# Draft BEREC Report on empowering endusers through environmental transparency on digital products

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During its 57th plenary meeting (from 6th to 8th December 2023), the BEREC Board of Regulators has approved the <u>Draft BEREC Report on empowering end-users through environmental transparency on digital products</u> for public consultation.

BEREC considers end-users' awareness of environmental issues as critical for end-users' empowerment and for ICT sustainability. Environmental information on digital products and services could enlighten user choices in terms of their digital consumption. Complementary to effects on the demand side, this datadriven approach of end-users' empowerment could create positive incentives for digital players to support the deployment of greener digital solutions and limit the risk of greenwashing.

In 2023, BEREC lead a fact-finding process to raise NRAs' knowledge of existing work and analysis of environmental transparency on ICT sustainability products and end-users' empowerment. This work took the form of a review of literature and existing EU regulation, a workshop on end-users' empowerment and ICT sustainability with representatives of the Commission, consulting firms, BEUC and the European Environmental Bureau (EEB), and an internal questionnaire on NRAs and other relevant stakeholders' initiatives.

Main results of this work are presented in the draft Report.

The report consists of 5 chapters:

- Introduction of the topic within the context of BEREC work on environmental sustainability and on end-users empowerment;
- Presentation of the key concepts on empowering end-users through digital products' information based on the currently valid and newly proposed EU legislation and latest research by public bodies (esp. the EC) and other entities;

- Summary of the main results of the workshop held in cooperation with the Commission, BEUC and EEB;
- Analysis of the responses provided by member NRAs on the activities and initiatives thereof, of OCAs and third parties (NGOs and industry).
- Conclusions and potential areas for future work.

All stakeholders are invited to submit their inputs via EU survey portal no later than **12 February 2024 (17: 00 CET)**.

Contributions should be preferably submitted in English.

In case you are facing any difficulties with the platform, please send your questions and queries to Sustainability\_PC@berec.europa.eu No contributions are accepted on this address.

Please ensure that the overall size of the email (including attachments) is not larger than 2 MB.

We strongly encourage all stakeholders to submit their contributions as early as possible. Contributions received after the above-mentioned deadline will not be taken into account.

All contributions received will be published on the BEREC website, taking into account requests for confidentiality and publication of personal data. Any such requests should clearly indicate which information is considered to be confidential.

#### \* Name

#### Organisation

Motion Picture Association

#### EU member states

- 🔘 AT Austria
- BE Belgium
- 🔘 BG Bulgaria
- HR Croatia
- CY Cyprus
- CZ Czechia
- OK Denmark
- 🔘 EE Estonia
- 🔘 FI Finland
- FR France
- DE Germany
- EL Greece
- HU Hungary

- IE Ireland
- 🔘 IT Italy
- 🔘 LV Latvia
- 🔘 LT Lithuania
- LU Luxembourg
- 🔘 MT Malta
- NL Netherlands
- PL Poland
- PT Portugal
- 🔘 RO Romania
- SK Slovak Republic
- SI Slovenia
- ES Spain
- SE Sweden
- XY Other
- \* Email

@motionpictures.org

### Feedback on each chapter of the Draft Report

1) Please enter your comments on Executive summary and Chapter 1 (Introduction) here:

The Motion Picture Association (MPA) represents the interests of major international producers and distributors of film and television content. Our members include Netflix, Paramount Pictures Corporation, Sony Pictures Entertainment Inc, Universal City Studios LLC, Walt Disney Studios Motion Pictures and Warner Bros. Discovery. We serve as the global voice and advocate of the international film, television, and streaming industry. MPA member companies have been an integral part of Europe's cultural ecology for a hundred years; contributing to it greatly, and amplifying European Culture within and beyond the borders of the European Union.

We welcome the progress made in environmental and consumer protection regulations in Europe, as noted by BEREC in this draft report, and support the importance of empowering end-users to make environmentally sustainable decisions. With this submission, we would like to highlight a number of points and research findings meriting further consideration in the context of empowering end-users through environmental transparency, in particular in relation to promoting sustainable digital services and initiatives to develop greener end-users' digital services.

#### Most importantly:

(a) Our member companies, and other stakeholders across the AV sector, are among the leaders when it comes to sustainability efforts, innovating at a technical and process level to reduce the environmental impact of content and distribution. Consumption of cultural content is not a meaningful carbon intensive activity, and therefore should not be unjustly singled out, as is currently the case in the draft BEREC report.
(b) Current evidence shows that increased traffic itself does not lead to a significant increase of resources consumption, and while data traffic has increased over the past years, emissions are falling. Content is delivered efficiently, with the help of significant investments in CDNs and compression technology.
Recommendations to reduce traffic with the goal of reducing emissions are not grounded in fact.
(c) Most energy use and embedded emissions from content consumption happens at the device level. As a result, corporate-sustainability initiatives, complemented by the EU's CSRD, the upcoming CSDDD and consumer-focused initiatives such as the empowering consumers for the green transition directive, will help empower consumers and enable them to make sustainability conscious choices. MPA members contribute to extending device usable life through compatibility efforts of their applications and codecs.

2) Please enter your comments on Chapter 2 (Key concepts on empowering end-users through environmental information on digital products) here:

#### 1) The Landscape

MPA members are strongly committed to sustainability and tackling environmental issues and take a holistic approach to ensuring sustainability and environmentally friendly practices are incorporated across their businesses. This includes enhancing sustainability and reducing emissions along the entire film-making process, from development and production to distribution. Among others, our members show this commitment through sustainable productions that achieve green industry standards and by raising awareness and inspiring action through storytelling in films and TV.

The MPA's member companies are all also members of the Sustainable Production Alliance (SPA), a consortium of the world's leading film, television and streaming companies dedicated to accelerating the transformation of the entertainment business into a more sustainable industry.

While MPA member companies are committed to reducing their and the industry's overall carbon footprint, the carbon intensity of cultural consumption and entertainment remains very low compared to many human

activities (for example tourism). Recommending the reduction of cultural activities for the purpose of minimising carbon footprint may therefore have a counterproductive impact, as users may switch to more carbon intensive activities.

2) Users are at the Centre of their Consumption Choices

(a) Minimal impact of data consumption by end users

First, when considering how to empower end-users through environmental transparency in relation to digital services, it is necessary to contextualize energy consumption. We focus here on digital content consumption as it relates to our members and the AV sector more broadly.

Increased data traffic does not necessarily result in a correlated increase in energy consumption. This is noted in Section 2.3 of the draft report, where it is stated that there is no linear correlation between data traffic and energy consumption. This is also recognised by BEREC in its submission to the Commission's consultation on the future of electronic communications sector and its infrastructure (BEREC (2023), 'Response to the Exploratory Consultation', page 4), where is states that while sustainably designed digital services and the deployment of greener infrastructures could help to achieve environmental targets, data traffic alone is not the appropriate indicator to monitor such efforts.

Even though data traffic has grown over the past years, the emissions association with network transmissions is falling, due to both changes in technology and increased use of renewable electricity (Carbon Trust (2021), 'Carbon impact of video streaming', page 28).Through various forms of investments in the internet ecosystem, such as investment in CDNs, encoding and compression technology, MPA members contribute to these developments by ensuring content is delivered to the end user as efficiently as possible. Research also clearly shows this decoupling of data traffic and energy (1).In relation to the recommendation included on page 18 of the draft report for reducing energy consumption is to decrease video resolution, it is also important to note that adjusting picture resolution over fixed networks makes a negligible difference in carbon emissions (2).

This suggests that approaches seeking to reduce data traffic in relation to AV content consumption, particularly when we take a holistic view of sustainability efforts by the various industry players, are not fit for purpose. As a consequence, recommendations such as "reducing the consumption of video/streaming" will have a negative impact on the cultural industry, with no proven impact.

#### b) User devices

To help empower end-users to make green choices while using digital services, it is important therefore to focus efforts on the parts of the value chain that have the most impact. In fact, end-users' devices are the largest contributing component to the energy and carbon impact of an hour of video streaming and make up more than half of the carbon emissions from streaming (Carbon Trust (2021), 'Carbon impact of video streaming', page 52). The device that a consumer chooses to stream on can therefore have the biggest impact on emissions and energy consumption.BEREC's recommendations should therefore be to encourage eco-design of end user devices, and prolonging devices usable life.

Additional usage of culture consumption and streaming does not meaningfully deteriorate terminal devices. Instead, MPA members and other online video streaming companies naturally contribute to the extended life of end users' devices, by ensuring the compatibility of their apps, content (codecs) and services with a wide range of devices. Backward compatibility with older devices may imply the use of older, less efficient codecs, and therefore result in more traffic:this shows that calling for a reduction in traffic for the purpose of reducing carbon emissions may be counterproductive.

3) Please enter your comments on Chapter 3 (Summary of BEREC Workshop on End-Users' Empowerment through environmental transparency on digital goods and services) here:

4) Please enter your comments on Chapter 4 (Existing national initiatives in the Member States) here:

5) Please enter your comments on Chapter 5 (Conclusions: Summary and future work) here:

#### References

(1) For example, the British Telecom Group's energy consumption (~90% from network operations) has reduced on average by 1.5% per year over the past five years, despite increases in data traffic (DIMPACT analysis of the ESG Addendum to the BT Group plc Manifesto Report 2022). In France, the French Federation of Telecoms reported a doubling of data traffic between 2015 and 2019 without growth of energy consumption (Etude Economique 2021: Les Télécoms)).

(2) Changing from standard definition to 4K resolution increases emissions from just under 1g CO2e/hour to just over 1g CO2e/hour (Carbon Trust (2021), 'Carbon impact of video streaming', page 64).

6) Please enter any other comments you may have:

We remain at your disposal to further discuss these important issues.

#### Please upload here any supporting document that you deem relevant:

Only files of the type pdf,doc,docx,odt,txt,rtf are allowed

In accordance with the BEREC policy on public consultations, BEREC will publish all contributions and a summary of the contributions, respecting confidentiality requests. Any such requests should clearly indicate which information is considered confidential.

\* Do you request some information to be considered as confidential?

- Yes
- No

If yes, please specify the information which should be treated as confidential:

We would kindly request that the submission to be treated as confidential.

#### **Background Documents**

Draft BEREC Report on empowering end-users through environmental transparency on digital products

Contact Sustainability\_PC@berec.europa.eu

## Contact

Contact Form