



# Reporting criteria – ESG metrics for Annual Report and stakeholders

Policy owner	Finance
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# Introduction

- This document covers the methodology applied to calculate certain ESG metrics disclosed in Channel 4's Annual Report (AR).
- In its AR, Channel 4 sets out 2 sustainability-related key performance indicators (KPIs) which are relevant for the purposes of these reporting criteria
  1. ARKPI 1: Scope 1 GHG emissions
  2. Scope 2 GHG emissions
    - ARKPI 2a: Scope 2 GHG emissions (location-based)
    - ARKPI 2b: Scope 2 GHG emissions (market-based)
- Channel 4 seeks to obtain a public limited assurance opinion over these KPIs, to fulfil best practice requirements in its sustainability reporting (e.g. submissions to the Science Based Targets Initiative).
- Performance on these KPIs will be verified annually on a "limited assurance" basis by an independent ESG auditor
  - KPMG will provide limited assurance in a public opinion over ARKPIs 1. 2a, 2b
- The reporting period for RCFKPIs 1 and 2 is the financial year 01/01/2025 to 31/12/2025, which was selected because it is the company's financial year (and therefore its disclosures in the AR).

# ARKPI 1, 2a and 2b - Scope 1 & Scope 2 (location-/ market-based) emissions

## Context

- Channel 4 has a longstanding commitment to net zero, introduced as part of its sustainability roadmap in September 2023.
- Following an ambitious exercise to improve the depth and quality of our carbon data, establish baseline emissions, and ensure meaningful GHG reporting going forward, during 2023 we reached a key milestone by setting and publishing new near-term (to 2030) and net zero (to 2050) emissions targets verified by the Science Based Targets initiative (SBTi). Additionally, in the 2026 Annual Report Channel 4 will update their 2021 baseline emissions to account for the acquisition of Firecrest in September 2025. For 2025 reporting, emissions for the full year from Firecrest have been included to provide capability
- Channel 4 is committed to:
  - **Near-term targets – by 2030**
    - Reducing our absolute Scope 1 and 2 greenhouse gas ('GHG') emissions by 42%
    - Reducing our absolute Scope 3 emissions by 25%
  - **Long-term targets – by 2050**
    - Reducing absolute Scope 1, 2 and 3 emissions by 90%, with remaining emissions neutralised by credible carbon offsets
- Channel 4's climate ambition has been validated by SBTi as aligning with a 1.5 degree global climate change trajectory; targets bring our ambitions into line with best practice to drive future delivery
- Now that these targets are established, we will seek to set meaningful phased annual targets to ensure we remain on the right trajectory towards these commitments. Where interim targets have been set while this work has been ongoing for specific purposes, we will seek to align to these new annual targets once finalised.
- We have already transitioned our electricity contracts to renewable energy providers with the majority of our electricity now being sourced through renewable contracts. Under a market-based emissions methodology this has allowed us to reduce our Scope 2 emissions to 1 ton CO<sub>2</sub>e (small exemption in our new Manchester office), and we will continue to focus on procuring renewable electricity to deliver on our plan. Ensuring we meet our emissions reduction targets on our offices is a central consideration in defining our future workspace needs and financial planning for key capital improvements, to ensure we meet our emissions reductions targets

## Methodology

- Channel 4 Television Corporation are a 'large unquoted company' under the Streamlined Energy and Carbon Reporting (SECR) regulations so must report annually on greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport
- The 2025 SECR has been prepared in accordance with Channel 4's regulatory obligation to report greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon Reporting. The reporting period is the most recent financial year 01/01/2025 to 31/12/2025. Channel 4 partners with Accenture, a third-party supplier, to produce its GHG emissions reporting including its annual SECR reporting
- We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised version) and in alignment with the Scope 2 Guidance
- We consolidate our organisational boundary according to the financial control approach. All measured emissions from activities which the organisation has financial control over are included unless otherwise stated in the exclusions statement, as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Emissions determined to be under Channel Four's financial control are
  - all entities where the Channel Four Group has a >50% holding i.e. includes subsidiaries but excludes associates and JVs, and
  - all leased properties where the group is deemed to control the asset under the terms of the agreement (e.g. treated as a right of use asset on the balance sheet under IFRS 16)
  - The relevant GHG sources that constituted our operational boundary for the year are:
    - Scope 1:
      - Natural Gas - *heating*
      - Propane - *outdoor cooking facilities*
      - Diesel - *backup generators*
      - Refrigerants - *air conditioning*
    - Scope 2: Electricity
  - In some cases, where data is missing, values have been estimated using either extrapolation of available data or data from the previous year(s) as a proxy. We have also applied estimates to apportion emissions data where Channel 4 occupies part of a larger building and consumption is recorded for the building.
  - It is also important to note that the of the quantification process for GHG emissions is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHG emissions.
  - The Scope 2 Guidance requires that we quantify and report Scope 2 emissions according to two different methodologies ("dual reporting"): (i) the location-based method, using average emissions factors for the country in which the reported operations take place; and (ii) the market-based method, which uses the actual emissions factors of the energy procured

- The carbon emissions for Scope 1&2 have been calculated using the DEFRA 2025 carbon conversion factors for all fuels and electricity, other than market-based electricity which have been taken from EDF, Ecotricity, Grown Gas Power Supplier and F&S Energy
- The intensity measurement of turnover has been selected to compare emissions with company growth and for consistency with similarly reporting businesses for review of the market position – this is an optional metric.
- In the 2025 reporting year, no restatements to previous reporting were required. In previous years, Channel 4 has restated emissions data to provide a consistent baseline for reporting going forward, and as such no thresholds etc were applied in determining where restatements were required. For future years' reporting, Channel 4's intention remains to consider and apply a percentage threshold (expected to be 5%) in reviewing prior period errors and omissions to determine if a restatement of previous information is required).
- The specific methodology applied to each KPI is as follows:

**SCOPE AND CATEGORY**

**ARKPI 1:**  
Scope 1  
Stationary Fuels  
and Refrigerants

**METHODOLOGY**

- Channel 4 provided fuel data to Accenture for relevant sites in order to calculate GHG emissions;
- Fuel consumption was multiplied by relevant DEFRA 2025 emission factors. Data was obtained from landlords by Channel 4 where relevant.
- We have also applied estimates to apportion emissions data based on floor area where Channel 4 occupies part of a larger building and consumption is recorded for the building as a whole.
- Refrigerant emissions were calculated using maintenance reports from third party suppliers (provided by Channel 4), outlining refrigerant top ups required during 2025 (quantified in kg) and therefore any leaks that had taken place to require these top ups based on the overall capacity of the system. 2025 DEFRA emissions factors were applied to this data.

**ARKPI 2a:**  
Scope 2  
Electricity  
(location-based)

- Scope 2 emissions result from purchased electricity. This data is collected via electricity consumption invoices and on site meters. Channel 4 provided consumption data for 2025 for all offices. Data was obtained from landlords by Channel 4 where relevant.
- Location-based emissions were calculated using 2025 DEFRA emission factors.
- London Horseferry Road used 2025 invoice data and was compared to half-hourly data.
- Additional consumption from Bristol was included to capture consumption from the air conditioning chiller units that are used within the Channel 4 offices.

**ARKPI 2b:**  
Scope 2  
Electricity  
(market-based)

- Consumption data was provided in line with the process for location-based emissions above, with the same estimates applied, but with market-based 2025 DEFRA emissions factors applied to reflect procurement of renewable energy.
  - Renewable energy certificates were provided for all offices covered by a renewable supply to calculate market-based emissions.
  - All sites were covered by renewable energy certificates in 2025 reporting, During 2025 we relocated our Manchester office to a new site. As a result, we have a period of 2 weeks where we have not obtained a renewable energy certificate.
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