



Assessing the practicability of renewable targets at Dentsu Aegis Network

Client's objectives

Dentsu Aegis Network is a global group of businesses, offering expertise in media, digital and creative communications services in 145 countries. It is headquartered in London and operates in 145 countries worldwide with around 35,000 dedicated specialists, servicing global brands such as Procter & Gamble, Microsoft, General Motors and Philips.

In 2015, the board wanted to set stretching sustainability targets to 2020 for its operation, doing their part to keep the world below a 2°C temperature rise as agreed during COP21 in Paris. Having achieved a 21% reduction of carbon footprint per person since 2010, the company committed to a further reduction of 40% from the 2015 emissions baseline.

With mostly office-based operations, a switch to renewable energy is a crucial element of Dentsu Aegis Network's environmental strategy. To show the commitment to reduce their global carbon footprint, DAN joined RE100 in June 2016, an ambitious coalition of multinationals aiming to move towards sourcing 100% of their energy consumption from renewable sources. This will make Dentsu Aegis more resilient and adaptive in the face of climate change, reduce financial costs and exposure, and decrease the overall impact of climate change.

Dentsu Aegis Network approached Carbon Smart to analyse the potential for decarbonising their electricity supply through switching to "green tariffs" globally. Carbon Smart has been working with the company since 2009, calculating their global carbon footprint, training staff, and ensuring the Network's compliance with the Energy Savings Opportunity Scheme.

The project

In 2015, Dentsu Aegis 12 biggest countries were the USA, UK, China, Russia, Thailand, Taiwan, Germany, France, Canada, Brazil, India, and Australia, employing more than 75% of staff globally. Dentsu Aegis Network wanted to understand what the potential for switching to a green tariff in each country was – as well as underlying trends and factors that would influence the priority given to each of these countries in trying to move towards a low-carbon electricity supply.

Carbon Smart conducted in-depth research in each country, covering the state of the local energy market and the cost implication of switching to a green tariff, the size of the renewables market compared to conventional sources, financial mechanisms including subsidies at the market and generator level, national carbon reduction pledges, and more. Quantitative and qualitative analysis of these data points fed into an overall rating for each country.

Insights from the research included the challenge of sourcing renewable tariffs in non-liberalised countries – China and Russia do not offer choice of tariffs to consumers, but neither do Brazil, India, or Thailand. This has reduced

the amount of electricity that Dentsu Aegis Network is able to procure from renewables in these countries in the first years. A number of countries already have a significant proportion of electricity from renewable sources – for example Brazil, and so there is little drive to liberate the utilities market for consumers.

Positive Impact

Following this analysis of the top countries, Carbon Smart advised Dentsu Aegis Network on the 2016 road map for switching to renewable energy, by identifying those countries where green tariffs are available, and the size of the green tariff premium. Carbon Smart recommended Dentsu Aegis Network to focus on the UK, Germany, Italy and France in 2016, which represents 15% of total electricity consumption in 2015 globally. This is a great step forward to both realising the targets the board have set, and reducing the carbon impact of Dentsu Aegis Network's operations.

The recommendations were implemented during 2016, and by December 2016 the main office in the UK, main office in France, plus all offices in Germany and Italy are now either run entirely on green tariffs, or through Renewable Energy Certificates (RECs).

Following the success of the original research in 2015, Dentsu Aegis Network again asked Carbon Smart to conduct the review of countries with a view to prioritising effort for 2017. In addition to a review of the remaining nine countries from 2015, Carbon Smart delivered a full review of the potential for green tariffs in six new countries: South Africa, Poland, Spain, Italy, Indonesia and Singapore.

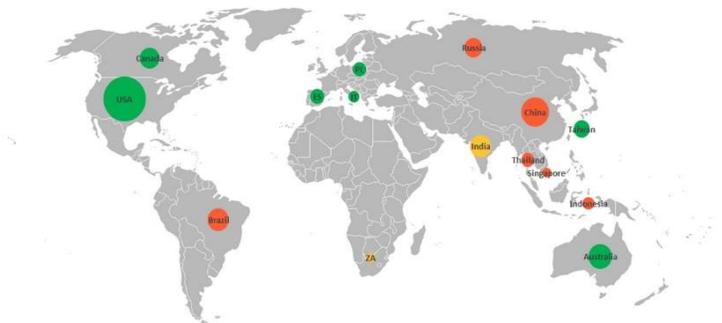
Our analysis and insights mean DAN can realise more of their ambitious targets at minimal financial cost to the business. We anticipate Dentsu Aegis Network continuing to work towards decarbonising their electricity supply to 2020, supporting them to make the switch to green tariffs, and appraise the opportunities in other countries.

Testimonial

“Carbon Smart has been the preferred environmental consultant since the beginning of our journey to become a sustainable company. Dentsu Aegis has worked with Carbon Smart's experts on various areas, such as carbon footprint reporting and assurance support, and recently also advised us how to switch our global network to renewable electricity.

Carbon Smart's performance and knowledge are outstanding and they have helped us to identify the best ways to achieve our targets and enhance our environmental performance. The team's expertise on environmental sustainability is impressive, and the work delivered is always of highest standard.”

Lars Holm, Senior Global CSR Manager, Dentsu Aegis Network



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