in science-based target criteria.



This commits pledgers to the goals of the Paris Agreement ten years early, with a 2040 net zero commitment.



This empowers small to medium sized companies to set a 2030, 2040, or 2050 net zero commitment.



This is a not-for-profit charity that runs the global disclosure system for investors, companies and locales to manage their environmental impacts.



# SECTION 2: REPORTING

## What?



We expect Ad Net Zero supporters to report on Scopes 1, 2, and 3\*. SBTi's guidance around what to include for scope 3 can be found [here](#).



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., less than 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

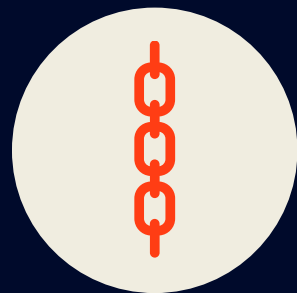
## Why?



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.



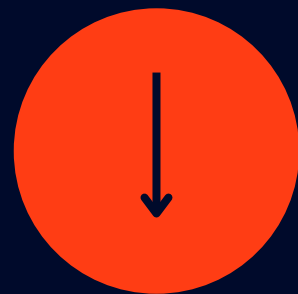
# SECTION 2: REPORTING

## Key Legislation

Based on the sustainability and climate-related reporting standards issued by the IFRS Foundation's International Sustainability Standards Board, the UK government unveiled plans to create UK Sustainability Disclosure Standards (SDS), for companies to use to report on sustainability and climate related risks

In the US, the Securities & Exchange Commission (SEC) has proposed that would require emissions disclosures on scopes 1 and 2 with confirmation expected April 2024, and the state of California has passed two bills that would require reporting on scopes 1 and 2 beginning in 2026, with scope 3 in 2027 (impacting any business with \$1 billion or more in revenue, including outside of California). New York and Illinois have introduced similar bills.

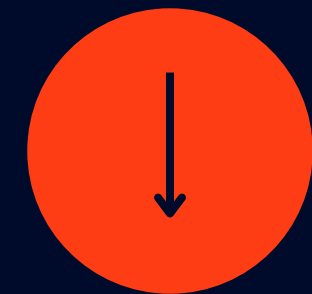
The Corporate Sustainability Reporting Directive (CSRD) entered into force in January 2023, strengthening the rules concerning reporting social and environmental information in the EU, affecting a larger number of EU businesses including listed SMEs. This is underpinned by the 2020 EU Taxonomy, a classification system that defines criteria for economic activities that are aligned with a net zero trajectory by 2050 for the EU.



Sustainability Disclosure Standards Announcement  
ISSB and IFRS



SEC Announcement.  
California Bill SB253.



CSRD Timeline  
EU Green Claims Directive





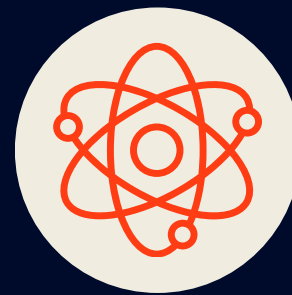
# SECTION 2: REPORTING

## 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 frameworks or pledges, if any, you have committed to. (SBTi, SME Climate Hub, Race to Zero, The Climate Pledge).



Interim “near-term” targets set for 2030 or another 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 3.



Current emissions and energy usage.



**AD NET ZERO** 

**ALL FOR NONE**

**THANK YOU FOR READING**

For all enquiries please contact [team@adnetzero.com](mailto:team@adnetzero.com)