



UNIVERSITY OF EDINBURGH
Business School

‘More Than TV’: The Impact of ITV On and Of Climate Change

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Introduction

Climate change threatens the longevity of every business, and those that do not put the environment at the core of their strategy risk not just their reputation, but their existence. Media has been a powerful messenger of the effects of climate change, but sustainable practices within the industry are in their infancy. Reaching more than 40 million viewers in the UK every week and with a global footprint spanning 12 countries, ITV is the oldest and largest commercial terrestrial television network in the United Kingdom. With their 'More Than TV' initiative launched in 2019 and a new Social Purpose strategy, ITV has taken bold steps toward tackling climate change, but it must reconcile its true purpose if it is to be an exemplar in changing how business is done to move towards an environmentally suitable future.

Exposure to General Environmental Risks and Opportunities

Impact on ITV and the Film and Television Industry

Whilst all businesses are under threat from climate change, film and television face particular challenges. Flooding, sea level rise and extreme weather threaten on-location shoots, reducing access to iconic land and scenery, particularly if they are central to a storyline. London is especially vulnerable as it is the centre of film and television in the UK and has the River Thames running through it which must be managed closely to prevent flooding. Two out of three ITV hubs are precariously close to water bodies that are at risk for flooding or depend on flood defences (Gov.UK, 2020):

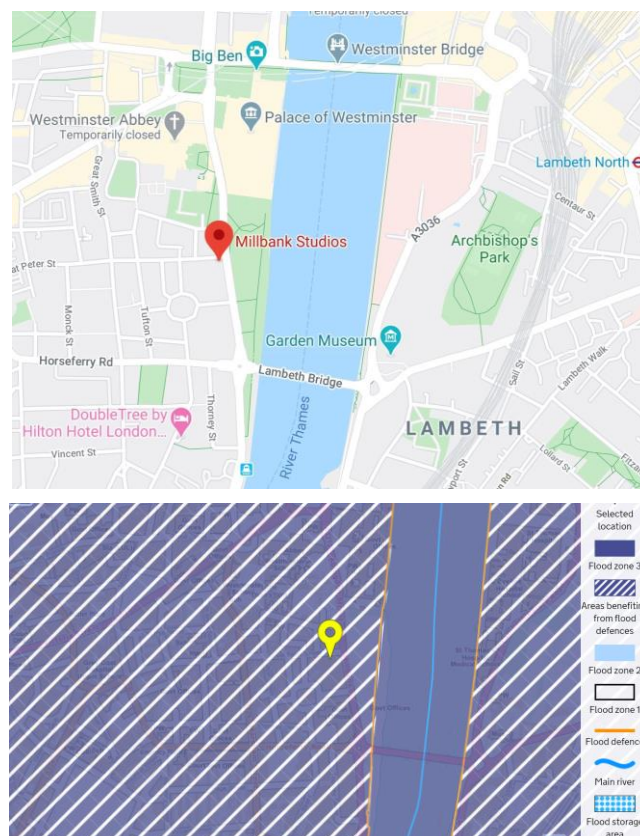


Figure 1 – ITV Millbank, London Studios

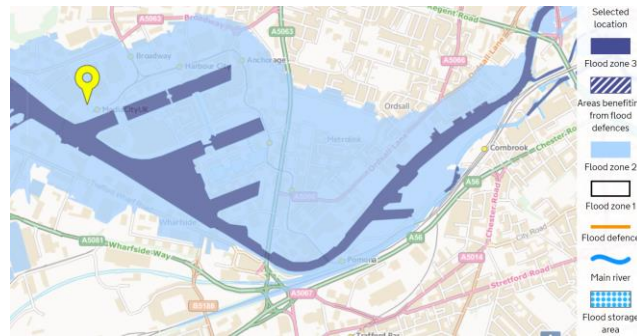


Figure 2 – ITV Manchester Studios, Salford Quays

Operating in extreme temperatures and weather can damage equipment and violate union regulations which protect actors and crew. Such extremes can prohibit freedom of movement, either from the conditions themselves or from government regulations. The more extreme and unpredictable conditions get, the higher insurance premiums are due to increase. Rising costs of flood maintenance risks reducing or depleting funding and tax incentives for the film and TV industry (Gardner, 2007). Perceived risks can affect funding for productions if studios do not get ahead of the curve instituting major environmental sustainability initiatives. Investment professionals are beginning to factor ecological criteria in their loan investment decisions (Höck et al., 2020).

As this applies to all industries, if business sponsors cannot secure investment funding, they might be less likely to sponsor television programming for commercial broadcasters such as ITV. 'One could deduce that the true scale of the impacts of climate change could cause the eventual collapse of the film industry if climate change is not tackled on a global scale, not just within the film industry' (Gardner, 2007, p.14). Since the main cause of sea level rise and extreme weather is increasing greenhouse gasses (Hansen, 2008), these must be reduced dramatically to prevent masses of land becoming underwater and extreme weather preventing productions.

Opportunities

Since ITV commercial funding could be at risk from businesses not adapting to climate change, it behoves ITV to be a force for environmental sustainability across the UK. This can also provide a competitive edge within the industry. Rather than managing environmental sustainability via a trade-off scenario, addressing it through a *paradoxical lens* acknowledges benefits from contradictory elements managed simultaneously (Ivory and Brooks, 2018). Addressing environmental sustainability must be central to the approach and success rather than an add-on or after-thought. The media company that is strategically agile would have a major advantage for success by remaining flexible in facing uncertainty and continuously adjusting the company's strategic direction and developing innovative ways to create value (Weber and Tarba, 2014).

Lowering emissions and contributing to the circular economy can offer benefits through cost savings. For example, Mammoth Productions saved £50,000 on their 2018 production of *Agatha*

Christie's 'ABC Murders' through green initiatives. These were built into the core of the production, spanning areas from sets to generators, paper, and travel, and led to creative innovations on set (Albert, 2019). Instituting a 1.5°C science-based target can also offer cost benefits and prepare businesses as the global economy transitions to a net-zero future by 2050 (United Nations, 2019). This requires making fundamental changes to limit global temperature rise to 1.5 degrees Celsius above the pre-Industrial average as set out in the Paris Agreement (World Economic Forum, 2019). Thus, environmental sustainability, which might be seen as a potential hit to profits in a traditional 'trade-off' approach, can be managed strategically to bolster cost savings, artistic creativity, and industry reputation.

Reaction to Climate Change from the UK Television Industry

As concerns have risen over the effects of climate change, UK television addressed them initially through content and campaigns. Environmental documentaries such as BBC's 'Blue Ocean' and Sky's 'Ocean Rescue Campaign' aimed to educate the public and raise awareness. Initiatives such as these are outward facing however, giving the impression that climate change is for others to act upon, not the industry. It has engaged for decades in what Hardin (1968) popularised as the *tragedy of the commons*, using shared resources according to self-interest with little regard to the impact on the common good of all users. It was perhaps the contention that the harm done was offset by the positive social messages broadcasted. However, in 2011, a consortium of industry organisations founded Albert to acknowledge productions taking green initiatives and representing climate change issues on screen. Albert has educated industry leaders and raised awareness how every level of production can be made more environmentally sustainable (Albert, 2020b).

ITV's Impact On and Of Climate Change

ITV plc, which comprises the ITV Network, has acted on climate mitigation for years, being listed in the Dow Jones Sustainability Indices as far back as its creation in 2004 (Mace, 2019). But 2019 saw a major boost to ITV's sustainability initiatives as a part of their 'More Than TV' campaign which takes a multifaceted approach in using its power as a broadcaster to shape culture for the social good. They launched a new 'Social Purpose' strategy which includes four environmental goals: reduce emissions, zero waste, sustainable supply chain and sustainable culture. Created by new chief executive Carolyn McCall, the 'More Than TV' campaign has been recognised by Albert for featuring environmental issues in its programming and sustainable practices in production. In 2018, 38 productions ITV made or commissioned became Albert certified representing 778 hours of television. In 2019, that number increased by 92% representing 1,170 hours of television. ITV has now set a target of 100% Albert certification for all programmes they produce and commission by 2020 (ITV, 2019b).

Emissions

In 2018, ITV became a carbon-neutral business, having reduced emissions by more than 52% over a five-year period and *offsetting* all direct emissions (Mace, 2019). Offsetting refers to buying carbon credits equivalent to the negative impact a company makes. Though offsetting could be used as a way to give businesses license to buy their way out of reducing emissions themselves, ITV's emissions per unit revenue and per employee reduced by 12.8% and 11.8% respectively since 2017 (Mace, 2019). Emissions from operations and energy use reduced by 21% in 2019 from the year before (ITV, 2019b).

ITV has also committed to a 1.5C science-based target and joined the Climate Group's RE100 initiative to procure 100% renewable energy. Their UK buildings are already powered completely by renewables, accounting for 55.6% of its global electricity consumption (Albert, 2020a). Even though news crews replaced diesel and petrol cars with a new hybrid petrol-electric fleet, total electricity consumed still dropped 17% from 2018 (see [Appendix 1](#)). ITV's policy is to reduce GHG emissions by 10% each year compared to the year before (ITV, 2019b).

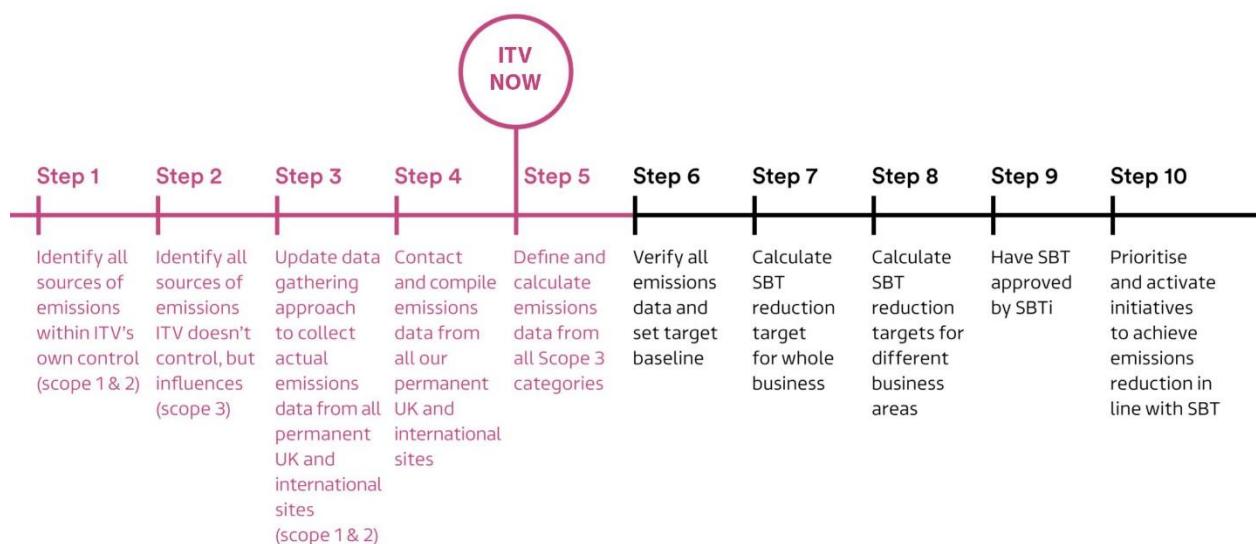


Figure 3 - ITV's Emission Reduction Strategy (ITV, 2019b)

Circular Economy

In moving from a linear to circular economy based on renewal and regeneration of materials, ITV has set a Zero Waste target (ITV, 2019b). This initiative is crucial for businesses that lead the pack in terms of forging a *circular advantage*, which can not only be profitable, but a key differentiator as society demands more businesses move away from overshooting the ecological ceiling via practices such as resource depletion and pollution, and toward a regenerative and distributive economy (Raworth, 2017). The following diagrams illustrate the process of a wasteful 'cradle to grave' model of the linear *caterpillar economy* versus the 'cradle to cradle' model of the circular *butterfly economy* which mimics nature's cycle of regeneration:

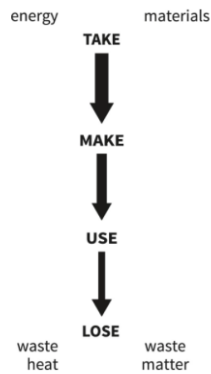


Figure 4 – Caterpillar Economy
(Raworth, 2017, p. 212)

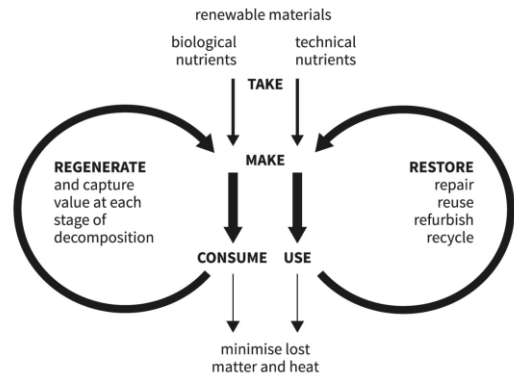


Figure 5 – Butterfly Economy
(Raworth, 2017, p. 220)

Examples of ITV's renewable initiatives are prevalent in how Daytime operations have reduced waste in various levels of production. All leftover catering and raw ingredients from 'This Morning' are donated to City Harvest. Old wardrobe is donated to SmartWorks, and ITV is currently looking into new ways of reusing clothes presenters wear. Paper waste has been dramatically reduced by moving all camera operators to iPads, and future targets towards going completely paperless include moving to tablets for scripts, running orders and even newspaper clippings.

Instituting a sustainable culture at ITV includes a no single-use plastic policy in main hubs and awareness training to all staff and freelancers. A new internal engagement series on the climate crisis takes place over the course of a month and features talks and pop ups from low impact businesses. Some productions like Mammoth Screen's 'Noughts and Crosses' produced for ITV in South Africa have a dedicated sustainability advisor on location to supervise making the production as low impact as possible.

On-Screen Initiatives

ITV's programming featuring climate change issues has also increased, from factual presentations in 'Good Morning Britain' to narrative storylines in soap operas such as Coronation Street and Emmerdale which normalise sustainable behaviours. 'Earth on the Edge' is a new documentary series launched in 2019 to make climate change more tangible for viewers. Topics covered include damage to the Amazon rainforest, illegal logging in Ukraine and depleting fish stocks in Madagascar due to warming seas. Future programmes will cover extreme heat, overpopulation and pollution (ITV, 2019b). To further increase awareness, the new series is featured in 'ITV News at Ten' (Cooper, 2019).

Analysis with Porter's Diamond

To analyse ITV's current position with regards to climate change, Porter's Diamond (Porter, 1990) is used to explore and evaluate the structure and development of ITV's environment and determine issues faced internally as well as influences from outside that affect their ability to execute strategy.

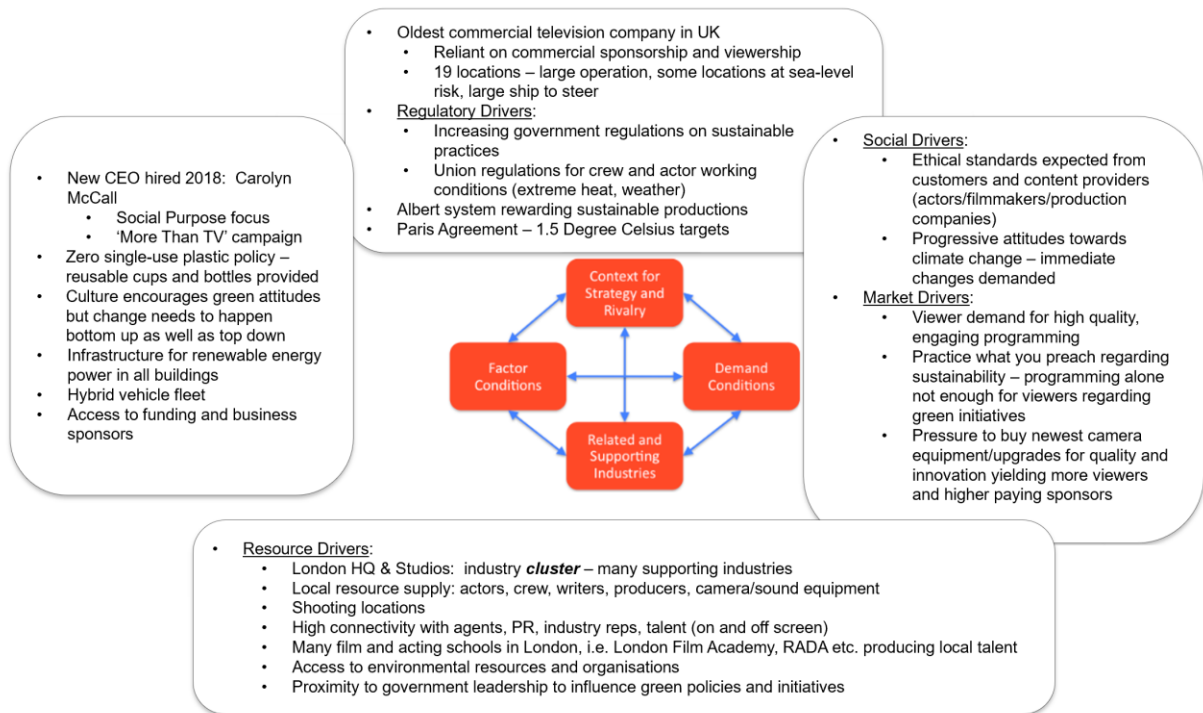


Figure 6 - Porter's Diamond Applied to ITV's Position with Climate Change

All four main environmental drivers: *market*, *regulatory*, *resource* and *social* (Hoffman, 2000) are factors for ITV within the diamond. However, *social drivers* are paramount, as pressure from stakeholders push ITV to be an environmental leader and show consistency with their values. To be at the forefront of tackling climate change on a social level, as television has the power to do (Hjarvard, 2013), is in keeping with the relatively progressive values mainstream media has (Gross, 2018). 'The debate over climate change, like almost all environmental issues, is a debate over culture, worldviews, and ideology' (Hoffman, 2012, p. 32). Thus, to lag in climate change action would compromise ITV's reputation as a main competitor in UK media. Though recent initiatives have put ITV ahead of many competitors such as the BBC in regards to climate change (see [Appendix 2](#)), there is more ITV can do to become an exemplar in environmental sustainability.

Recommendations – How ITV Can Improve Its Positioning with Regards to Emissions and the Circular Economy

Emissions

As seen from Porter's Diamond, ITV is a large ship to steer, and initiatives requiring infrastructure can be costly and time consuming, affecting only internal operations. To take on climate change on a wide scale, ITV needs to affect more than just its own business. It should support green initiatives across industries, refuse sponsorship and divest from industries and companies disproportionately emitting greenhouse gasses as other media companies have (Carrington, 2015) (Bateson and Nicklin, 2020). They can also work with the UK government, particularly with politicians who have shown dedication to the environment such as Zac Goldsmith, the Minister of State for the Pacific, International Environment, Climate and Forests and Animal Welfare, to introduce government incentives and infrastructure to help businesses become environmentally sustainable.

Circular Economy

To support the circular economy, ITV could expand upon green initiatives already in place such as making all 19 UK offices free from single-use plastics or assign a sustainability advisor to every production rather than select ones. However, these are still CSR initiatives that are not central to the way they do business. As such, there is only so far these types of actions will go. ITV needs to build the circular economy into the core of its business.

For example, like much of technology, camera equipment is expensive and can become obsolete very quickly. This means 'old' equipment winds up in the trash heap. ITV can invest in free and open-source software (FOSS) based camera equipment such as AXIOM Beta, a professional digital cinema camera built around FOSS and open hardware licenses, engineered by a not-for-profit network of creative industry professionals known as the apertus° project (apertus°, 2020). This provides users with the ability to swap components as they become more sophisticated or change the entire operation of the camera to suit evolving needs. This not only contributes to the circular economy, as systems are modular making them reusable, but it keeps ITV at the forefront of innovation, quality and customisation whilst keeping costs down. They can also work with film and media schools to donate old equipment to prevent it from ending up in landfill.

Strategic Vision

ITV's strategic vision is to 'be a digitally led media and entertainment company that creates and brings...brilliant content to audiences wherever, whenever and however they choose' (ITV, 2020). It is based on what ITV can offer and how, but not *why* they offer it. More consumers, particularly within the prized 18-34 demographic, increasingly choose businesses to patronise and work for based on shared

values. Those businesses that do not put purpose beyond profit risk losing market share (Drury-Bradey, 2018). Though ITV has a relatively in depth Social Purpose report, the topic is buried in the middle of their annual report and fails to be addressed elsewhere (ITV, 2019a). ITV should put sustainability not just at the forefront of their annual reports and strategy, but as a main concept that runs through all aspects of how they do business, from the equipment they use to investments they make to the talent they hire. As Simon Sinek (2009) has shown, people do not buy *what* you do, they buy *why* you do it, and by putting sustainability at the core of their business, ITV is likely to attract more dedicated audiences and employees in an industry with a high degree of competition.

Culture

Whilst strategy needs to centre on sustainability, culture eats strategy for breakfast. If ITV wants a full culture shift to support sustainable initiatives, it needs support not only from the top down, but from the bottom up. Companies such as Patagonia hire employees based on shared values even more than traditional academic or business credentials and typically receive 1000 CVs for every position with less than 5% turnover and fierce dedication from employees (Reinhardt et al., 2010). Thus, by hiring employees with shared values, ITV is more likely to have not only compliance of company policies, but innovative sustainability practices from the bottom up.

Conclusion

Whilst ITV has shown major initiative to tackle climate change, it needs to make more than just peripheral CSR changes. It should fundamentally change the core of how it does business and how it defines its purpose to create shared value. If ITV is to survive, that purpose must be more than delivering content. Environmental sustainability should be the foundation of its practices, as no company can survive if its environment does not. It will take detailed and measured initiatives in lowering emissions and waste, but it will also take strategy and culture to drive and support those initiatives. To be not just a leader, but a model, ITV must place purpose beyond profit in order to produce profit *through* purpose. Consequently, ITV can be prepared for future impacts of climate change in order to deliver meaningful content and fulfil its mission to be 'More Than TV'.

'The challenge is fundamental. It's not just about cleaner cars or energy-efficient light bulbs. It's about changing the DNA of our businesses.'

- Zac Goldsmith, PC
(Greater London Authority, 2009, p. 25)

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Appendices

Appendix 1: ITV's Emissions Impact on the Environment, 2018/19

Environment

Global greenhouse gas emissions

In 2019 we introduced a more detailed data capture process which gives a truer reflection of our global emissions. This is the new baseline against which our future greenhouse gas emissions reductions will be measured.

	2017	2018	New baseline; new methodology 2019
Total Scope 1+2 greenhouse gas emissions (tCO2e)	22,321	20,066	20,812
Total Scope 1 emissions - direct (tCO2e)	6,684	6,770	9,111
Gas consumed (kWh)	26,377,114	26,703,189	6,149,391
Gas emissions (tCO2e)***	4,858	4,912	1,131
Fuel oils consumed (litres)***	23,958	25,834	151,764
Fuel oils emissions (tCO2e)***	63	65	337
Vehicle fuel consumed (litres)	216,102	225,326	3,418,668
Vehicle fuel emissions (tCO2e)	689	730	6,733
Refrigerants consumed (kg)	517	524	441
Refrigerants emissions (tCO2e)	1,073	1,066	911
Total Scope 2 location-based* emissions - indirect (tCO2e)	15,637	13,293	11,701
Total electricity consumed (kWh)	43,954,547	43,453,520	36,229,698
Total purchased renewable electricity (kWh)	24,034,455	24,171,957	20,065,831
Electricity location-based* emissions (tCO2e)	15,637	13,293	11,701
Electricity market-based** emissions (tCO2e)	7,187	5,458	6,572
Total Scope 3 - indirect (tCO2e)	-	-	50,200
Fuel and Energy-related activities	-	-	7,252
Business travel	-	22,882	36,585
Upstream leased assets	-	-	1,515
Employee commute	-	-	4,848

Business efficiency metrics

	2017	2018	New baseline; new methodology 2019
Total revenue	£3,655,000	£3,766,000	£3,885,000
Scope 1+2 emissions per unit/£m revenue (tCO2e)	6.1	5.3	5.4
Total global headcount	6,390	6,146	6,052
Scope 1+2 emissions per employee (tCO2e)	3.7	3.3	3.4
% renewable electricity purchased	54.7%	55.6%	54.1%

The emissions data covers global operations for which we have operational control. We use the GHG Protocol Corporate Accounting and Reporting Standard and the latest conversion factors from the Department for Business, Energy & Industrial Strategy to calculate Scope 1 emissions, and the latest conversion factors from the International Energy Agency to calculate Scope 2 emissions in tonnes of carbon dioxide equivalents. 31% of our data set is based on estimated data. Estimates are calculated from previous consumption trends and published benchmarks. It is Mitie Energy analysis of ITV data.





*Location-based method reflects the average emissions intensity of the grid on which energy consumption occurs (using mostly grid-average emissions factor data).

**Market-based method reflects the average emissions intensity of the generator/supplier from which the reporter contractually purchases electricity. For a renewable supply supported by contractual instruments this will be zero emissions.

Notable increases/ decreases in figures for 2019 are driven by updated data collection process, allowing for more actual data and accurate estimation
Full scope 3 disclosure in progress, to be published later in 2020

(ITV, 2019b, p. 63)

Appendix 2: BBC's Environmental Targets and Measures, 2018/19

Greener BBC targets and measures		Target/measure by 2022 (baseline 2015/16)	Progress 2018/19 vs 2015/16
	CO ₂ e*	Reduce 24%	Reduced by 78%
	Energy	Reduce 10%	Reduced by 0%
	Waste	Reduce 10%	Reduced by 25%
		Recycle 75%	Recycled 50%
		Zero waste to landfill	Waste to landfill 14%
		No single-use plastic by 2020	In progress
	Programmes	100%	65%
		Albert calculation 25%	calculated 48%
		Production carbon Albert certified	certified 157 programmes

* CO₂e reduction target addresses scope 1 and 2 emissions, following sectoral decarbonisation approach science-based target methodology

Below we describe our greenhouse gas emissions and carbon intensity (gross and net), which we monitor and disclose annually.

Greenhouse gas emissions 2018/19	'Gross' emissions	'Net' emissions
Greenhouse gas emissions (tonnes CO ₂ e emissions, scope 1 and 2)	67,201	20,999
Carbon intensity (tonnes CO ₂ e emissions/total group income £m)	13.7	4.3

Greenhouse gas data is for UK-based and representative World Service bureaux. 'Gross' emissions uses location-based grid average factor. 'Net' accounts for renewable electricity.

(BBC, 2019, p.63)