News Corp’s Carbon Footprint - FY2019

Measurement
Each year we measure and publicly report the carbon footprint of our global operations. In partnership with sustainability experts at Deloitte, we collect energy usage data from our businesses and calculate our total annual greenhouse gas (GHG) emissions.

In fiscal 2019, News Corp generated a carbon footprint of 187,612\textsuperscript{[1]} metric tons of carbon dioxide equivalents (CO\textsubscript{2e}). Highlights include:

- We are on track to meet our 60% reduction by FY30 goal: FY19 showed a reduction of 20.7% from base year FY16 for scopes 1 & 2.\textsuperscript{[2]}
- Reduced our carbon footprint by 5.2% from the previous year.
- Total energy consumption (which includes mostly electricity) was 413,880 MWh, a decrease of 11.4% from our FY16 base year.\textsuperscript{[3]}
- FY19 total energy spend was approximately $67 million, down 19% from $83M in FY14.
Methodology

We follow the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, the standard international manual for measuring corporate greenhouse gas emissions. Using their “control method”, we include 100% of the emissions associated with businesses we directly control. Our carbon footprint includes:

- All fuels and refrigerants used directly by our businesses (Scope 1 emissions)
- All electricity and steam used in our facilities (Scope 2 emissions)
- The impacts of business air travel (optional Scope 3 emissions)

Whenever necessary, we will re-baseline our previous years’ footprint numbers to account for business dynamics such as acquisitions or divestitures, as well as improvements in data quality or availability. In rare cases where data are not available directly from our business units, Deloitte estimates emissions based on available data such as square footage of the location. These estimates account for only a small percentage of our total reported emissions.
We recognize that our businesses have other indirect impacts that also create greenhouse gas emissions from activities upstream or downstream from a company’s core business. These scope 3 GHG emissions result from sources not owned or controlled by the company, but are a consequence of company activity. These emissions include: use or disposal of products or services, supply chain or distribution/logistics emissions, and business travel emissions (business air travel is included in our annual emissions as noted above and in the verification statement).

As part of our science-based emissions target reduction commitment under the SBTi[^4], News Corp has committed to reduce its scope 3 GHG emissions 20% by FY2030 from base year FY2016. These scope 3 emissions are detailed in our CDP reporting as noted below in the "External Reporting" section.

The company also has a long-term vision of achieving net zero carbon emissions by 2050.

**Verification**

To confirm that our carbon accounting is accurate and consistent with our documented methodology, each year we work with an independent third-party (Cventure LLC) qualified to verify carbon footprint analyses. Cventure audits the methodology, data collection process, and accuracy of the data used to calculate the carbon footprint of News Corp businesses, and conducts interviews (and site visits when needed) to directly verify data. Cventure’s statement on the verification of News Corp’s fiscal 2019 carbon footprint analysis is provided at the end of this document.

**External Public Reporting**

Each year we publicly disclose our carbon footprint data and highlight carbon reduction efforts to CDP, formerly the Carbon Disclosure Project, which runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts.
The CDP recently released the scores for the more than 8,400 companies who reported their sustainability efforts to the organization in 2019. News Corp received a score of A as a “Supplier Engagement Leader” in 2019, a new rating by the CDP. For Climate Change and Forests, News Corp scored a B for each, the same score received in 2018. The global average for reporting companies was a C for these 3 reports.

CDP’s scoring methodology measures a company’s progress towards leadership using a 4 step approach: Disclosure which measures the completeness of the company’s response; Awareness considers the extent to which the company has assessed environmental issues, risks and impacts in relation to its business; Management which is a measure of the extent to which the company has implemented actions, policies and strategies to address environmental issues; and Leadership which looks for particular steps a company has taken that represent best practice in the field of environmental management.

Please visit the CDP website (www.cdp.net) for more information.

[1] Carbon footprint does not include reductions due to purchases of energy generated from clean power sources; News America Marketing (NAM) was divested March 31, 2020; however, emissions for FY19 and historically are included. All NAM-related emissions will be removed from News Corp’s GHG inventory during the FY20 process.

[2] Scope 1 emissions are all fuels and refrigerants used directly by our businesses, and scope 2 emissions refers to all electricity and steam used in our facilities. Scope 2 emissions accounted for 77% of total emissions in FY19.

[3] Includes green purchased power and on-site renewables; total energy consumption includes all energy consumption able to be converted to MWh, and excludes refrigerants, air travel, water, and waste consumption.

[4] SBTi is the Science Based Target initiative, a collaboration among CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF), the United Nations Global Compact (UNGC) and is one of the We Mean Business Coalition commitments.
Emissions Inventory:
Global, corporate-wide FY2019 (July 1, 2018–June 30, 2019) GHG emissions inventory verification covering: Scope 1 direct emissions from fuel combustion, mobile sources, and refrigerant losses; Scope 2 emissions from imported electricity and steam; and Scope 3 emissions associated with employee business air travel. Boundaries include wholly owned business entities, and owned/leased facilities within which News Corp exhibits operational control. CO₂, CH₄, and N₂O direct combustion, electricity and steam consumption, and mobile source emissions, and HFC refrigerant gas emissions, were calculated; News Corp has no SF₆, PFC, or NF₃ emissions.

Greenhouse Gas Management Plan:
News Corp 2019 GHG Inventory Methodology (GIM) reporting document (dated March 2020), developed by Deloitte for News Corp to calculate GHG emissions, and support their GHG emissions reduction strategy.

Verification Approach:
Tier II of the ERT Standard: “Corporate GHG Verification Guideline” by ERT, a CDP-approved verification standard. This verification level is appropriate for basic reporting, and voluntary efforts for which there are no imminent requirements for GHG emissions compliance. It is intended to support baseline determinations and enable assessments of performance of GHG reduction initiatives by News Corp. This verification effort covered News Corp’s FY2019 GHG emissions inventory. Cventure was not directly involved in GHG emissions data collection and/or management, nor the development of associated emissions calculations and reporting, and any subsequent assertions made by News Corp. Cventure has not provided any services to News Corp which could compromise Cventure’s independence as a 3rd party verifier. Cventure disclaims any liability for any decision made by third parties based on this Verification Statement. Cventure’s conclusion is based on the findings described below.

This Tier II review was designed to provide a reasonable level of assurance that the GHG emissions assertion is materially correct. Data collection teleconferences were conducted with four (4) News Corp BU GHG data coordinators. All News Corp BU’s and GHG emissions Scope types reported in the operational boundaries were subject to the verification process. Reviews of methodologies, calculations, and data management processes were conducted. Boundary checks included review of the News Corp FY2019 SEC 10-K report, and Dow Jones’ global real estate report. CO₂ emission factors and select GHG emissions calculations were checked. Emissions aggregation checks were made for all News Corp BU’s and emissions Scopes and compared against inventory reported data. No material errors or misstatements were found in those GHG emissions inventory-wide checks. Error checking tests were performed to assess the information collected, including missing data, limits and reasonableness, units of measure (UOM), and recomputation cross-checks. Select emission factors and associated emissions calculations were also checked. Six (6) BU’s were selected for detailed audit reviews and root data sampling (Corporate, Dow Jones, Harper Collins, New York Post, News Corp Australia, and News UK), representing ~90% of News Corp’s total GHG emissions inventory subjected to detailed audit sampling. Purchased electricity monthly billing records were examined for fifty (50) facilities, and natural gas records for over twenty (20) facilities. Root data records were reviewed for employee business air travel for seven (7) BU’s. GHG emissions sources in those detailed data testing reviews collectively represent ~60% of News Corp’s entity-wide GHG emissions. Several minor immaterial discrepancies between root data documentation and the GHG inventory data were identified by Cventure during the verification process; all of those were corrected by News Corp/Deloitte at that time. We believe that our work provides a reasonable basis for our conclusion.

Conclusion:
Cventure verified information from News Corp to be consistent with the GIM document (March 2020). Cventure found that the FY2019 GHG inventory emissions estimate conforms to accepted GHG accounting standards. News Corp’s GIM document was found to be consistent with the WRI/WBCSD GHG accounting and reporting protocol. GHG emissions estimates were calculated in a consistent and transparent manner and found to be a fair and accurate representation of News Corp’s actual emissions, and free from material misstatements. Cventure verified a total of 187,612 metric tons of CO₂ equivalent emissions (CO₂e) in FY2019 (a decrease of 5.5% from the FY2018 total): Scope 1 = 28,595 tonnes CO₂e (increase of 1.6% from FY2018 Scope 1 emissions); Scope 2 = 143,496 tonnes CO₂e (decrease of 7.6% from FY2018 Scope 2 emissions; resulting in a collective decrease of 6.2% from FY2018 Scope 1 + Scope 2 emissions); and Scope 3 = 15,521 tonnes CO₂e (an increase of 3.9% from FY2018 Scope 3 emissions), with a reasonable level of assurance.