STATE OF READINESS - SUSTAINABILITY IN DIGITAL ADVERTISING REPORT

Introduction

In 2022, it was estimated that the internet's overall environmental impact was around [2%-4%](#) of global carbon emissions, with a typical ad campaign emitting around 5.4 tons of CO_2. As the industry and wider society become more aware of the impact that the internet, and digital advertising as a key part of that, has on the environment, it is now more important than ever to take action and drive real change.
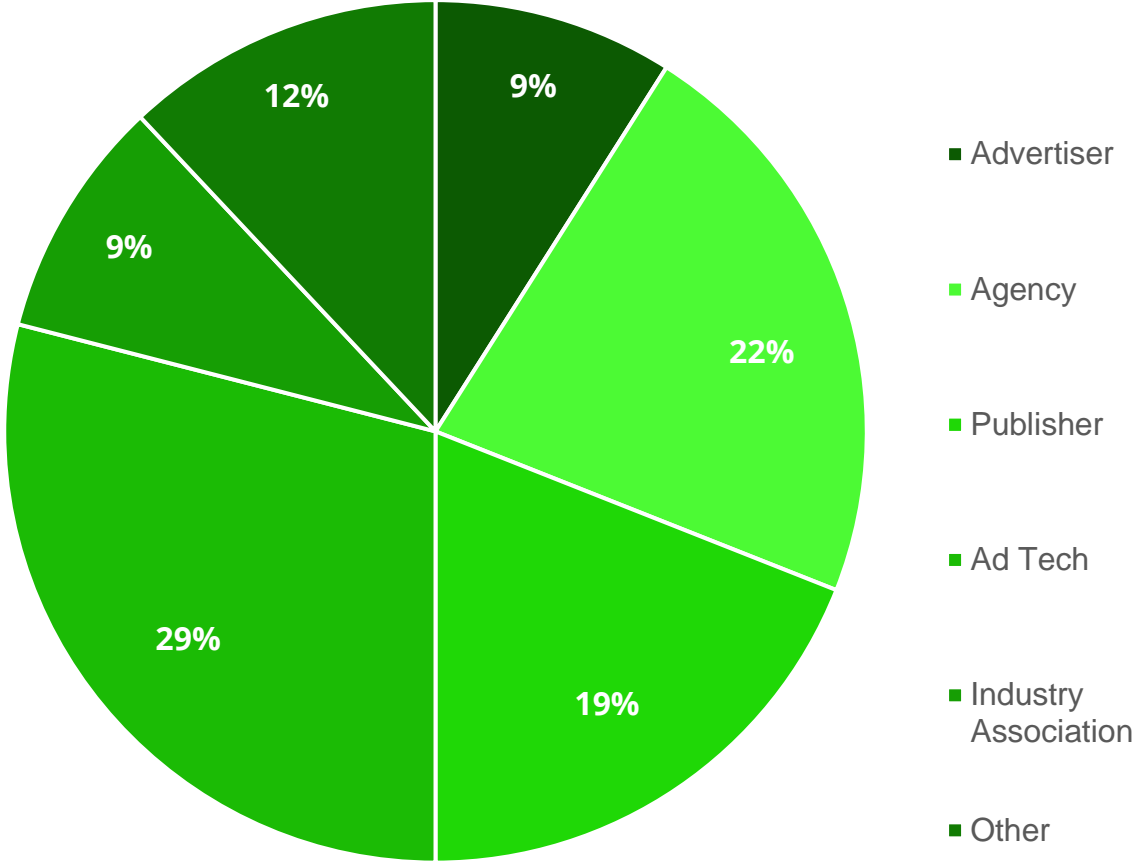
But, as an industry, how prepared are we in our fight to make digital advertising sustainable? What have we achieved so far and how much further do we need to go in order to achieve net zero?

To gain insight into the state of readiness and understand how far the digital advertising industry has progressed on its journey toward the delivery of sustainable advertising, IAB Europe's Sustainability Standards Committee developed the State of Readiness – Sustainability in Digital Advertising survey. The survey attracted respondents from across the digital advertising ecosystem with the vast majority coming from Ad Tech, Agency and Publisher businesses.

Methodology

An online survey was used with the help of the National IAB Network to ensure a representative sample was collected across 29 markets. The survey received 256 respondents between November and December 2022.

The majority of respondents were Director/VP or C-Suite level. The Buy-Side represented almost a third of the total respondents (22% agencies; 9% Advertisers) with nearly a quarter of respondents also coming from Ad Tech companies (28%).

Q: Is your company?

Legend:
- Advertiser
- Agency
- Publisher
- Ad Tech
- Industry Association
- Other

Pie chart values: 9%, 22%, 19%, 29%, 9%, 12%

Executive Summary

The 2023 State of Readiness – Sustainability in Digital Advertising report highlights the following key findings:

- Sustainability is a key challenge for the digital advertising industry with it being cited as important as cookieless targeting and measurement to businesses.

- Environmental impact and carbon reduction are a priority when it comes to sustainability, with the measurement of CO_2e impact and the creation of standards being important to driving carbon reduction in digital advertising.

- Over half of the digital advertising businesses that responded to the survey have started their journey towards CO_2e reduction (55% have started or made significant progress on their journey towards Co2e reduction).

- For companies on their sustainability journey, creating a checklist, undertaking a sustainability audit and dedicating a sustainability lead are key actions that have been taken so far.

- There is, however, misalignment of what the industry thinks it should be doing (35% think the industry should be measuring its CO_2e impact) and what it is currently doing (51% of companies do not measure the emissions produced by the delivery of digital ads currently).

- Almost half of all respondents agree that more should be done to educate individuals and talk about sustainability in the digital advertising industry.

THE IMPORTANCE OF SUSTAINABILITY IN DIGITAL ADVERTISING

# Sustainability is a Top Three Industry Challenge

When thinking about key industry challenges for the year ahead, sustainability is one of the top three challenges for businesses, showing that it is as important as cookieless targeting and measurement when it comes to what needs to be tackled in digital advertising (35% of respondents cited cookieless targeting; 27% measurement; 26% sustainability).

Interestingly, this was ranked above privacy concerns and the current economic environment as a priority for the industry.

35% Cookieless targeting
27% Measurement
26% Sustainability
24% Privacy concerns
22% Economic environment
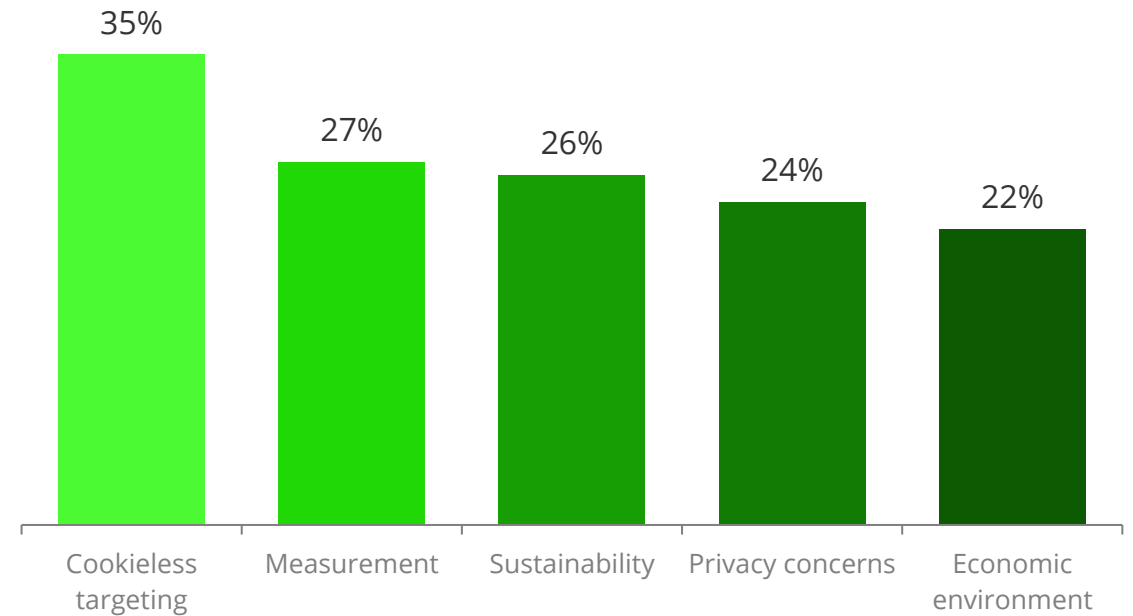
*Q. What are the most important **digital advertising industry challenges** to your company? (Please select the top two challenges for your company right now)*

Environmental Impact and Carbon Reduction are Key to the Sustainability Journey of Digital Advertising Businesses
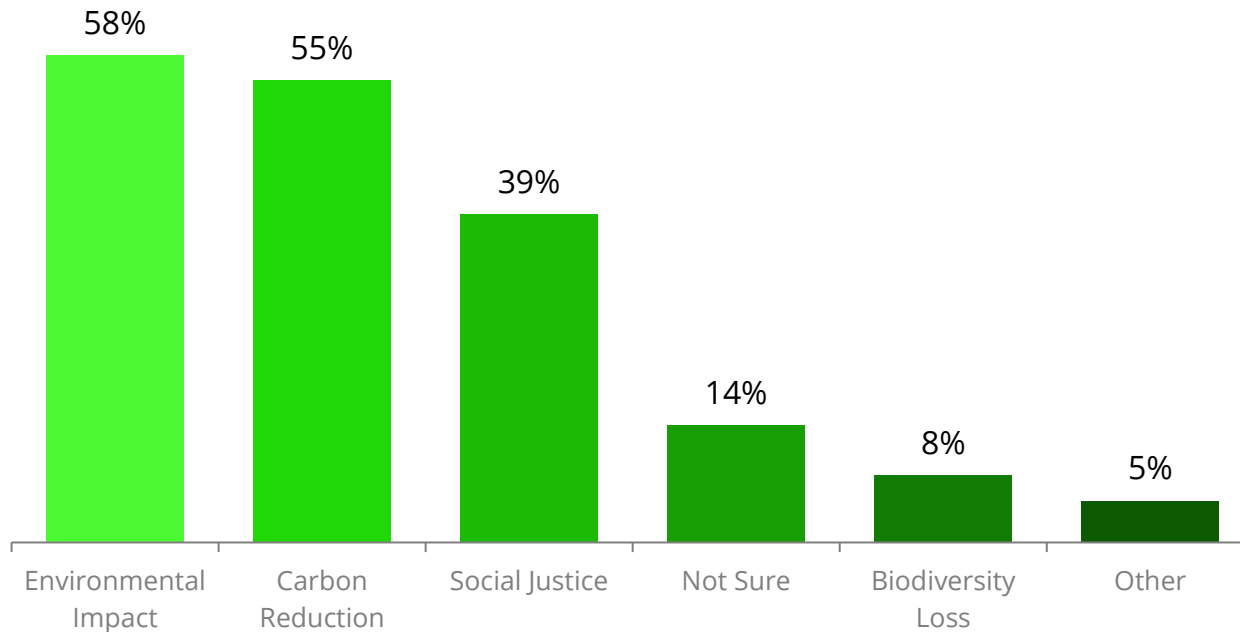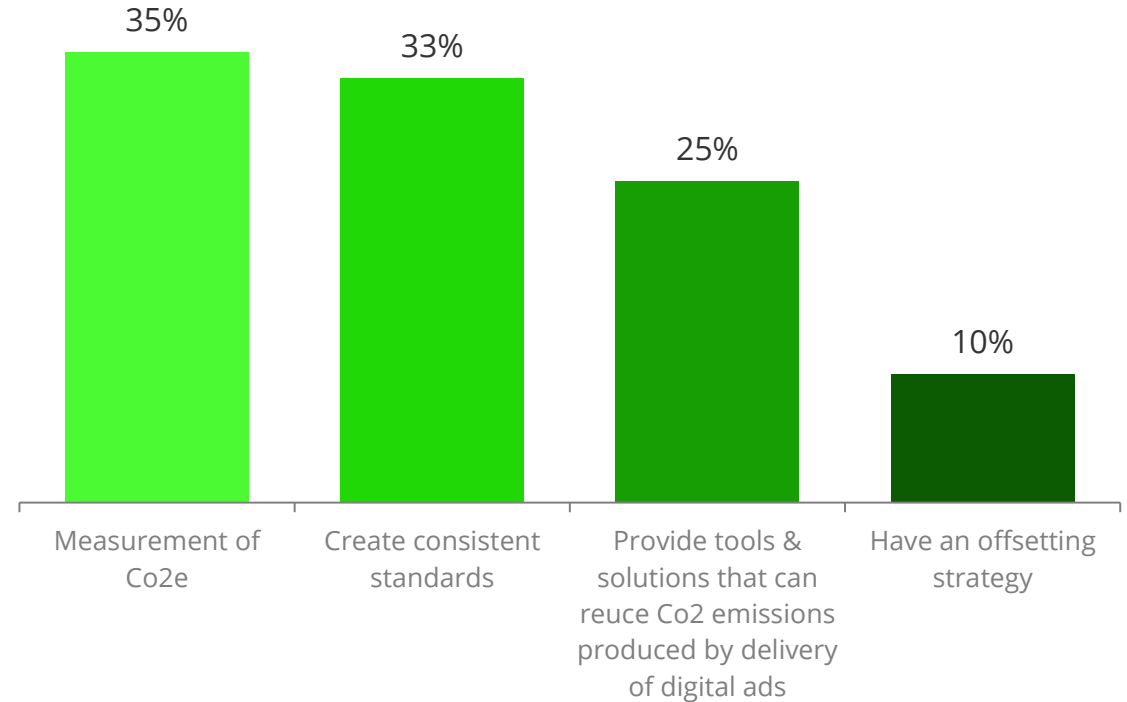

When considering what the most important aspects of sustainability in digital advertising are for companies, more than half stated that environmental impact (58%) and carbon reduction (55%) were the top two most important elements of sustainability to consider. Social justice was also seen as key at 39%.

*Q. Which of the following are the **two most important aspects of Sustainability** for your company? (Please select the top 2 most important aspects of sustainability)*

Measurement and Standards are Cited as the Top Two Things to Drive Co2e Reduction

When it comes to the most important thing the industry needs to do to drive CO_2e reduction in digital advertising, measurement of CO_2e was cited as the most important focus (35%). This was closely followed by the creation of consistent standards (33%) and providing tools and solutions that can reduce the CO_2 emissions produced by digital ads today (25%). A combination of measurement, standards and solutions will be key to driving sustainability in digital advertising.

35%	33%	25%	10%
Measurement of Co2e	Create consistent standards	Provide tools & solutions that can reuce Co2 emissions produced by delivery of digital ads	Have an offsetting strategy

*Q. What do you believe is the **most important thing that the industry needs to do to drive CO_2e reduction** in digital advertising? (Please rank in order of importance with 1 being the most important and 4 being the least important)*

# The Industry Needs External Verification For Measurement and Standards

Legend: Don't know | Yes but not yet | No | Yes
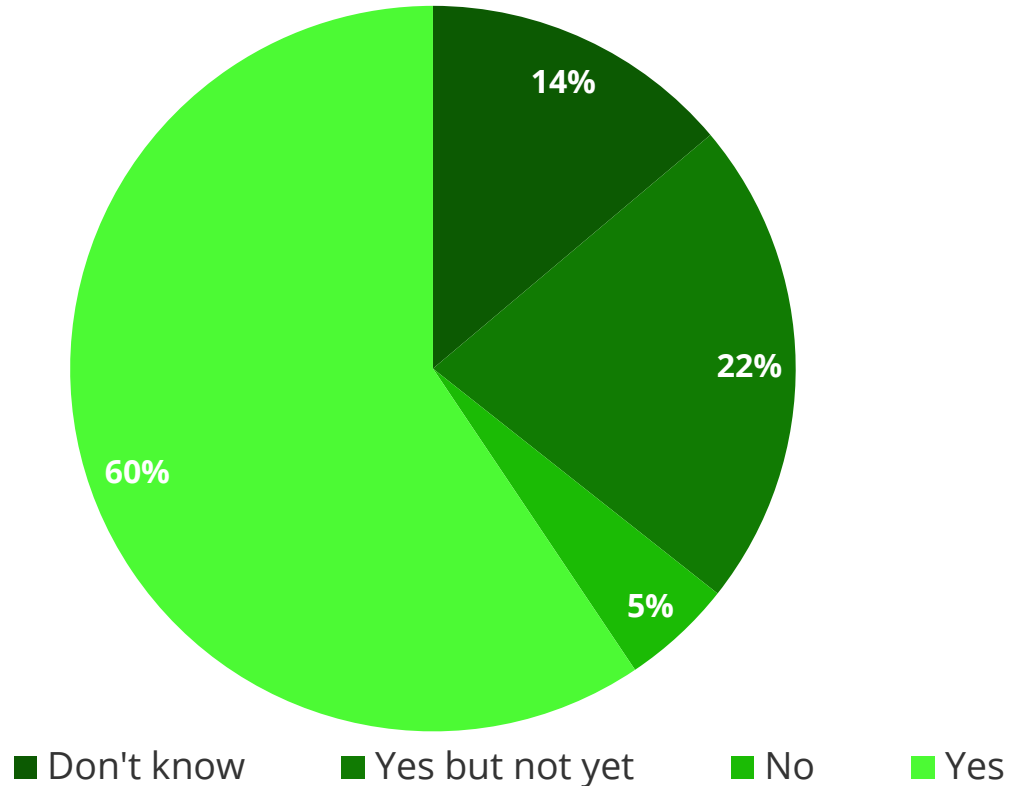
Over half (60%) of respondents agreed that our industry needs external verification when it comes to CO_2e measurement and standards. It's also worth noting that nearly a quarter (22%) agreed that external verification is needed, but not yet, indicating that the industry feels that it needs to get to a certain point before introducing authentication.

Q. Do you think our industry needs external verification when it comes to CO_2e measurement and standards?

STATE OF READINESS – HOW FAR COMPANIES ARE INTO THEIR SUSTAINABILITY JOURNEY & WHAT HAS BEEN ACHIEVED TO DATE

Over Half of Businesses Have Started Their Journey Towards Co2e Reduction
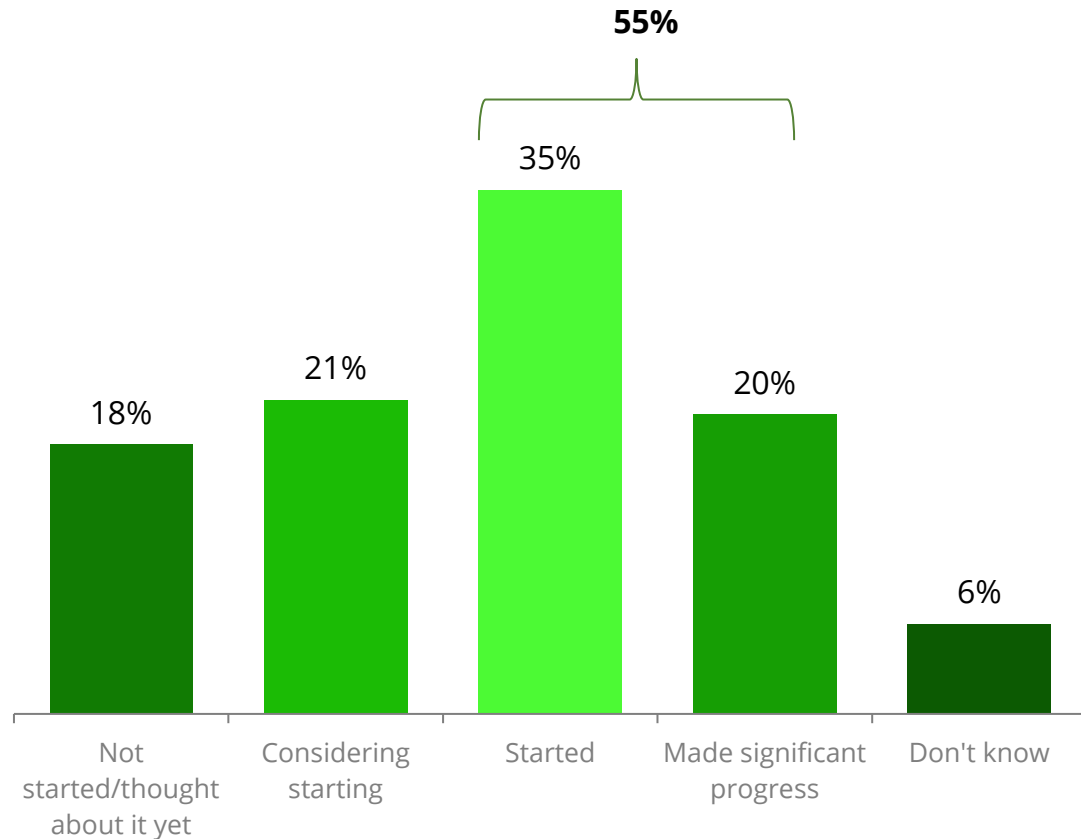
If we look at how far businesses have got on their own sustainability journeys, **55% of respondents** believe that their company has started or made significant progress on their journey towards CO_2e reduction. However, 18% have not yet started or thought about it yet.

It's also encouraging to see that 21% are considering starting their journey, showing that there is a willingness and that sustainability is on the agenda of businesses.

Q. At what stage do you think your company is at in its journey towards CO_2e reduction?

What Have Companies Achieved So Far?

In terms of companies that have started their sustainability journey, creating a checklist, undertaking a sustainability audit and dedicating a sustainability lead are key actions that have been taken so far.

50% Have done or are doing a sustainability audit

46% Have a dedicated sustainability lead

46% Have created a checklist

A third (33%) are also offering green, low carbon or sustainable products to the market and a third (30%) have signed up to industry programmes such as Ad Net Zero.

Q. If your company has started its sustainability journey, what have you achieved so far: (Please select all that apply)

There is, However, Misalignment Between What the Industry Should be Doing and What it is Currently Doing

As mentioned on page 9, 35% of respondents think that the industry should be measuring its CO_2e impact, however, only 20% of companies are currently measuring the emissions produced by the delivery of ads and a staggering **51% of companies** don't currently measure the emissions produced by the delivery of digital ads at all.

20%

29%

51%
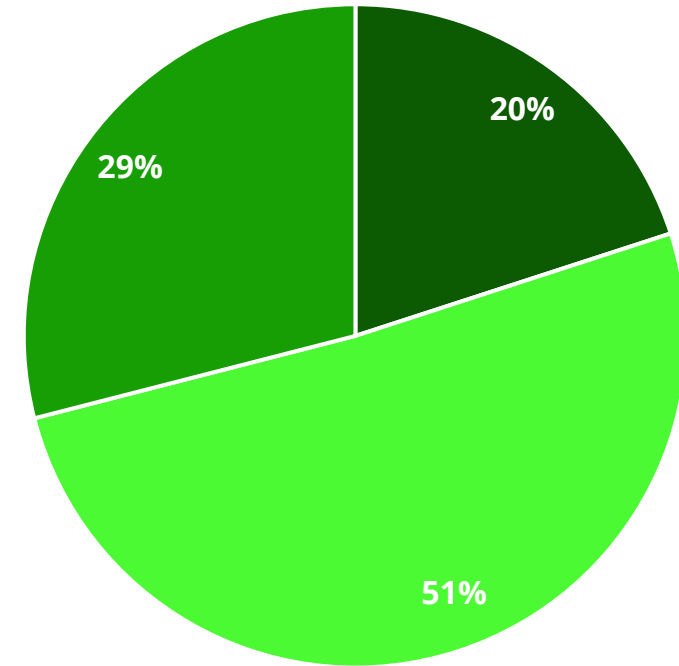
■ Yes ■ No ■ Don't know

Q. Does your company currently measure the emissions produced by the delivery of digital ads?

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Companies Have a Good Internal & External Buy-In When it Comes to Sustainability and it is a Key Priority For Businesses

75% of respondents strongly agree or agree that it's important to employees that as a business their company is tackling sustainability
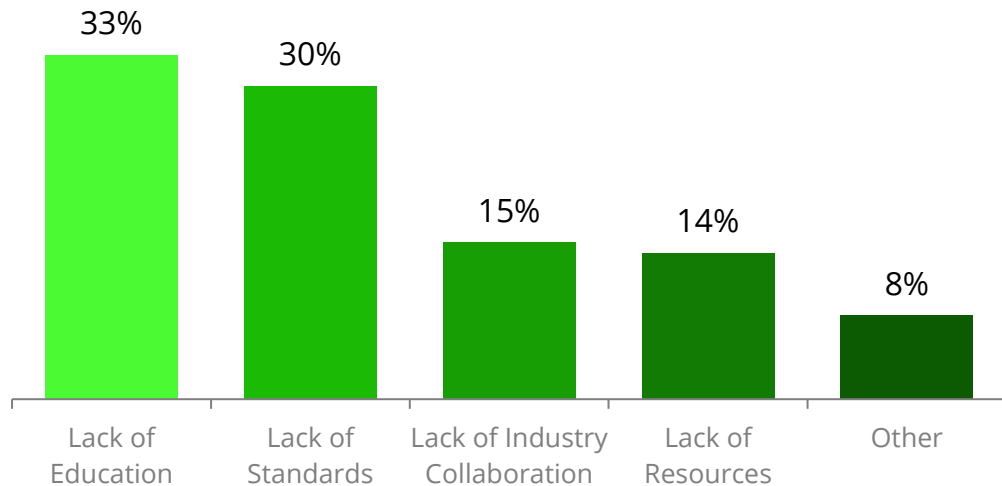
71% of respondents strongly agree or agree that it is important to their partners

53% of respondents strongly agree or agree that their organisation is prioritising sustainability as a strategic goal

Q. Please state the extent to which you agree or disagree with the following statements when it comes to the work currently being done to support sustainability in digital advertising (Please select either strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree)

Yet the Industry Could Do More to Educate Individuals and Talk About Sustainability

A third of respondents cite the lack of education (33%) and lack of industry standards (30%) as key challenges that the industry needs to overcome*

49% of respondents disagree or strongly disagree with the statement that sustainability in digital advertising is sufficiently being covered in industry publications*

43% of respondents disagree or strongly disagree that lots of work is being done to make our industry sustainable**

33%	30%	15%	14%	8%
Lack of Education	Lack of Standards	Lack of Industry Collaboration	Lack of Resources	Other

*Q. When it comes to sustainability in digital advertising what is the key challenge/problem the industry is facing that we need to overcome?**

*Q. Please state the extent to which you agree or disagree with the following statements when it comes to the work currently being done to support sustainability in digital advertising (Please select either strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree)***

THE TIME TO ACT IS NOW – DRIVING SUSTAINABILITY IN DIGITAL ADVERTISING

Summary

One thing is for sure, when it comes to the delivery of digital advertising, sustainability is a key priority for the whole digital advertising ecosystem. But in order to achieve this and drive the delivery of digital ads toward net zero, we need to align as an industry and act. And the time to act is now.

In order to help drive the industry forward on its journey towards the sustainable delivery of digital advertising we need collaborate. We need to be able to measure the impact and reduction of CO_2e, create consistent standards for practical action and provide key tools and solutions that can reduce the CO_2 emissions produced by digital ads today. It is also important to continue to educate the industry and keep sustainability at the top of the agenda to encourage participation and action.

IAB Europe's Sustainability Standards Committee, officially formed in December 2022, was created to support the industry on these points exactly. It brings the industry together with a key aim to create new standards for the delivery of digital advertising, to help and direct all industry participants to reduce the amount of energy consumed and carbon emissions produced through the use of digital media.

The committee aims to help the industry bring standardisation to best practice and measurement, and then ensure that the governance of these remains independent and transparent to all members of the digital supply chain.

By working together and aligning on consistent frameworks and standards, we all have the opportunity to kick-start and progress on our journeys towards a more sustainable future, not only for digital advertising but for our planet.

For more information on IAB Europe and the work being done to drive sustainability in digital advertising, visit iabeurope.eu or contact communication@iabeurope.eu

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"It is clear from the results that a combination of measurement, standards, and solutions will be key to driving sustainability in digital advertising forward. This year, IAB Europe will focus on delivering standardisation of reporting whilst supporting the industry as it navigates the complex European regulatory environment of sustainability."

Andrew Hayward-Wright, Programmatic & Sustainability Advisor, IAB Europe

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"With 55% of respondents 'having started' or 'made significant progress' with their own carbon reduction efforts, I am hopeful this indicates that 2023 is the tipping point for sustainable digital practices to become embedded into the mainstream. However, the report also highlights that we need to focus on education and collaboration to turn this into a reality. I believe we need to act quickly and commit fully, to realise the commercial opportunity that decarbonisation and sustainable innovation unlocks."

Laura Wade, Head of Sustainability, EssenceMediacomX

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"This report highlights the lag of our industry across sustainability broadly. The fact that half of respondents do not yet measure the GHG emissions of digital ads delivery is symptomatic of this delay. However, since the launch of IMPACT+ in 2020, we've seen that building awareness can lead individuals and organisations to move faster towards sustainable advertising. The creation of the Sustainability Standards Committee by IAB Europe is an excellent initiative to spread the word and succeed in tackling these challenges collectively."

Audrey Danthony – Co-founder - IMPACT+

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