

NORDIC BROADCASTERS

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# White paper

Suggestions for calculating scope 3 GHG emissions on external productions

April 2024

THE FOOTPRINT FIRM™



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# Executive summary

## REGULATIONS AND REQUIREMENTS

The Corporate Sustainability Reporting Directive (CSRD) is an EU reporting regulation for large companies, public-interest entities, listed SMEs, and EU-subidiaries of non-EU companies. It includes reporting on the disclosure requirements and associated datapoints in the European Sustainability Reporting Standards (ESRS). As part of ESRS E1, broadcasters will have to collect data from their suppliers to report on full scope 1, 2 and 3 GHG emissions<sup>1</sup>. As external productions are expected to constitute a significant share of broadcasters' total emissions, it is crucial to find an approach to calculate emissions from the external productions to ensure successful and CSRD-compliant reporting.

The GHG Protocol is the world's leading standard for calculating GHG emissions, and it is broken down into 3 scopes. In most cases, the emissions from broadcasters' external productions should be reported in scope 3.1 'Purchased goods and services'. The broadcaster should include the supplier's scope 1, scope 2 and upstream scope 3 emissions related to the specific external production. There are, however, exceptions where the broadcaster should report the emissions of the external production in their own scope 1, 2 and 3. The exceptions depend on the chosen consolidation approach, which is dependent if the broadcaster have equity shares, operational control or financial control over the supplier of the production.

## MARKET STANDARD, BEST PRACTICE AND TOOLS

Many broadcasters are in the early stage of full GHG reporting and setting ambitious reduction targets, while the most mature broadcasters are already reporting on all GHG protocol scopes and have set ambitious targets.

Broadcasters can use tools to calculate GHG emissions of external productions. The less mature broadcasters are figuring out which approach to use, while the most mature broadcasters use tools for most of their production suppliers to facilitate a conversation on reducing emissions. The most mature companies does not yet use tools for reporting their own GHG baseline as they experience that the data is not sufficiently reliable.

## METHODOLOGY FOR CALCULATING AND REDUCING EMISSIONS

Broadcasters need to decide on a methodological approach for calculating emissions from external productions, while keeping in mind that the ultimate goal of calculating emissions is to reduce emissions. Broadly speaking, there are two approaches to calculating the emissions. Either spend-based, where the amount spend on the production is multiplied with an emission factor, or activity-based where emissions from the production are calculated based on either actual emissions or based on averages. Using the spend-based approach is in line with the CSRD requirements, if the broadcaster have made reasonable efforts to collect data from its upstream and downstream value chain.

To start the journey of calculating and reducing emissions from external productions, it can be beneficial to use the spend-based approach for each production to get an indication of how much external productions take up of the broadcaster's total emissions. From there, broadcasters should prioritize data collection efforts from the suppliers that account for the biggest amount by spend and include productions that the broadcaster suspects have high emissions, e.g., based on the production type. In general, broadcasters should seek to improve the breadth and depth of the data over time to obtain more and more activity-based and specific GHG data.

It may be beneficial to use tools for calculating emissions from external productions to increase accuracy of calculations and to get a stringent data collection method across productions.

To work strategically to reduce emissions from external productions, broadcasters can then set GHG reduction targets for external productions and engage with production suppliers to co-develop reduction initiatives and define a feasible roadmap.




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# Corporate Sustainability Reporting Directive (CSRD)

## CSRD EXPLANATION AND SCOPE

The Corporate Sustainability Reporting Directive (CSRD) is a new reporting regulation from the EU, replacing the Non-Financial Reporting Directive (NFRD). CSRD will kick in for companies already covered by NFRD from 2024, and for large companies from 2025. Large companies are defined as meeting at least two of the three requirements:

|   |  |  |
|---|--|--|
|  €50+ Million Turnover |  €25+ Million in Assets |  >250 Employees |
|---|--|--|

Apart from public-interest entities and large companies, CSRD will also cover listed SMEs, and EU-subidiaries of non-EU companies.

CSRD significantly expands the reporting requirements for sustainability reporting. This includes, amongst other things, a requirement for limited assurance, as well as reporting on the disclosure requirements and associated datapoints in the European Sustainability Reporting Standards (ESRS), that come out as material based on the results of the double materiality assessment. The double materiality assessment is mandatory to conduct to identify material impacts, risks and opportunities (IROs), and subsequently material ESG topics.

The ESRS consist of 5 standards within Environment, 4 standards within Social and 1 standard within Governance, as well as a number of mandatory metrics to be reported as part of ESRS 2. Sector-specific standards will furthermore be developed.

| General ESRS  | Topical ESRS                             |                                     |
|---|--|-------------------------------------|
| ESRS 2: General disclosures<br><i>Mandatory to report on</i>  | ESRS E1: Climate change                  | ESRS S1: Own workforce              |
|   | ESRS E2: Pollution                       | ESRS S2: Workers in the value chain |
| ESRS 2: Minimum disclosure requirements<br><i>Mandatory to report on for the topics that are material</i> | ESRS E3: Water & marine resources        | ESRS S3: Affected communities       |
|   | ESRS E4: Biodiversity & ecosystems       | ESRS S4: Consumers and end users    |
|   | ESRS E5: Resource use & circular economy | ESRS G1: Business conduct           |
|   | <i>Based on materiality</i>              |                                     |

## THE VALUE CHAIN AS PART OF THE OF CSRD REPORTING

When conducting the double materiality assessment and identifying IROs, a company must consider actual and potential impacts across its own organization, as well as its upstream and downstream value chain. As part of the reporting on the ESRS standards, the specific information that requires value chain coverage is specified in the European Financial Reporting Advisory Group (EFRAG) Implementation Guidance for the Value Chain. In terms of quantitative data, this specifically includes, amongst other things, scope 3 GHG emissions.

Furthermore, EFRAG's Implementation Guidance for the Value Chain specifies that if an undertaking cannot collect data from its upstream and downstream value chain after making reasonable efforts to do so, the undertaking should estimate the information, by using all reasonable and supportable information, such as sector average data and other proxies.

## CSRD IN THE CONTEXT OF GHG EMISSIONS DATA COLLECTION FROM NORDIC BROADCASTERS

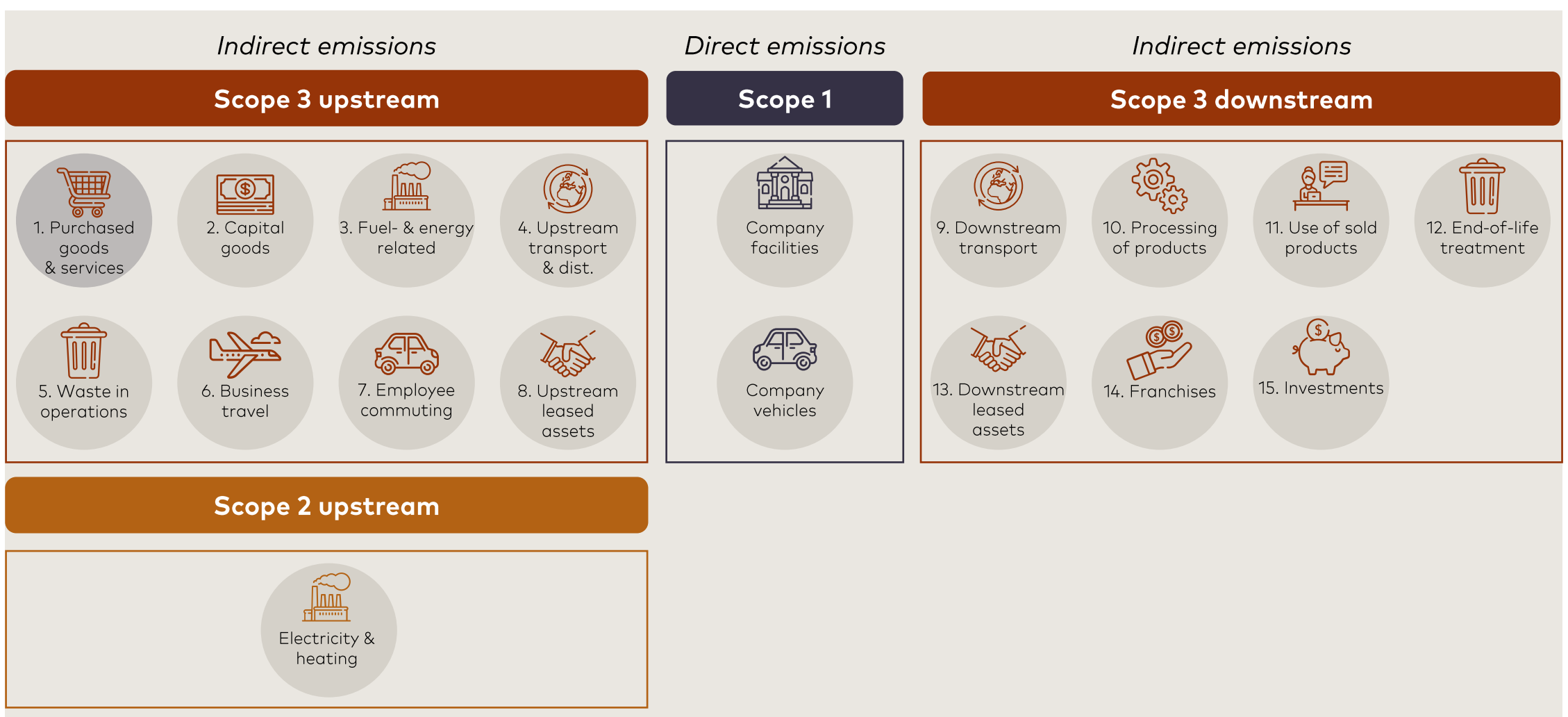
As part of ESRS E1, Broadcasters will have to collect data from their suppliers to report on full scope 1, 2 and 3 GHG emissions (refer to the following section for an explanation of scope 1, 2 and 3). As external productions are expected to constitute a significant share of broadcasters' total emissions, understanding the specific emissions that these entail, how to consolidate them in the broadcasters' own baseline, and how to go about data collection, will be crucial to ensure a successful and CSRD-compliant reporting.

# The GHG protocol with scopes and categories

## THE GHG PROTOCOL

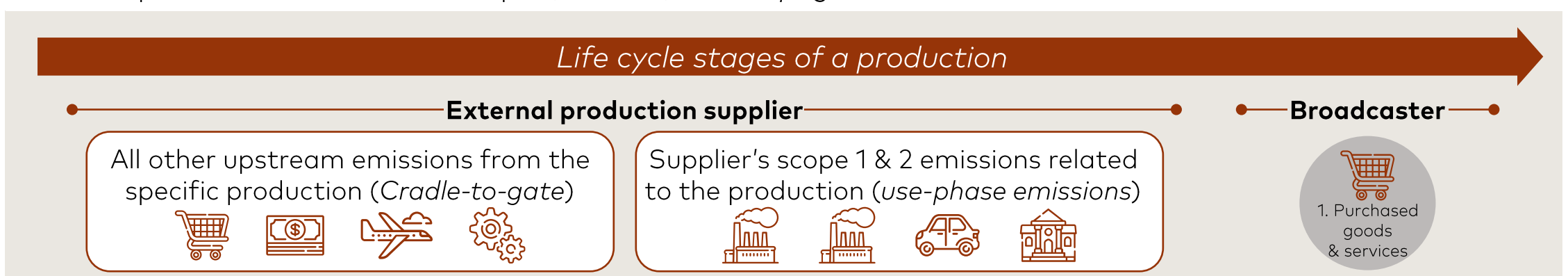
The Greenhouse Gas (GHG) Protocol is the world's leading standard for calculating GHG emissions. Emissions in the GHG Protocol are broken down into 3 Scopes to provide a systematic framework to organize and understand the diversified activities within a value chain:

- **Scope 1 – Direct emissions:** Emissions from sources that are owned or controlled by the organization
- **Scope 2 – Indirect emissions:** Emissions that result from the generation of electricity, heat or steam purchased by the organization from a utility provider
- **Scope 3 - All other indirect emissions:** Emissions from activities that the organization indirectly impacts in its value chain, but from assets not owned or controlled by the organization. As illustrated below, there are 15 Scope 3 Categories



## REPORTING EMISSIONS FROM EXTERNAL PRODUCTIONS

The emissions from broadcasters' external productions should be **reported in scope 3.1** 'Purchased goods and services'. For a specific external production, the broadcaster should **include the supplier's scope 1, scope 2 and upstream scope 3 emissions** related to the specific production *as shown below*. There are, however, exceptions depending on the selected consolidation approach, where the broadcaster should report the emissions of the external production in their own scope 1, 2 and 3, *cf. next page*.





# Consolidation approach

## SETTING ORGANIZATIONAL BOUNDARIES

As part of a broadcaster's overall GHG reporting, a consolidation approach must be identified. The consolidation approach influences how emissions are included from entities, where broadcasters own equity share, or have financial or operational control.

The chosen consolidation approach must be used consistently across a company's GHG baseline.

| Approach            | Description  | Example   |
|---------------------|--|---|
| Equity share        | An organization <b>accounts for GHG emissions from operations according to its % share of equity.</b>  | A broadcaster owns a stake in a production joint venture (JV):<br><b>20% stake:</b> The broadcaster accounts for 20% of the JV's scope 1 in their own scope 1, 20% of the JV's scope 2 in their own scope 2, and 20% of the JV's scope 3 in their own scope 3.<br><b>0% stake:</b> Emissions from procurement of productions where the broadcaster has 0% ownership share must be accounted for in scope 3.1.   |
| Financial control   | An organization has <b>financial control</b> over an operation if the former has the <b>ability to direct the financial and operating policies</b> of the latter with a view to gaining economic benefits from its activities. | In a production, where the broadcaster has the ability to direct financial and operating policies of a production with the majority risks and rewards of ownership of the operation's assets.<br><b>If financial control:</b> The broadcaster must account for 100% of the supplier's GHG emissions in their own scope 1, 2 and 3.<br><b>If part financial control:</b> The broadcaster must account for emissions based on the percentage of shared financial control.<br><b>If no financial control:</b> The broadcaster must include the emissions from the production as part of their own scope 3.1. |
| Operational control | An organization has <b>operational control</b> over an operation if the former or one of its subsidiaries has the <b>full authority to introduce and implement its operating policies</b> at the operation.                    | In a production, where the broadcaster has the authority to introduce and implement operating policies of a production supplier.<br><b>If operational control:</b> The broadcaster must account for 100% of the GHG emissions in their own scope 1, 2 and 3.<br><b>If no operational control:</b> The broadcaster must include the emissions associated with the purchase of a service (e.g., the specific production) as part of their own scope 3.1.  |

## IMPLICATION FOR GHG REPORTING METHODOLOGY

For a broadcaster, the consolidation approach becomes relevant for reporting emissions from external productions if the broadcaster have a joint venture (JV) for the production (i.e., have an equity share) or has operational or financial control over the supplier of the production. **In these cases, the broadcaster must account for the emissions from the external production in their own scope 1, 2 and 3** in accordance with the above principles and the GHG protocol.

## REPORTING ON EXTERNAL PRODUCTIONS WITH THE OPERATIONAL CONTROL APPROACH

Most broadcasters have indicated that they plan to use the operational control approach. Below is an overview of typical production archetypes and which scope to report emissions in with the operational control approach.

| <b>Production archetype</b>                      | <b>Description</b>   | <b>Scope for reporting the emission under operational control approach</b>   |
|--|--|--|
| Own in-house production                          | A production that is made entirely by the broadcaster itself (i.e., not an external production). | The broadcaster must account for emissions in scope 1, 2 and 3.  |
| External production                              | An external production from a supplier, where the broadcaster does not have operational control. | The broadcaster must account for emissions from external productions where it does not have operational control under Scope 3.1.   |
| Co-production with external production companies | A broadcaster produces a production with one or more broadcasters.                               | <i>If operational control:</i> The broadcaster with the operational control must account for 100% of the co-production's GHG emissions in their own scope 1, 2 and 3 according to the GHG protocol.<br><i>If no operational control:</i> The broadcaster(s) that does not have operational control of a co-production must include the emissions in their own scope 3.1.   |
| Production in a joint venture (JV)               | The broadcaster owns a part of the equity in a joint venture.                                    | The broadcaster should look at the contractual agreements of the JV to determine who has operational control. Even in JVs, where the broadcaster does not have financial control, it can have operational control.<br><i>If operational control:</i> The broadcaster must account for 100% of all the JV's GHG emissions (including activities that are not related to the productions) in their own scope 1, 2 and 3, irrespective of % equity in the JV or if the broadcaster has financial control or not.<br><i>If no operational control:</i> The broadcaster must include the emissions associated with the production as part of their own scope 3.1. |



# Data collection for category 3.1 from external productions without any equity or control

## Definitions of scopes and categories

| Scope & category   | Category description   |
|--|--|
|  1 Combustion emissions                     | Direct combustion emissions from organization's facilities and vehicles/equipment  |
|  2 Electricity & heating                    | Direct consumption of electricity and heating by the reporting organization. Scope 2 cannot be double counted as scope 2 in two baselines  |
|  3.1 Purchased goods & services             | Extraction, production, and transportation of goods and services purchased or acquired in the reporting year (that is, cradle-to-gate emissions), not otherwise included in Categories 3.2 – 3.8   |
|  3.2 Capital goods                        | Extraction, production, and transportation of capital goods purchased or acquired in the reporting year  |
|  3.3 Fuel & energy-related                | Extraction, production, and transportation of fuels and energy purchased or acquired in the reporting year, not already accounted for in scope 1 or scope 2  |
|  3.4 Upstream transport & distr.          | Transportation and distribution of products between tier 1 suppliers and all other transportation paid by reporting organization (but not in own or leased vehicles)   |
|  3.5 Waste generated in operations        | Disposal and treatment of waste generated in the reporting organization's operations in the reporting year (in facilities not owned or controlled by the reporting organization)   |
|  3.6 Business travel                      | Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting organization)  |
|  3.7 Employee commuting                   | Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting organization)  |
|  3.8 Upstream leased assets               | Operation of assets leased by the reporting organization (lessee), not included in scope 1 and scope 2   |
|  3.9 Downstream transport. & distr.       | Transportation and distribution of products sold, between the reporting organization's operations and the end consumer (if not paid for by the reporting organization), including retail and storage (in vehicles not owned or controlled by the reporting organization) |
|  3.10 Processing of sold products         | Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)   |
|  3.11 Use of sold products                | Use of goods and services sold by the reporting organization   |
|  3.12 End-of-life treatment of sold goods | Waste disposal and treatment of products sold by the reporting organization (in the reporting year) at the end of their life   |
|  3.13 Downstream leased assets            | Operation of assets owned by the reporting organization (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2   |
|  3.14 Franchises                          | Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor  |
|  3.15 Investments                         | Operation of investments in the reporting year, not included in scope 1 or scope 2   |

## Potential relevance for suppliers

### For outsourced production (examples, non-exhaustive)

- Fuel used in vehicles owned or leased by the production supplier
- Electricity or district heating used at production sites, incl. electricity used for equipment at the site. Electricity used at external sites is not included
- Purchased clothing/costumes, food, IT equipment purchased for the purpose of the specific production
- CAPEX investments, e.g., film equipment, bought for the specific production
- Derived from scope 1 and 2 (So same data required as for Scopes 1 and 2)
- Transport paid by the production company, e.g., renting a bus to go to and from the set
- Municipal waste from the production, e-waste (e.g. broken IT equipment)
- Travel of the production staff, including flights, train and mileage, as well as hotels and food during travel
- Employee commuting to/from production locations

*Data collection not relevant for the broadcaster's category 3.1 as these categories will be reflected in broadcasters' own downstream categories.*

*However, it is important to note that the categories may be relevant for the broadcaster's own baseline in cases where the broadcaster has full financial or operational control, or owns a share of the production*



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# Current broadcaster market and approach for external productions

## BROADCASTER PRACTICE

Broadcasters' overall practice (not only including external productions) can be categorized in low, medium, high and "state of the art" environmental maturity based on the below categorization. Peers in this white paper (DR, SVT, NRK, SR, Yle, BBC, ITV and ARD) have been assessed to the categories based on desktop research and interviews.

The most mature broadcasters are reporting on all GHG protocol scopes and have set reduction targets in line with the Paris Agreement, e.g., by committing to the Science Based Target initiative (SBTi). **Many broadcasters are in the early stages of full GHG reporting** and setting ambitious reduction targets. None of the peers have reached state of the art maturity with full activity data (cf. section 4) and Paris-aligned, net-zero targets. However, as broadcasters start to report on the CSRD requirements, more and more companies will mature by developing their competencies for full GHG reporting and by setting ambitious reduction targets. In relation to reduction targets, it is worth noting that SBTi is one possible third-party to use to validate the reduction targets.

| Environmental maturity level | Reporting coverage                   | Reduction targets                | Approach for reporting external productions   | Tools for GHG calculations                       | Share of peers  |
|------------------------------|--------------------------------------|----------------------------------|---|--|---|
| <b>Low</b>                   | Scope 1 & 2                          | Some vague targets               | Working on approach for scope 3, including external productions                                 | Trying out tools                                 |  |
| <b>Medium</b>                | Scope 1, 2 & some scope 3 categories | Specific targets in some areas   | Working on approach for scope 3, including external productions                                 | Use tools for biggest external productions       |  |
| <b>High</b>                  | Scope 1, 2 & all scope 3 categories  | Ambitious, SBTi approved targets | Use spend-data for own baseline and activity-data on external production for reducing emissions | Use tools for most of their external productions |  |
| <b>State of the art</b>      | Scope 1, 2 & 3                       | Paris-aligned, net-zero targets  | Use activity data for own baseline and for external productions                                 | May use tools for all external productions       |  |

## WORKING WITH EXTERNAL PRODUCTIONS

For broadcasters, outsourcing of productions and intake of freelancers/contractors are an essential part of the business. As such, **a large share of broadcasters' emissions originate from external productions**, and it is essential to find an approach to calculate these emissions to work strategically to reduce emissions.

Like broadcasters, external production companies have different maturity levels on data collection and GHG reporting. Smaller suppliers, such as freelancers and smaller production companies, are often not as mature and may have a hard time finding resources to deliver data for GHG reporting. The bigger suppliers are more used to reporting requirements and will sometimes have emission data readily available. However, in general for all external production suppliers, broadcasters are **struggling to obtain reliable data** on production activities.

Some of the peers try to set up GHG accounting requirements for external production suppliers and the most mature broadcasters expect every supplier to calculate their emission, but they experience mixed results. One broadcaster experienced that the smaller production companies might not bid on the production if the criteria are too time-consuming. Another broadcaster experienced low data quality with missing data in some categories and differing calculation methods. In addition, all the broadcasters find it **difficult to validate the data input from external suppliers** and therefore does not use the tools for their own emissions reporting but rather use a spend-based data calculation approach for scope 3 baseline on external productions (cf. section 4 for explanation on spend-based data vs. activity-based data).



# Tools used for calculating emissions on external productions

## TOOLS FOR CALCULATING EMISSIONS FROM EXTERNAL PRODUCTIONS

Broadcasters can use tools to help calculate GHG emissions of external productions. The less mature broadcasters are figuring out which approach to use, while more mature broadcasters use tools for most of their production suppliers to facilitate a conversation on reducing emissions. The most mature companies do not yet use tools for reporting their own GHG baseline as they experience that the data is not sufficiently reliable.

The tools in the industry, e.g., Albert and The Green Producers Tool, calculate emissions from activity- and/or spend-data on several categories and subcategories. The broadcaster or supplier enters data on all relevant activities related to the production, and the tools use an emission factor for each activity to estimate the total emissions.

To give an example, the broadcaster or supplier can enter the number of kilometers driven in a car (or fuel consumed) to get an estimate on the emissions from that specific activity in the production. Another example relates to accommodation, where the broadcaster or supplier can enter number of nights in a specific hotel category to get an estimate on emissions from accommodation.

It is worth mentioning that the EU Commission has started a project to deliver a tool free of charge for users to calculate emissions from productions along with a common calculation methodology. The project is expected to conclude in December 2027 and the application will complement existing and emerging calculators through a common API and data exchange. The common calculator, however, will not replace national calculators where different, and potentially deeper, measurements might be required.

## WORKING WITH TOOLS

In general, broadcasters should include all relevant emissions from the external production, and even though the tools do not categorize emissions into the GHG protocol scopes, they seem to cover scope 1, scope 2 and upstream scope 3 categories. In that sense, tools can be a good help for broadcasters and the external suppliers in calculating GHG emissions of a production, but they should be aware of the following pitfalls:

### Ensure high data quality

Working with the tools to get an accurate picture of the emissions can require a lot of work which may result in lower data quality as only partial data is submitted and might be based on inaccurate estimates. For instance, broadcasters have had incidents where the runners of the production were in charge of registering in the tool, where data entry was incomplete. In general, broadcasters experience that the suppliers are missing data to fulfill the GHG calculation, and that it is often hard to validate the information from the production.

### Make sure all emissions are included

For emissions from external productions that goes in the broadcasters' category 3.1, it does not matter for the broadcaster that the tools are not aligned with the GHG protocol as everything goes in the same category. However, not all tools have a category for every specific activity in a production. In addition, it can be difficult to validate that everything is included from the suppliers' scope 1, scope 2 and upstream scope 3 for the specific production. For instance, it is not obvious in the tools that category 3.7 'Employee commuting' should be calculated. Another example relates to category 3.2 'Capital goods', where suppliers, among other items, should include equipment bought for the specific production, even though the category is not always relevant.

### Align to the GHG protocol

For an external production, where the broadcaster has to include emissions in their own scope 1-3 (in situations where the broadcaster has equity share, financial control or operational control of the supplier), the broadcaster may make use of the tools, but they must map emissions to the categories in the GHG protocol. If the broadcaster uses tools for this, the broadcaster should pay extra attention to this mapping of categories as the tool can mix different categories in one. For example, some of the tools do not include information on who owns the vehicles, pays for the transportation, or whether the transportation is employee commuting which is important to determine whether it goes in scope 1 or scope 3 category 3.3, 3.4, 3.6 or 3.7.

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# Methodology for including external productions in broadcasters' GHG reporting

## RECAP: SCOPE CATEGORIZATION FOR EMISSIONS FROM EXTERNAL PRODUCTIONS

As described in section 2, broadcasters have to select a consolidation approach which will affect how emissions are split into scope 1, 2 and 3. Depending on the chosen consolidation approach, the broadcaster should include emissions from external productions in their own scope 1, 2 and 3 in accordance with the GHG protocol.

In most cases, broadcasters do not have equity share, financial control or operational control of the external production company, and in these cases the broadcaster should include emissions from the external production in category 3.1 'Purchased goods & services' including the external production supplier's scope 1, scope 2 and upstream scope 3 related to the specific production. The following methodology will focus on this case.

## CALCULATING EMISSIONS FROM EXTERNAL PRODUCTIONS

Broadcasters need to decide on an approach for calculating emissions from external productions. Broadly speaking, there are two approaches to calculating the emissions. Either spend-based, where the amount spend on the production is multiplied with an emission factor, or activity-based where the emissions from specific activities are calculated.

| Accuracy level | Approach       |  | Description   |
|----------------|----------------|--|---|
| <br>Low        | Spend-based    | One emission factor                          | One emission factor for the amount spent on the whole production based on an industry average or the broadcaster's own data of similar productions              |
|                |                | More emission factors                        | More emission factors based on industry average multiplied with corresponding spend-categories, e.g., spend on hotels, travel, equipment, costumes, food        |
|                | Activity-based | Average data for the activity                | Average emission factor per weight/other metric used for activity, e.g., kg cotton, km driven in a specific type of vehicle, nights in a hotel, number of meals |
|                |                | Activity-based GHG protocol-aligned baseline | Full GHG data from suppliers, where the exact GHG emission is calculated specifically for the included activities and not based on averages                     |
| High           |                |  |   |

## ADVANTAGES AND DISADVANTAGES OF SPEND-BASED AND ACTIVITY-BASED CALCULATIONS

The spend-based approaches are quicker, require less resources, and can give a broad overview of emissions for the broadcaster. In that sense, it can be used to identify high-emitting categories to prioritize collecting more detailed information. The spend-based approach is, however, **unprecise and difficult to translate into actions** that may reduce emissions.

The activity-based approaches are more time-consuming and requires relatively high data quality. This will in turn provide **more precise calculations with a more granular view** of the emissions, that can be used strategically to reduce emissions, e.g., by identifying which external production suppliers to engage with and the biggest pain points that are vital to reducing overall emissions.

# Journey towards an environmentally mature organization

## STARTING THE JOURNEY AT THE RIGHT POINT OF DEPARTURE

Creating a comprehensive and exhaustive reporting for external productions can seem like a daunting task. Therefore, it can be beneficial to start with the low-hanging fruits and work from there as illustrated below.



### **START WITH A SPEND-BASED APPROACH**

To calculate emissions from external productions, broadcasters can start by estimating the emissions using the spend-based approaches with emission factors. The emission factors can be retrieved using an industry average emission factor, e.g., from DEFRA, or by calculating emissions and spend of a typical external production. This way the broadcaster does not have to get any data from the supplier apart from the cost of the production.

The spend-based approach with one emission factor can give an indication on how much external productions take up of the broadcaster's total emissions. However, it is harder to identify the underlying drivers of emissions in the production. As an example, a broadcaster was doing the same production two years in a row, and convinced the production supplier to move the location such that less flying was involved. The price for the production was the same even though there were less travel expenses as the accommodation was more expensive. This meant less emissions, but it did not show up in the emission calculations as it was based on one emission factor.

To solve this, the broadcaster can ask for a breakdown of the spend into different categories and apply an emission factor for each of the categories to get a more granular overview of the emissions.

Estimating emissions from external productions using the spend-based approaches is in line with the CSRD requirements, if the broadcaster have made reasonable efforts to collect data from its upstream and downstream value chain. The broadcasters should seek to improve the breadth and depth of the data over time by replacing lower quality data with higher quality and more accurate data as it becomes available.

**Key insights:** In this phase, it is important to make use of available data for estimations and keep in mind that the ultimate goal of calculating emissions is to reduce emissions, not letting perfect be the enemy of the good.

### **INCREASE DATA COLLECTION EFFORTS**

To be able to effectively reduce emissions from external productions, it is **crucial to increase accuracy of the estimates by increasing data collection efforts**. This enable broadcasters to identify where changes would matter the most for reducing emissions.

The broadcaster should make a plan for collecting activity-based data on external productions. Instead of collecting data from all external productions, it can be a good idea to start by prioritizing the suppliers that accounts for the biggest amount by spend and focus on productions the broadcaster expect to have high emissions (whether based on scope of production or location). For the rest of the productions, the broadcaster could use the spend-based approach and, in time, convert them to activity-based data as well.

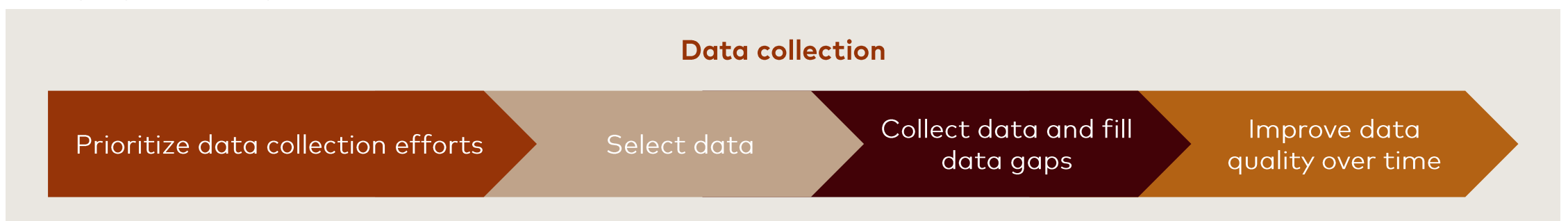


Once the broadcaster has identified which suppliers it will start collecting more granular data from, it should find out what data is reasonably available from each production company, and what should be estimated.

If sufficient data is not available, broadcasters may use proxy data to fill data gaps, i.e. data from similar activities that is used as a stand-in for the given activity. Proxy data can be extrapolated, scaled up, or customized for a given activity. Examples of proxy data include:

- *Electricity data exists for one production site but not for another site.* With similar site geography and setup, the broadcaster can assume that electricity consumption per full time employee (FTE) is similar and so estimate electricity consumed in the second site using i) consumption per FTE from the first site and ii) FTEs of the second site
- *The external supplier collects data for 80% of its procurement for a given product category, e.g., costumes, but 20% is unknown.* Assuming similar characteristics of the unknown 20% as the known 80%, a linear extrapolation can be used to estimate 100% of the data

Over time, the broadcaster should consider how to increase data availability and make a clear plan for collecting more accurate data and increasing the scope of included production suppliers. In general, for areas where no data is currently available, or where the data quality is particularly poor, the broadcasters should discuss with the relevant data owner how the data can become available in years to come. **Ideally, the broadcaster will obtain more and more product-level GHG data from specific suppliers**, where the exact GHG emission is calculated for every input to the production.



### Using tools for data collection

As described in section 3, broadcasters and external production suppliers can use tools to calculate emissions from external productions, even though the identified industry-specific tools are not currently aligned to the GHG protocol. For some tools, it is possible to use both more granular spend-based approaches and activity-based approaches. The tools can help increase precision in the emission estimates and help to get a stringent data collection method across productions.

Mindful of the pitfalls working with tools described in section 3, the broadcasters should make sure all relevant emissions (scope 1, scope 2 and upstream scope 3) are included from a production by engaging with the supplier, making sure the supplier provides quality data. Having a close dialog with the external producer, the broadcaster should try to validate data quality and improve it over time.

Some of the broadcasters are already trying to make reporting of GHG emissions part of the contracts for external suppliers of productions. As such, the suppliers can be obliged to use a tool and provide the necessary data for it. As tools become more sophisticated and easier to use, the broadcasters could increase the number of external producers that are required to use tools and provide high level data quality. In that way, the industry will become more familiar with applying the tools and report on GHG emissions.

**Key insights:** In this phase, it is important to use the resources efficiently such that increasing data collection efforts are done for the biggest emissions first. Additionally, for data collection it is pivotal to work closely together with the external productions. Here, it may be beneficial for the broadcaster to have one employee either responsible for data collection, or a data collection policy, such that the data collection approach and methodology is uniform across productions. This enables better comparability and can secure better data quality that is eventually reliant enough to use in the broadcaster's own scope 3.



## WORK STRATEGICALLY TO REDUCE EMISSIONS

Working to reduce emissions from external productions should be driven by the broadcaster's organization in collaboration with external production suppliers. Broadcasters should work strategically to reduce emissions in an iterative process with production companies by ① anchoring reduction initiatives, ② setting targets and ③ developing a plan for GHG emission reductions.

### ① ANCHORING REDUCTION INITIATIVES

It is important to engage key stakeholders within the broadcaster's organization and from the external production supplier to ensure buy-in and co-creation to get ideas about potential reduction levers. For instance, the broadcaster could engage stakeholders by communicating the importance of reducing emissions from external productions in light of the magnitude of external productions in the broadcaster's total GHG baseline. During the data collection efforts, the broadcaster can arrange regular meetings to present preliminary results and discuss how to achieve reductions. Once the emission calculations of the external production are done, the broadcaster should present the results and discuss concrete initiatives to achieve reductions.

Using emission calculation tools can be a good way to easily see where the largest emissions are in a production. As such, the tools can be used as a starting point for discussing how to find reductions.

**Key insights:** Having the discussion around reductions can happen irrespective of the broadcaster's environmental maturity level. Even if a broadcaster have not yet obtained comprehensive activity-data, it is possible to engage with suppliers to reduce emissions, e.g., by focusing on reducing travel. However, with more mature data, it becomes easier to identify large emission categories and thereby more efficient reduction initiatives.

### ② SETTING TARGETS

A useful way to reduce emissions from external productions is to **set targets both for the broadcaster's organization and for productions with external suppliers.**

Internally the broadcaster can set targets to reduce emissions across different production segments, e.g., with more ambitious targets for productions with higher emissions. Drama productions can for instance be very travel intensive, leading to high emissions. Setting reduction targets for drama productions can help mature the broadcaster's organization, such that the producer in charge of drama will consider emissions when designing the production and choosing other external suppliers. Another way to get help with GHG reductions from the organization is to set internal GHG emissions targets per department, meaning that one department aims to use a specific amount of GHG emissions in a given year. This way each department will become more aware of the emissions related to external productions and will help find solutions to reduce emissions, e.g., by finding locations closer to the broadcaster.

Broadcasters can also set emission targets for the external suppliers. For instance, the broadcaster may set a target amount of emissions that a supplier is allowed to emit for a production based on spend, final screentime or based on the production category. It can also be set as a criteria for winning a bid for a production, where the GHG emission for a specific production bid is considered in awarding business. In addition, broadcasters can set criteria for working with suppliers and thus maturing the market, e.g., by requiring their biggest suppliers to use renewable energy or to commit to the Science Based Target initiative (SBTi).

Furthermore, broadcasters can use a top-down approach and a bottom-up approach for target setting for suppliers:

- **Top-down approach:** Setting reduction targets in terms of how much and by when – e.g., a target to reduce emissions by 20% within 2 years for an annually recurring external production – and subsequently finding out how to reach the target. While it can result in ambitious and meaningful targets that put a positive pressure on the supplier and broadcaster, it can be difficult to communicate how to realistically achieve the target
- **Bottom-up approach:** Identify and prioritize all relevant reduction levers, preferably in collaboration with the supplier. Then find out what the reduction potential is for the prioritized reduction levers and set a target based on the combined potential of all initiatives

**Key insights:** Setting targets for both the broadcaster's organization and for the external supplier will increase the number of people involved which can lead to more and better reduction levers. Additionally, it is important to find the right balance of setting targets such that they are both ambitious and achievable.



### 3 DEVELOPING A PLAN FOR GHG EMISSION REDUCTIONS

It can be beneficial for the broadcaster to develop a catalogue with a long-list of potential emission reduction levers for external productions based on inputs from the organization and suppliers. The broadcaster can then assess the long-list of initiatives and develop a short-list of the initiatives that have the highest potentials. The broadcaster should **develop more precise analyses** and actual **business cases** for the initiatives, also to ensure buy-in from key decision makers, and to ensure necessary investments can be made.

**Key insights:** When the broadcaster is implementing the reduction levers, it is important to have buy-in from key decision makers and make sure that everyone involved are aware of the emission reduction benefits from the lever.