



ECOZONE

A SUSTAINABLE FUTURE FOR THE PREMIUM WEB



Launch event write up
THURSDAY, 3 AUGUST 2023



HELLO

Over the following pages, you'll find a detailed write up of our launch event for our ECOzone sustainability programme. Before you get to that, I just wanted to take a moment to outline why this initiative is a natural and, in many ways expected, progression for our business.

Since Ozone's launch five years ago this summer, the word 'Sustainable' has been an ever present word in our mission. We were designed to help create a more sustainable ad-funded future for journalism and a more sustainable advertising ecosystem to ensure that digital environments deliver the outcomes brands need.

The idea of bringing publishers and brands closer together in the digital ecosystem was front and centre in our very first sales decks – a belief that reducing the hops between the primary players in digital advertising should only be a great thing. Working 'more directly' with publishers also has a really positive impact on reducing digital carbon emissions – a position that we, as Ozone, have continued to build on with our ECOzone workstreams.

Currently, this programme unashamedly focuses on two principles that lie at the heart of our business.

The first is **ACCOUNTABILITY**. This is something that we aim to embody at every turn. We are privileged to be owned by and work with the best publishers in the UK, and equally as importantly to work with agencies and advertisers like yourselves to deliver the best possible results across the premium web. We hold ourselves to account on this every single day.

The second principle is **TRANSPARENCY**. Since day one, we've made sure you know the premium websites your ads run on, we've offered log-level data for your campaigns and we continue to make sure you know just how well your ads are performing with new initiatives like the Ozone Attention Index. And we're delighted to continue this era of transparency with our new ECOzone measurement.

We hope this write up gives a really clear view of what we're focused on and sparks thoughts on where we could collaborate together. As always, if you have any questions, please do not hesitate to get in touch with me or any of the team.

Craig Tuck, Chief Revenue Officer, Ozone
craig@ozoneproject.com

SESSION one

ECOZONE: ACCOUNTABILITY & TRANSPARENCY

Matt Townsend, Director Of Product
Emma Cranston, Client Services Director

SESSION two

YOUR QUESTIONS ANSWERED

Dora Michail-Clendinnen, Chief Strategy Officer
Matt Townsend, Director of Product
Emma Cranston, Client Services Director
with **Craig Tuck**, Chief Revenue Officer

SESSION three

GOOD PRACTICE IN ACTION

Elle Chartres, UK Director, Ad Net Zero
Ruth Sterry, Planning Business Director, MG OMD
with **Dora Michail-Clendinnen**, Chief Strategy Officer

ECOZONE: our pillars of accountability and transparency

This section includes a transcript and the related slides from the short event presentation by Matt Townsend – Ozone’s Director of Product – and Emma Cranston, our Client Services Director.



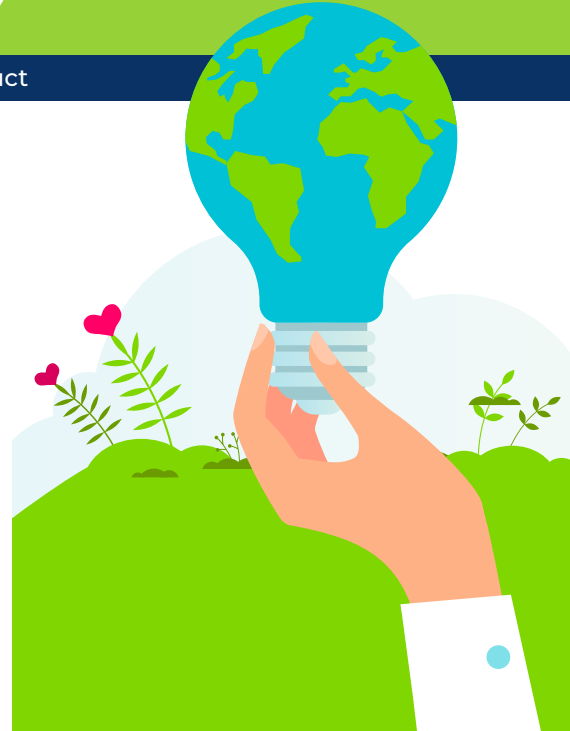
ACCOUNTABILITY

Matt Townsend, Director of Product

The following slides will take you through our sustainability journey to date, with a particular focus on Accountability and our reduction programme.

As a business experiencing significant growth, our core product is our platform and is ultimately the largest contributor to our carbon emissions. This was confirmed in 2022 through a full year audit by Green Element – an independent environmental consultancy – who identified our platform to account for 60% of our total carbon emissions.

The challenge was clear – with our platform fully under our control, we could take full accountability for the emissions it creates. We knew offsetting wasn’t good enough, so we identified how we could reduce our platform’s emissions within our engineering and product development programme.



Before we get into the solutions, let’s have a quick look at this visual. This demonstrates the lifecycle of an ad request as it moves through our platform. It shows a consumer going to one of our publishers’ websites, generating the ad request which comes into our platform – we then enrich this with audience data. Next, we send that upstream in what we call a bid request that



is received by our managed service platforms, direct DSP connections and SSPs too. Our focus areas for reducing the carbon footprint of our platform are centred on the ad request and the bid request, and delivered through four key programmes of work.

1

Our four programmes for carbon reduction

1. Reduce code on publishers' pages
2. Employ machine learning
3. Reduce data storage
4. Build direct connections

The first of these programmes was to reduce ad tech code on our publishers' pages while simultaneously building direct connections for our publishers and giving them the capability to manage those connections – both of these actions have significantly improved bandwidth to the user in our platform. This has also generated savings on energy consumption and ultimately cleaned up the digital advertising flow between the publishers and the advertiser.

2

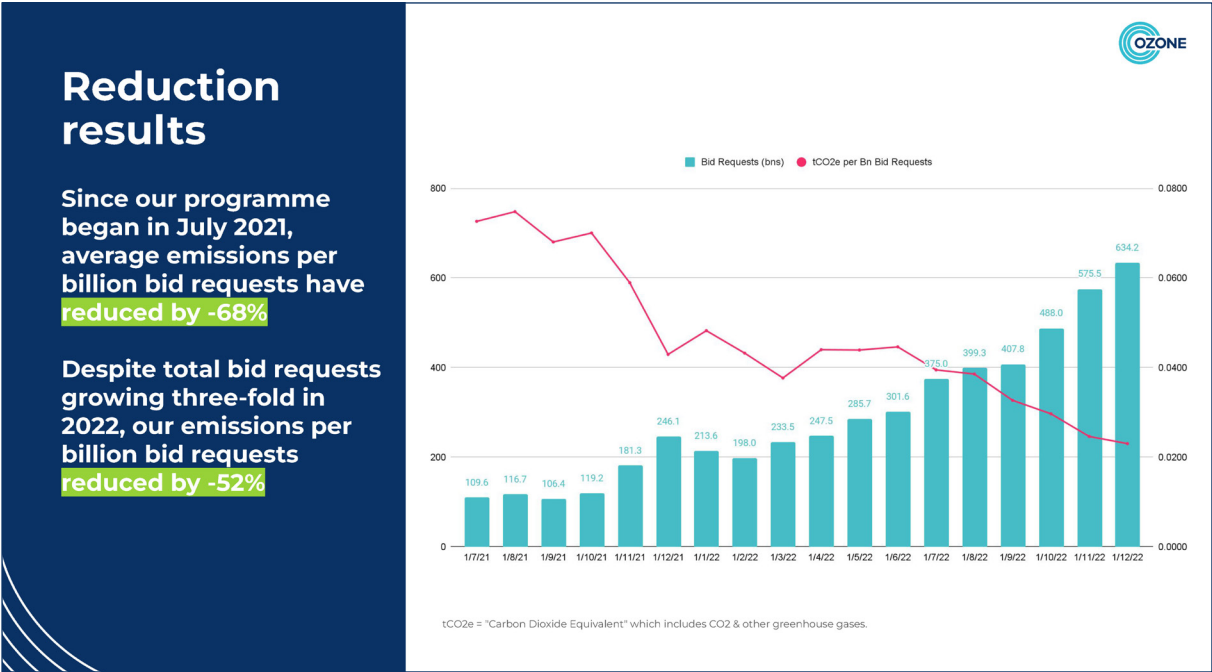
Our four programmes for carbon reduction

1. Reduce code on publishers' pages
2. Employ machine learning
3. Reduce data storage
4. Build direct connections

Finally, we invested in building direct connections with DSPs, such as our partnership with The Trade Desk. What this has created is a more direct and transparent path – connecting agencies and publishers with our platform, eliminating the broadcast behaviour of the open web through SSPs.

Chart 4 demonstrates latency, which is the amount of time it takes for DSP/SSPs to respond to an Ozone bid request. You will see that Ozone’s managed service and direct DSP connections take a lot less time to respond. We’re making the assumption that when we send an SSP a bid request, they’re also then passing them out to other platforms upstream which is why they take significantly longer to respond to bids. Overall, we’re seeing that our platform is 4x more efficient than an equivalent SSP.

What results have these four programmes delivered?



The blue bars on the chart above show a three-fold growth in the number of bid requests across 2022 as our business grew, from 200 billion bid requests to 600 billion requests. At the same time, we’ve seen a 52% reduction in the CO2 generated per billion bid requests. If we look a little further back to July 2021 when our programme started in earnest, that figure is a 68% reduction in carbon per billion bid requests.

The programme doesn't stop here

What's next?

Further savings in the immediate pipeline

Predicted **-15% reduction** in bid requests being passed to ad partners whilst maintaining overall campaign performance

Combinatorial optimisation tool

-15% reduction in bid requests

2.3 tCO₂e per month saved

The infographic features a central smartphone displaying a network of blue nodes and lines. To the left, a blue vertical bar contains the text 'What's next?' and 'Further savings in the immediate pipeline'. Below this, it states 'Predicted -15% reduction in bid requests being passed to ad partners whilst maintaining overall campaign performance'. To the right of the smartphone, a pink banner reads '-15% reduction in bid requests' and a green circle below it says '2.3 tCO₂e per month saved'. The OZONE logo is in the top right corner. The background includes stylized figures of people working with gears and a ladder.

Hot off the press, we've had a product release this week which will deliver a 15% reduction in ad request volumes while maintaining overall campaign performance. This will take overall reduction levels for the year to 30%, with this specific release reducing carbon by 2.3 tonnes of CO₂ per month – the equivalent of a flight from London to New York.

This release is somewhat complex - to explain more, here are the words of our Head of Data Science; "This is achieved by using a combinatorial optimisation tool with over 100,000 decision variables and 250,000 constraints". While we'll have to take his word on that, we know it will have a continued impact on the reduction work at the heart of our Accountability workstream.



TRANSPARENCY

Emma Cranston, Client Services Director

The second phase of our ECOzone measurement centred on our core Ozone principle of Transparency. This meant a definitive shift in our behaviour – rather than looking inwardly, we needed to look outwardly to provide our advertising customers with a measure of carbon emissions that were created while delivering campaigns through our platform.

There were a number of considerations that helped shape our approach. Firstly, we wanted to make sure that we were being as real-world as possible in our reporting. This meant we had to get as close as possible to measuring actual emissions generated as a result of campaign delivery, rather than using incomplete data as a proxy. Where some other measurement providers use a lot of assumptions in their methodologies – which only provides a proxy view of carbon efficiency – our metric is 100% delivered from actual data.

Secondly, we wanted to make our measure free and accessible to all Ozone customers. We firmly believe any effort made in delivering greater accountability and transparency around sustainability should be a positive thing for the industry. We don't believe it should be over-commercialised, and neither do we believe it should be another tech tax for advertisers or publishers to pay.



A number of considerations shaped our approach

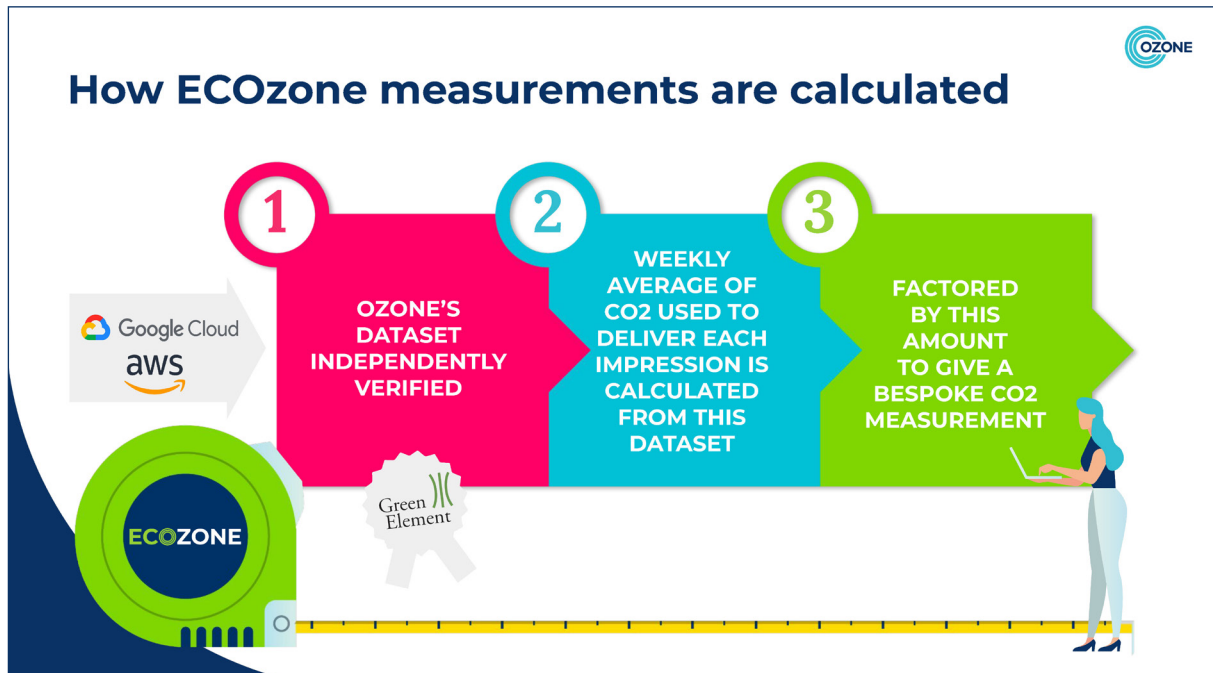


DEVELOPED IN LINE WITH INDUSTRY STANDARDS

Finally, we wanted to make our ECOzone measure easy to understand and provide a solid foundation for future development. We know the sustainability landscape is rapidly changing and therefore it is absolutely critical to ensure future interactions can be shaped around our customers' needs, and evolve in line with industry standards.

Throughout the early months of 2023, our data science and analytics teams have been focused on translating our carbon emissions data into a meaningful dashboard that provides a view of the impact of each individual campaign. As you know, in June we officially launched our ECOzone measure that uses this data view to let advertising partners know the carbon used through our platform to deliver campaign impressions. Our initial focus has been solely on the parts of the supply chain we have full control over – i.e. our platform – rather than areas that we don't, such as clients' creative choice.

How do we actually calculate our ECOzone measurement?



The primary input is the actual emissions data that we receive from our cloud partners – Amazon Web Services (AWS) and Google Cloud Platform (GCP). This is our primary source of our raw CO2 data and while it reflects what is needed to power the Ozone platform, it doesn't include the impact from any vendor tags applied by agencies or advertisers.

Looking deeper into our measure, we use this data to calculate a weekly-updated average figure of CO2 used to deliver each impression through our platform. The dataset we use from AWS and GCP has been independently verified by environmental consultancy, Green Element. We then factor the number of impressions delivered in your campaign by this baseline number to provide a unique CO2 measure for your campaign.

While this might sound fairly straightforward, it took a huge amount of data science and analytics work to get to this point – we're fully confident of the accuracy of the measure we share with you.

What will you see in your PCAs?



Our ECOzone measures will initially be included in all managed service PCAs, and we are rolling these out across the summer. As part of this, we will continue to consult with our agency and brand partners to ensure that your needs are at the heart of future developments.

What you will see in your PCAs is clean and simple, a deliberate choice on our part. We didn't want to overcomplicate this first iteration, so what you will find are your total campaign impressions, the amount of carbon it took to deliver this in our platform, and an average amount of carbon per variable - in this case, clicks. In addition, and to give a little colour to this, we've also included some context in the form of what those emissions look like in terms of km driven in an average car, or the number of trees required to absorb that CO2.

So what's next?



This is very much early days for our ECOzone measurement capability. However, as this measure evolves, we expect greater sophistication and fine-tuning to meet our customers' needs. Right now, we are focused on measuring our managed service campaigns, but we will soon roll this out to our Deals and Connect business – Connect being the route we integrate with agency marketplaces.

Stage one is all about focusing on what we can control in the digital advertising ecosystem, and as we evolve we expect to incorporate more variables into the measure; such as creative, format or event device. We are excited to be building this in collaboration with our advertising partners.

Q & A: YOUR QUESTIONS ANSWERED

When we announced our new campaign-led carbon measure we also asked industry leaders to ask any questions they might have about our ECOzone programme in general. Craig Tuck (Chief Revenue Officer) then posed these questions and others asked by the audience to Dora Michail-Clendinnen (Chief Strategy Officer), Matt Townsend (Director of Product) and Emma Cranston (Client Services Director).

Q You talk a lot about reducing emissions, but what do you do with what's left over? Do you offset?

A DORA: One of my biggest worries about this whole area is that we are often asking the wrong questions – for example, we should all be focusing on reduction rather than offsetting. However, the short answer is yes. In 2021 we offset those emissions we couldn't reduce. To do this we bought high impact Gold Standard carbon credits, as recommended by the WWF. At the time we did a lot of research into ensuring we chose one of the most reputable places to invest that money.

Now that we have our final 2022 figures audited, we are looking into the best way to offset. You may have read in The Guardian a few months ago of some of the problems that exist within the carbon offset market and we want to make sure we are investing in the right places. Once we have done that we will publish this for full transparency.

A key focus of our relationship with Green Element centres on deciding on the right approach for future investment in carbon reduction or extraction rather than offsetting programmes.

Q Some of the feedback we've had is that this measure is hardly revolutionary and surely it should be down to a third-party to verify. What would you say to that?

A EMMA: It is a fairly simple measure so I can see why people would say that. However, this is an important first step that we're making, and as you've seen, it's underpinned by a whole load of work behind the scenes. It's really our first stake in the sand.

We've reacted to what we've been told by using actual data and making sure it's free – and I think that sets us apart. This project is all about collaboration and moving things forward with our advertising partners. It's actually very reminiscent of the work we did to launch the Ozone Attention Index and how we've iterated that product to a position whereby we can optimise campaigns towards it. I expect a similar evolution for our ECOzone measure.

Q You've mentioned a lot about the carbon reduction you've achieved through your engineering strategies. Is there still opportunity for further reductions?

A MATT: Absolutely yes. If you think about Ozone as a constantly growing business – bringing on more publishers and channels – this becomes an ongoing battle for the product and engineering team. We are continually evaluating and trying to optimise the volume of ad requests and bid requests coming through our platform to minimise the carbon impact.

One big area of investment is in building our data science team and greater investment into machine learning and continually refining those models. Similarly, we have built sustainability considerations into our product management process, thinking about how any new development can help reduce the amount of carbon we create..

Q How is Ozone working with its publishers to create greater sustainability impact beyond your own platform?

A MATT: As you can imagine we work really closely with our publishers and there are some really good initiatives happening within those businesses. For example, at one of our biggest publishers, when they have a homepage takeover, they don't pass out bids into our platform, an action that many others are looking to take. At Ozone we are actually looking at building that capability to help those smaller publishers who don't have the support of large development teams.

Another area is to provide publisher reporting tools that allow them to understand the amount of carbon their sites are actually generating. Over the next year or so we'll continue to build out more reporting capability alongside the tools and levers to allow publishers to manage the carbon output themselves.

Q Surely an Ozone carbon measure lacks the independent status of companies such as Scope3?

A DORA: There's a couple of ways I'd approach this question – and it's a perfectly fair one.

The dataset we use comes directly out of the Google Cloud Platform and Amazon Web Services dashboards (where the latter data comes with a time-lag we extrapolate using historical data). This dataset has been audited and verified by Green Element.

What Scope3 have done incredibly well is to help the industry get up to speed very quickly on some of the issues that exist in the programmatic supply chain – in terms of volume of emissions and understanding the impact of a single auction.

Where we differ is that we wanted to take advantage of the fact that we're directly integrated with our publishers and therefore able to provide carbon emissions at campaign level. If you only look at the vendor list in a publisher's ads.txt file it is just that, a list. It gives no indication of how many of those connections might be active and ends up being an assumption that is not rooted in actual publisher behaviour in the marketplace. Because we do have data, we want to share it.

Q In your press release you mentioned that the ECOzone measure is free. Does that apply across all of your environmental initiatives? Do we as an agency, or our clients, ever have the cost passed on to us?

A EMMA: Absolutely not. All of the carbon reduction initiatives that we're doing within our business are incredibly important, but the reality is they aren't things that our agencies and advertisers can influence – the onus is fully on us. It's also beneficial for our business because whether it's reducing our cloud storage or buying refurbished IT equipment over new, these programmes help reduce our overall costs.

Q Why is the ECOzone measure only covering managed service activity? Surely, if you have that data, you should have the data for Deals and Connect?

A MATT: Anyone that's got product people in their business might have heard the term MVP – the minimum viable product. The idea behind this is to create and then go out and test in-market, to make sure what we're building is usable, reliable and desired.

It made sense to us to start with our most premium product – our managed service offering – and bring the measure to market to get feedback from customers. To the specific point about Deals and Connect, we absolutely do have the data and it's something we'll be looking into over the next few months, in line with feedback from this first iteration. So please do let us know what else you'd like to see.

Q We often select media partners based on their sustainability credentials, can you ever see a time when you will work with advertiser and agency partners based on this?

A DORA: There are already interesting conversations happening with some publishers on sectors such as fossil fuel, and what happens to those brands' budgets should their advertising be refused. From an Ozone perspective, we have to acknowledge how each of our publishers will deal with that individually, because they will each have a different editorial stance and opinion on who they will take advertising from and who they won't.

CRAIG: I wouldn't want us to be the arbiter or the referee on this, but we do have a clear responsibility to our publisher stakeholders that means should they not want to carry a certain category of advertising then we will make sure that's true for all of our connections.

Q How can brands and agencies work with Ozone to take this measure to the next level?

A EMMA: The easiest place to start is to have a conversation with us – that's really important as your feedback is critical for future development. We want this measure to be as valuable to you as possible. Given that we will be incorporating it into every Post Campaign Analysis report, this would be the ideal time to discuss how it can work for you on a client by client basis.



GOOD PRACTICE IN ACTION

by Dora Michail-Cleddin, Chief Strategy Officer, Ozone

“ It’s very easy to stand for something if it costs you nothing. ”

These are the words of **Ruth Sterry** from **MG OMD** who joined me on stage – representing her client, **giffgaff** – alongside **Elle Chartres** from **Ad Net Zero**. The focus of our conversation centred on the actions the advertising and media sector can take to help address the climate crisis. Ruth’s quote perfectly summed up a broader discussion that centred on action over words, and transparency over hoodwinking.

We invited Ruth and Elle to join our event to provide some balance to the Ozone content shared on the day. We heard from Ruth about how **giffgaff** was set up with a mission to ‘do mobile better’ and how being fair and transparent has been baked into the business since the outset. I was very pleasantly surprised to hear that three-quarters of the handsets they sell are refurbished and how the company has gone through the very thorough process of becoming B Corp certified.

Meanwhile, Elle reminded us of the purpose of **Ad Net Zero** – set up by the Advertising Association, ISBA and IPA – in creating a space where supporters could make sustainability a priority and where frameworks and methodologies could be agreed. Today **Ad Net Zero** has over 100 supporters in the UK, and is now a global organisation with individual local chapters launched in the USA, Ireland and New Zealand.



To neatly summarise, I'm going to focus on four key take outs – a new four Ps for sustainability if you like – that really resonated throughout our discussion.

PRINCIPLES

Demonstrating principles in action, Ruth pointed to giffgaff's recent brand positioning work that is accompanied with the strap line 'We're up to good'. It's a messaging framework that reflects the real difference between what giffgaff is doing versus the rest of the industry. "If you're going out to market with a strapline like this, the last thing any of us wanted was for people to poke holes in it," said Ruth, and therefore "we kicked every tyre and looked under every rock to try and make things as sustainable as possible".

There was complete consensus from both Ruth and Elle that because different businesses are at different places in their own journey, that clear long-term intentions are as equally important as immediate results. Knowing what organisations' sustainability plans are for "two, three or ten years" is really important to giffgaff, while Elle pointed out that it has been made mandatory for every member of Ad Net Zero to set public Science Based Net Zero Targets and report on them annually. "This is something everyone can do, and helps ensure that we are all aligned with the Paris Agreement, and that we as an industry can help keep standards moving"

PROCESS

One of the most important parts of any sustainability journey is putting in place processes that can be replicated and iterated. As part of our conversation, Elle talked through the Ad Net Zero five point action plan that was set out by early supporters three years ago. This covers how businesses in the advertising sector can address any challenges in operations, production, media planning and buying, awards and events, and, as Elle mentioned, "the final big one – how we can harness the power of our industry to change consumer behaviour and push action towards more sustainable products and services."

Developing the most appropriate processes has been critical for the work MG OMD has carried out with giffgaff. Ruth talked us through the creation of their 'Responsible Reach Matrix', which provides a granular view of how media partners are reacting to the climate challenge, and allows the team to assess partners and balance their sustainability scores alongside other requirements for their individual campaigns. Ruth highlighted that by re-evaluating planning processes, this also allowed the team to eschew campaign norms to deliver the same impact without compromise – for example, "when we booked our TV activity for our launch weekend, rather than fifty spots, we bought four really big ones."

PARTNERSHIPS

The idea of collaboration and a strong understanding of partner needs was a constant anchor throughout our conversation. As an example, Elle pointed to the work Ad Net Zero has been doing with the World Federation of Advertisers as specifically relevant to the media planning and buying community. Together with the WFA's GARM unit – who have led the field on responsible media and brand safety – they have taken on the massive task of pulling together a consistent media framework that can be applied to sustainability choices globally. Similarly, Elle highlighted the recently launched [GARM Sustainability Guide](#) as another example of 40 different businesses coming together to develop 10 actionable steps that organisations could be putting into practice today.

Simply hearing from Ruth about the way giffgaff and MG OMD have worked together on their sustainability journey really reinforced the need for strong relationships to be at the heart of any change. For brands thinking about how they can do more, Ruth's first port of call would be for them to talk to their agencies – "the chances are there will be lots of learning and knowledge, across sectors, that you can lean on and help you find your own path". She also pointed to the need for agencies not to simply wait for clients to bring the challenge to them, "we should be asking how important sustainability is to every single brief."

One of the initiatives MG OMD has created for giffgaff is a carbon levy. This is an agreement between the two parties where they commit a proportion of media spend on each to responsible carbon reduction. Echoing the importance of wider industry collaboration, Ruth pointed to the many media partners who have now committed to the same levy, to build this pot quicker and create greater impact.

PERFORMANCE

The final P is all about performance, and more specifically how you can balance sustainability goals with wider business needs. As Ruth pointed out, “finding the line between what we think is right – be it sustainability, inclusion or labour rights – can be really difficult. I doubt there’s a single marketer in the country who would choose any of these over their bottom line.” Ruth went on to talk about the importance of honesty when discussing trickier points with giffgaff and testing different ways of working with partners – highlighting that they will often have to evolve how they engage with a specific partner that they might prefer to work with less, but in a way that still meets an acceptable threshold.

“Commercial success can be fully aligned with sustainable success,” said Elle, who strongly believes that the right work will be rewarded. She focused on the idea that putting pressure on the entire advertising ecosystem to do better is the best way to increase standards across the board and highlighted education and training as a key way to make this happen. Raising standards now will help future-proof businesses to be ahead of any upcoming regulation in this space. But ultimately, says Elle, making the move now will help brands keep up with the changing consumer mindset around what Ad Net Zero refers to as “the greatest business opportunity of a lifetime.”

So how can we make a difference?

To conclude our conversation, I asked both Elle and Ruth to tell us the one thing they would say that people can do today to make a difference to our sustainability efforts. For Elle, this was to speak to your organisation’s leadership team and ask the right questions about carbon reduction plans, the future direction of the business and how that gets cascaded across the entire team. For Ruth, when thinking about sustainability and broader ESG planning, her response was “to stop making it the exception and make it the rule”. By making these conversations part and parcel of media planning, it provides the context to help lead clients on their media sustainability journey.

[Click here](#) to read more about giffgaff’s journey to B Corp status

[Click here](#) to access the Ad Net Zero five-point Action Plan

[Click here](#) to access the Ad Net Zero/GARM Media Action Guide