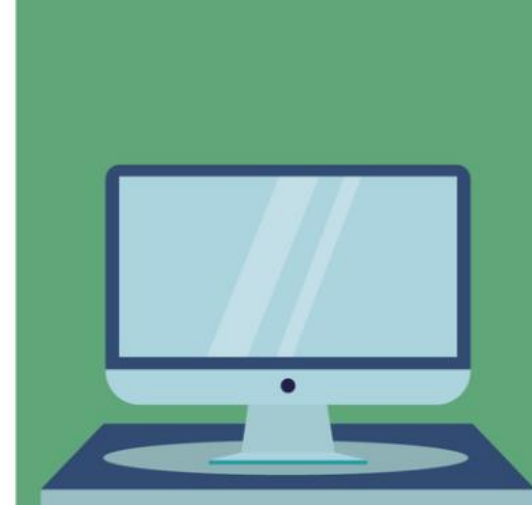# Greening digital companies
2023
## Monitoring emissions and climate commitments

The second edition of a joint report between the International Telecommunication Union (ITU) and the World Benchmarking Alliance (WBA) **documents the greenhouse gas (GHG) emissions and energy use of 200 of the world's leading digital companies**. The report aligns with ITU's strategic plan's target to enhance the climate and environmental impact of ICTs, recognizing their contribution to global emissions. In addition to evaluating the climate data and goals of the companies, the report functions as a valuable tool that companies can use to gain insights from exemplary approaches. This enables them to enhance their efforts in reducing emissions and expedite their progress towards achieving net-zero operations. Read the 2023 report here.

- Companies were assessed on their data disclosure, targets and performance, and given a score out of 9. Two companies achieved the maximum possible score of 9 (**Apple and Swisscom**), while three others had a score between 8 and 9 (**Alphabet, Elisa and VMWare**). The median score was 3.2, while 28 companies scored zero. These exemplary climate companies set benchmarks for transparency, verification, and emissions reductions. Emulating these leaders could position the digital sector as a global green leader.
- Notably, the top performing companies (i.e. those with a minimum score of 6.8, or 75% as shown in the **Figure 1** below) are all headquartered in Europe or the United States. Companies from other regions should be encouraged to improve their climate disclosure, targets and performance.

Figure 1: Top performing companies scoring at least 75% on the climate assessment
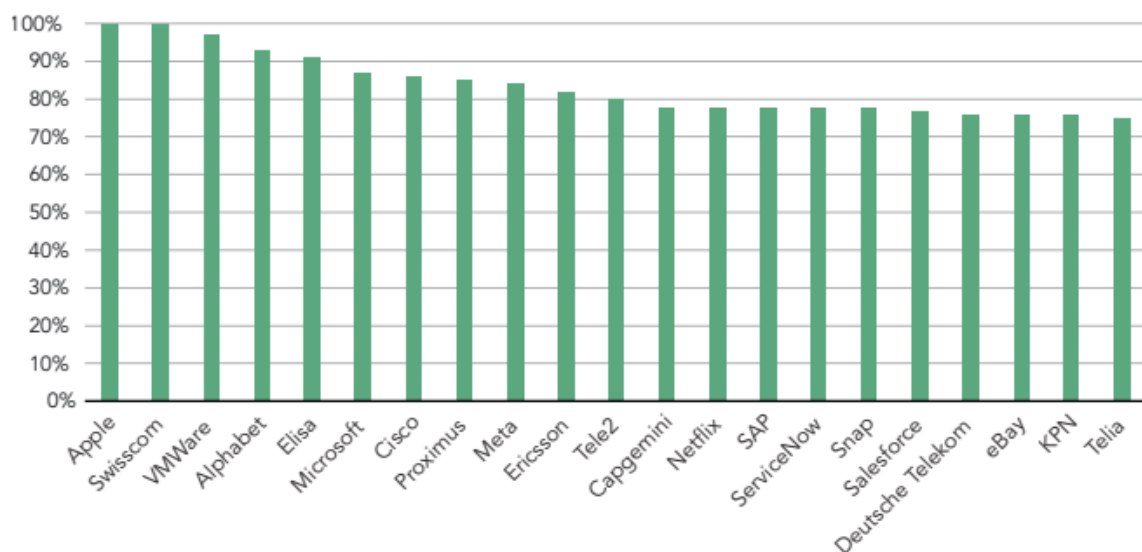
Key messages 2023:

- While ICT enables significant carbon reductions in other sectors, **the sector must address its own emissions and consider potential rebound effects.** Comprehensive understanding of the sector's avoided and added emissions is essential.
- Digital companies have the **potential to drive the low-carbon transition** through renewable energy purchases, carbon removal investments, and emissions reduction efforts.
- Digital companies are **leaders in procuring renewable energy**, accounting for 60 per cent of global purchases in 2021, fostering emissions reduction and renewable energy market growth.
- The growth rate of GHG emissions for these 200 companies is declining due to greener energy grids but **electricity use is rising**, especially in data centers, which presents challenges:
  - Some data center hubs (Amsterdam, Dublin, Singapore), have imposed moratoriums on new data center construction due to emission and energy supply concerns.
  - **Four digital companies are among the top 20 corporate consumers of electricity**, the only ones outside high emitting industries (i.e., chemicals, construction, metals and mining, oil and gas, and utilities), see **Figure 2** below.
- Regional comparisons show that **Asian headquartered companies contribute around 50 per cent of assessed emissions**, signalling slower climate progress compared to Europe and the US. Emission reduction targets among Asian digital companies are relatively modest.
- The report highlights the importance of **data and monitoring and also verification and reporting transparency**: comprehensive Scope 3 reporting is crucial for assessing companies' full emissions footprint, encompassing supply chain and data center emissions.
  - Among the assessed companies, **140 report certain Scope 3 emissions** categories, while only 76 cover all relevant business categories.
  - **Reporting practices vary**, with some data center operators attributing emissions to Scope 2 while others categorize them as Scope 3, requiring tenant accountability.
  - **32 of the 200 companies undergo third-party verification of their GHG inventory**, improving verification will enhance transparency and accountability.
  - **Only 31 companies offer dedicated environmental reports or publicly accessible CDP disclosures**. Encouraging full climate data disclosure is crucial for enhancing reporting accuracy and transparency.

Figure 2: Top 20 companies worldwide by electricity consumption (TWh), 2021