

eBook

Getting Smart on Sustainability in Adtech

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Sustainability, particularly climate impact, is a big focus in adtech today.

Media buyers and publishers want to reduce their carbon footprint and are looking for the best way to do it, including selecting partners based on their ability to minimize greenhouse gas emissions.

This eBook is designed to help you get smart about climate sustainability. Learn about what terms, standards and methodologies are already in use at a global scale. Understand how they apply to adtech. Get actionable insights that you can use to make informed choices starting now.

Gain the clarity and confidence you need to navigate the world of sustainability in adtech.

1. Make smart choices.
2. Pick good partners.
3. Make a measurable difference.



Sustainability Terms to Know

Carbon Dioxide Equivalent (CO₂e)

This is a calculation that makes it easier to track all GHGs under the “Carbon” label to reduce complexity. Check out the EPA’s [calculator](#).

Carbon Neutral

Any CO₂ released into the atmosphere from a company’s activities is balanced by an equivalent amount being removed or avoided. It is important to understand the quality of offsets used, because not all deliver the same impact. OpenX is certified CarbonNeutral® by Natural Capital Partners, which is a key step on the Path to Net-Zero.

Carbon Offsets

A carbon offset is a verified reduction or removal of emissions of carbon dioxide or other greenhouse gases made to compensate for emissions made elsewhere. Offsets are measured in metric tonnes (a metric tonne is 1000 kg or 10% more than an English ton) of carbon dioxide-equivalent. Examples include planting trees, energy efficiency, and carbon storage and capture. The SBTi Net-Zero Standard specifies that it is best to use offsets only after reducing emissions dramatically (over 90%) and then to use only offsets that remove CO₂ from the atmosphere (vs emitting less via energy efficiency). Otherwise, offsets can enable companies to continue “business as usual,” just buying their way out of the problem. In the past, some offsets have not lived up to their promises, making people wary of them.

Energy Efficiency

By reducing the volume of energy needed to perform the same task, emissions are decreased.

ESG

ESG (environmental, social and governance) is a framework that helps stakeholders understand how an organization manages risks and opportunities around sustainability issues.

Greenhouse Gas (GHG)

At the Kyoto Conference, one key decision was to define the key gases that were adding to climate change: carbon dioxide, methane, nitrous oxide, F-gases and sulfur hexafluoride; the other group of chlorofluorocarbons (CFCs) were regulated out of existence by the Montreal Protocol.

Greenwashing

When companies make claims that make their commitment to sustainability seem sincere and real, when in reality their commitment goes no deeper than issuing press releases. A key approach to demonstrate serious commitment is to have third-party verification of actual performance.

Net-Zero Emissions

The new top standard set by the Science-Based Targets initiative (SBTi) defines net-zero as when a company reduces actual reductions in emissions by over 90% and then uses carbon-removing offsets to neutralize the remainder, so that the company’s activities do not add to climate change. The difference between “net-zero emissions” and “carbon neutral” may seem subtle, but the difference has a big effect on what a company must actually do.

Renewable Energy

Energy derived from natural sources that are replenished at a higher rate than they are consumed, usually solar, wind, geothermal and hydro power instead of gas, oil or coal power.

Sustainable

Responsibly interacting with the planet to maintain natural resources to ensure long-term balance.



Global Standards That Impact Adtech

The Paris Climate Agreement

The Paris Agreement is a legally binding international treaty on climate change. Its goal is to limit global warming to well below 2 – preferably to 1.5 – degrees Celsius, compared to preindustrial levels. To achieve this long-term temperature goal, countries aim to reach global peaking of greenhouse gas emissions as soon as possible to achieve a carbon-neutral world by midcentury. Every year, there is a UN climate conference (“Conference of the Parties” or COP) to make progress on reducing emissions.

Environmental Reporting Standards

Global sustainability reporting standards. There are several standards and groups that administer the standards for environmental reporting, particularly on climate. OpenX is reporting through CDP (formerly the Carbon Disclosure Project, which also runs the SBTi; see below). Another option is the [Global Reporting Initiative](#) (GRI) Standards, which enable any organization – large or small, private or public – to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development.

Science Based Targets Initiative

Science-based targets provide companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals. More than 3,000 businesses around the world are already working with the Science Based Targets initiative (SBTi). SBTi has validated OpenX’s net-zero target of reducing emissions by over 90% by 2027 (the earliest year allowed) and OpenX is listed with the sustainability leaders of the world (all the people who hang out at the Davos meetings) on the [SBTi website](#). A fun activity before visiting with a partner organization is to see if they are also [listed](#).

Financial Reporting of Environmental Impacts

There are a number of standards that require or encourage companies to report carbon emissions as part of their financial risks including the International Financial Reporting Standards, which created the [International Sustainability Standards Board](#), which fortunately is merging a number of reporting standards to make reporting easier. In the US, the Securities and Exchange Commission (SEC) is in the process of finalizing its reporting requirements for all public companies and select others.

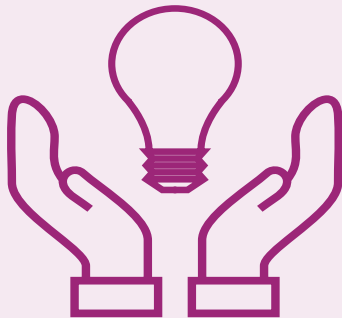
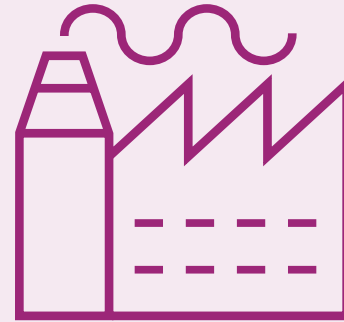
The Original Scope 1, 2 and 3

More than 20 years ago, an important piece of sustainability thought leadership called [The Greenhouse Gas Protocol](#) was created by two leading environmental NGOs: [World Resources Institute](#) (WRI) and the [World Business Council for Sustainable Development](#) (WBCSD), with lots of industry input. The GHG Protocol is the international standard that all companies use to define their GHG emissions inventory, which is the first step in figuring out how to reduce emissions.

The report outlines three different kinds of emissions that companies should be measuring and reducing:

Scope 1

Direct emissions from assets that a company owns, such as factories and vehicles (e.g., owned or leased cars).



Scope 2

Indirect emissions from the company's business, mostly due to electricity use.



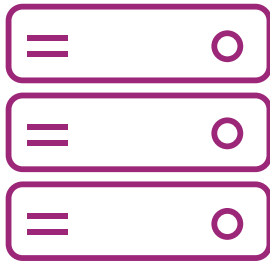
Scope 3

Emissions that the company does not directly own or produce but are part of the company's business activity through use of product, supply chain, business travel, employee commuting and even working from home.

How Adtech Contributes

Carbon emissions occur at different parts of the digital supply chain. Recent analysts from the company SeenThis estimate that 1GB of data generated from digital advertising is the equivalent of 1kg of CO2 emissions.

With that calculation, consider that a global advertiser that buys 40 billion impressions of programmatic advertising each year would emit approximately 8,000 tonnes of CO2 annually just from these ad campaigns. That's equivalent to the CO2 emissions generated from the production of over 200 million plastic bags.

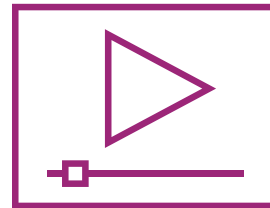


Data Centers

Data processing and storage at data centers like the ones OpenX uses via GCP consume significant amounts of energy.

Data Transfer

As information, such as a web page load, an ad, or targeting and pricing information, is sent across the supply chain, electricity is consumed to transfer that data.



End-user Devices

Smartphones, computers and TVs use energy to display images and text. Generating a high-quality advertising experience on a screen requires some amount of energy. Multiply that across billions of ad impressions, and the result is significant energy use that can result in carbon emissions if the energy is based on fossil fuels.

Sustainable Activity in Adtech

Brands are looking for ways to improve their Scope 1, 2 and 3 emissions. At a corporate level, reducing emissions requires changes to parts of the business including the supply chain, product production and capital investments, which includes warehouses, offices and factories. For marketers, much of these Scope 2 emissions can be improved by switching to renewable energy and enhancing energy efficiency. This can include reducing the energy needed to run the website with more efficient technology or reducing the complexity of data analysis used for SEO with more efficient algorithms.

The adtech industry is particularly relevant in relation to reducing Scope 3 emissions. Brands and publishers need to partner with sustainable companies to meet their overall emissions goals. Companies work with a host of tech companies, data providers and agencies, etc., which are all connected through integrations and data transfer in the media buying and selling process. So the entire industry is under scrutiny to become more sustainable.

Sustainable Partnerships: What to Look For



Connect to business best practices

Adtech does not operate in a vacuum. Every measure of sustainability is part of a larger effort to reduce emissions. It's important to use standard measurements and reporting so that sustainability can be calculated across the organization.



Use the right measurements

Don't get fooled by claims of sustainability that actually just game the system. Of course a small media buy is more sustainable than a big media buy in terms of overall emissions. Be wary of claims like "more efficient ad targeting reduces carbon emissions." These are only valid if an advertiser doesn't actually reinvest the remaining budget into another campaign. Rather, use standards that can help to fairly compare across the ecosystem, such as carbon emissions per impression.



Make sure your partner is using globally recognized standards

All claims of sustainability should be backed by a recognized authority. This makes it easier to substantiate claims when quantifying sustainability improvements for the larger organization. Companies like OpenX are certified as CarbonNeutral® from an accredited third party. If partners are not using transparent, validated approaches, then they are not going to be as helpful to your overall efforts.



Require transparency

We all must collaborate in order to move the needle on sustainability in adtech, and that includes transparent reporting and measurement. Buyers need to aggregate reporting across partners, see the entire supply chain, and identify places that need improvement.

Impact Organizations

There are a number of companies and groups that are working to help create emissions measurements data and standards to help adtech as a whole. Here are a few to keep on your radar:



Ad Net Zero

The wider advertising industry has set up a group for all advertising professionals with the goal of getting advertising to net-zero by 3030 through training courses, open standards and collective action. Ad Net Zero started in the UK in 2021 and plans to expand to the US, France, Singapore and Australia starting in 2023.



Scope3

This startup is aggregating data to help companies measure the carbon footprint of their media activity and then purchase carbon offsets to create “green media buys.”



Good-Loop

This company enables a small donation for a single ad impression, so that audiences can choose to donate by viewing ads.



Doconomy

Based in Sweden, Doconomy has created Impact Applied™ so that advertisers can calculate the emissions associated with their advertising activity.



OpenX Path to Net-Zero: OpenX has a sustainability strategy and implementation plan focused on meeting the SBTi Net-Zero Standard. There are a number of differentiating aspects:

1. OpenX has set a high standard for the industry by having every key aspect of its actual performance verified by reputable third parties, whereas many other players have made unverified claims about past and future performance. (See “greenwashing.”)
2. OpenX is the only adtech company certified as CarbonNeutral®, which means that any emissions OpenX had in 2021 have been neutralized by high-quality carbon offsets.
3. OpenX has set the bar high by committing to the SBTi Net-Zero Standard, noting that being certified CarbonNeutral® is just a key step along that path. SBTi has approved OpenX’s net-zero targets and listed OpenX on its [website](#) as a sustainability leader and member of the Business Alliance for 1.5C.
4. OpenX is in the process of getting a third-party statement to attest that OpenX has already met its net-zero target (which would make OpenX one of the first companies in the world to do so) by reducing emissions by over 90% from 2018 (when OpenX had contract data centers) to 2021 (when OpenX was 100% GCP with no net carbon emissions).
5. In addition to our overall commitment to sustainable business practices, OpenX offers innovative sustainable media options:
 - **Green Media Deals:** Buy carbon neutral media with OpenX
 - **Video By OpenX:** Buy high-quality advertising at scale that has a lower carbon footprint using streaming technology

The OpenX logo consists of a cluster of four overlapping circles in blue, orange, yellow, and green, positioned to the left of the text 'OpenX' in a bold, black, sans-serif font. Below the logo, the text 'PATH TO NET-ZERO' is written in a smaller, bold, black, sans-serif font.

Contact BuyerDevelopment@openx.com to talk to us about your sustainability needs.

Find more about OpenX’s path to sustainability [here](#).