

## **Explanatory notes on ProSiebenSat.1 Group's carbon footprint for financial year 2018**

These explanatory notes relate to the carbon footprint published by ProSiebenSat.1 Media SE. The carbon footprint comprises "direct CO<sub>2</sub> emissions" (Scope 1), "indirect CO<sub>2</sub> emissions (Scope 2)" and other selected indirect CO<sub>2</sub> emissions (Scope 3). These key figures were subjected to an independent audit with limited assurance by KPMG AG Wirtschaftsprüfungsgesellschaft based on ISAE 3000, the relevant standard for such audits.

### **Reporting standards**

When calculating the carbon footprint, we follow the criteria and definitions of the Sustainability Reporting Guidelines (Standards) of the Global Reporting Initiative (GRI). The data are gathered on the basis of internal guidelines. In addition, the carbon footprint is based on the Greenhouse Gas (GHG) Protocol – Corporate Accounting and Reporting Standard and, in the case of the selected indirect CO<sub>2</sub> emissions (Scope 3), on the Corporate Value Chain Accounting and Reporting Protocol of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

### **Scope of reporting and availability of data**

The carbon footprint includes all of ProSiebenSat.1 Group's own locations and employees. In determining the scope of reporting, ProSiebenSat.1 generally follows the principle of operational control. Operational control exists either if there is a majority interest of more than 50% or if ProSiebenSat.1 has full decision-making power with regard to operating business by means of other contractual regulations. Acquired or self-constructed locations are included in data collection no later than in the reporting period in which they have been consolidated in financial reporting for a whole financial year.

This carbon footprint does not include the energy consumption and resulting CO<sub>2</sub> emissions of our production studios and data centers outside the locations in Unterföhring and Berlin due to a lack of availability of data.

### **Calculating the carbon footprint**

CO<sub>2</sub> emissions are generally calculated based on CO<sub>2</sub> equivalents and include all greenhouse gases under the Kyoto Protocol based on a greenhouse gas potential of 100 years. For external reporting, a distinction is drawn between three categories known as scopes:

- Scope 1 (direct CO<sub>2</sub> emissions): Emissions from sources that are owned or controlled by ProSiebenSat.1 Group, including:
  - Vehicle fleet
  - Fuel oil
  - Diesel
  - Natural gas
- Scope 2 (indirect CO<sub>2</sub> emissions): Emissions caused by the consumption of purchased energy, including:
  - Electricity
  - District heating
  - Geothermal energy
- Scope 3 (CO<sub>2</sub> emissions from upstream and downstream stages of the value chain): Scope 3 emissions in the following categories under the "WBCSD Corporate Value Chain Accounting and Reporting Protocol" were calculated for 2018:
  - Fuels and energy-related activities not included in Scope 1 or 2
  - Waste from operating processes

- Employee commuting
- Business travel (plane, train, rental car and taxi)
- TV consumption of broadcast programs (use of sold products)

Direct (Scope 1) CO<sub>2</sub> emissions and other indirect (Scope 3) CO<sub>2</sub> emissions are calculated using generally accepted emissions factors published by recognized organizations. Indirect (Scope 2) CO<sub>2</sub> emissions are calculated in line with the “location-based” method using generally accepted country-specific electricity and district heating emissions factors published by recognized organizations. The “market-based” method is based on specific emissions factors provided by the utility company. Provided the furnished proof of origin meets our quality criteria, we do not calculate Scope 2 emissions for purchased hydroelectric power. Specific emissions factors provided by the utility company are also used for purchased heating and cooling.

- In 2017, energy consumed in transportation and distribution was included as an additional factor in the category “Fuels and energy-related activities not included in Scope 1 or 2” under Scope 3 emissions. In 2018, the emission factor of 2017 was hereby used.
- The “Use of sold products” category represents the quantity of emissions caused by consumption of our programs on a TV set. Based on the ratings of the programs offered by ProSiebenSat.1 in the DACH region, the respective share of households with a TV set, and the electricity consumption of the most common TV sets, the average annual electricity consumption of our viewers can be calculated. This average annual electricity consumption is then multiplied by the corresponding emissions factor to determine the quantity of CO<sub>2</sub> emissions. The data used in this calculation come from internal sources and from public sources (e.g. German Federal Statistical Office).

### **Quality and comparability**

We see improving the quality of our carbon footprint at all levels of the organization as an ongoing process in order to guarantee comprehensive and open communication and to meet the requirements of our stakeholders. ProSiebenSat.1 is continuously working on integrating all sources of greenhouse gas emissions into the data collection. For internal purposes, this allows the monitoring of environmental performance at different levels and the comparison and benchmarking of individual areas of ProSiebenSat.1 Group with competitors.

In the future, we will strive to increase the coverage of measured activity data in Unterföhring and Berlin in order to improve the accuracy of the reported carbon footprint. For other locations, it is difficult to achieve higher data coverage because new companies are constantly being acquired that often only use small offices in rented buildings, meaning that it makes more sense to estimate these data. Emissions are generally calculated based on measured activity data. If no measured activity data are currently available, consumption rates and the resulting CO<sub>2</sub> emissions are extrapolated to the entire ProSiebenSat.1 Group using average figures per employee for worldwide locations. The level of data coverage comes to at least 75% (previous year: 77%) for Scope 1, at least 81% (previous year: 81%) for Scope 2, and at least 83% (previous year: 83%) for Scope 3.

Renewable energy is not included in the calculation of average figures per employee for the extrapolation of indirect CO<sub>2</sub> emissions in line with the Scope 2 “market-based” method.