The Marketing Practice | carbon responsible™

Carbon Conscious
Advertising

How Businesses can Lead the Way
Toward a Greener Future

2023

Introduction

As an integral player in the global economy, the B2B Marketing industry holds tremendous power to make a difference in our world. It is our collective responsibility to rise up and reduce the carbon emissions impact, tackling the urgent issue of climate change head-on. The Marketing Practice understands the profound influence the advertising industry wields over the environment, and we are fully aware of the consequences we may face if we do not act now.

That is why TMP are taking our first steps toward measuring and reducing our carbon emissions, not only in our operations but also in the production and distribution of our campaigns.

In collaboration with Carbon Responsible, TMP presents this report, which outlines the methodology and results derived from our first attempt to measure the emissions attributable to a mixed digital and physical B2B marketing campaign. Through this initiative, we aim to shed light on the importance of understanding the potential emissions impact of each individual campaign. By doing so, we can identify hotspots and seize opportunities for reduction, aligning ourselves with the ambitious net-zero targets crucial for a sustainable future.

As buyers grow increasingly aware of the carbon impact of products and services and the pressing urgency of climate change, there is a rising demand for transparency and accuracy in carbon emissions reporting. At TMP, we see this demand as an invitation to excel. Our ability to provide detailed carbon emissions data at the campaign level not only meets customer expectations but also exemplifies our unwavering commitment to sustainability.

While current reporting requirements fall short, we believe in taking the initiative and becoming pioneers in carbon measurement. By doing so, companies can seize a competitive advantage in the market while also demonstrating their profound dedication to addressing the pressing issue of climate change.

In essence, TMP's ultimate goal is to shape an advertising industry that is sustainable and supports the betterment of our planet. We firmly believe that through collective action, the B2B Marketing industry can make an extraordinary and positive contribution toward a more sustainable future for all.

Advertising and emissions

Although advertising's true emissions impact is difficult to determine, its dependence on and contribution to digital initiatives, which make up around 3.5% of global carbon emissions annually and surpasses the aviation industry's 2.5% share of emissions, makes it highly likely that its impact is significant.[1] Moreover, the advertising industry's impact on the environment is of growing concern as digitalisation emissions impact grows with no signs of slowing down.[2]

According to a recent study, the advertising industry contributes an additional 28% to the carbon footprint of each person in the UK, or around 2.78 tCO_2e, due to the ads they see and receive[2]. To add to this, it has been calculated that, on average, every person working in advertising in the UK is responsible for a carbon footprint the size of 34 UK citizens, due to the impact of their work.[3]

1. 5 ways advertisers can reduce their carbon emissions (martech.org)

2. Advertised_Emissions_Report_2021.11.16_Singlepages.pdf (squarespace.com)

3. Advertised_Emissions_Report_2021.11.16_Singlepages.pdf (squarespace.com)

The emissions from the advertising industry come from various sources, including energy consumption from offices and production facilities, transportation of personnel and equipment, and the production and distribution of marketing materials. However, the most significant contributors to emissions tend to be production-related activities, such as filming, printing, and logistics.

Production-related activities heavily depend on electrical equipment, consuming substantial amounts of electricity. Additionally, the process of printing involves the use of paper and ink, both of which leave a considerable environmental footprint. Moreover, logistics encompass the transportation of goods, necessitating fuel consumption that, depending on the volume used, can lead to significant emissions impact.

The uplift of sales following successful advertising practices can cause a significant increase in carbon emissions in several ways:

01.

An increase in sales may lead to increased production, which can result in higher energy and material consumption.

02.

An increase in sales may result in more transportation of goods, which can increase emissions from logistics.

03.

An increase in sales may lead to increased consumer behavior, such as more travel or consumption of energy-intensive products.

Even in the realm of digital advertising, we cannot ignore its contribution to the overall carbon impact of the industry. The operation of data centers, servers, and other digital infrastructure demands substantial amounts of energy. While digital advertising may initially appear to be a greener alternative compared to physical campaigns, as it does not involve the production of tangible goods, it is important to note that the average online ad campaign still emits approximately 5.4 metric tons of CO_2e.

To put this into perspective, the average online ad campaign is equivalent to manufacturing:
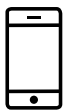
98
smartphones

or using a smartphone for

10
hours a day for 63 years straight.[4, 5]

The most carbon-intensive digital advertising channels are video and display advertising. This is because they typically require more data and energy to transmit and display than other digital ads.

Video ads, for example, need high-quality visuals and sound, which can result in larger file sizes that require more data to transmit. Additionally, video ads are often hosted on third-party platforms, which can increase the data and energy needed for their delivery.

On the other hand, display ads typically include high-quality images and animations, which also require larger file sizes and more data to transmit. These ads can also be hosted on third-party platforms, which can increase the energy required for their delivery. Both video and display ads may also be designed to appear on a wide range of devices and screen sizes, which can require additional processing power and energy. Industry benchmarks for carbon measurement in advertising are relatively scarce. However, some organizations are taking steps to address the issue. For example, the World Federation of Advertisers has launched an initiative called the Planet Pledge for the advertising industry.[6] The charter outlines a commitment to reducing carbon emissions across the industry and calls for collective action.

Overall, the advertising industry's carbon emissions are a significant problem that must be addressed. Only advertisers and their agencies have the power to address advertising's impact on the environment, and work toward reducing its carbon footprint. As clients and consumers become increasingly environmentally conscious, there is a growing need for the industry to take action to demonstrate its commitment to sustainability. By adopting carbon measurement as standard and promoting sustainable practices, the advertising industry can positively impact the environment while remaining competitive in a changing world.

4. good-loop.com/resources/carbon-calculator

5. The carbon footprint of your phone – and how you can reduce it (reboxed.co)

6. Planet Pledge – World Federation of Advertisers (wfanet.org)

Our response

Recognizing that TMP is a contributor to our industry's impact on climate change, we have moved beyond our corporate responsibility of entity-level emissions reporting, to measure, for the first time, our impact at the campaign level. We used our brand launch as a test case.

As a first attempt, the emissions assessment was undertaken on a best-endeavor basis. We had already partnered with Carbon Responsible to assess our corporate emissions covering the period 1st January 2022—30th June 2022 as a separate exercise. The data provided for this assessment included electricity consumption, water consumption, vehicle use, business travel, hotel stays, and waste.

In addition, for the same period, we provided logs of hours spent, which allowed for a calculation of the intensity metric tCO_2e per hour. This allowed Carbon Responsible to calculate emissions attributable to the campaign from use of our offices, based on hours worked by our staff. Similarly, emissions attributable to suppliers of this campaign were calculated based on their intensity metric of tCO_2e per pound of revenue, and our spend with them on this campaign.

The Results

🟥 **86.16%** Supplier: The Economist

🟦 **10.47%** Supplier: Seacourt

🟨 **3.37%** Corporate TMP

Figure 1. Campaign emissions split by % per contributor.

0.9 tCO_2e

0.29 tCO_2e

Total
8.61
tCO_2e
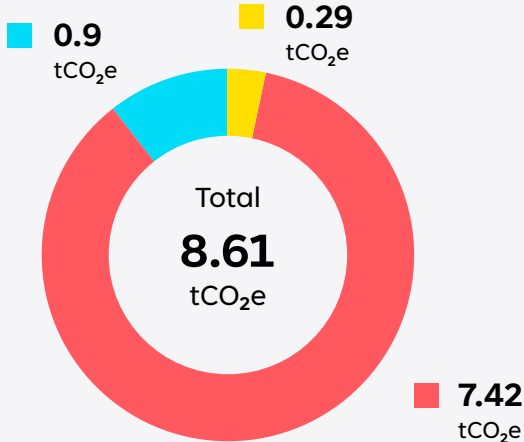
7.42 tCO_2e

In total, assessed emissions attributable to this campaign, which include Scopes 1, 2, and 3, total 8.61 tCO_2e. This was comprised of 0.29 tCO_2e from corporate emissions (use of our offices for this campaign), and 8.32 tCO_2e from supplier emissions (The Economist and Seacourt). Emissions attributable to suppliers are limited to two of thirteen suppliers contacted.

For the period January—June 2022 we had an intensity metric of 0.24 tCO_2e / FTE. An FTE of 1.21 was spent on this campaign, and therefore our corporate emissions attributable to this campaign are 0.29 tCO_2e.

Using The Economist's intensity metric of emissions per pound of revenue, and our spend with them on this campaign, a total of 7.42 tCO_2e are attributable to this campaign. This accounts for a double-page spread in The Economist magazine, and The Economist digital newsletter sponsorship. A second supplier, Seacourt, responsible for the printing of mailers for this campaign, also supplied emissions data. For 2022, accounting for TMP's spend with Seacourt on this campaign, a total of 0.9 tCO_2e are attributable to this campaign.

Limitations

There are multiple limitations to this analysis. Subsequently, the total emissions impact calculated as attributable to this campaign is likely significantly underestimated.

01

Only 15% of suppliers had already reported their carbon emissions. Suppliers who did not already hold this information were unable to provide the necessary Scope 1 and 2 data and revenue total to calculate this.

A common reason for being unable to provide this data was limited resources (people and time).

02

Many suppliers subcontract their work to other companies. Hence, the actual emissions attributable to one contract are absent in a reporting company's Scope 1 and 2 emissions. For example, the screens used to publicly display adverts, and the electricity consumed while doing so would not be accounted for using the current method. These emissions would only be captured in a comprehensive supply chain analysis.

03

Our corporate emissions data excluded several key areas of measurement, mainly in Scope 3. Inclusion of categories such as employee commuting, freight, capital goods, upstream and downstream transport would likely have made our intensity metric greater, and more robust.

LDN → NYC

What does 8.61 tCO$_2$e mean?

This measured emissions impact of the campaign is equivalent to someone flying from London to New York, and back, ten times.

Progress over perfection

It is important to acknowledge that despite the mentioned limitations, this analysis represents a legitimate effort to quantify the impact of the campaign on emissions. When assessing carbon emissions, it is crucial to prioritize progress rather than striving for absolute perfection. This is due to the intricate and ever-evolving nature of carbon measurement, which relies on various stakeholders. It is widely recognized that measurement in the initial stages is likely to be flawed. Therefore, organizations should concentrate on gradually enhancing their measurement methods and expanding their scope as their capabilities grow.

Open over closed

Moreover, focusing on progress rather than perfection encourages transparency and collaboration – or 'open over closed' as we call it. Organizations can share their measurement methods and best practices with others to collectively work toward reducing carbon emissions. By acknowledging that carbon measurement is a journey of improvement, we can create a culture of innovation and progress that will help us tackle the urgent challenge of climate change.

By considering carbon measurement as an ongoing journey of improvement, organizations can avoid being paralyzed by the fear of imperfection and instead embrace continuous learning and refinement.

This approach can result in improved data quality, more precise reporting, and ultimately, more effective strategies for reducing carbon emissions.

Lessons learned for shaping best practice

Through the undertaking of this research and analysis, we have gained valuable insights into measuring campaign-level emissions. Our attempt sheds light on the potential barriers that arise when conducting carbon measurement in relation to advertising operations.

In this section, we highlight the actions that will be undertaken by TMP to ensure more accurate measurement in the next attempt to quantify campaign, level emissions.

Getting the data

In the near-term we plan to create forms for our campaign suppliers to fill in during on-boarding (or soon after). These will include questions relating to existing emissions data. This will allow us to establish a baseline for the emissions of our supply chain, and identify areas of the supply chain that have the greatest environmental impact.

Responsible purchasing

We will begin to actively search for new suppliers that invest sustained effort into meeting exemplary environmental and reporting standards. Selection of greener suppliers will allow us to manage our own carbon impact more effectively and enable us to better comply with regulatory requirements and measurement standards.

Storing supplier data

We plan to merge supplier emissions data into our procurement database so we can easily access and analyze supplier emissions data in a consumable format, which is essential for making informed decisions about sustainable procurement practices. This will allow us to work with suppliers to reduce their emissions, and encourage transparent emissions reporting.

Looking to the future

In the future, we plan to integrate a sustainable media perspective and strategy into our media R&D roadmap, so that we have clear outcomes to work toward. The overall goal of this strategy will be to help our clients meet their sustainability goals, and position ourselves as leaders in encouraging others to follow cutting-edge methods and practices that will promote a more sustainable B2B marketing industry.

Expansion of effort with suppliers

It is critical that suppliers, including smaller suppliers, become increasingly involved in efforts to capture emissions data. Broader engagement with suppliers around carbon literacy and data collection, led by us and our carbon partners, will allow for a more comprehensive understanding of the impact of their operations on the environment.

Through enhanced and deeper cooperation with suppliers, we will be able to identify opportunities to reduce emissions in our own supply chain, improve sustainability, and contribute toward creating a more sustainable future.

Next steps

We are at a critical moment that calls for collective action to mitigate the impact we are having on our planet. It is imperative for the advertising industry to seize this opportunity to address the significant environmental impacts of its activities.

Our overarching goal is to drive the reduction of emissions associated with the B2B marketing industry's activities by enhancing the quality and quantity of carbon measurement across agencies and brands. This objective is not only necessary but also entirely achievable through a well-defined framework of actions, as outlined below.

Action 1
Establish industry standards
Develop a set of industry-wide standards for measuring carbon emissions in advertising campaigns. These standards should be agreed upon by major industry players and should cover all aspects of the advertising lifecycle, from production to distribution and consumption. Employing standardized intensity metrics such as tCO_2e per hour and pound of revenue may achieve this. However, disclosure of the extent and capability of data is necessary within comparisons to avoid misinterpretation of results.

Action 2
Integrate carbon measurement into existing systems
This will allow advertisers to more easily track and report on the carbon emissions associated with each campaign.

Action 3:
Invest in technology and research
This will mean there is more accurate measurement of carbon emissions in this industry. This could include tools and projects that measure the carbon impact of advertising campaigns and software that tracks the carbon emissions of different media channels. Owing to the nebulous nature of production, distribution, and consumption of campaigns on digital campaigns in particular, open-source research, available to all but funded by big players in the industry, and supported by digital platforms, is of particular importance.

Action 4:
Educate and engage stakeholders
This could involve creating educational materials, hosting webinars, and providing training sessions to help stakeholders understand how to measure and reduce their carbon impacts. Engagement of suppliers should be top priority in emissions measurement from the offset so that said suppliers can plan accordingly to collect and deliver the key data points that are required when attempting measurement of your emissions impact.

Action 5

Encourage transparency
Recommending advertisers disclose their carbon emissions data for each campaign across all three scopes. Companies should adopt a 'progress over perfection' approach and mindset, and not fall prey to greenhushing in their journey toward complete measurement and reduction.

Action 6

Incentivize sustainability
Reward advertisers who prioritize sustainability in business practice. For example, advertisers implementing carbon reduction strategies or using eco-friendly production methods could receive preferential treatment or discounts.

Action 7

Collaborate with industry groups
Join forces with the likes of The Advertising Association the Advertising Association and the industry's think tank Credos, to develop a comprehensive approach to measuring carbon emissions. This could involve creating working groups, sharing best practices, and developing joint initiatives to reduce carbon emissions across the industry.

Action 8

Expansion of sustainable effort
Once the basics are covered, it is important that effort does not stagnate, and such efforts continue to expand. The measurement of additional Scope 3 categories should be encouraged, to inform supplier totals, particularly supply chain emissions.

Closing statement

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When we began this project, it was very much in the spirit of 'let's see what we learn'. We didn't quite know what to expect, how feasible it would be, and what challenges we would meet. As this report can attest to, we learned a lot!

It was with this in mind that we wanted to share what we discovered. We hope that our findings can make it a bit easier for others to get started. We hope it might inspire readers to get curious about what they might learn. Over time we can make these reports more robust, more detailed and close the gaps in our knowledge, ultimately reducing the emissions of our marketing activities.

We also want to work with the wider B2B marketing industry to reduce our impacts collectively. We are already talking to our clients about how we can make measurement projects like this a standard in our work with them, and we welcome connection from our fellow agencies to share learning, knowledge and data.

Making our industry greener is a collective effort – the old 'us and them' mindsets won't help us. Our main learning from this report is that we need to work together to make the change we want to see.

Simon McEvoy
Sustainability Lead, TMP

Appendices

Key Terms and Definitions

Scope 1: Includes emissions that are generated directly from sources owned or controlled by an organizations. Emissions derive from the combustion of fossil fuels in machinery, property and company-owned vehicles, and refrigerants, which act as greenhouse gases. Scope 1 emissions are considered the category over which organizations have most control. They are, therefore, an important target for emission reduction efforts.

Scope 2: Includes emissions that are associated with the consumption of purchased electricity, heat, or steam by an organization. Because the energy is produced by another entity, these are considered 'indirect' emissions. However, organizations may still exert significant control over these emissions by, for example, reducing electricity consumption, or generating their own electricity through on-site renewables. Scope 2 emissions are important to track because they can account for a significant portion of an organization's total carbon emissions, particularly in sectors that rely heavily on purchased energy.

Scope 3: Includes emissions associated with an organization's value chain but generated by activities outside of the organization's direct control or ownership. Scope 3 emissions can be challenging to measure and report because they involve a wide range of activities outside of an organization's direct control. However, they can account for a significant portion of total carbon emissions, particularly in sectors that

have complex supply chains. By tracking Scope 3 emissions, organizations can identify opportunities to reduce their total environmental impact by working with others across their entire value chain.

tCO_2e: A unit of measurement that is used as standard in emissions reporting to determine the relative impact of activities and reporting entities. It stands for metric tons of carbon dioxide equivalent. This is because different activities emit different greenhouse gases into the atmosphere. Each greenhouse gas has a different global warming potential – some gases have the potential to warm the earth more than others. A single metric ton of methane would have the same impact as 27.9 metric tonnes of carbon. To standardize reports and keep things simple, emissions are expressed as their equivalent in metric tons of carbon dioxide.

FTE: Stands for Full Time Equivalent. It is a unit of measurement that is used here to describe the hours of work completed, that equates to hours worked by a single employee employed on a full-time contract.

Intensity metric: An intensity metric is a measurement that here quantifies the average tCO_2e impact, relative to the chosen metric. This allows organizations to track the intensity of their emissions over time, or apportion impact, by, for example, calculating the average tCO_2e per hour or unit of revenue.

Methodology and results

An intensity metric of tCO2e/hour was calculated using the total emissions output calculated from emissions measurement of our offices, and hours worked, for the period January—June 2022. This intensity metric was applied to the number of hours worked on the campaign, assuming eight hours equated to one workday, to account for our direct impact attributable to the campaign from use of our offices.

We additionally provided the contact details of suppliers along with the amount spent with each supplier on the campaign to Carbon Responsible. These suppliers included those who provided physical merchandise and digital services. All suppliers were contacted by email with a request to supply at a minimum their Scope 1 and 2 data and revenue for the same January to June period, or earlier. Available emissions data and revenue from suppliers was used to calculate an intensity metric of $tCO_2e/£100,000$. This intensity metric was applied to spend with suppliers on this campaign to account for supplier emissions attributable to this campaign.

Both The Economist and Seacourt provided emissions totals based on Scope 1, 2, and 3 measurements. The Economist supplied this data for the period covering April 2021—March 2022, and Seacourt supplied this data for the period covering January—December 2021.

About Carbon Responsible

Founded in 2012 Carbon Responsible provides data-driven solutions coupled with expert advisory. Through actionable intelligence it helps clients develop decarbonisation strategies that stand up to scrutiny from regulatory bodies, such as SECR, SFDR, TCFD, PRI, NZAMI, SBTi, ISO etc. Carbon Responsible's work drives operational efficiencies, attain regulatory compliance and simplifies companies' journey to net-zero.

Go to the **Carbon Responsible** website to find out more.

About The Marketing Practice

Founded in 2002, The Marketing Practice is a global B2B marketing leader with offices in the UK, US, Germany, Singapore and Australia. It employs over 400 people and helps large and growing B2B companies to win new customers, grow existing customers and improve channel performance.

The Marketing Practice is an established leader in brand activation, account-based marketing and demand generation, and clients include ServiceNow, Salesforce and Lenovo.

It believes B2B marketing works best when it's thought of as an engine to drive growth, rather than a series of tactics. Combining creative and strategy with data, digital, martech and inside sales capabilities, the business partners with clients to create outcomes, not just outputs.

It ranks in the top 10 International B2B agencies year-in, year-out, according to B2B Marketing.

For more information, please visit: **themarketingpractice.com**.

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Practice