

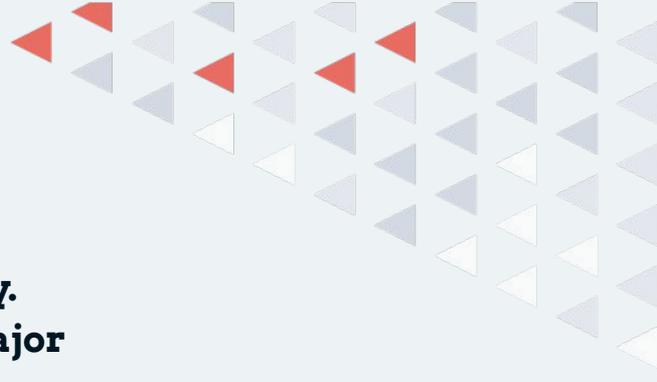
**BID
SWITCH**

RESEARCH REPORT

Going Green:

How AdTech is Approaching Environmental Sustainability



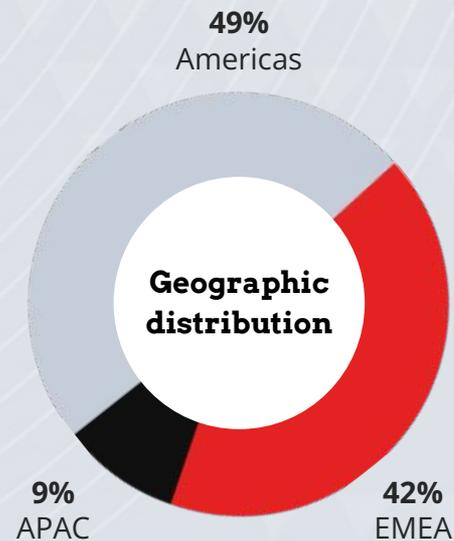
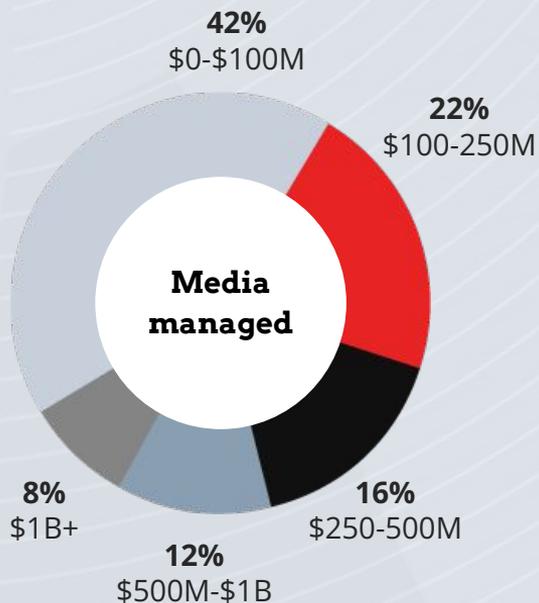
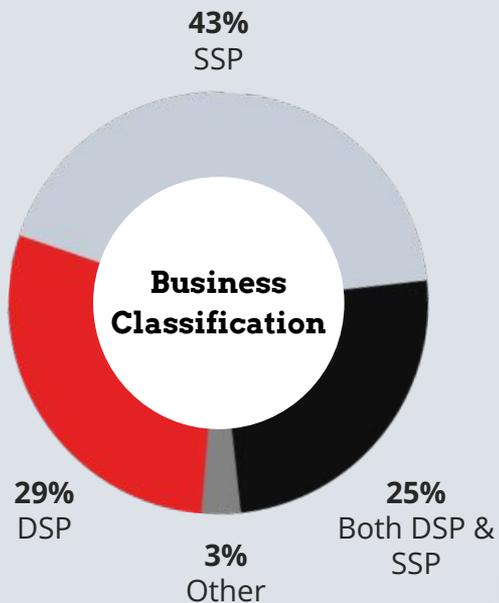


The Internet produces around 4% of total greenhouse gas emissions worldwide, more than the global aviation industry. Digital advertising, and the technology that enables it, is a major contributor to that footprint, thanks to the immense computing power required to run trillions of auctions and serve billions of ads every day.

Environmental sustainability has become a top priority for consumers and global brands alike, and advertisers are quickly waking up to the role their activities play in contributing to their companies' emissions outputs. This is resulting in a greater focus on the advertising supply chain's CO2 footprint and a push to adopt more sustainable practices, which is naturally extending into AdTech.

To understand how the AdTech community is responding to this new focus and the tactics they are adopting to reduce their own carbon footprint, BidSwitch surveyed its own customer base, which represents more than 300 of the top global DSPs and SSP. This report represents the feedback of 130 respondents across 66 companies, who participated in that survey between June 8th and June 22nd.

Respondent Breakdown





01

Understanding Digital Advertising's Impact on Environmental Sustainability



Carbon emissions in digital advertising

There are four ways emissions are produced via online activities: Rendering web pages, data transmission through 5G or WiFi, content production, and targeting and analytics. The bulk of these emissions are attributed to rendering an ad on a device or browser, and the energy used during the bid request transmission, both of which can be measured via CPU usage and data downloaded.

The energy required to serve one million ad impressions is the equivalent to about one metric ton of CO₂ emitted, according to a study by Exchangewire.

1 Million Ad Impressions = 1 Metric Ton of CO₂ Emissions

This is equivalent to...



2.4M

Plastic straws



121K

Fully charging
121K smartphones

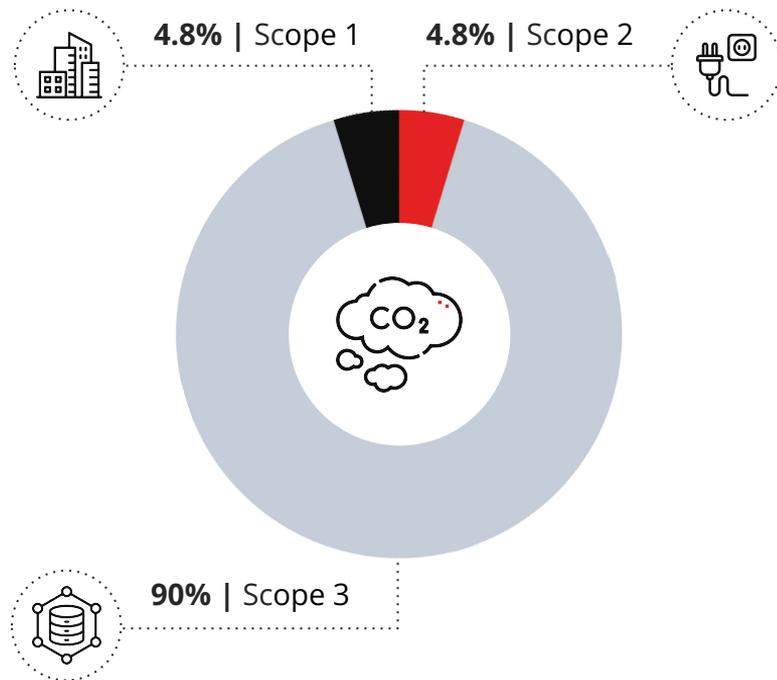


1x

Round trip flight from Boston to
London (per passenger)

How digital advertising causes carbon emissions

- **Scope 1** and **2** emissions are caused by an organization's business activities
 - Scope 1 emissions are direct emissions, generated by a company's buildings, facilities and any owned vehicles
 - Scope 2 emissions are created by the energy consumption and travel from the power grid that is required to power a company's buildings, facilities, and vehicles.
- **Scope 3** emissions are generated by a company's supply chain and account for more than 90% of an organisation's total carbon waste for the digital Advertising industry.





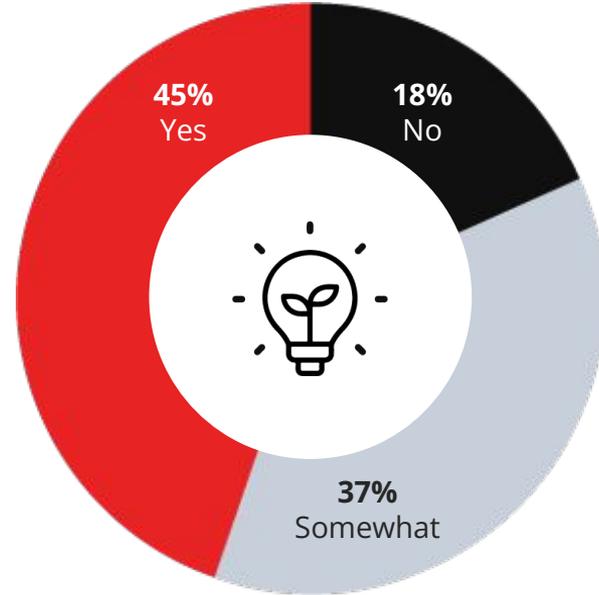
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How AdTech is Viewing Sustainability



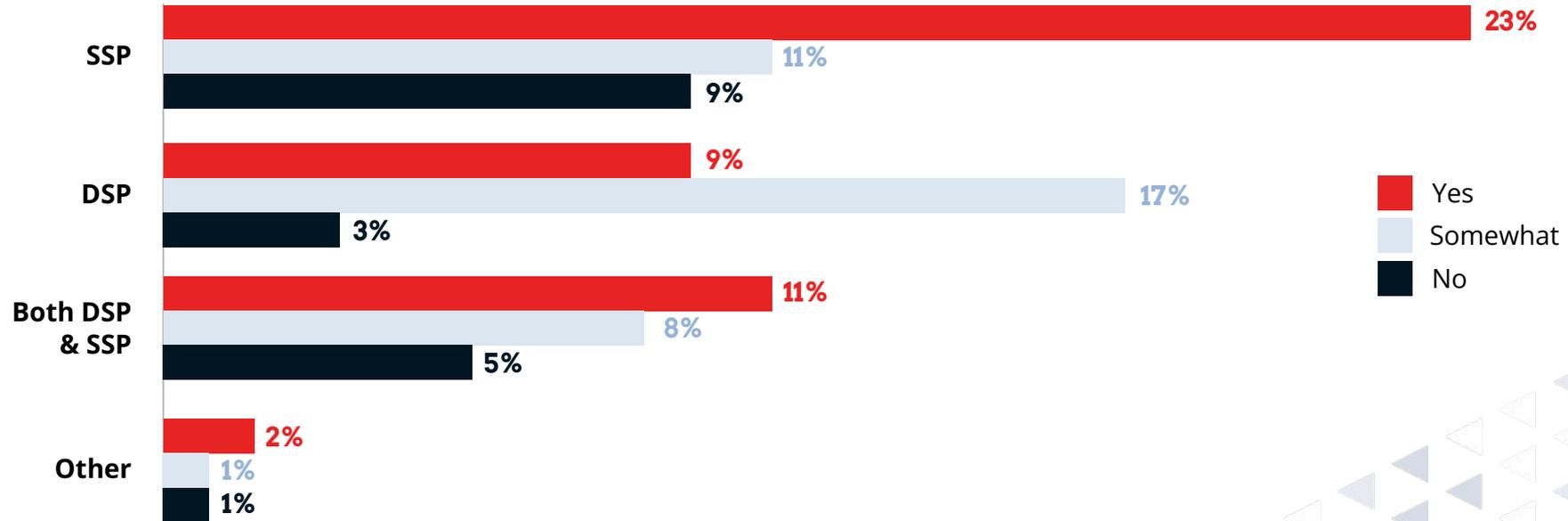
82% of respondents are pursuing at least some kind of sustainability initiative

Only 18% of respondents report not pursuing environmental sustainability initiatives at this time.



SSPs more likely to pursue sustainability efforts compared to DSP peers

Is your company currently pursuing any environmental sustainability or green initiatives?



Two thirds of respondents are motivated by improving the future of the planet over business growth alone

What are the primary drivers of your company's green initiatives?





03

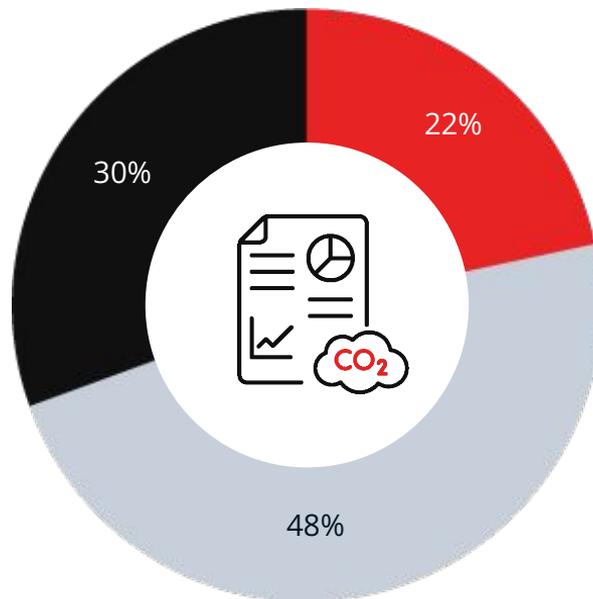
How AdTech is Working Toward Sustainability

AdTech is in planning stages of carbon emissions measurement

Majority of AdTech providers have plans to include carbon emissions measurement into their environmental sustainability strategy.

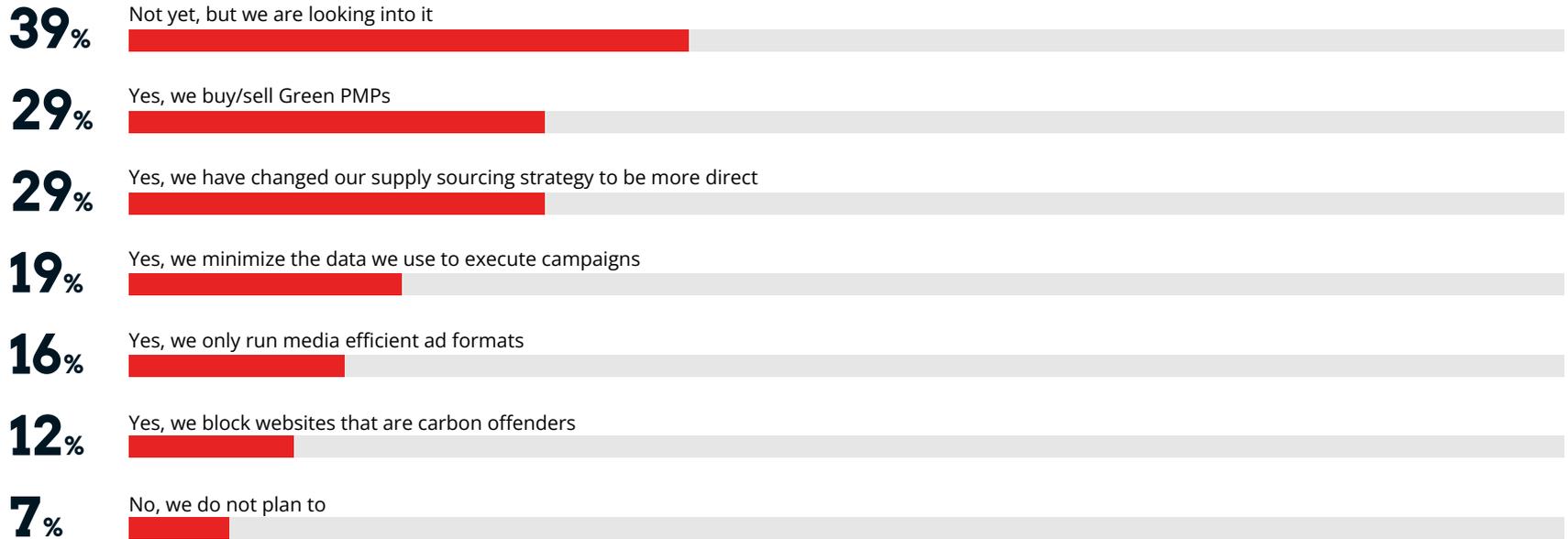
Does your company currently measure its carbon emissions annually?

- Yes
- Not at this time, but plan to in the near future
- No



Majority of respondents are still slow to adopt green media trading initiatives

Has your company begun to adopt green media trading initiatives?



Optimizing infrastructure and limiting traffic distribution top list of sustainability initiatives

What sustainability activities and initiatives does your company engage in?

77% Optimizing infrastructure to reduce emissions related to processing

67% Reducing the volume of bid requests you distribute/receive

46% Re-evaluating corporate office and travel policies

39% Creating new business practices that deliver a positive impact on sustainable development

28% Reducing the number of AdTech partners you work with

28% Minimizing the volume of data you pass in the bidstream

26% Offsetting your carbon emissions through various carbon capture initiatives

25% Setting carbon reduction targets over a given timeline

20% Embedding sustainability considerations in product design

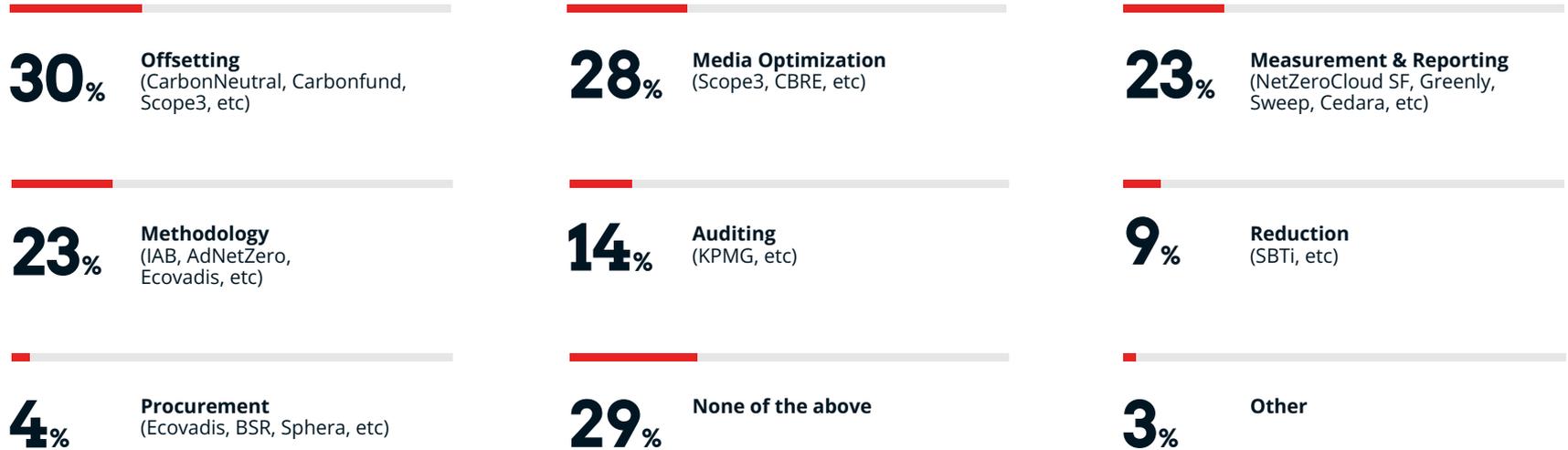
17% Imposing creative format restrictions to reduce file size

15% Re-assessing partner relationships based on their sustainability practices

4% Other

Offsetting partners top respondents' list of sustainability vendor relationships

For which categories do you work with 3rd-party vendors and/or service providers to support or strengthen your environmental sustainability objectives?

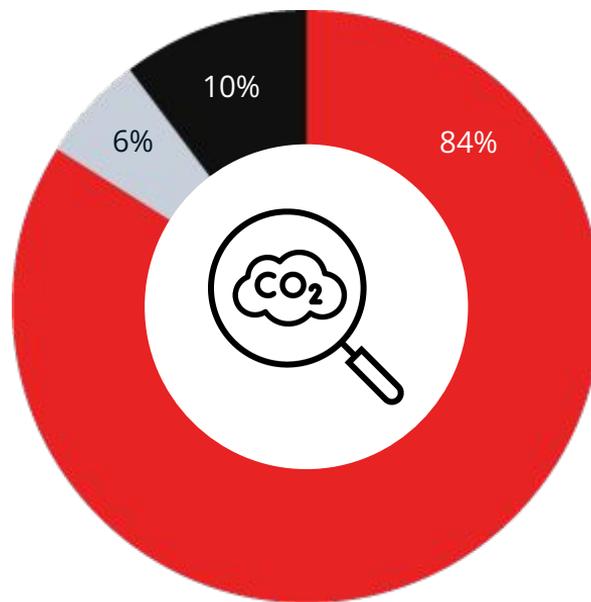


Almost all respondents want to know more about their partners' sustainability efforts

Respondents show strong desire to learn more about partner activities related to CO2 emissions, specifically around peer monitoring.

Would learning more about CO2 emissions related to your partner's trading activities be valuable to you in supporting your own sustainability initiatives?

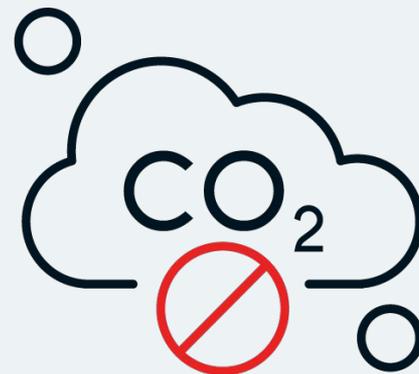
- Yes
- No
- Other



A net-zero carbon emissions future is possible for AdTech

Decarbonizing the digital advertising ecosystem is a shared responsibility among brands, agencies, media owners, and platform partners, where everything from creative format and file size to supply chain efficiency and traffic deduplication have an impact.

At BidSwitch, we are constantly looking for ways to do our part and work with clients to help support and advance their own environmental sustainability efforts. That starts with emissions reporting transparency and extends to smarter traffic distribution, supply quality improvement, and protocol enhancements.



Contact your BidSwitch account manager to discuss more opportunities to partner on Sustainability initiatives.