### **Impact area: Customers**

# We aim to support clients to improve their social and environmental impact

#### Working with clients who share our values

We want to work with clients who share our values and who are committed to making a positive impact on the world. Unless it is to help them materially change the course of their business to have a more positive impact or to improve the impact they are having, we do not work with clients in the tobacco, pornography, weapons and ammunition, or fossil fuel extraction sectors

However, determining if a project or potential new client is values-aligned isn't always straightforward. Creating a positive impact is often more complex than simply avoiding contentious sectors. There is also a strong case for helping companies in those sectors to transition their operations in a more sustainable direction.

In December 2020, we established the Next 15 Ethics Group to support our brands to make values-based choices about which clients and projects to pursue. Made up of senior leaders from Next 15 and our brands, the Ethics Group's role is to:

- act as a sounding board and an active participant in ethical debates;
- · ask challenging questions;
- add knowledge and/or experience of a particular sector and its impact; and
- on occasion, provide a clear decision where there is a disagreement between stakeholders.

Anyone within our brands can ask the Ethics Group for guidance and they will receive a response within 48 hours. The number of consultations has fallen during FY23. One of the reasons for this is because brands have created their own screening mechanisms. We are exploring how we can evolve the Group's role to help complement the brand screening process and share the thinking behind difficult decisions.

# Sustainable growth at the heart of client conversations

As a business, we are increasingly asked by clients to apply our skills to help them solve strategic challenges. Our consulting capability enables our clients to transform their existing businesses or create entirely new ones to grasp emerging opportunities. Our executional capabilities, such as marketing, provide us with an opportunity to inspire sustainable lifestyles.

We acknowledge that our greatest climate impact will largely come from the carbon emissions resulting from the growth of our clients. The marketing and consultancy sectors are beginning to understand the size of their footprint. For example, the marketing sector has made progress on measuring impact from production, media buying and 'advertised emissions' — and the same principle applies to Next 15's other services that help clients grow. The tension between the role of marketing in driving growth for clients and the reality of finite planetary resources is something that the industry is only just beginning to explore.

Next 15 brand and newly certified B Corp, elvis, has been working with Purpose Disruptors, an industry group dedicated to catalysing the advertising industry's climate transition, since 2018. elvis' Managing Director, Caroline Davison is a contributing author to their 2021 and 2022

Advertised Emissions reports. Advertised emissions are the greenhouse gas ('GHG') emissions that result from the uplift in sales generated by advertising. In the UK alone these emissions are estimated to add an extra 32% to the annual carbon footprint of every person¹.

In FY23, we began working with our environmental consultant, Green Element, and the film production team at Next 15 brand, House 337, to help us better understand production associated emissions. We also started the process of rolling out industry sustainability training for our producers, project managers and creatives and including the AdGreen Levy<sup>2</sup> to our production estimates.

We are keen to expand these conversations across the Group, progress this work with our clients and collaborate with our peers in the industry, to understand how we can develop a unified approach. This will include continuing to work towards implementing an effective carbon calculator tool to help us better understand production associated emissions and how these can be effectively reduced without compromising the work.

While we would like to be able to assess the impact of all our client work, we are mindful that the breadth and diversity of the Group's growth consultancy work may make this challenging in the short term.

- Advertised Emissions, The Carbon Emissions Generated by UK Advertising. Purpose Disruptors, 2022.
- 2 The AdGreen Levy is a recommended 0.25% of the cost to produce an advertising asset that's just £2.50 per £1,000 spent and is capped at £2,500 per production. The levy is paid to those producing work for the advertiser in the UK, and then passed onto AdGreen to enable them to continue supporting the UK advertising industry in reducing emissions from productions. The more advertisers who contribute, the lower AdGreen can make the levy percentage. The AdGreen Levy offers free resources, training, and carbon calculation tools, to enable the advertising production community to measure and reduce their carbon footprint.

#### **ESG** report continued

#### Social and environmental impact

The following case studies illustrate how we have helped clients to make a positive impact:

## Outcast - Bloomberg Philanthropies - Countdown to COP27



Designed to turbocharge climate progress from public, private, and civil society actors around the world, Bloomberg L.P. and Bloomberg Philanthropies unveiled dozens of climate actions through investments, partnerships, and capacitybuilding and educational efforts during the 45day Countdown to COP27 in November 2022.

The Bloomberg Countdown to COP27 was a series of initiatives and commitments aimed at delivering on UN Secretary-General António Guterres' call for urgent, collective climate action leading up to the UN Climate Change Conference in Sharm El-Sheikh, Egypt. The Countdown enhanced awareness of key climate change challenges addressed by the COP27 Presidency.

Next 15 brand, Outcast, partnered with Bloomberg Philanthropies to drive awareness of the Countdown to COP27 campaign through organic and paid social media content, Google search ads, and community management. Advertising reached current audiences passionate about Bloomberg Philanthropies work, and new ones worldwide with an interest in environmental activism and

government innovation. It also helped to reach new partners in the non-profit space. Ad formats featured a dynamic range of content from image and text, video, and interactive polls. Each format was specifically placed and optimised to enhance either reach or engagement.

To further increase awareness and engagement, Outcast managed community engagements with partners and notable figures in environmental activism leading up to and during COP27. This ranged from US Special Presidential Envoy for Climate, John Kerry, Goldman Sachs, UN Secretary-General António Guterres, French diplomats, and more.

Overall, Countdown to COP27 digital activation efforts reached over 46m people, surpassing goals set based on COP26 digital activations results.

# Transform – Helping the UK achieve Carbon Net Zero



"The visualisation is fantastic!"

**Sir Patrick Vallance,** Chief Scientific Adviser to UK Government Next 15 brand, Transform, built a Net Zero System Tool ('NZST') to give the UK Government the capability to systematically assess possible impacts of policy choices on net zero. This allows decision-makers to understand the relative impacts of different policy decisions.

Getting to net zero is challenging. It's easy to understand the principles of releasing less carbon and taking carbon out of the atmosphere, but the activities to achieve this have their own carbon footprint and can impact on other areas. Transform started by considering some of the questions being asked, such as, 'How do we encourage the installation of insulation?' and 'What is the impact of reducing demand for meat?'

A challenge of this complexity requires systems thinking to make sense of it all. In HM Government's own words, "Systems principles should be at the heart of the Government's approach to delivering net zero; helping ensure the development of policy which is robust and effective; maximising mutually beneficial interactions, accounting for dependencies, and mitigating conflicting interests."

The solution was to build a tool that visualises data from multiple areas in one place, to show interdependencies and trade-offs. It contains data including housing, industry, agriculture, transport and energy sources making it relevant to many government departments and multiple users within each department.

The project required many skillsets at Transform: Solution and Data Architect, Lead Data Engineer, Visual Analyst, Data Scientist, User Researcher, Creative Designer and DevOps Engineer working with multiple stakeholders in several departments.

There were frequent test and improve cycles with user feedback being used in future sprints throughout the development. The next stage is to add more data sources and develop more models predicting outcomes of policies to get to net zero.

### Savanta - Reframing Race



"As well as all of the sampling robustness and quantitative and qualitative analysis that one would expect from a reputable agency, the team helped to refine the messages being tested and to ensure the survey for the study delivered the insights that we were seeking. Their advisory input and experience of our particular type of study was invaluable."

Dr Sanjiv Lingayah, Director, Reframing Race

Next 15 brand, Savanta, worked with Voice4Change, a charity that advocates for minoritised ethnic groups in policy-making, to identify ways to reframe current narratives on race and racism. Voice4Change wanted to gather robust evidence to guide them on which messages would be most effective in shifting public views on racism, and to garner support for structural changes to national policies and institutions.

The approach to reframing narratives on race has been informed by strategic communications theory, using messages that were designed to invoke values that are shared by race equality advocates and their target audiences. Voice4Change designed 36 messages, carefully worded to reflect life-affirming values such as dignity, opportunity and safety.

Savanta's research design was based on the work conducted by the Frameworks Institute and Joseph Rowntree Foundation on reframing poverty - recognised as a cornerstone study in strategic communications. This involved an experimental design ('AB test') to identify the impact of seeing a message compared to a control group, in order to identify whether the message had been effective

in prompting a different view on key outcome measures. A complex regression analysis design further identified whether exposure to a message predicted a likely shift in views amongst different groups in the population. The analysis was enabled by a robust sample of 20,000 interviews across England and Scotland.

The first published report can be found on ReframingRace.org, and a second, more detailed report, will follow this year.

Voice4Change have described this project as delivering 'ground-breaking data'. The results of this project will be directly applied to the messages that are used in their race equality campaigning work. It will also inform an engagement programme with an active network of advocates who are working to address racism in society at a national and local community level.