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ADVANCING CLIMATE REPORTING, TOGETHER

FOLLOW UP QUESTIONS

Julia Giannini,

Senior Manager, Social Purpose, ITV

INTRODUCTION

Conran Design Group recently hosted a webinar to launch the Financial Reporting Council's (FRC) reports, published as part of its Climate Thematic. Within this document, Julia Giannini, Senior Manager, Social Purpose at ITV has kindly provided her responses to additional questions posed by attendees during and following the webinar.

Please note:

You can view a recording of the full webinar – including the original panel Q&A [here](#).

The panel:



Phil Fitz-Gerald,
Director, Financial Reporting Lab,
The FRC



Amra Balic,
Head of EMEA Investment Stewardship Team,
BlackRock



Julia Giannini,
Senior Manager, Social Purpose,
ITV



Elena Zayakova,
Senior Sustainability Consultant,
Conran Design Group

Moderated by Karen Almeida,
Head of Reporting,
Conran Design Group

SUMMARY OF PANEL Q&A

Q

How do you see the future of increasing emissions from the increased use of internet and service fitting in with ITV's environmental strategy?

A

We absolutely consider this as part of our strategy. We're part of the pioneering DIMPACT project that built the first carbon calculator for digital content distribution - everything that powers the internet: the servers our content or digital content sits on. Our technology team are working with that tool directly, and with Bristol University who helped build it, to inform our strategy on a technology level - because it's mostly infrastructure we don't own at ITV. Which suppliers should we be working with who are driving down the emissions, and what's the impact of that infrastructure?

We're also looking at how we reflect in our messaging that certain behaviours drive higher impacts. For example, it's 39 times more energy-intensive to download your content and watch it on the ITV Hub, using your 4G connection versus your wi-fi. So we're looking at how we push messaging out to consumers through, say, the ITV Hub that informs them that not only could they save on their data usage with their mobile supplier, but also that there are behaviours that would drive down the energy intensity of viewing content online. It's key to the way we're informing the decisions made within our technology and broadcast infrastructure.

SUMMARY OF PANEL Q&A

Q

How do ITV communicate the value preservation or generation impact of their social purpose strategy?

A

We run a YouGov monthly brand tracker survey where we reach out to thousands of ITV and non-ITV viewers every month to understand brand sentiment and understand what sort of expectations consumers have of brands and what they have noticed happening through the brands that they associate with: what sorts of brands do you associate with contributing to taking care of the environment? How have you changed your expectations of brands in the times of coronavirus? We use the brand tracker to gauge how much visibility and how much value our viewers put on the work that ITV is doing versus other peers in this space, and we'll continue to track that. It informs us how effective our strategy is for the everyday consumer and of the effects of translating the outcomes of what we're trying to do into brand value.

SUMMARY OF PANEL Q&A

Q

You mentioned you selected just one part of your business strategy to focus your social purpose – culture. Could you explain a bit more about the thinking behind that?

A

The core business strategy for ITV is about growing the UK and global production, expanding direct-to-consumer and transforming broadcast. Embedded into that is our commitment to becoming net zero and making sure that, as we drive that strategy forwards, we're not increasing our emissions and we're in line with our science-based targets. Where we can maximise the opportunity to take forward our environmental commitments is in how we influence the brain-print and how we influence viewers: what they think and what they do.

That is why we've pinned the social purpose strategy to the cultural side of shaping culture. That is what ITV is able to do – through our scale and through the programmes we create, we are able to influence behaviour change and shape culture. It's the element of the strategy that we've pinned this onto because it is the most opportunistic.

And it's a story that is bespoke to ITV as a brand. Not every brand can say that they can shape culture in the UK or in whichever market they are operating in. We want to play our part in making sure we are shaping culture in a way that means that we are achieving a sustainable future.

SUMMARY OF PANEL Q&A

Q

How much external input, if any, did ITV seek in order to help them formulate their climate risks and sustainability initiatives, and how useful was the internal audit report at driving the change the Board sought?

A

When we were developing our new social purpose strategy we engaged with a social purpose agency who helped us shape what that strategy could be and what we should focus on to set our environmental targets. We wanted to identify the right type of targets, have the right ambition for them and then focus on the right areas within those targets. We wanted to make sure we had the right priorities.

We also made sure that we co-created those targets with the business: we hosted workshops with the teams that were most responsible for delivering those targets so that we could set the ambition together and they really understood what they were signing up to. They owned the targets and recognised that it was up to their business area to achieve them. And because they'd helped set them, it was much easier to embed this into the business. We also interviewed all the management board members before we

set our targets and we finalised our strategy. We didn't just go away as the Social purpose team, work on the strategy and targets, and announce it to the business. It was the business curating these targets together on its strategy, and that's why it's landed so well.

Internal audit was really helpful to setting the business case for why we need a global environmental data platform. It only focused on our environmental data collection process, and it helped us recognise that the process we had in place, which was a lot of spreadsheets and a lot of manual processing, was prone to error. It wasn't fit for purpose in the context of having new environmental targets. It helped underpin the reason why we need to evidence our progress using a platform, instead of the very manual process that we had in place up until that point

SUMMARY OF PANEL Q&A

Q

Should boards be receiving training on climate change?

A

Yes. The training that we have implemented across ITV this year has also been completed by our chairman, Peter Bazalgette. It's a complex issue that affects all parts of the business and the response that's needed is immediate. I would say training is crucial to debunking the myths, setting the expectation, and bringing the clarity to show that this impacts every single part of your business. If you don't recognise that, your business is going to be at risk, not only the risk of how it's going to operate, but also the risk of investors recognising that you haven't got on top of this strategy and therefore you are an investment risk.

SUMMARY OF PANEL Q&A

Q

**Is net zero good enough,
or are offsets ‘pay to pollute’
by another name?**

A

In order to have a net-zero target, the first thing you have to do is set science-based targets, which we have done. We’ve set a 1.5 degrees science-based target, which means we’re reducing our emissions by almost 50% by 2030 in our scope one and two emissions, and then by almost 30% in our scope three emissions, all of the products and services that we have, and our business travel. We are not saying in any way that we are going to reach net zero by offsetting.

We’re going to reach net zero by plummeting emissions in line with science to as close to zero as possible. That has to be the number one priority for any business. If you go into setting a net zero target thinking that you’re going to buy your way out of it, you’ll have a reality shock. The cost of investing into net zero projects such as tree planting or mangrove restoration that suck carbon out of the atmosphere (not just reducing the amount that would have been created) is going to skyrocket. And we recognise that the lower our emissions, the less we have to pay to invest in these projects. The amount we pay needs to make sense for the business. We know we can’t buy our way out of this.

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