

DIGITAL AND STREAMING STANDARDS, THE SCOPE OF RESPONSIBILITY

Standardising the sector's approach on streaming is vital. The group reviewed the whole chain and reached a key set of conclusions related to the scope of responsibility concerning digital distribution.

Emissions from downstream digital distribution (the distribution of digital recordings through Digital Service Providers [DSPs] and consumption by fans through streaming services or digital download) are excluded from the responsibility of labels for the following reasons:

- Scope of responsibility - labels do not own or control DSPs which are the responsibility of third parties who are already taking responsibility for the relevant emissions.
- Influence – record companies have no direct control over the distribution of digital files once they have distributed to DSPs, or influence over emission reduction programmes.
- Size – due to a lack of available data, it's not possible for the recorded sector to estimate with accuracy the size of emissions from digital distribution. The necessary data is controlled by DSPs and their downstream partners. Some DSPs are working towards gathering data from their operations and are establishing emissions calculation methodologies. We refer to this as availability of data is part of the GHG protocol, but as noted above, scope of responsibility and lack of influence mean that DSP emissions (including subscriber emissions) are not counted as record company emissions. (This is the same as for other downstream areas of activity in the music market, such as physical retail.)

Digital distribution is a vital part of our industry and makes up a significant portion of income for our members. We're therefore working closely with DSPs to encourage greater transparency and will support towards measuring and reducing the impact of streaming. As part of the Music Climate Pact and our own **Climate Charter**, we call on DSPs to work collaboratively to share data and knowledge on this issue.