

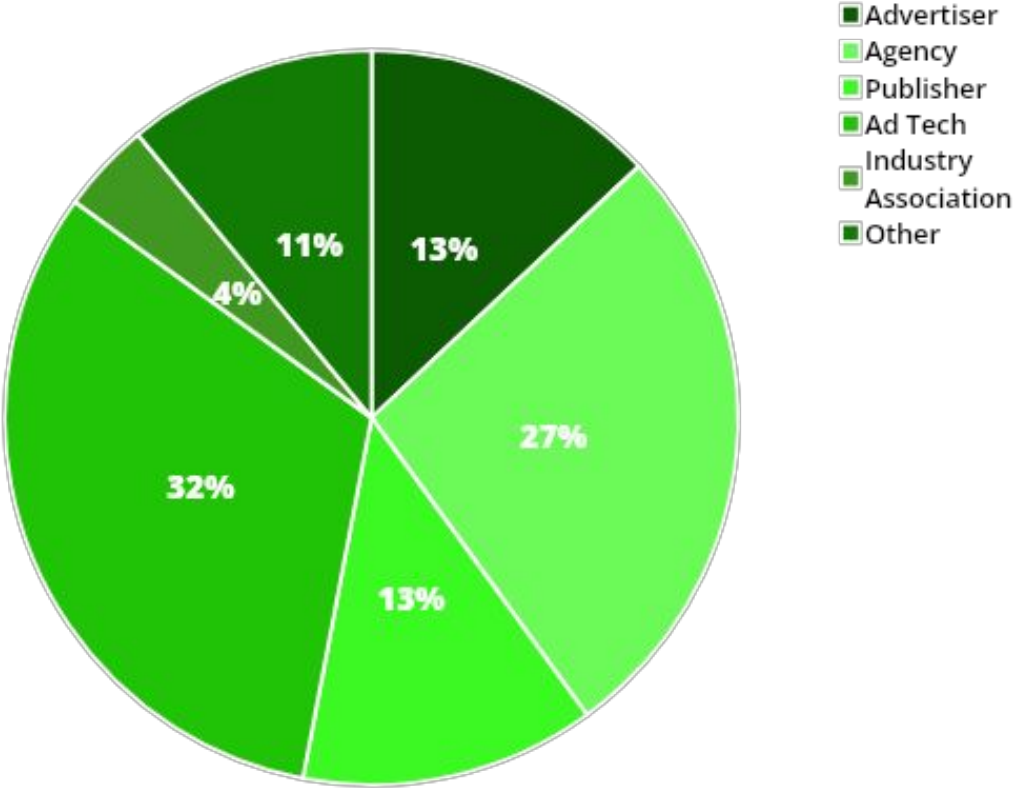


**STATE OF
READINESS -
SUSTAINABILITY
IN DIGITAL
ADVERTISING
REPORT 2024**



Methodology

- An online survey was used with the help of the National IAB Network to ensure a representative sample 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%).

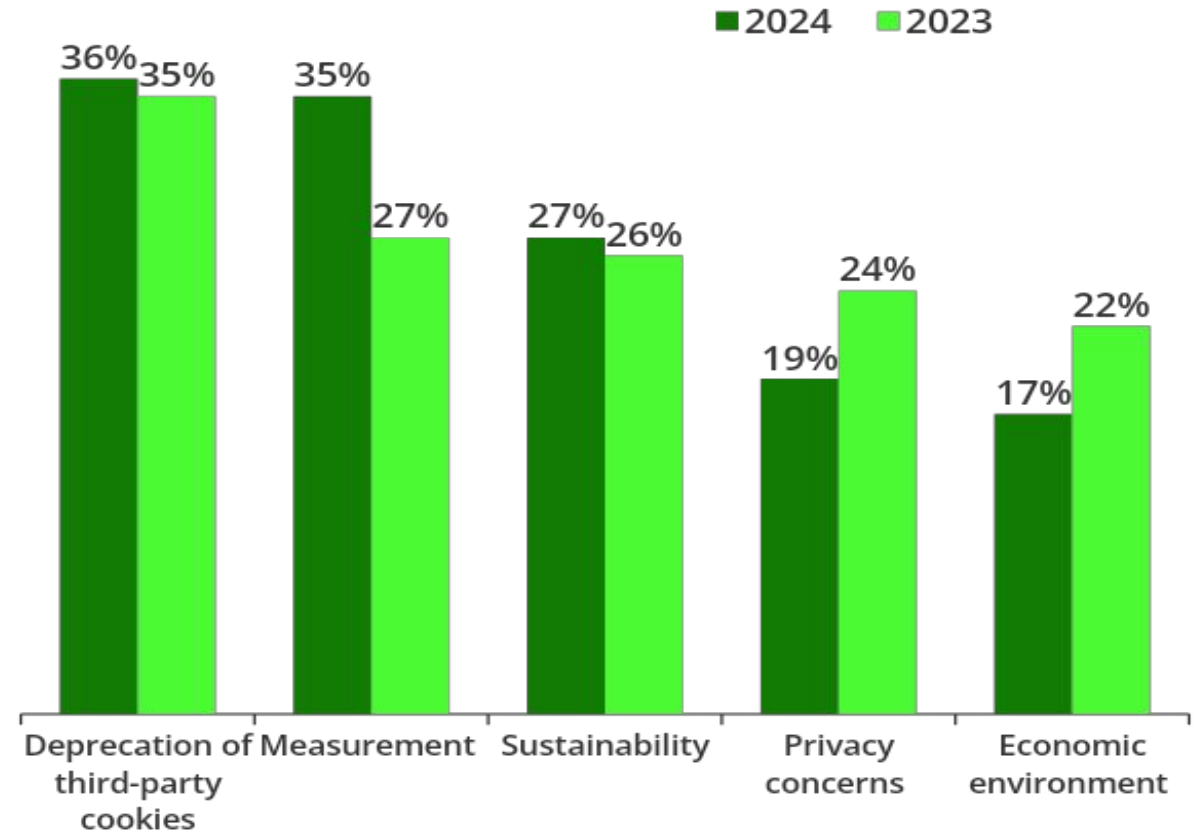


Q: Is your company?

CURRENT UNDERSTANDING OF SUSTAINABILITY

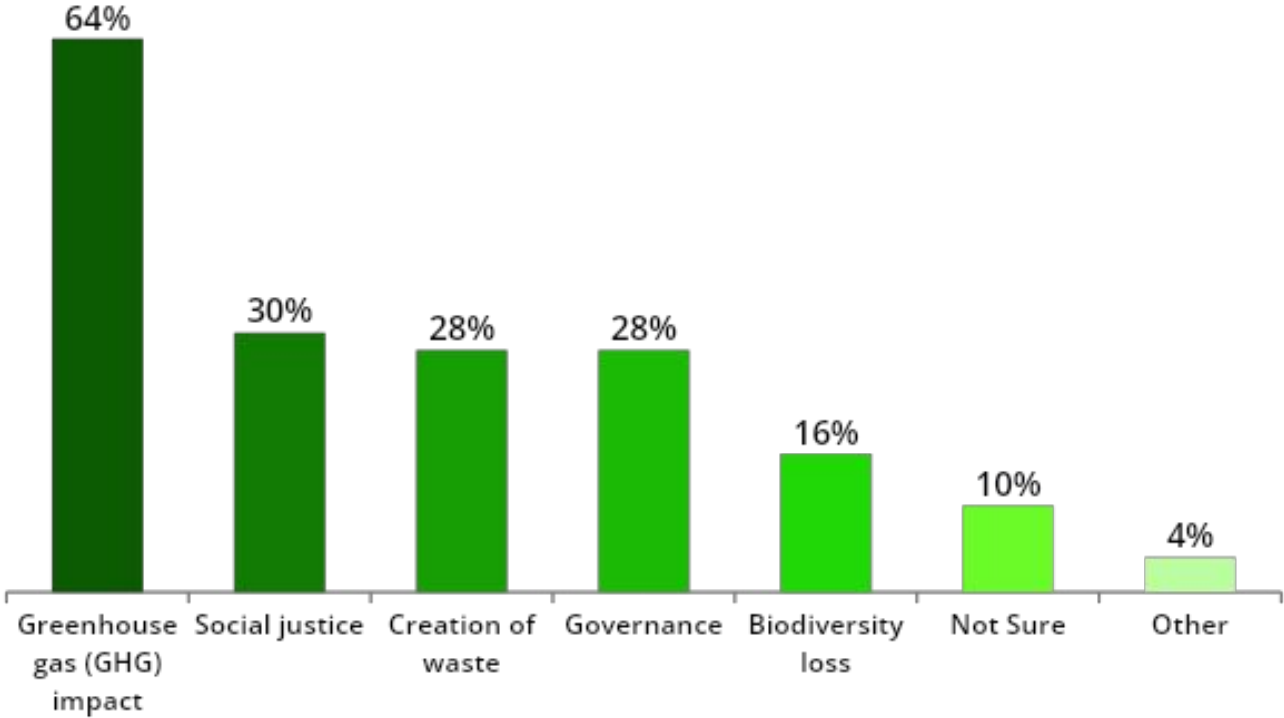
Sustainability Remains a Top Three Industry Challenge

- 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 (36% of respondents cited deprecation of third-party cookies; 35% measurement; 27% sustainability).



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

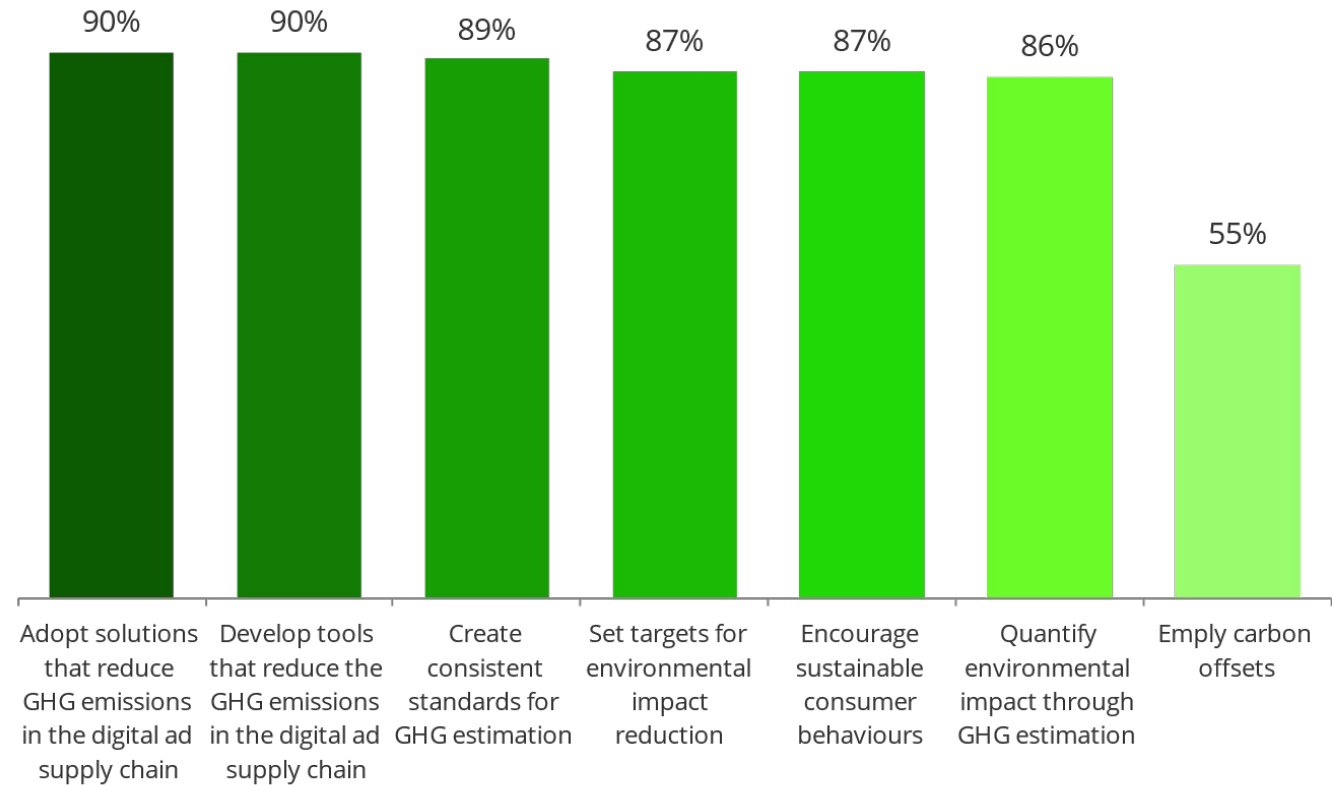


- The vast majority of respondents stated that Greenhouse gas (GHG) impact (64%) was the most important aspect of sustainability for companies.

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)

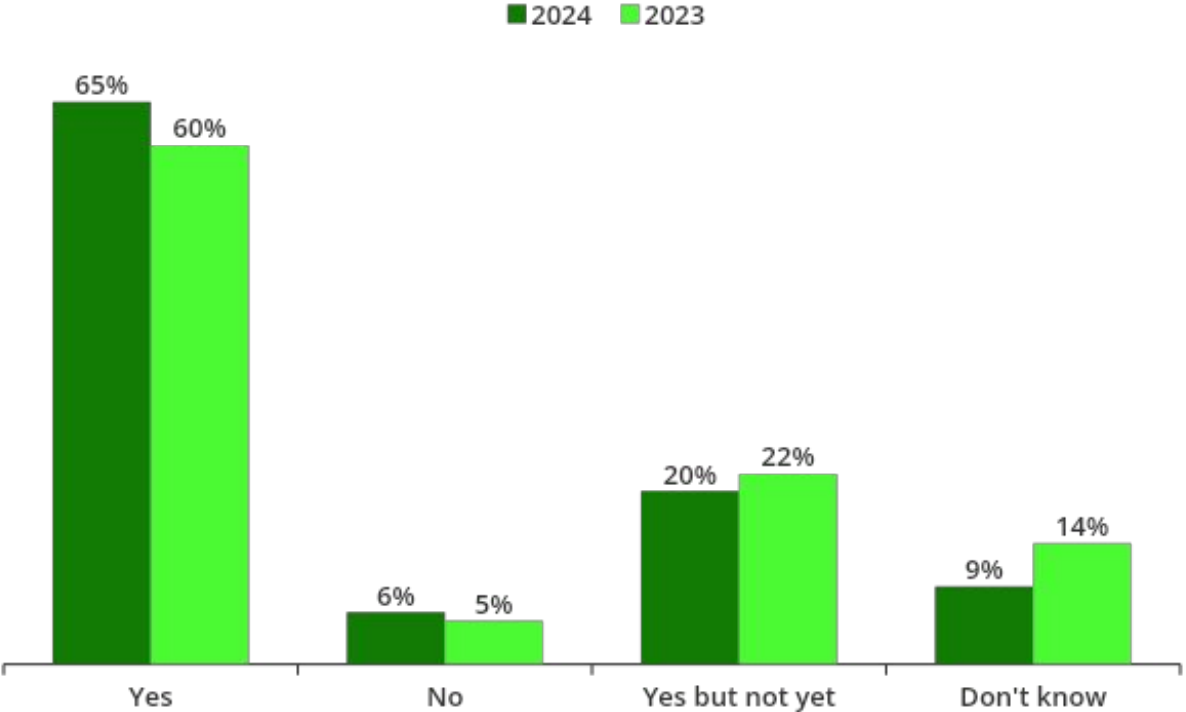
Developing and Adopting Solutions and Creating Consistent Standards are a Priority for the Industry to Drive Progress

- 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.



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)

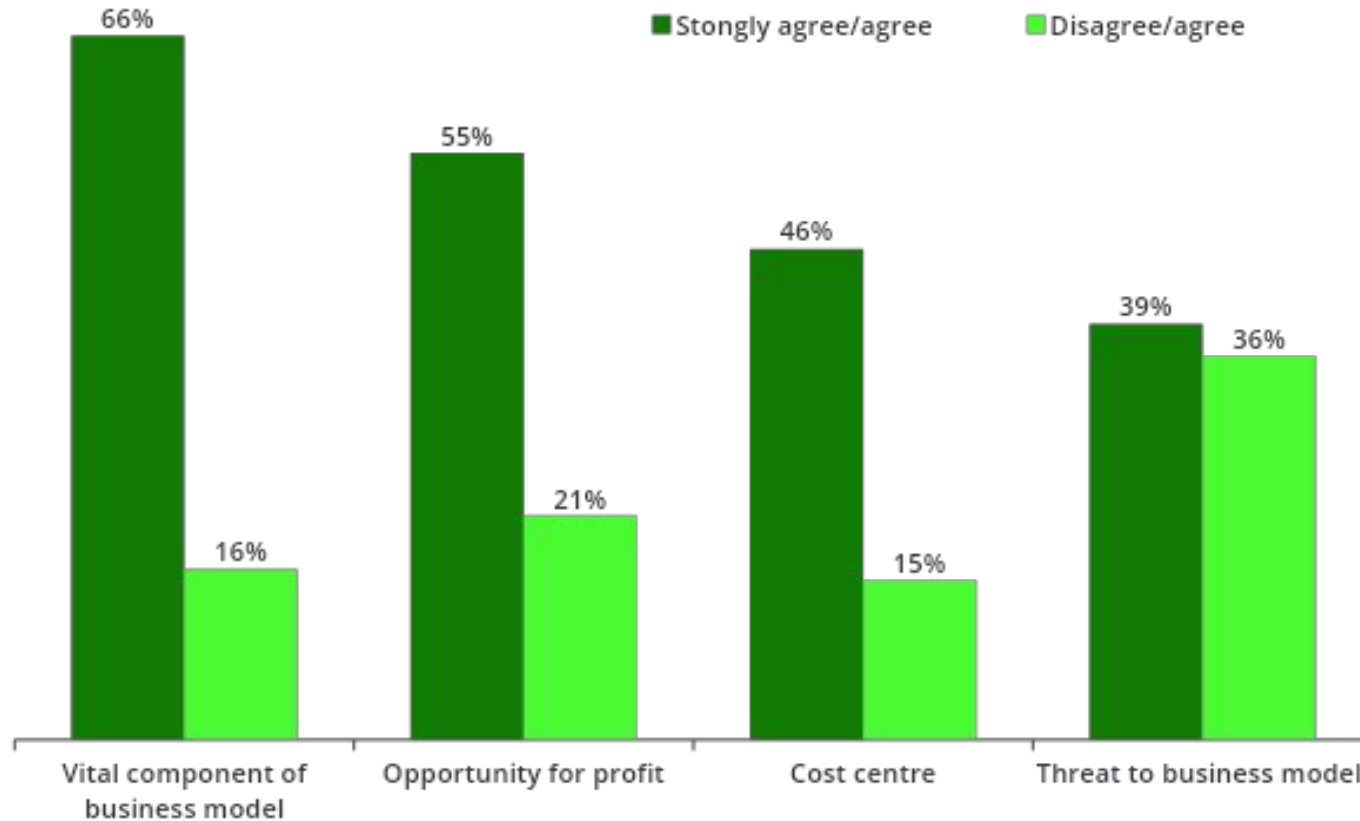
The Industry is Still in Agreement that External Verification For Measurement and Standards Are An Essential Requirement



- Nearly two-thirds (65%) of respondents agreed that our industry needs external verification when it comes to CO₂e measurement and standards.

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

Sustainability is a Vital Component of Business Models

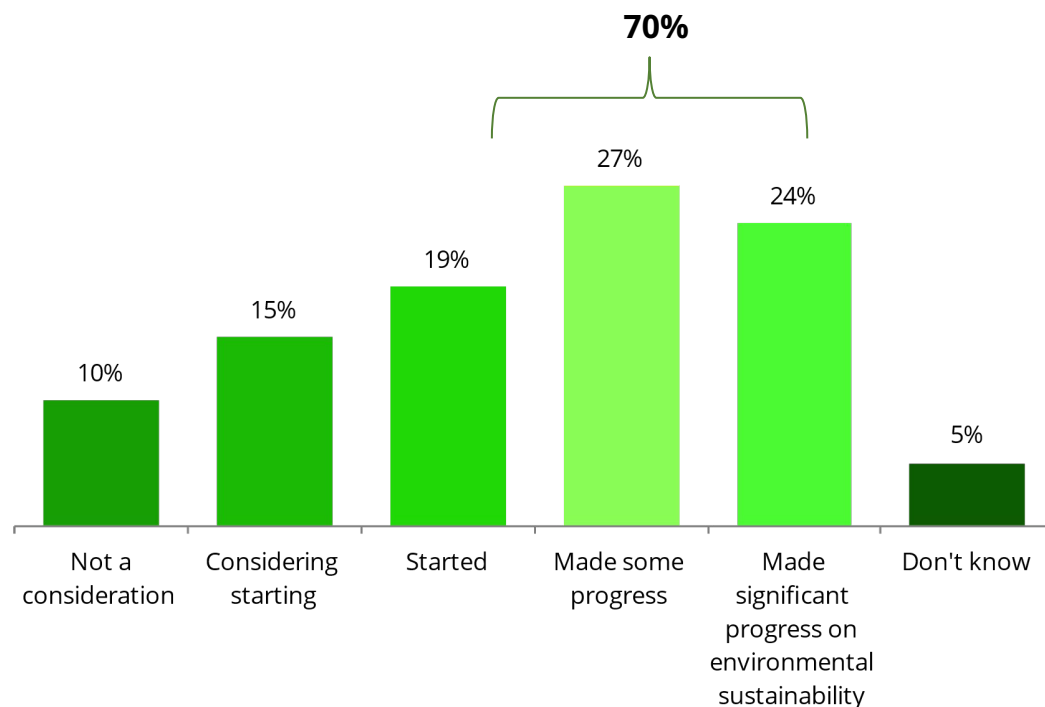


Q. To what extent do you agree with each description of **how environmental sustainability relates to your business model**? (please select either strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree)

- Two-thirds strongly agree/agree that it is a vital component (66%), showing that the digital advertising industry is taking sustainability seriously.
- Just over half (55%) are looking at sustainability as an opportunity to drive further profit in business.
- Just over a third (36%), see it as a threat to their business model.

**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



- **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.

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

What Have Companies Achieved So Far?

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

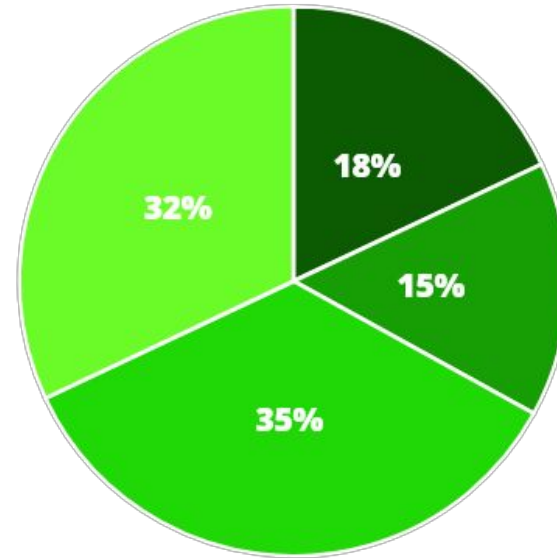
2023

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

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

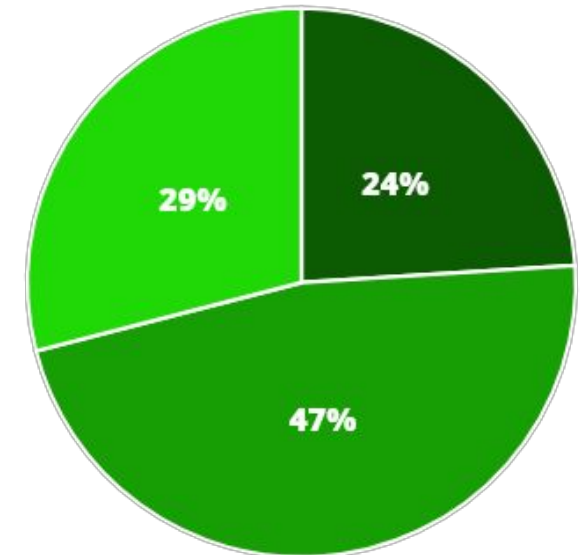
The Industry is Ambitious, but More Needs to be Done to Encourage Target Setting and the Adoption of GHG Estimation Frameworks to Measure Digital Ad Impact

- 18% of businesses have set up SBTi targets*. 15% are also in the process of setting this up.
- 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.



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

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



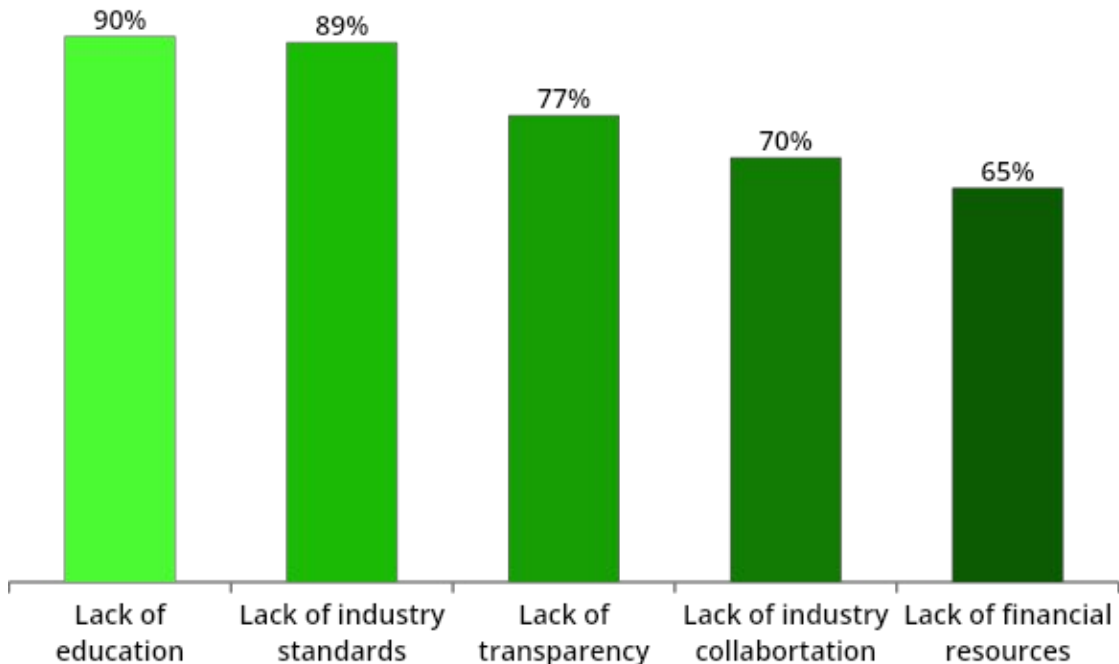
■ Yes ■ No ■ Don't know

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

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

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)**

WHAT'S NEXT?