



**STATE OF
READINESS -
SUSTAINABILITY
IN DIGITAL
ADVERTISING
REPORT 2024**



Introduction

Digital technology contributes significantly to the climate crisis, comprising nearly 4% of global greenhouse gas emissions. Despite its convenience and innovative opportunities, our reliance on these technologies to deliver digital advertising has considerable consequences to the environment. As such, achieving sustainability is now critical for the digital advertising industry.

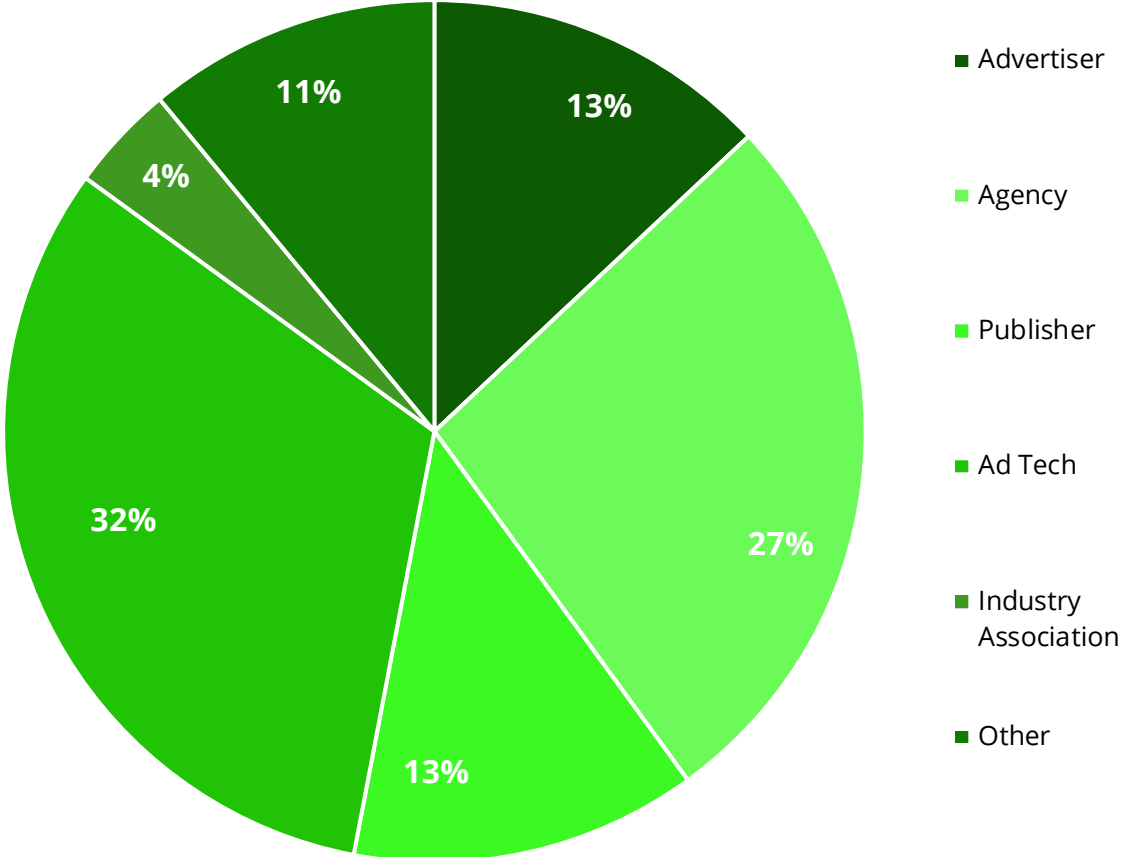
But how much of a priority is it for businesses in the ecosystem today, and how much progress have companies made in reducing their own carbon footprint and improving sustainable practices?

IAB Europe's Sustainability Standards Committee developed the State of Readiness – Sustainability in Digital Advertising survey to gain valuable insights into our industry's progress and to understand what more needs to be done to achieve sustainability. Now in its second year, the State of Readiness Report provides a comprehensive, pan-European understanding of our industry's advancement towards sustainable digital advertising. 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 186 respondents between November 2023 and January 2024.

The majority of respondents were Head of Sustainability, Director/VP or C-Suite level. The Buy-Side represented over a third of the total respondents (27% agencies; 13% Advertisers) with a large majority of respondents also coming from Ad Tech companies (32%).

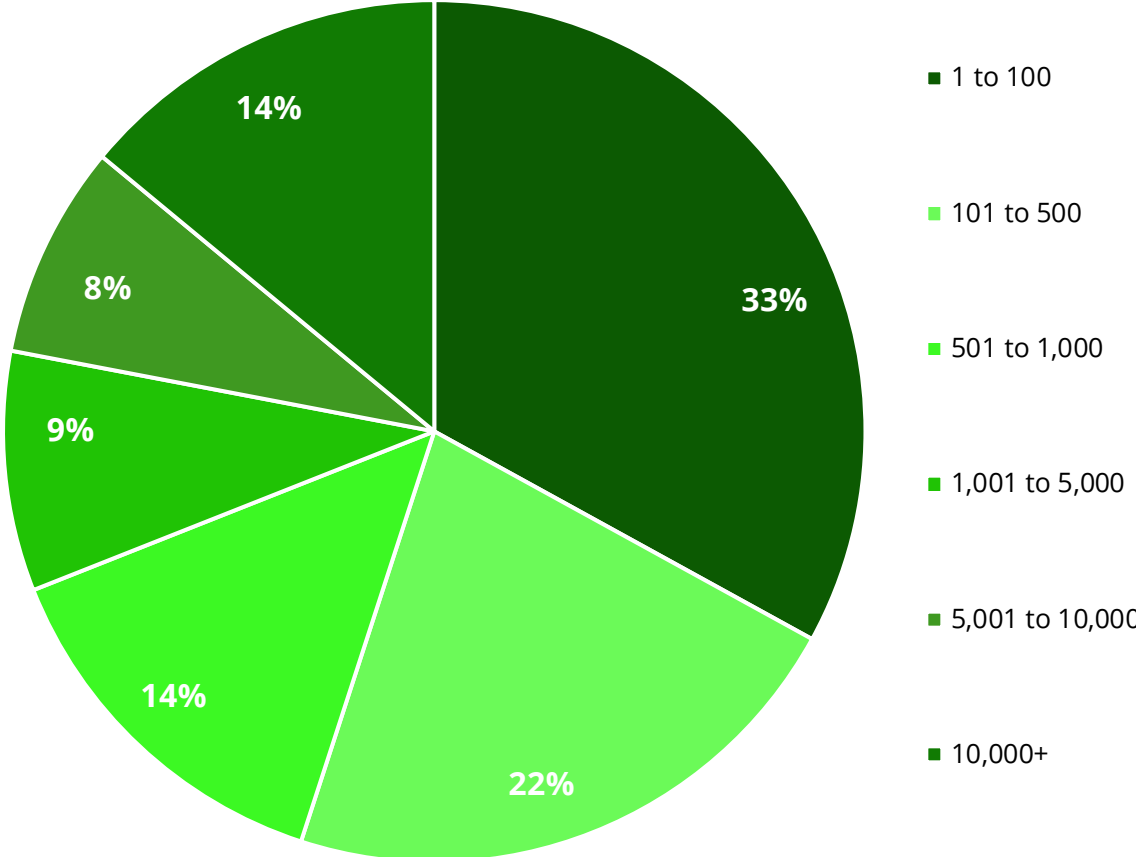


Q: Is your company?

Methodology

Over half (55%) of respondents represented businesses comprising of up to 500 employees.

The majority of respondents represented Global businesses (51%), followed closely by European businesses (22%). Most local market responses came from Germany (11%), the UK (10%), Turkey (9%) and Switzerland (9%).



Q: What size is your organisation?

Executive Summary

The 2024 State of Readiness – Sustainability in Digital Advertising report highlights the following key findings:

- Sustainability remains a key challenge for the digital advertising industry with it being cited as important as cookieless targeting and measurement.
- Greenhouse gas (GHG) impact is key to the sustainability journey of the majority of digital advertising businesses (64%).
- Adopting solutions that reduce GHG emissions (90%), developing tools that reduce GHG emissions (90%), and creating consistent standards for GHG estimation (89%) are a priority to drive progress.
- Nearly two-thirds (65%) of respondents agreed that our industry needs external verification when it comes to CO₂e measurement and standards.
- Businesses see corporate social responsibility (88%), client requirements (81%), and compliance and regulation (75%) as the main drivers for their interest in sustainability.
- Nearly three-quarters (70%) of digital advertising businesses that responded to the survey have started their journey towards CO₂e reduction (24% made significant progress; 27% made some progress; 19% started).
- For companies on their sustainability journey, completing or being in the process of an environmental sustainability audit, participating in industry forums and creating a checklist are key actions that have been taken so far.
- The industry is ambitious to make changes but more needs to be done to act. Only a quarter (24%) of respondents have said that they have adopted a GHG estimation framework, methodology or model to measure the impact of digital advertising.
- Nearly all respondents agree that more should be done to educate individuals, create consistent industry standards and ensure transparency in the digital advertising industry.

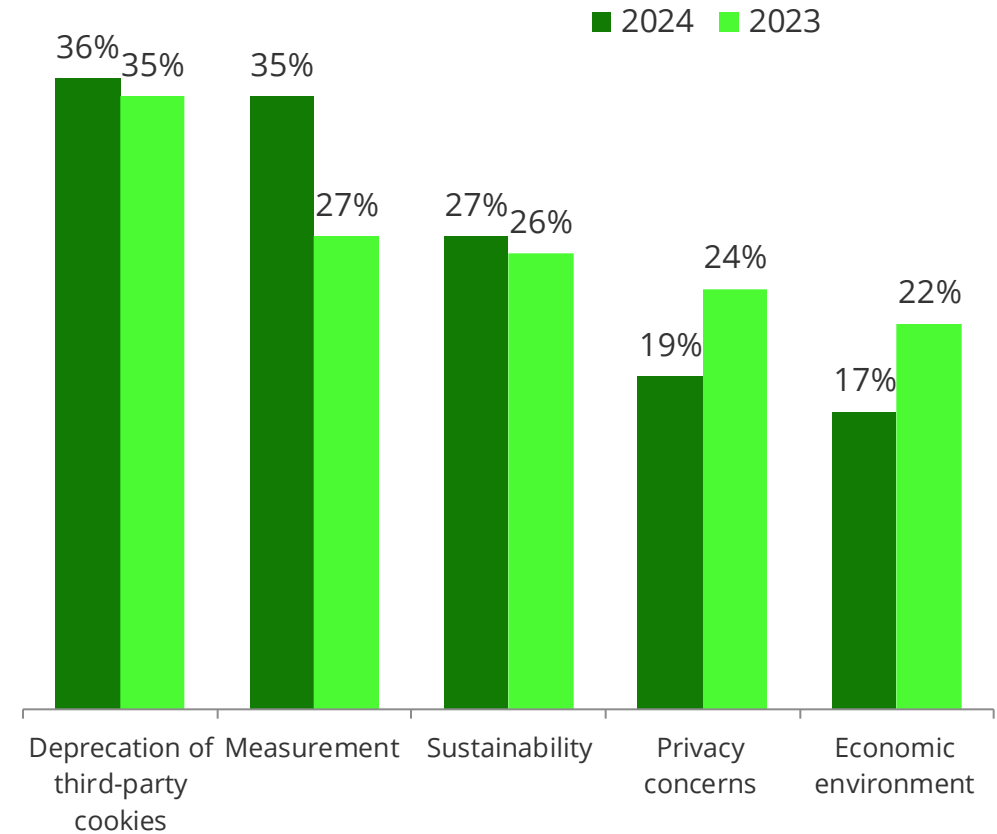
CURRENT UNDERSTANDING OF SUSTAINABILITY

Sustainability Remains a Top Three Industry Challenge

When thinking about key industry challenges, sustainability is still one of the top three challenges for businesses and seen as just as important as the deprecation of third-party cookies and measurement when it comes to what needs to be tackled in digital advertising this year (36% of respondents cited deprecation of third-party cookies; 35% measurement; 27% sustainability).

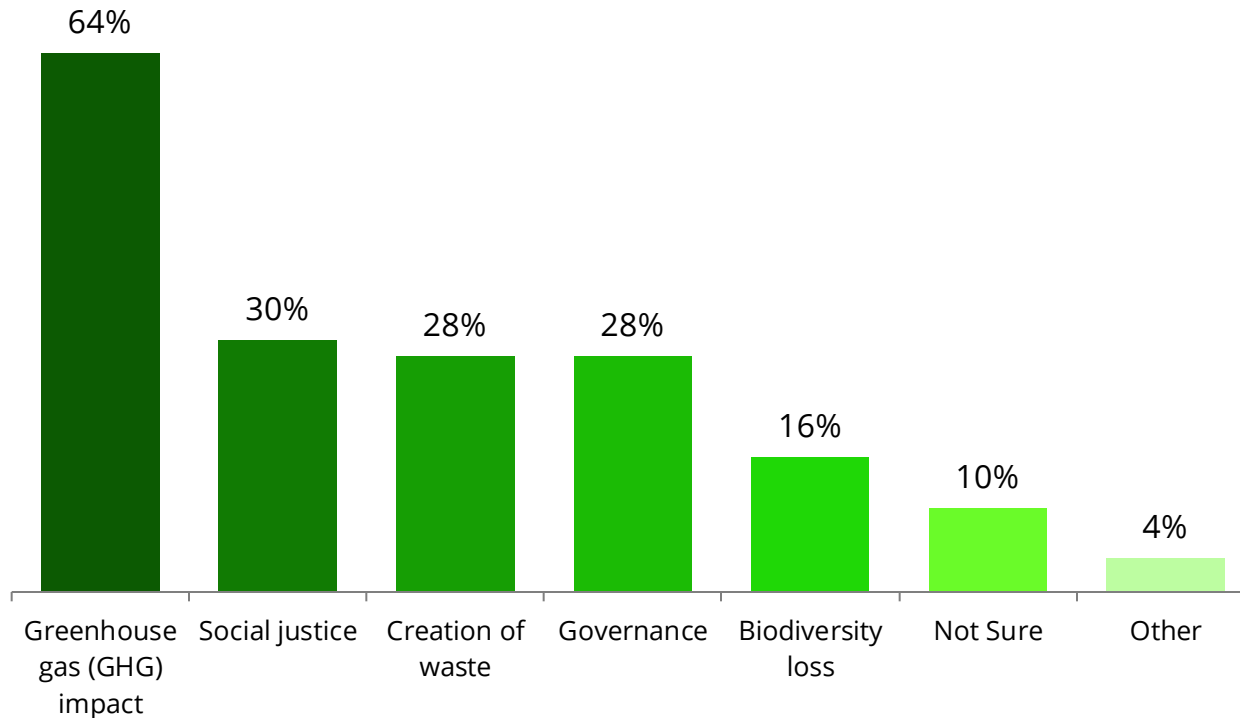
The deprecation of third-party cookies and measurement have grown in importance this year, with the impending deadline for the deletion of third party-cookies in Chrome fast approaching and the need for measurement solutions in the industry gaining focus in 2024.

Interestingly, privacy concerns and the economic environment have decreased in importance. Given the U.S, U.K and EU elections fall this year, and that tensions across the globe are mounting this is surprising, however Digital Advertising has proven to be resilient to uncertainty in the past and it's positive to see that environmental sustainability is being prioritised in this context.



Q. What are the most important **digital advertising industry challenges** to your company? (Please select the top two challenges for your company right now)

Greenhouse Gas (GHG) Impact is Key to the Sustainability Journey of Digital Advertising Businesses



When considering what the most important aspects of sustainability in digital advertising are for companies, the vast majority of respondents stated that Greenhouse gas (GHG) impact (64%) was the most important.

Looking at other areas, just under a third said that social justice (30%), creation of waste (28%), and governance (28%) were also important.

In 2023, respondents stated that environmental impact (58%) and carbon reduction (55%) were the top two most important elements.

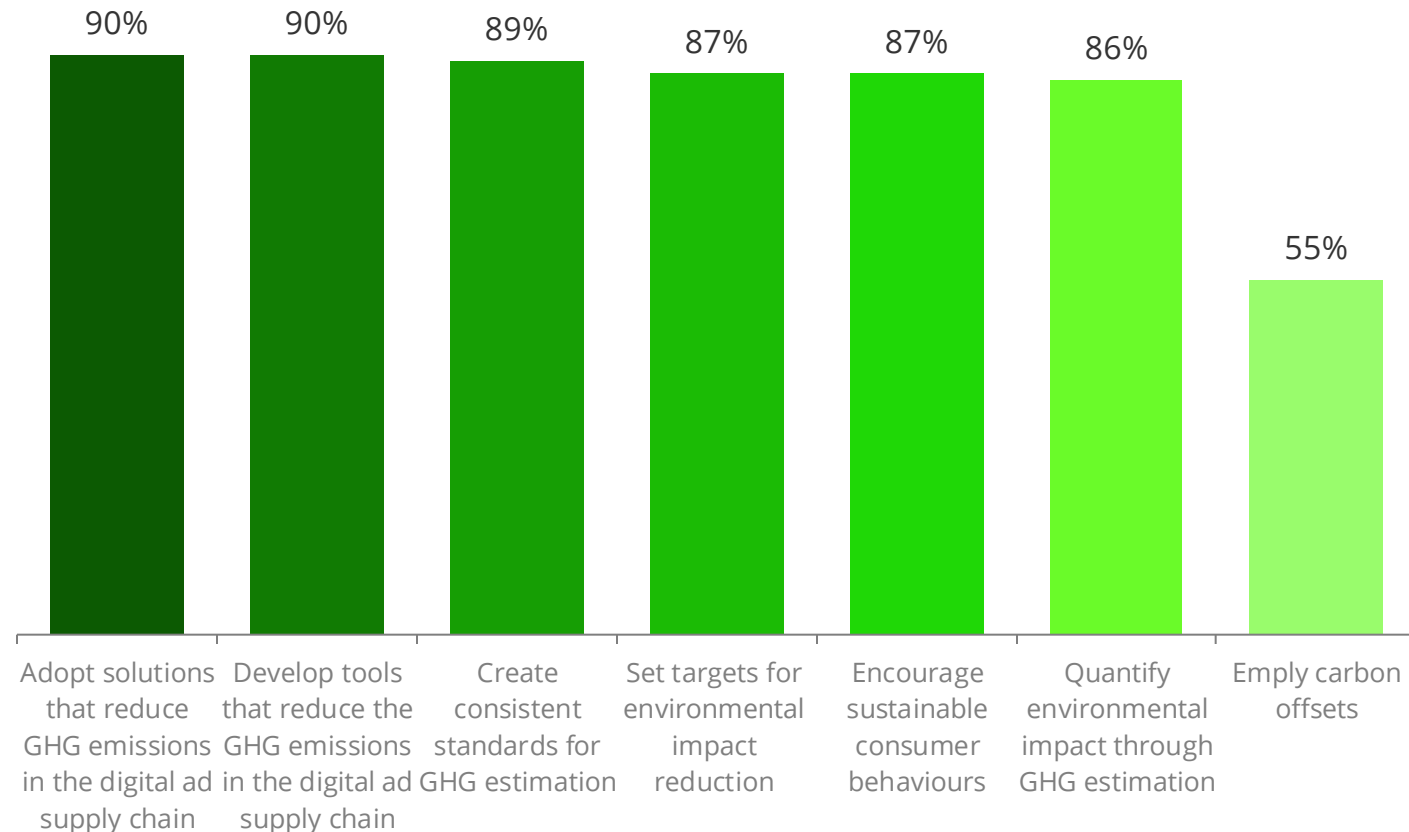
Q. Which of the following are the **two most important aspects of Sustainability** for your company? (Please select the top 2 most important aspects of sustainability)

Developing and Adopting Solutions and Creating Consistent Standards are a Priority for the Industry to Drive Progress

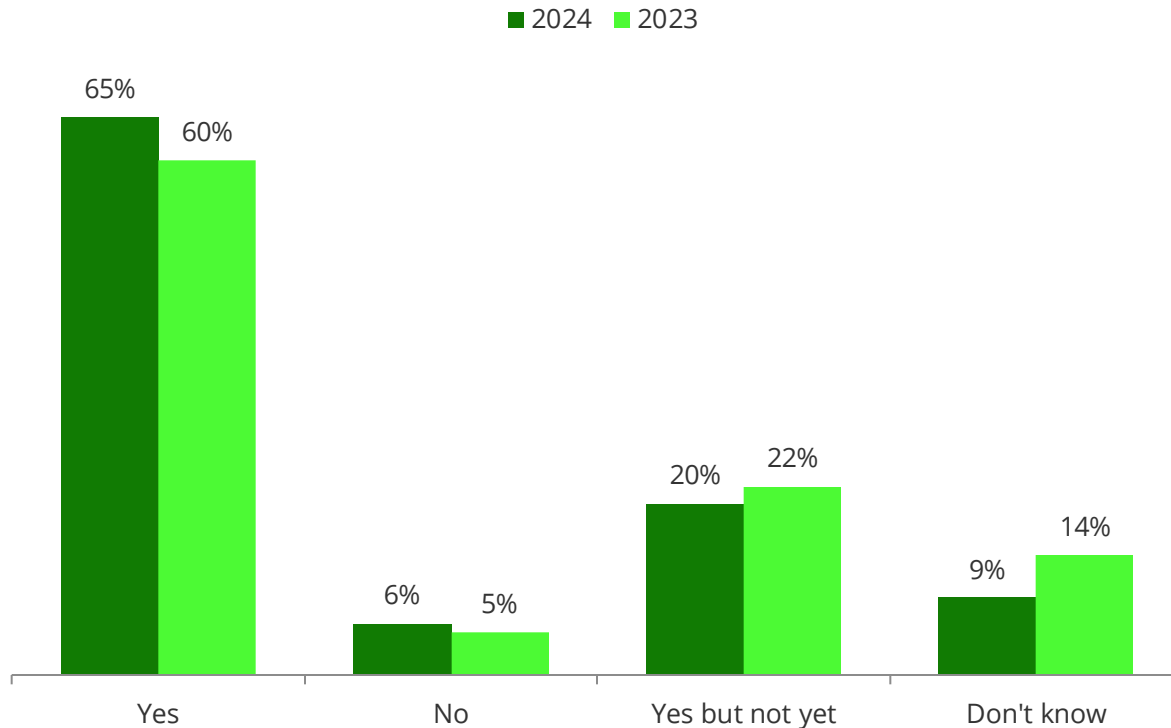
When it comes to what actions the industry must take to drive environmental sustainability, nearly all respondents strongly agreed or agreed that all actions were vital, but the adoption and development of solutions and tools to reduce GHG emissions in the digital ad supply chain and the need for consistent standards for GHG estimation remain the clear priorities for the industry.

Interestingly, employing carbon offsets is seen as the least important action to progression in environmental sustainability with 21% disagreeing/strongly disagreeing. This could be down to it being viewed as a temporary measure rather than a permanent solution to achieving sustainability.

Q. To what extent do you agree that the following actions must be taken by the industry to **drive progress in environmental sustainability**? (please select either strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree)



The Industry is Still in Agreement that External Verification For Measurement and Standards Are An Essential Requirement



Nearly two-thirds (65%) of respondents agreed that our industry needs external verification when it comes to CO₂e measurement and standards, showing a 5% increase on last year's report. Under a quarter (22%) agreed that external verification is needed, but not yet, showing a slight decrease from the previous year. This indicates that the industry is increasing its need for external authentication.

Q. Do you think our industry needs **external verification when it comes to CO₂e measurement** and standards?

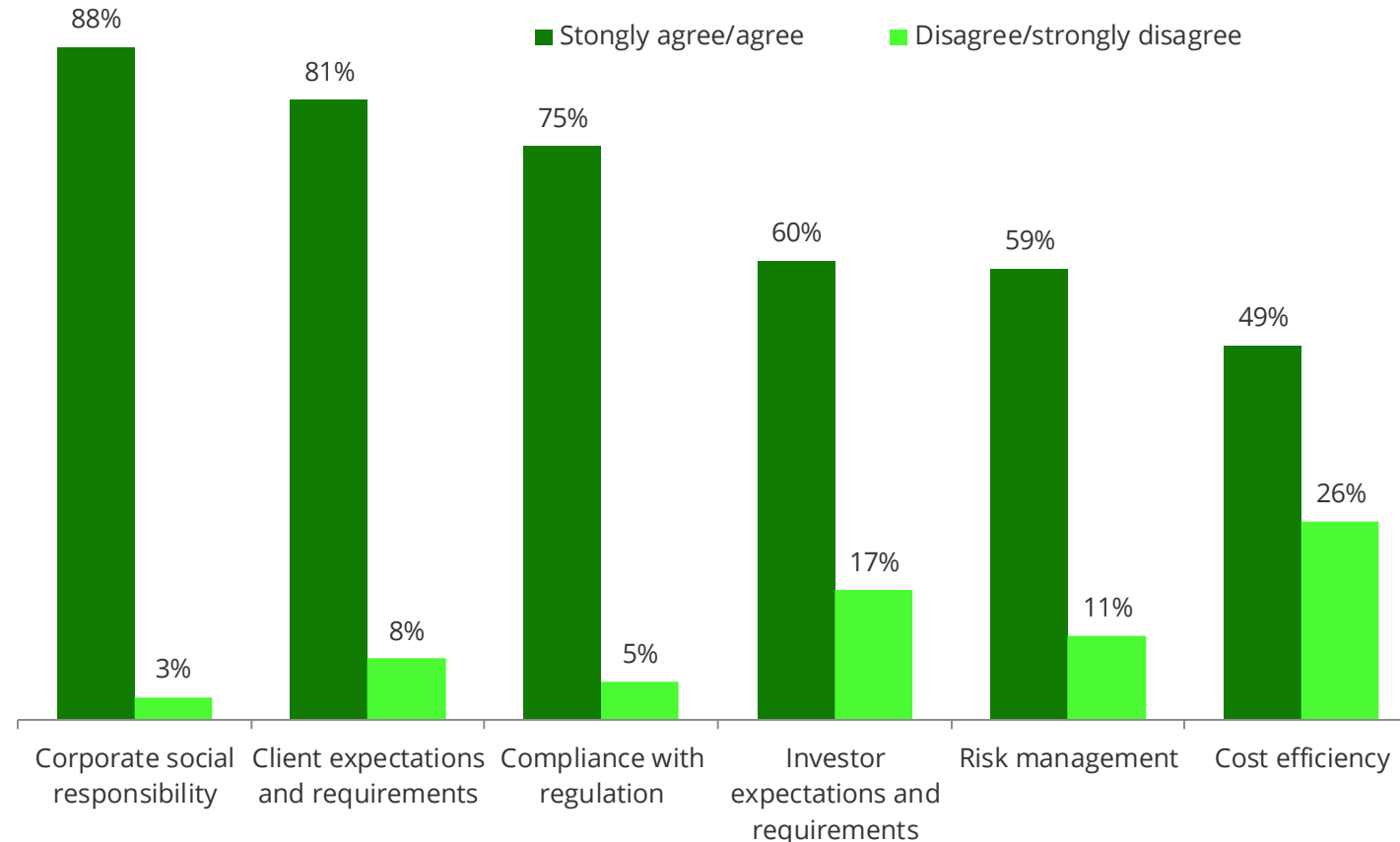
Business Interest in Sustainability is Driven by Corporate Social Responsibility, and External Requirements

Businesses in the ecosystem see corporate social responsibility as the main driver for their interest in sustainability (88% strongly agree/agree), this is closely followed by client expectations and requirements (81%) and compliance with regulation (75%).

This suggests that companies believe they need to be accountable not only to themselves but also to the external pressures of partners and the regulatory landscape as a priority.

Interestingly, a quarter (26%) disagree/strongly disagree that cost efficiency is driving interest in sustainability. As an industry we need to better demonstrate how sustainability can align to cost saving efforts to help drive more change.

Q. To what extent do you agree that your interest in sustainability is driven by the following factors? (please select either strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree)

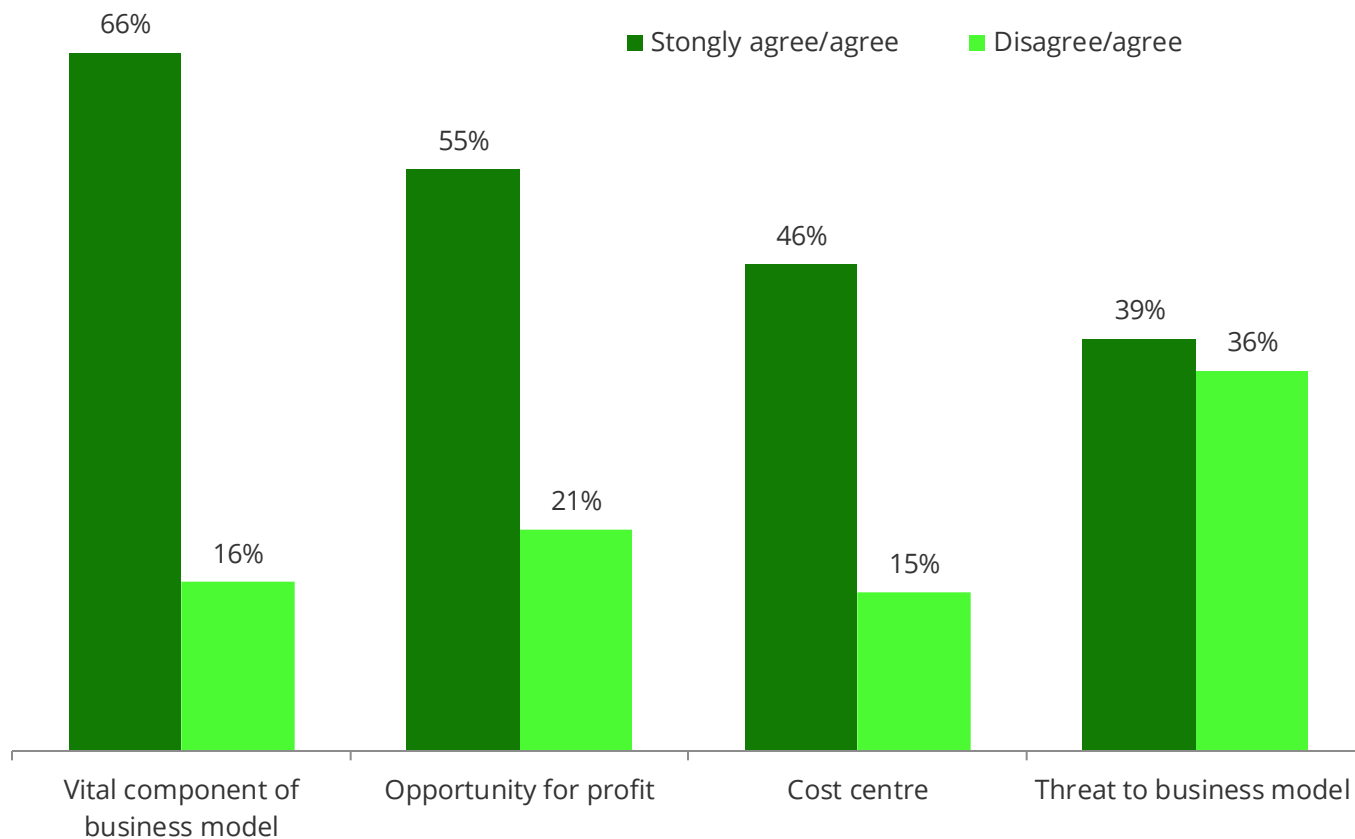


It's Also Driven by Internal Pressures and a Personal Responsibility to Save the Planet



Q. If there are any other main drivers behind your business's interest in environmental sustainability, please name them below

Sustainability is a Vital Component of Business Models



When it comes to how sustainability fits into business models, two-thirds strongly agree/agree that it is a vital component (66%), showing that the digital advertising industry is taking sustainability seriously.

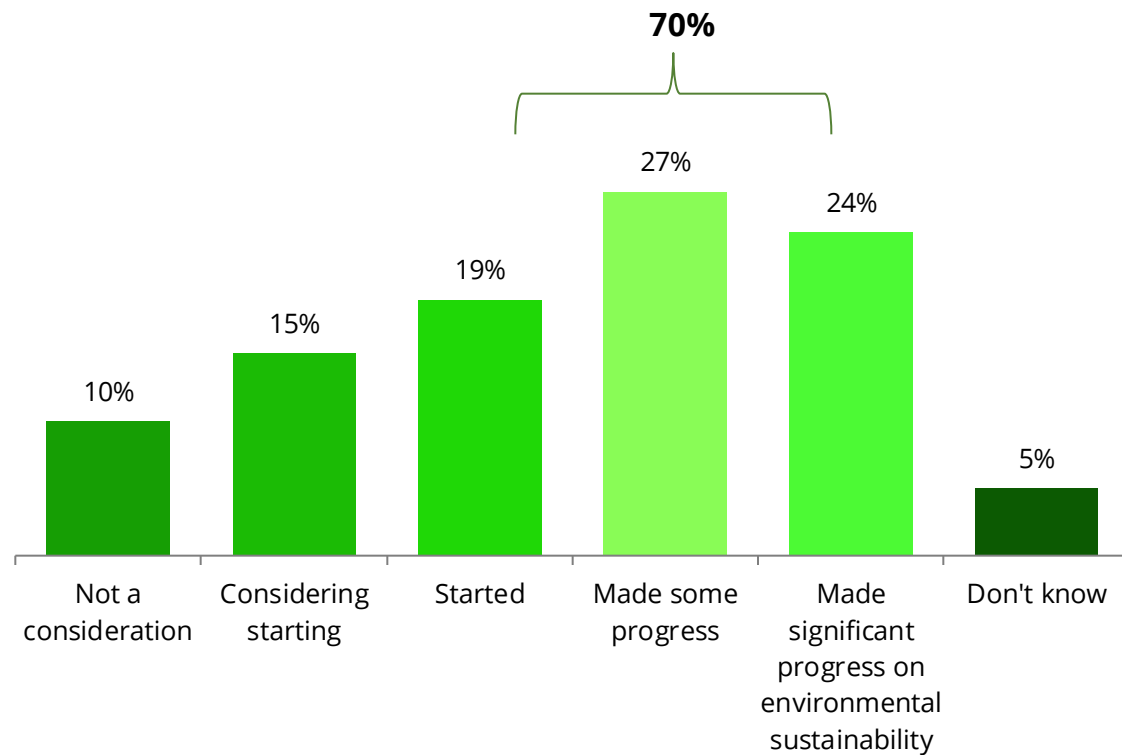
In addition, just over half (55%) are looking at sustainability as an opportunity to drive further profit in business.

Interestingly, just over a third (36%), see it as a threat to their business model. Whilst most see it as vital more needs to be done to educate businesses on the value and positive impacts of sustainability in business plans.

Q. To what extent do you agree with each description of **how environmental sustainability relates to your business model**? (please select either strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree)

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

Almost Three-Quarters of Businesses Have Started Their Journey Towards CO₂e Reduction



If we look at how far businesses have got on their own sustainability journeys, **70% of respondents** believe that their company has started, made some progress or significant progress towards environmental sustainability. In comparison, the 2023 report showed that **55% of respondents** believed that their company has started or made significant progress, showing that the industry is starting to take real action towards CO₂e reduction.

It's also encouraging to see that a low minority (10%) are not considering reducing impact at all, indicating that with more educational guidance more action can be encouraged.

Q. At what stage do you think your company is at in its journey towards CO₂e reduction?

What Have Companies Achieved So Far?

In terms of companies that have started their sustainability journey, completing an environmental sustainability audit, participating in industry forums and creating a checklist are key actions that have been taken so far. Similar actions were taken in the 2023 report.

2024

- 51% Have completed or are in the process of an environmental sustainability audit
- 51% Have participated in industry forums on environmental sustainability
- 48% Have created a checklist

2023

- 50% Have done or are doing a sustainability audit
- 46% Have a dedicated sustainability lead
- 46% Have created a checklist

45% of respondents are also offering low carbon or sustainable products to the market and 42% have estimated the environmental impact of some campaigns. It is worth noting that only 12% have estimated the environmental impact of **all campaigns**, so whilst progress has been made here there is still some way to go to ensure this is integrated into every campaign as standard.

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

All Scopes Have Been Agreed to be Addressed

With regards to the scopes that businesses have agreed to address in their GHG estimation efforts, it's encouraging to see that all scopes have been considered:

43% Scope 1

44% Scope 2

33% Scope 3, downstream only

23% Scope 3, upstream only

Definitions:

The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes':

- Scope 1 emissions are direct emissions from owned or controlled sources.
- Scope 2 emissions are indirect emissions from the generation of purchased energy.
- Scope 3 emissions are all indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Q. Which of the following scopes has your business agreed to address in its Greenhouse gas (GHG) estimation? (please select all that apply)

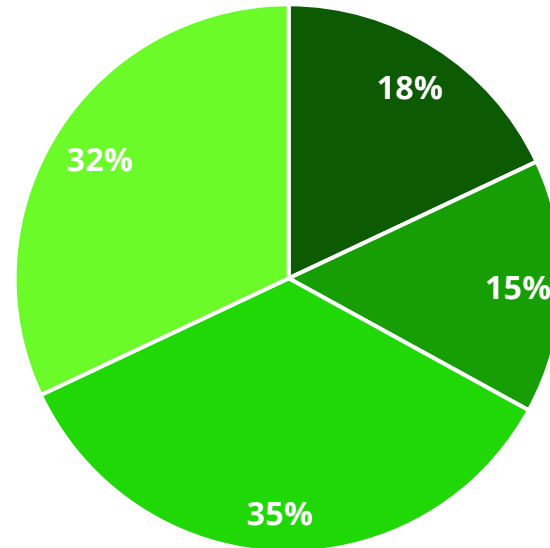
The Industry is Ambitious, but More Needs to be Done to Encourage Target Setting and the Adoption of GHG Estimation Frameworks to Measure Digital Ad Impact

When looking at what the industry has put into action only 18% of businesses have set up SBTi targets*. 15% are also in the process of setting this up.

When it comes to digital advertising impact only a quarter (24%) of respondents have said that they have adopted a GHG estimation framework, methodology or model to measure the impact of digital advertising.

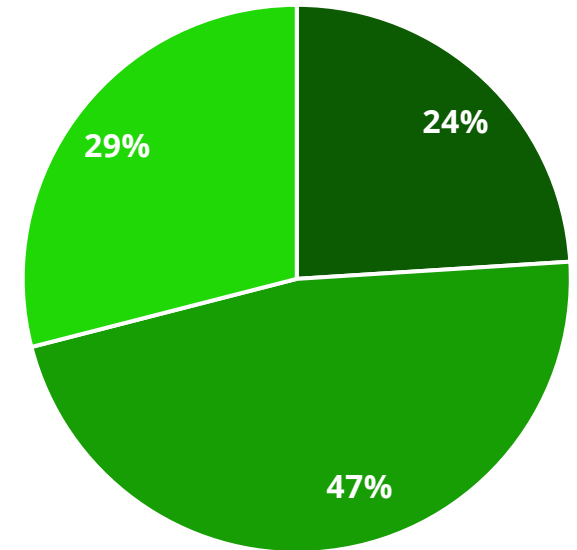
There is a level of understanding that targeting and measurement is important but more needs to be done to activate it as standard best practice in the industry.

*The Science Based Targets initiative (SBTi) enables organisations to set science-based emissions reduction targets



■ Yes ■ Not yet but in process ■ No ■ Don't know

Q. Has your organisation set an SBTi or similar target?



■ Yes ■ No ■ Don't know

Q. Have you adopted a GHG estimation framework, methodologies, or models to measure the impact of your digital advertising?

What Other Actions Have Been Taken?

57% of respondents focus on Supply Path Optimisation (SPO) or Demand Path Optimisation (DPO)

56% of respondents implement creative asset optimisation (e.g. compression)

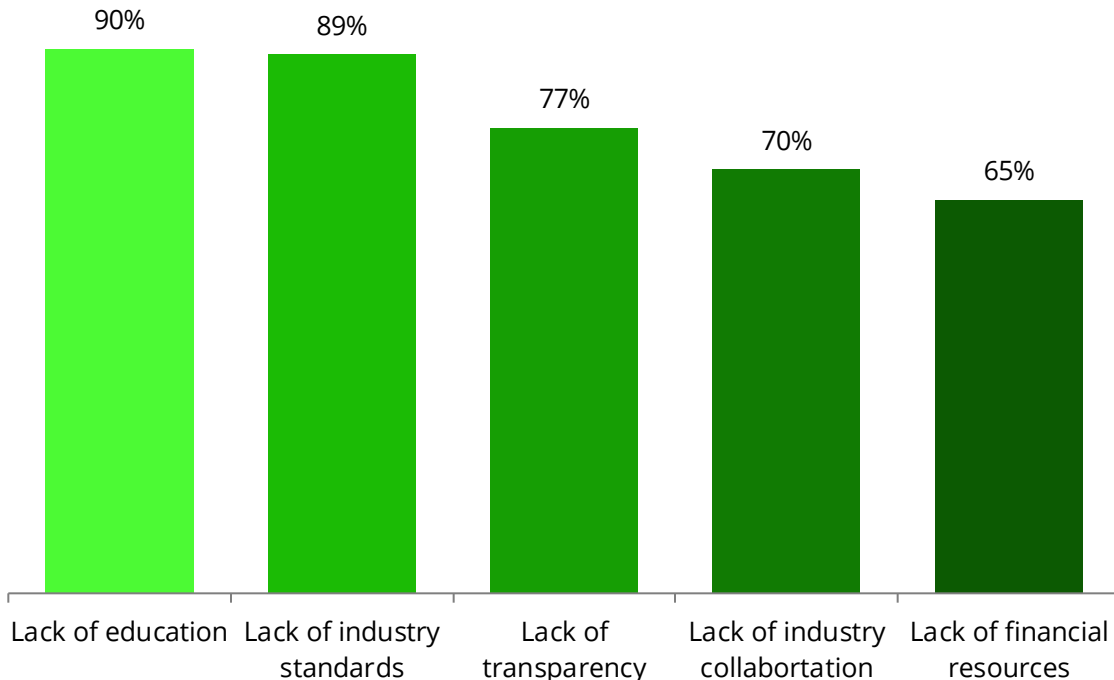
48% of respondents work on ethical/sustainable media selection (e.g. biased towards lower GHG impact)

31% of respondents deliver less GHG-intensive creative production

Q. What actions have you taken to reduce the GHG impact of media products and the delivery of digital ads? (please select all that apply)

The Industry Needs to Do More to Educate, Professionalise & Provide Standardisation but it is Optimistic for the Future

Nearly all respondents agree or strongly agree that a lack of education (90%) and lack of industry standards (89%) are key challenges that the industry needs to overcome*



63% of respondents disagree or strongly disagree that professionals in the industry are educated enough on sustainability**

71% of respondents agree or strongly agree that in the long run, the industry will achieve the transparency and information exchange required for robust estimation of GHG emissions in the digital advertising supply chain **

*Q. To what extent do you agree that each of the following factors is an obstacle to progress in environmental sustainability? (please select either strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree)**

*Q. To what extent do you agree 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)***

Additional Challenges for Consideration

“Understanding how to proceed”

“Lack of a push from clients, as too focused on short-term performance”

“It's not a lack of financial resources but an unwillingness to invest those vast resources in this area. Or to prioritise this over profit”

“Lack of government regulation”

“Need to quash concerns that being Sustainable leads to a loss of revenue.”

“The development of comprehensible and transparent standards by the IAB for CO2 measurement.”

Q. Please specify any additional challenges you consider key

SUMMARY

Summary

It is clear that ensuring sustainability in digital advertising is paramount and of high importance for the entire ecosystem.

To continue to drive the industry forward and to achieve the sustainable delivery of digital advertising, we need to come together and focus on educating individuals, creating consistent and widely adopted standards for the measurement and reduction of greenhouse gas (GHG) emissions and provide transparency over our goals and how we intend to achieve them. Sustainability must remain at the top of the agenda and subsequently become part of the overall supply chain process as standard.

IAB Europe's Sustainability Standards Committee, officially formed in October 2022, was created to act as a central point of collaboration for all stakeholders in the industry to create best practices and new standards for the delivery of sustainable digital advertising in Europe. It brings together industry experts to share insights and deliver outputs that help to reduce the amount of energy consumed and emissions produced by digital advertising via three core focus areas: ESG Definitions & Business Guidance; ESG Methodology & Framework; ESG Policy & Regulation.

Through collaborative efforts and agreement on consistent frameworks and standards, we all possess the opportunity to advance toward a more sustainable future, benefiting not only digital advertising but also our planet.

For more information on IAB Europe and the work being done to drive sustainability in digital advertising, visit the [IAB Europe Sustainability Hub](#) or contact communication@iab europe.eu.



"IAB Europe's second State of Readiness Report clearly emphasises that we are focusing our work in the Sustainability Standards Committee on the right challenges: Education, standardisation, transparency as well as measurement and the reduction of emissions. Although many of the European regulatory cuts like CSRD & ESRS, CSDDD, GCD and so on have not yet been implemented in the market, it is also clear that the digital advertising industry is taking the focus on the topic seriously and has intensified it once again since the last survey."

Steffen Johann Hubert, Lead Sustainability, Seven.One Media & Vice-Chair of IAB Europe's Sustainability Standards Committee



"The IAB Europe Sustainability in Digital Advertising Report highlights some of the clear, tangible progress the industry has made in acknowledging the impact it has on the environment. It's really encouraging to see that the industry is getting serious about sustainability."

"However, while there are promising signs, the report also highlights we still have a lot more work to do to take this commitment to the next level. Only 1 in 10 companies are estimating the carbon footprint of all their digital campaigns – and this needs to change. It's urgent that players within the digital industry adopt best practices and robust solutions at scale to systematically evaluate and drastically reduce emissions of all their campaigns. When it comes to the future of our planet, every single ad impression counts."

Audrey Danthony, Co-Founder - Chief Product Officer, IMPACT+



"The second report seems to capture a change in attitude. The findings indicate for the digital advertising industry it's no longer about 'why' and instead about 'how'.

This is summed up by the sentiment that '66% agree that digital sustainability is a vital component for their business'. We still have a way to go but the shift in focus is tangible."

Laura Wade, Global Head of Sustainability Strategy, Essencemediacom

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