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## PAN-EUROPEAN CASE STUDY: DECARBONISING THE DIGITAL ADVERTISING SUPPLY CHAIN

### Countries

France, Germany, UK, Spain, Canada, US, India, Japan

#### Objective

Footsprint is a Digital Sustainability agency empowering brands to decarbonise their digital efforts while boosting performances. Rooted in the belief that environmental metrics are catalysts for superior digital performance, Footsprint empowers clients to embed sustainability into every facet of their digital strategy - from strategic planning to precision ad optimisations. Footsprint currently works with leaders across the Beauty, Consumer Goods, Financial Services and Tech industries to decarbonise their digital efforts, continuously innovating to measure emissions holistically across the full value chain.

#### Relevance

Footsprint's impactful interventions have delivered measurable results, such as helping a major B2B advertiser achieve a 19% reduction in emissions for a global multichannel digital campaign. In order to achieve this, footprint implemented the following interventions:

• **Geo-targeting** to reduce spend on regions with high-carbon electricity grids was the key intervention in this campaign. Reallocating spend to other less carbon intensive regions unlocked a 12% emissions reduction vs the BAU (Business as Usual) scenario (modelled based on the initial spending indicated in the media plan). This

recommendation was implemented after a performance evaluation carried out mid-campaign.

- **Asset compression** prior to platform upload resulted in a 7% reduction in emission vs a BAU scenario where assets were not compressed.
- **Device targeting**, prioritising less energy-intensive end devices using targeting capabilities of the different platforms resulted in a 3% emissions reduction vs a BAU scenario without any target prioritisation

### Quantifiable Results

Here are Footsprint's measurable outcomes in 2023:

- Across all projects in 2023, Footsprint measured over 12,000 tons of CO2e, achieving an average reduction of 30% in CO2e emissions per intervention. Footsprint's parent company, Labelium, has committed to reducing its Scope 1 and 2 absolute emissions by 50.40% by 2032 and by 90% by 2050. Labelium has also committed to reducing its Scope 3 emissions intensity by 58.14% by 2032 and by 97% by 2050. These targets have been validated by the Science Based Targets initiative (SBTi).
- Footsprint's impactful interventions have delivered measurable results, such as helping a major B2B advertiser achieve a 19% reduction in emissions for a global multichannel digital campaign. Spanning platforms like LinkedIn, Outbrain, and direct ad space purchases (gré à gré), this campaign demonstrated the power of targeted strategies. The reduction was driven by three key levers: geo-targeting, asset compression, and device targeting. The final emissions for this campaign totaled 97 tCO<sub>2</sub>e, calculated using the SRI V2 methodology released in May 2023, to which Footsprint contributed as an active participant. In other campaigns, Footsprint expanded its approach, applying additional techniques such as video format optimization, WiFi targeting, and publisher selection based on carbon efficiency criteria.

#### Innovation

Footsprint has contributed to the development of leading frameworks and methodologies for calculating the carbon footprint of digital advertising campaigns, in collaboration with key actors in the ecosystem (SRI, Alliance Digitale, etc.), contributing to research through open-source methodologies and promoting a unified vision of digital and environmental expertise to enable effective emission reduction. As one of the current main issues in the industry is the operationalisation of new performance indicators to drive action, the Footsprint approach operationalises credible methodologies to enhance digital efficiency while reducing carbon intensity, making sustainability a competitive advantage in the digital landscape. Footsprint is constantly pushing barriers and innovating in open-source, its methodology enabling a holistic measurement across various aspects of the digital advertising supply chain, including online, offline, and influencer media.

Footsprint designed proprietary SaaS tools based on open-source methodologies that empower digital teams to take everyday optimisation decisions. These tech solutions allow for granular and real-time measurement and analysis of emissions across the digital media value chain. Made by performance experts for performance management, these solutions aim at providing environmental and media metrics together to make better media optimisation decisions. By reconciling environmental performance data with traditional media indicators and deploying real-time carbon tracking, we optimise media's environmental impact, focusing on decoupling carbon emissions from investment growth.

Finally, Footsprint's Digital Sustainability Transformation programmes enable brands to drive internal change, embedding a sustainability-by-design approach across the digital spectrum. Footsprint's approach to reducing environmental impact reflects the diverse needs of the digital ecosystem, from large groups to small companies. These programs and change management approach consists of three pivotal phases: establishing a robust measurement framework (real-time tracking), embarking on a reduction journey (carbon forecasting, A/B testing, and impact measurement), and empowering teams for sustained success (custom training programs & skills paths).

#### Scalability

• Standardised Measurement Methodology: Footsprint's methodology for measuring carbon emissions associated with digital advertising provides a crucial foundation for scalability. The methodology was developed in collaboration with other industry stakeholders, including SRI and Alliance Digitale, ensuring its widespread acceptance and adoption. This standardised approach addresses the challenge of inconsistent measurement practices, allowing for accurate and comparable carbon footprint assessments across different organisations and campaigns. By providing and contributing to a common framework, Footsprint's methodology facilitates industry-wide benchmarking, tracking progress, and promoting transparency.

- Activating Carbon Intelligence: Footsprint's proprietary technology enables its clients to activate carbon intelligence into their media reporting frameworks. Whether through our proprietary SaaS solutions or through custom data projects to enrich client data, our key objective is to operationalise environmental metrics so that they can be accessed easily, in real-time, at the required granularity to make everyday media optimisations.
- Training and Education: Footsprint emphasises the importance of education and training in driving sustainable practices. We offer various training programmes on digital sustainability to clients, partners, and within their parent company, Labelium. These programs aim to build awareness, knowledge, and skills necessary to implement sustainable practices within the digital advertising ecosystem. By equipping individuals and organisations with the right tools and understanding, Footsprint facilitates broader adoption and integration of sustainable practices.

#### **Stakeholder Collaboration**

Footsprint's model for decarbonising the digital advertising industry hinges on collaboration between multiple stakeholders. The sources highlight how Footsprint engages with:

- **1. Advertisers:** Footsprint works directly with advertisers to measure and reduce the carbon footprint of their digital advertising campaigns. Footsprint currently works with leaders across the Beauty, Consumer Goods, Financial Services and Tech industries to decarbonise their digital efforts, continuously innovating to measure emissions holistically across the full value chain.
- 2. Ad Tech Companies: Footsprint actively engages with ad tech companies to refine their carbon footprint measurement methodology and tools to be compatible with technology platforms used for digital advertising. The purpose of these collaborations is to tap into collective intelligence to reach a common measurement standard, as well as explore partnerships and innovative opportunities for collaboration to bring added value for Footsprint's clients.
- **3. Supply Chain Partners:** Footsprint's strategy and interventions to reduce digital emissions require constant engagement with other supply chain partners, such as data providers, web developers, or creative agencies.

Footsprint's engagement process with these stakeholders is characterised by:

- **Collaboration and Knowledge Sharing**: Footsprint emphasises collaborative partnerships to drive industry-wide adoption of sustainable practices. They actively participate in industry initiatives and working groups, such as those led by SRI, Alliance Digital, IAB, and W3C, to develop standardised methodologies and frameworks for carbon measurement and reduction.
- **Training and Empowerment:** Footsprint provides training and educational resources to clients, partners, and internal teams to build awareness and capacity for implementing sustainable practices. Their five-module digital sustainability training program, for instance, equips stakeholders with the knowledge and tools to effectively contribute to emissions reduction efforts.
- Integration of Sustainability into Core Business Processes: Footsprint advocates for integrating sustainability considerations into all aspects of the digital advertising process, from campaign planning and media buying to website design and technology infrastructure. This holistic approach ensures that sustainability is not an isolated initiative but an integral part of how the industry operates.

By fostering collaboration, providing resources, and promoting transparency, Footsprint's engagement process aims to create a collective effort towards decarbonising the digital advertising industry.

#### Sustainability Beyond Decarbonisation

Beyond its focus on carbon footprint reduction, Footsprint demonstrates a commitment to broader sustainability goals. This commitment extends to various aspects of their operations and encompasses environmental, social, and governance (ESG) principles.

**Alignment with Labelium Group's Sustainability Goals:** Footsprint also spearheads the sustainability strategy of its parent company, the Labelium Group. The Labelium Group is deeply committed to the topic, as one of the first media agencies to include digital media emissions in their net zero commitments to SBTi. Through our work with the different expertise of the group, we help boost innovation on sustainable initiatives for our clients.

**Science-Based Targets for Scope 1, 2, and 3 Emissions:** Footsprint's commitment to the Science Based Targets initiative (SBTi) further underscores their dedication to

comprehensive emissions reduction. SBTi targets cover Scope 1, 2, and 3 emissions, encompassing direct emissions from operations, indirect emissions from energy consumption, and emissions from the entire value chain. This approach ensures a comprehensive accounting of environmental impacts and encourages actions to reduce emissions across all aspects of the business.

**ESG Committee and Employee Engagement:** Labelium Group, Footsprint's parent company, has established an ESG committee where Footsprint members play a key role. This indicates a commitment to integrating sustainability into the governance structure of the organisation. Furthermore, Footsprint actively engages employees in sustainability through various initiatives. These include publishing environmental impact reports, developing dedicated sustainability training programs, and collaborating with different business units to tailor emissions reduction strategies. These efforts demonstrate a commitment to fostering a culture of sustainability within the organisation and empowering employees to contribute to sustainability goals.

**Support for Environmental Causes:** Footsprint is a member of 1% for the Planet, committing to donate 1% of our profits to environmental causes. We also have a partnership with Ecologi and plant trees for new clients and team members. These actions illustrate a commitment to supporting positive environmental impact beyond their direct operations.

While carbon footprint reduction is a core focus, Footsprint's broader engagement with ESG principles, implementation of SBTi targets, active employee engagement, and support for environmental organisations demonstrate a commitment to a more comprehensive sustainability agenda.

#### **Continuous Adaptation**

Among the elements that highlight Footsprint's long-term commitment to continuous improvement and adaptation within the realm of digital advertising sustainability, we can consider:

 Ongoing Methodology Refinement: Footsprint's commitment to refining its carbon measurement methodologies over time demonstrates a dedication to continuous improvement. They actively participate in industry initiatives, contributing to updated versions of standards like the SRI methodology for measuring digital campaign emissions. Their collaboration with organisations like Alliance Digital, IAB, W3C, and Sustainable Web Design to develop and update web sustainability standards further exemplifies their commitment to staying at the forefront of industry best practices and incorporating the latest advancements in the field.

- 2. Evolution of Technology: Footsprint continuously develops and improves its suite of tools and resources to enhance the effectiveness of its approach. For instance, in 2023, they launched FS360, a proprietary SaaS platform designed to provide real-time insights into the carbon emissions of online media campaigns, demonstrating their commitment to leveraging technology for enhanced data analysis, transparency, and optimisation.
- **3. Expanding Scope and Partnerships:** Footsprint's willingness to expand the scope of its work and engage with new partners demonstrates its commitment to adapting to evolving industry needs and scaling up its impact. Their three year collaboration with clients such as L'Oréal Canada, initially focused on reducing media campaign emissions and which have expanded to include other verticals such as influence, illustrate this. Additionally, Footsprint collaborates with various brands in the e-commerce sector and explores initiatives like green nudging, indicating a proactive approach to identifying emerging trends and incorporating them into their sustainability strategy.
- **4. Integration into Labelium Group's Net-Zero Strategy:** Footsprint's efforts to integrate digital impact into the Labelium Group's net-zero targets approved by the Science Based Targets initiative (SBTi) reflect a long-term commitment to embedding sustainability into the core business practices of its parent company. This integration ensures that sustainability is not an isolated initiative but a fundamental element of Labelium's overall corporate strategy. Footsprint played a key role in driving the inclusion of digital emissions in the group's greenhouse gas (GHG) assessment, highlighting their influence in advancing the broader sustainability agenda within the organisation.
- **5. Investment in Research and Open-Source Contribution**: Footsprint's investment in research and commitment to open-source contributions demonstrate a long-term vision for industry-wide transformation. They have published studies on the environmental impact of digital influence and are actively involved in developing open-source methodologies for carbon measurement. By sharing their knowledge

and tools freely, Footsprint fosters collaboration and accelerates the adoption of sustainable practices throughout the digital advertising ecosystem.

Footsprint's ongoing efforts to improve methodologies, enhance tools, expand partnerships, integrate sustainability into core business strategies, and invest in research and open-source contributions showcase a dedication to continuous learning, adaptation, and long-term impact within the field of digital advertising sustainability. This commitment ensures that they remain at the forefront of driving positive change and promoting responsible practices within the industry.

#### Adherence to Standards

Footsprint's initiative aligns with and actively contributes to the development of prominent industry standards and regulations related to sustainability and carbon emissions in the digital advertising sector.

- Science Based Targets initiative (SBTi): Footsprint and its parent company, the Labelium Group, have officially committed to reducing emissions in alignment with the goals of the Paris Agreement to limit global warming to well below 2 degrees Celsius, preferably to 1.5 degrees Celsius. To demonstrate this commitment, they have set science-based targets for Scope 1, 2, and 3 emissions already validated by SBTi. The fact that their targets are validated by SBTi experts demonstrates their commitment to aligning their emissions reduction efforts with a globally recognised and credible framework. Specifically, Footsprint aims to: Reduce Scope 1 and 2 absolute emissions by 50.40% by 2032 and by 90% by 2050. Reduce Scope 3 emissions intensity by 58.14% by 2032 and by 97% by 2050.
- **SRI/Alliance Digitale**: Footsprint actively contributes to the development and refinement of industry-standard methodologies for measuring and reporting carbon emissions. Notably, they played a role in developing the updated SRI V2 methodology for measuring digital campaign emissions. This methodology, developed collaboratively with other stakeholders in the digital advertising ecosystem, provides a standardised framework for quantifying the carbon footprint of digital advertising activities. By actively participating in the development of such methodologies, Footsprint helps ensure that its approach aligns with industry best practices and contributes to the establishment of a consistent and credible measurement system across the sector.

- W3C Web Sustainability Standards: Recognising the significant impact of website design and operation on carbon emissions, Footsprint collaborates with the World Wide Web Consortium (W3C) to develop web sustainability standards. The W3C is an international community that develops open standards to ensure the long-term growth of the web. By participating in the W3C initiative, Footsprint contributes to establishing guidelines and best practices for creating websites that minimise environmental impact.
- Sustainable Web Design Methodology: Footsprint also collaborates with Sustainable Web Design, a leading organisation promoting sustainable web development practices, to refine the most widely recognised methodology for estimating a website's climate impact. Their involvement in this initiative demonstrates a commitment to incorporating the latest research and advancements in sustainable web design into their approach.
- **IAB Europe:** Footprint currently collaborates with IAB Europe as part of its ESG Framework & Methodology Working Group as well as the Sustainability Standards Committee.

#### Contact

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If you would like to know more about <u>IAB Europe's Pan-European Case Study</u> <u>Programme</u> or how you can participate in our work, please contact Colombe at <u>michaud@iabeurope.eu</u>.