

Big Tech doubles down on emission reduction plans

Google has pledged to run its operations entirely from carbon-free energy by 2030, while announcing that it has also eliminated its historic carbon footprint through the purchase of high-quality offset assets. The tech company intends to bring 5GW of carbon-free energy online in order to use renewable energy for all of its offices, campuses and data centres at all times by 2030, rather than purchasing renewable power to offset emissions.

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Google's declaration this week was followed by Facebook announcing a bolstered pledge to get to net-zero emissions by 2030 – including in its supply chain, business travel and employee commuting – by investing in more renewable energy as well as carbon capture initiatives.

This was then followed by Amazon unveiling the initial investments in its \$2B fund for zero-carbon projects. These include the Canadian CarbonCure, Redwood Materials – a startup looking to recycle metals from old electronic devices into electric vehicle batteries – and Pachama, an AI-powered carbon offset tracking firm, which has also received investment from Microsoft as part of its own \$1B pledge to fund carbon removal projects.

These pledges, along with Apple's in July, mark a trend for firms looking to go beyond what might be considered “traditional” offset-heavy net-zero pledges, to more actively influence low-carbon energy development and atmospheric carbon removal techniques.

While many might be wanting more detail on what Google's "high-quality offsets" entail, its announcement to more actively target its 5.5GW renewables pipeline to power its operations, while using AI to match renewables supply with data centre demand, should be lauded.

Other firms are also looking to move beyond net zero. Fortune 500 biotechnology company Biogen announced this week plans to be entirely fossil fuel-free by 2040, while requiring 90% of its suppliers to move to 100% renewable electricity by the same date.

These developments should be welcomed in the context of global carbon offsetting markets that need improvement due to issues around double counting, junk credits and schemes that don't hit the mark on removing CO2. As we noted last week, a global taskforce has been set up to improve standards in the market, but these will take time to implement.

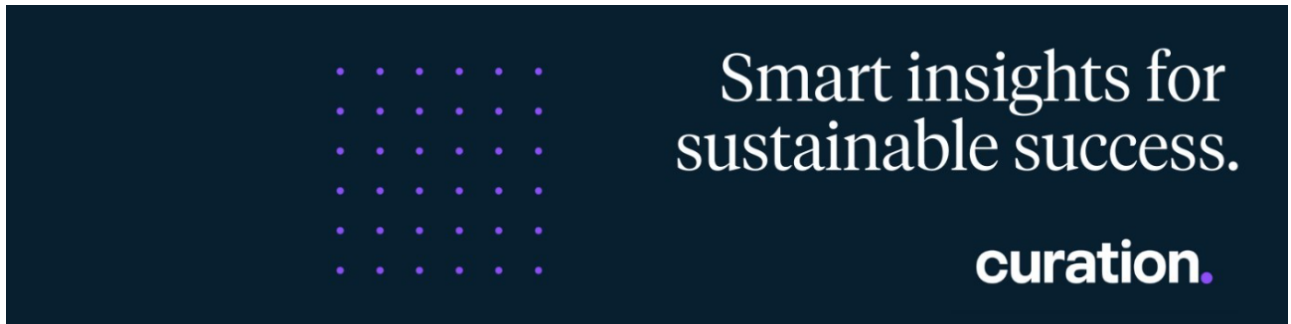
While there is still some mystification around what the term means - and certainly in how it applies to corporates - moving from net zero to "absolute zero" will perhaps become the standard for what is considered an effective carbon-neutral plan. This means less reliance on offsets and more on direct emissions reduction, then expanding this philosophy out to supply chains: "insetting", rather than offsetting.

Lateral thought from Curation

As we've previously noted, in absence of political leadership on climate change in the US, businesses and cities are leading the way. It seems Big Tech companies, with their financial resources and technological advantage, are one step ahead of the game.

While debates about Big Tech's power and antitrust continue, however, could these firms also move to dominate the climate solutions arena?

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