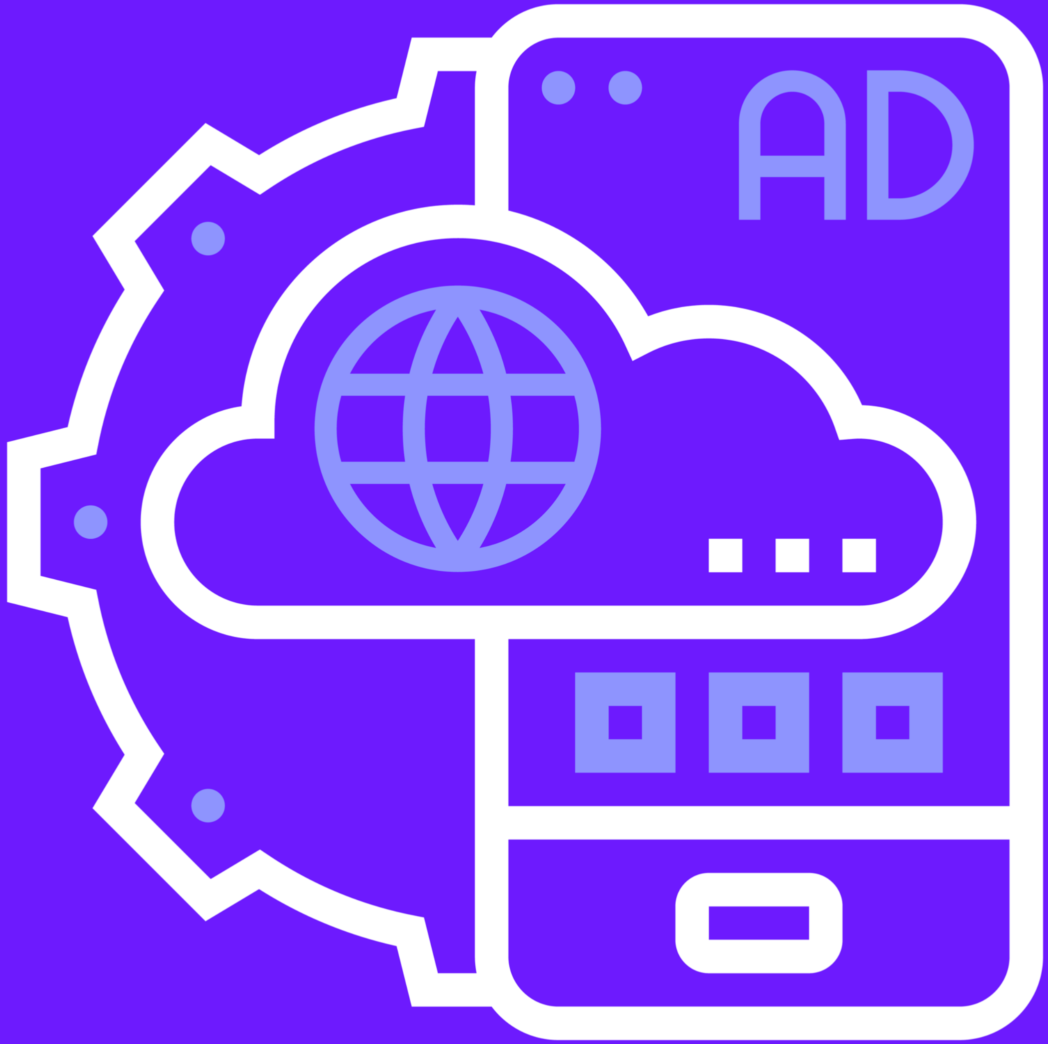
iab europe

STATE OF READINESS SUSTAINABILITY IN DIGITAL ADVERTISING REPORT



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Executive Summary

Ecosystem Signals

- **Regulation leads as a driver for work on sustainability**, overtaking corporate social responsibility. Employer reputation ranks above client pressure.
- **AI content ingestion & traffic risks are the dominant ecosystem challenge**, followed by economic pressures, measurement, and environmental sustainability. Ad fraud has become a much more important concern.
- The first aggregate **Double Materiality Analysis (DMA)** shows **social impacts (privacy, media plurality) rank above environmental impacts** on combined financial and impact materiality.
- However, when asked to identify their company's top three challenges, respondents ranked environmental sustainability above social sustainability, suggesting a **divergence between perceived systemic materiality and immediate operational focus**.
- Employees are seen as a key sustainability driver, while many respondents believe **trade press, events, and professional education do not sufficiently cover sustainability**.

Actions and Gaps

- **Environmental actions consistently outpace social actions** (≈10pp gap). Carbon reduction levers are more widely adopted than social impact measures.
- Participation in relevant industry forums and ESG reporting have expanded; **always-on campaign-level environmental measurement doubled year-on-year**.
- However, **ESG data does not propagate fluidly across the supply chain**, and supply-chain impact reporting has declined.
- Half of respondents lack internal ESG standards for digital advertising; where standards exist, they focus more on carbon than social impact.
- **Core tension of 2026:** Social impacts rank highest in the DMA, yet operational action remains concentrated on environmental levers. This highlights a gap between perceived materiality and implementation.

Introduction

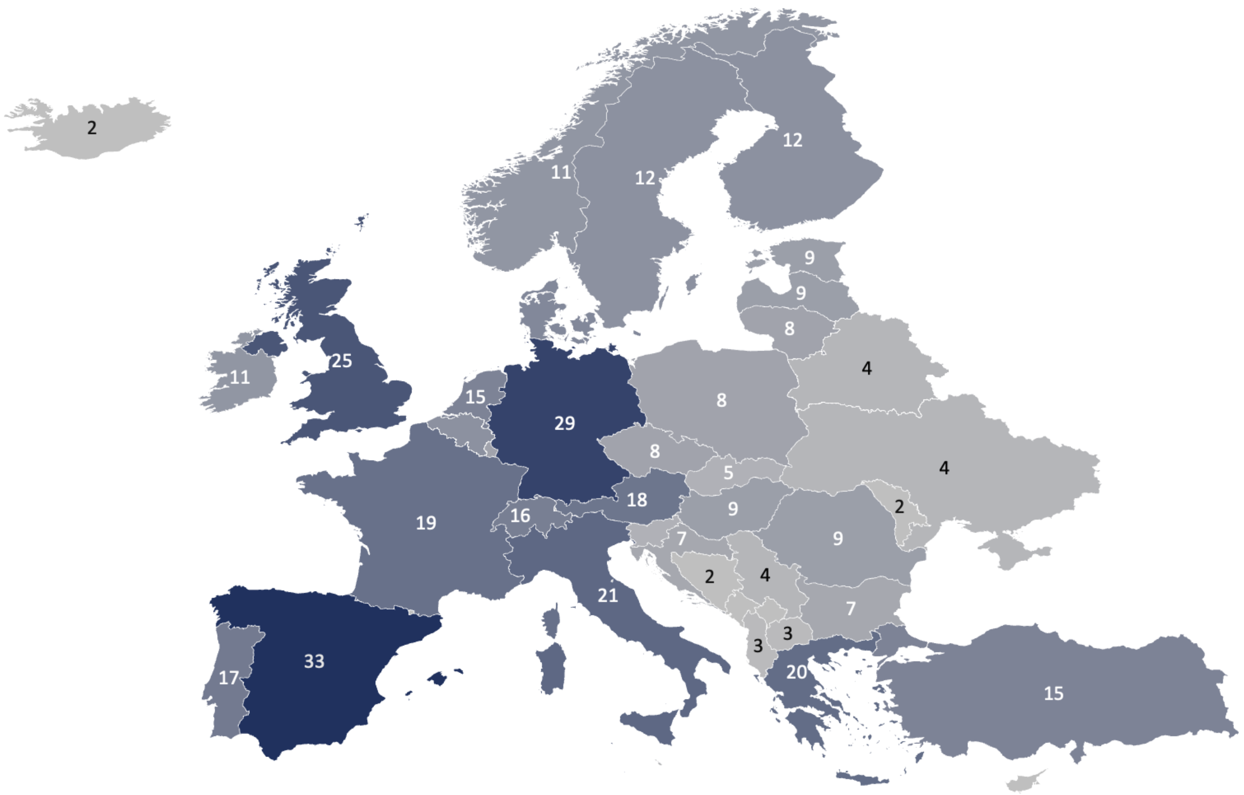
This report is based on the fourth annual IAB Europe State of Readiness Survey, which probes the European digital ad ecosystem for insights on its objectives, actions, and perspectives across ESG issues. For the first time, the 2026 report covers issues relating both to environmental and social sustainability. The following example impacts were used to define each in the questionnaire:

- **Environmental Sustainability:** carbon emissions, creation of waste, water consumption, etc.
- **Social Sustainability:** media plurality, accessibility, diversity, responsible media, etc.

The survey was open from November 2025 to January 2026 and was made available in English, Czech, French, and Spanish. Of the 135 responses received, almost 40% were removed from the data set as response metadata and answers to open-ended questions suggested they came from bots. Companies in the digital advertising ecosystem were encouraged to submit responses even if they were unable to answer all the questions. The number of responses to each question, disclosed across the report for transparency purposes, are in themselves insightful.

Overall, the data set represents companies and associations active across all European markets. The top 5 most represented markets are Spain, Germany, the United Kingdom, Italy, and Greece.

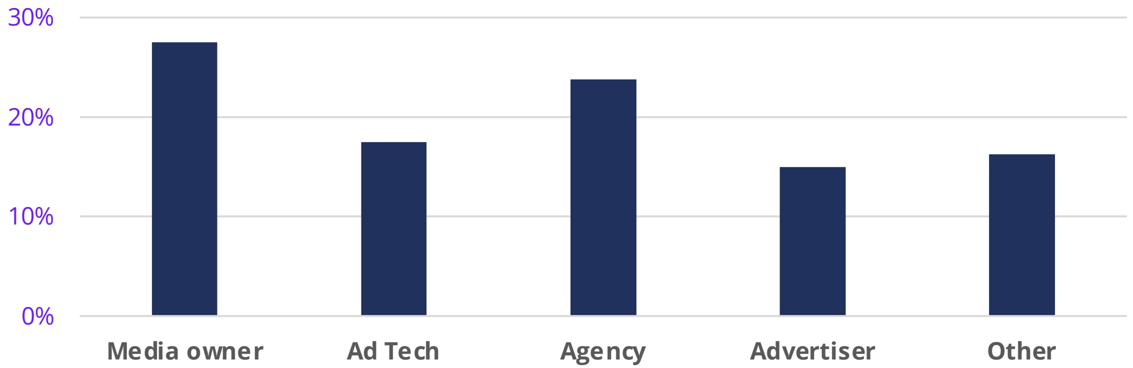
European Market Representation in Sample



Q: In which of the following European markets are you active?

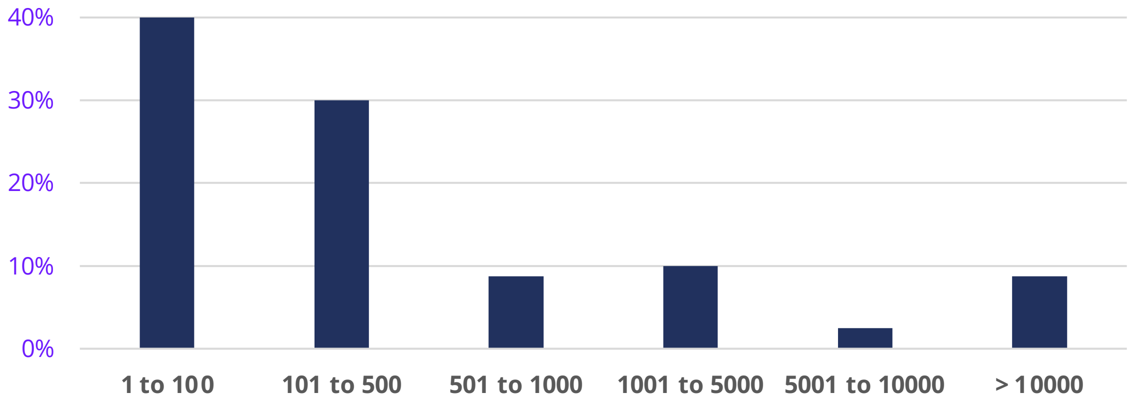
Sample

Share of Respondents by Supply Chain Segment



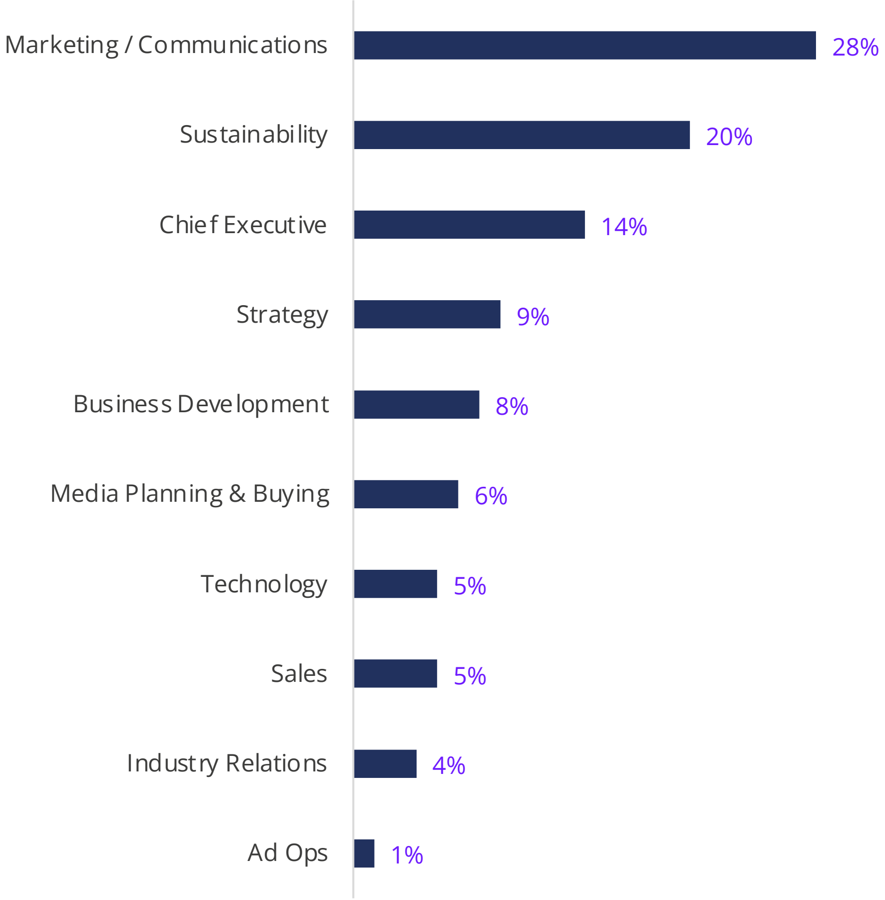
Q: Which of the following best describes your company's role in the digital advertising ecosystem?

Share of Respondents by Headcount



Q: What is your company's headcount?

Share of Respondents by Role



Q: Which of the following best describes your role?

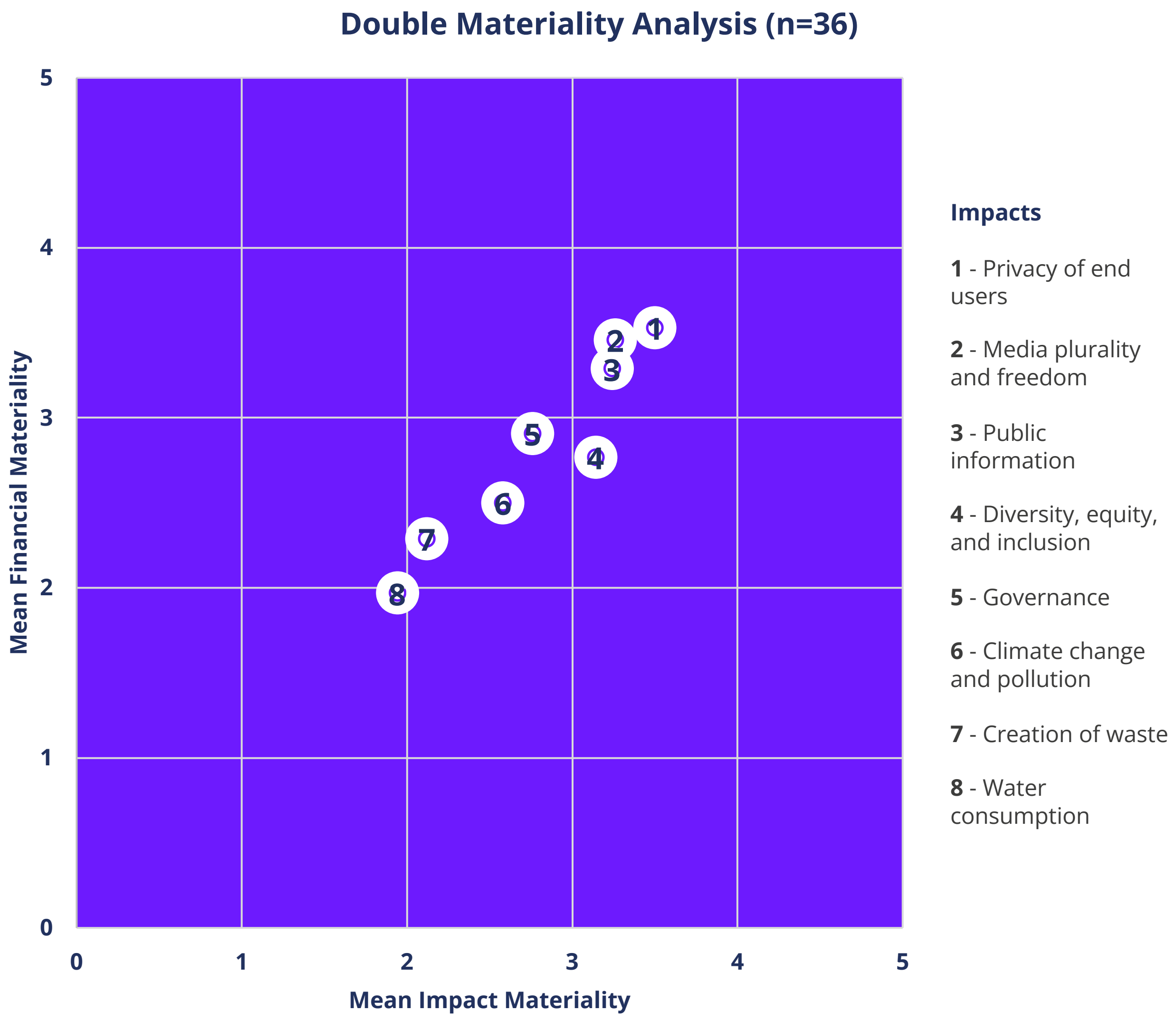
Materiality

When the IAB Europe Sustainability Standards Committee began its work, environmental footprint dominated ESG discussions in the digital advertising ecosystem. As the Committee's scope has now expanded to incorporate social dimensions, this year's survey was designed to enable an aggregate double materiality analysis, assessing whether that broader focus reflects the ecosystem's priorities. The survey therefore evaluates how different impacts rank across two axes.

- **Financial Materiality:** the extent to which a sustainability issue affects a company's financial performance, including risks and opportunities.
- **Impact Materiality:** the extent to which a sustainability issue has a positive or negative impact on the environment or society, irrespective of direct financial consequences.

All social sustainability impacts, led by privacy and media plurality, outranked governance and environmental impacts on a combined index of financial and impact materiality, underscoring the case for a more holistic approach to digital advertising sustainability.

For simplicity, all responses are weighted equally throughout this report. As a result, issues affecting a smaller subset of companies (e.g., water consumption) may be comparatively underrepresented.



Challenges

Addressability, a topic that ranked highest in the 2023 and 2024 reports when the deprecation of third-party cookies was a key issue for the ecosystem, has now settled at the bottom of the list.

Measurement, always the first or second most important challenge in previous reports, has for the first time been surpassed by concerns relating to the **Economic Environment**.

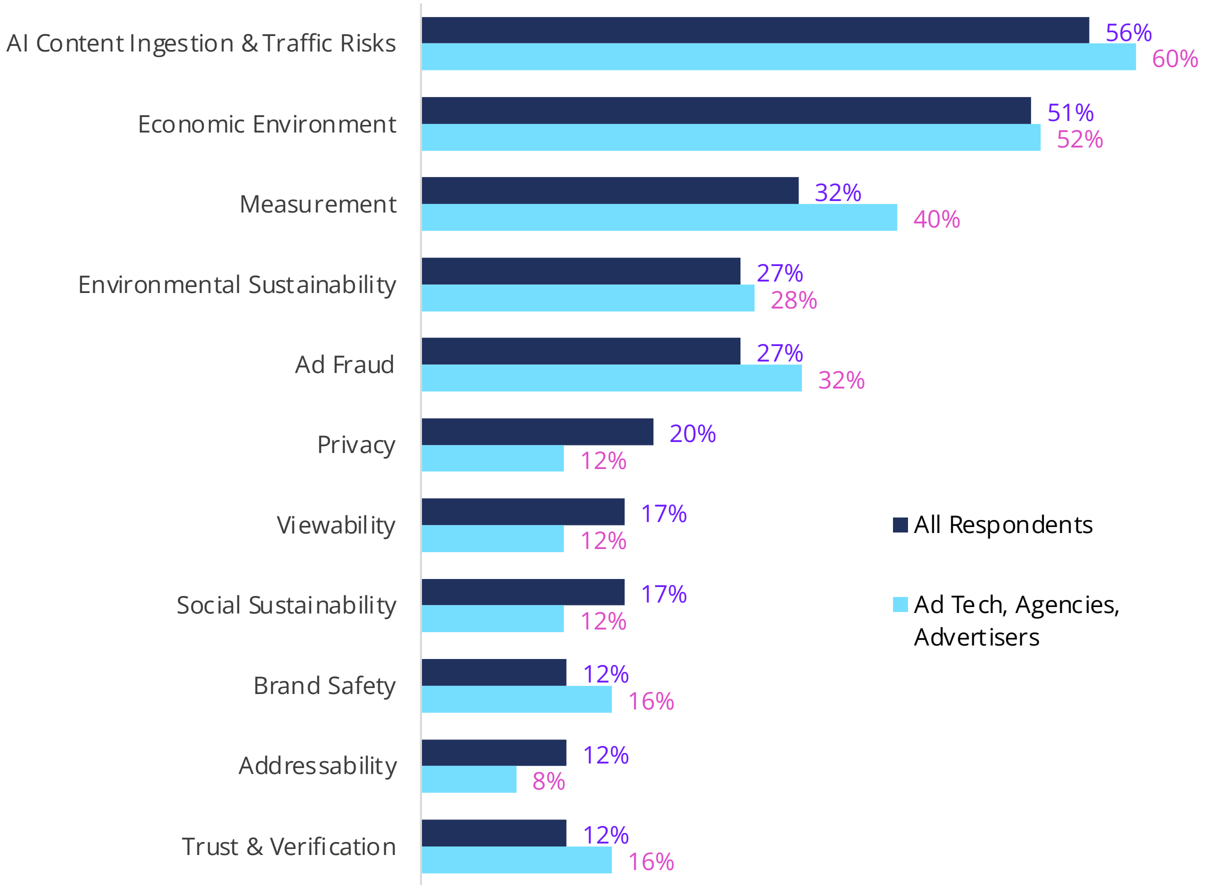
Ad Fraud, a top-three challenge for 7-10% of respondents between 2023 and 2025, is a major issue for almost 30% of respondents to the latest survey.

Concerns over **AI Content Ingestion & Traffic** dominate the 2026 list of top ecosystem challenges. In fact, no other answer to this question has ever been as popular. An artifact of media owners being the most represented supply chain segment in the data set perhaps? Apparently not, as the share of respondents that selected this option increases if responses from media owners are excluded.

"Local content producers are absorbing simultaneous shocks: declining direct traffic and audience control, alongside the large-scale ingestion of their work into AI systems without adequate compensation. This points to a structural imbalance within the digital ecosystem. **If the creation of high-quality, original content becomes economically unsustainable, the long-term consequence is not simply weaker publishers, but a gradual deterioration of the wider information environment.**"

Luís Marinho Falcão
Operations Director, IAB Portugal

Top Ecosystem Challenges (n=41)



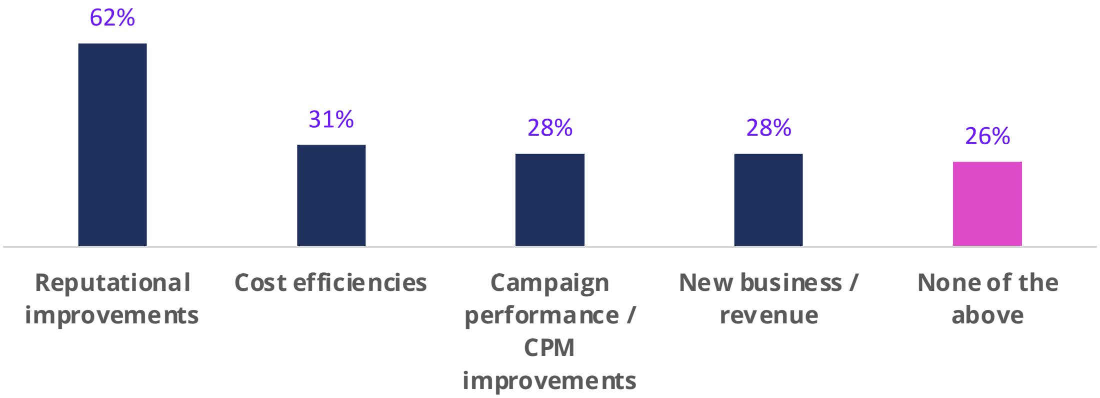
Q: What are the three most important challenges for your company right now?

Drivers

Compliance with regulation has been steadily rising in the ranking of drivers for work on sustainability and this year overtook **Corporate Social Responsibility** at the top. **Employer Reputation**, added as an option based on answers to open-ended questions in previous years, ranked higher than **Client Expectations and Requirements**. The bottom half of the ranking has remained relatively stable over time.

Reputational Improvement is the common denominator in terms of observed benefits from work on the sustainability, with other cost, performance, and revenue-related benefits cited by around 30% of respondents each. About a quarter of respondents report the absence of any reputational and other business-related benefits.

Benefits from Work on Sustainability (n=39)



Q: Have you observed any of the following benefits as a result of your work on sustainability?

Drivers for Work on Sustainability (n=39)

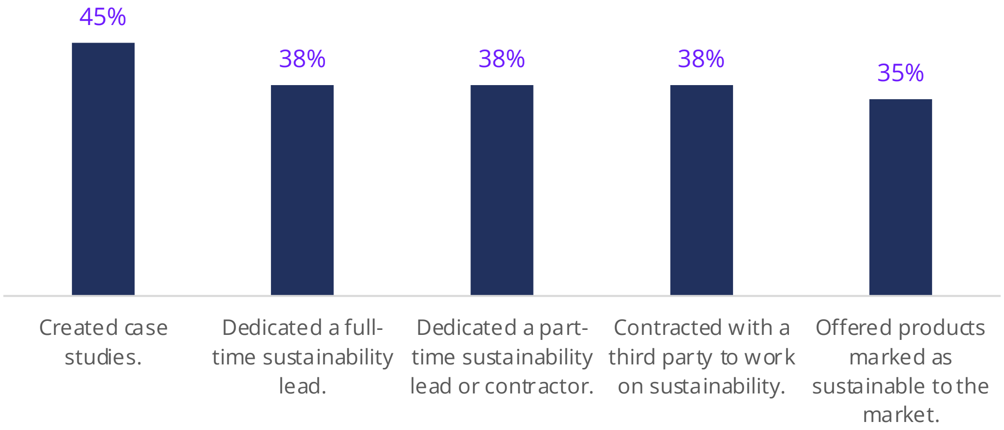
Q: To what extent do you agree that your work on sustainability is driven by the following factors?
Score based on Likert scale (1-5).

Actions

There's a clear action funnel that starts with participation in industry forums on sustainability and ends with always-on assessment of sustainability impacts. **Actions on the environmental sustainability front appear to be more popular compared to equivalent actions on social issues** by an average difference of about 10 percentage points. Most respondents that perform some kind of impact assessment seem to disclose information with clients or partners.

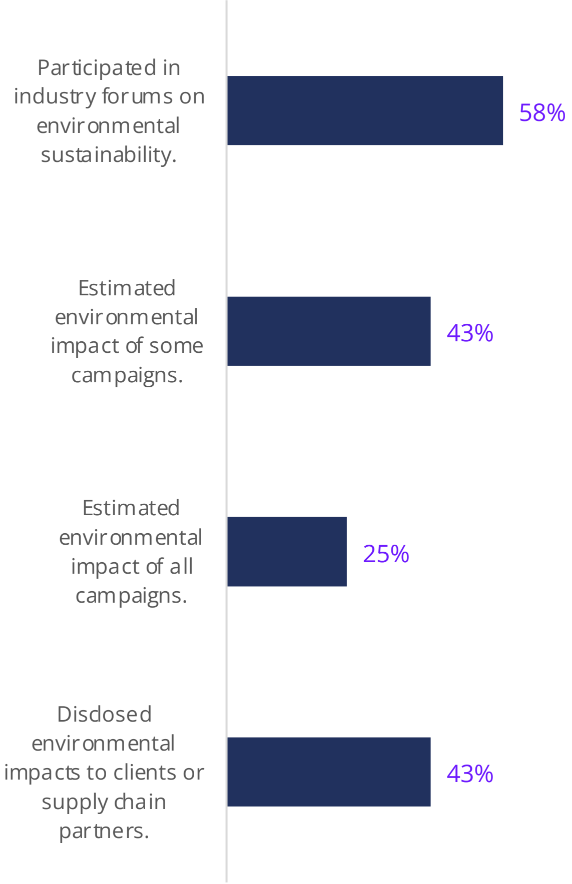
Since the 2023 report, the share of respondents with a dedicated sustainability lead has slightly decreased. **The share of respondents that estimate environmental impact across all campaigns doubled from 2025 to 2026.**

Actions - General (n=40)



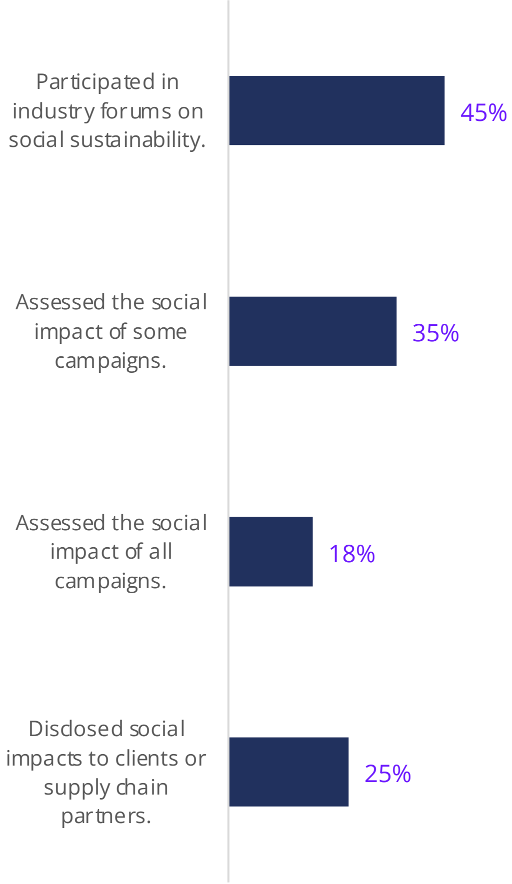
Q: Which of the following actions has your company undertaken so far?

Actions - Environmental (n=40)



Q: Which of the following actions has your company undertaken so far?

Actions - Social (n=40)



Q: Which of the following actions has your company undertaken so far?

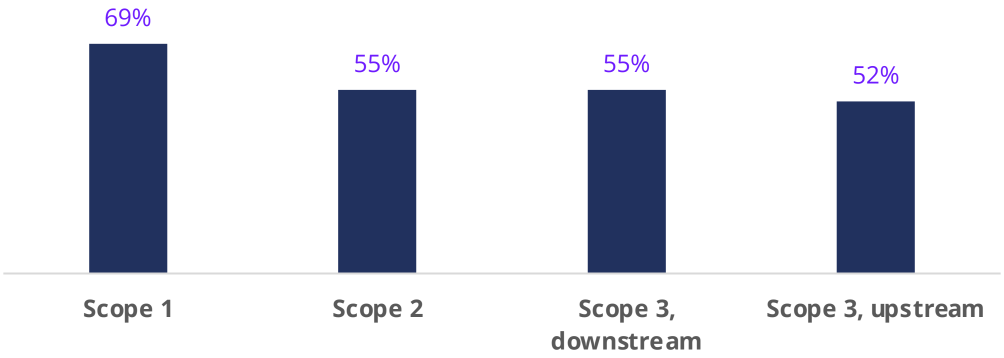
Reporting

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.

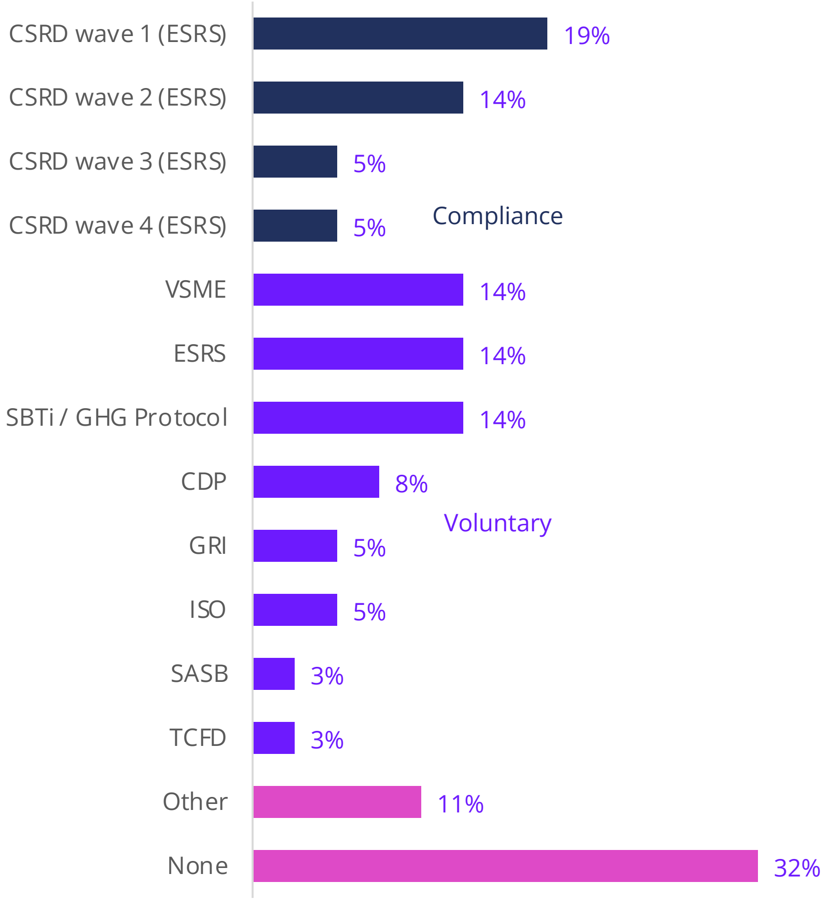
32% of respondents declared they have not released and do not plan to release a sustainability report. A third of respondents fall into waves 1 and 2 of the **Corporate Sustainability Reporting Directive**. The **Voluntary Sustainability Reporting Standard for SMEs**, the **European Sustainability Reporting Standard**, and the **Science-Based Targets initiative / Greenhouse Gas Protocol** standards are the most popular options for voluntary reporting.

Emissions Reporting Scopes (n=29)



Q: Which of the following scopes does your company report emissions on?

Reporting Basis / Frameworks (n=37)



Q: On which basis and using which frameworks have you made or will you make sustainability reports available?

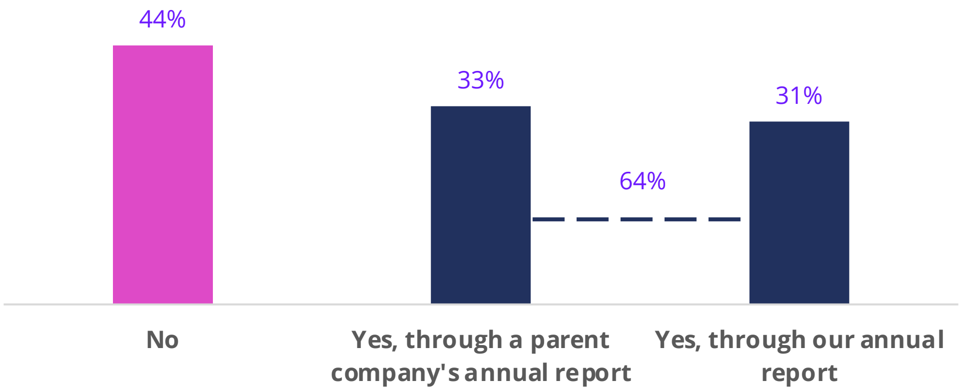
Reporting

64% of respondents declared they make information on their ESG impact available through an annual report. **In terms of verification, about three quarters are open to audits on environmental matters, signalling confidence in their efforts.** Openness to social sustainability audits is 15 percentage points lower, a similar amount to the gap in terms of action.

“As sustainability commitments move from ambition to action, independent verification comes into its own. Third-party auditing brings clarity, consistency, and credibility, helping businesses demonstrate their progress and giving the market confidence in the claims being made. **Transparent measurement is fundamental to building long-term trust.**”

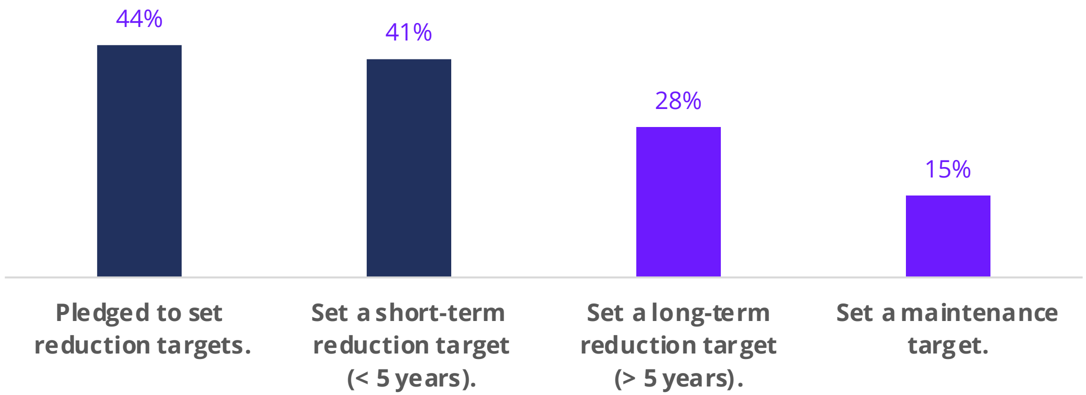
Simon Redlich
Chief Executive, ABC UK

ESG Reporting (n=39)



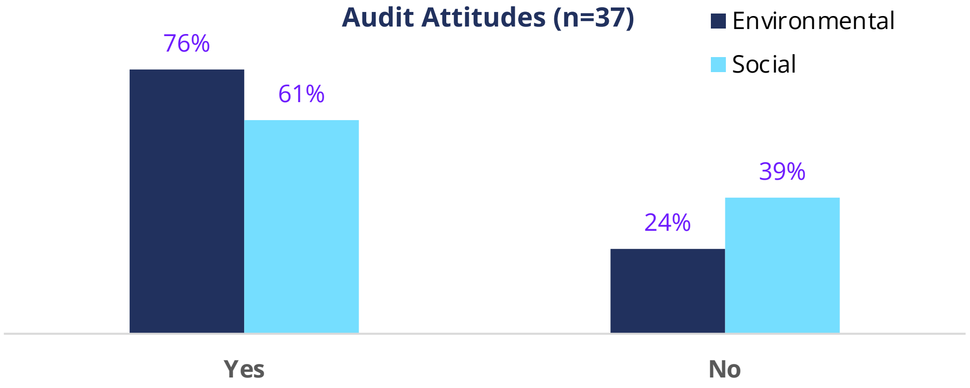
Q: Does your company make information on its ESG impact available?

Enterprise-level Emissions Targets (n=39)



Q: Which of the following actions has your company undertaken so far?

Audit Attitudes (n=37)



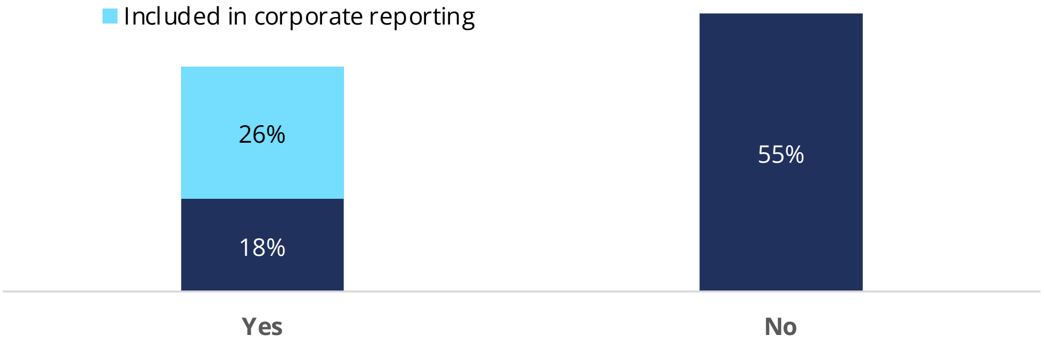
Q: Is your company open to third-party auditing for the purpose of assessing environmental / social impact?

Assessment

The share of respondents that includes the assessed ESG impact of the digital advertising supply chain in corporate reporting has dropped by 9 percentage points since 2025. Looking at how that the assessment is performed, **developing in-house solutions has an edge of 8 percentage points over working with an external vendor**. It should be noted these are not mutually exclusive.

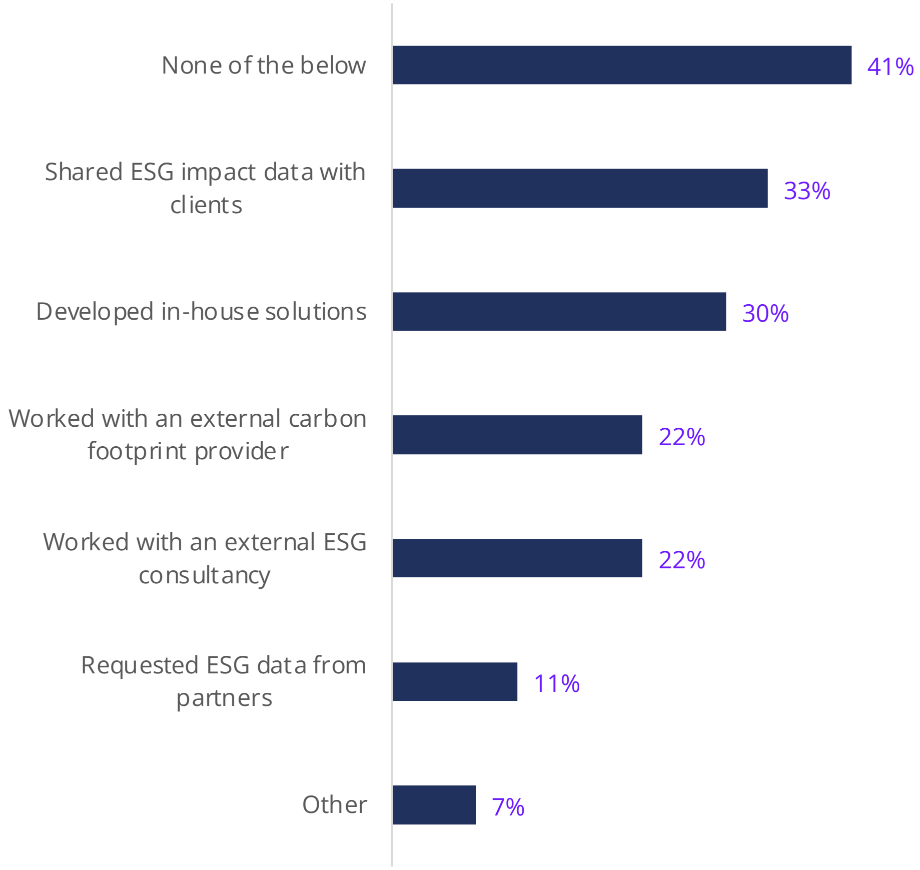
ESG data requests to partners came in at 11% of a sample that already represents less than half of total respondents, indicating either the heavier use of proxies and publicly available data, the reliance on third-party aggregation of ESG data (e.g., vendors), or a mix of the above. Combined with 33% of respondents sharing impact data with clients, this suggests **ESG data RFIs do not propagate fully across the supply chain**.

Assessment of Digital Ad ESG Impacts (n=38)



Q1: Does your company currently perform any assessment of the ESG impacts across the supply chain of digital ads?
Q2: If yes, are the impacts included in your sustainability reporting?

Actions - Impact Assessment (n=25)



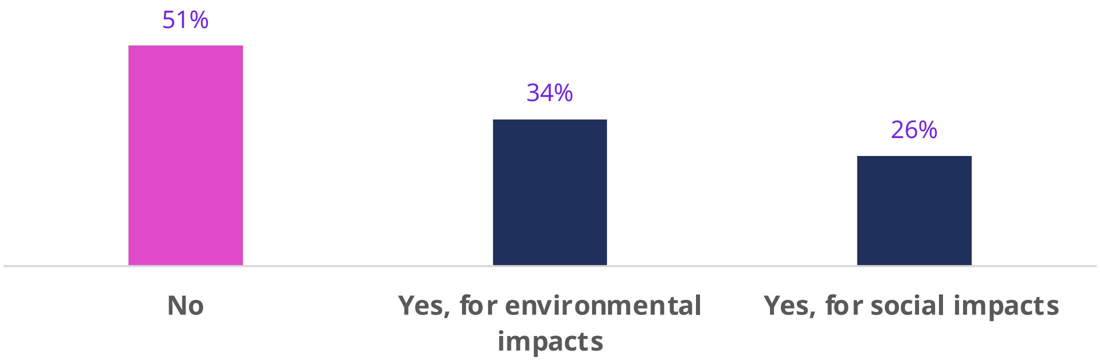
Q: Which of these actions have you taken in assessing ESG impacts?

Campaigns

In terms of digital-advertising-specific actions to improve ESG impact, levers for reducing carbon footprint are strictly more popular than levers to address social impact. Practices that are more closely aligned with improved business performance, such as avoiding inventory on made-for-advertising sites or optimizing paths, naturally rank higher. **This data surfaces a contrast between the ESG impacts considered to be more material for the ecosystem and the actions respondents have undertaken.**

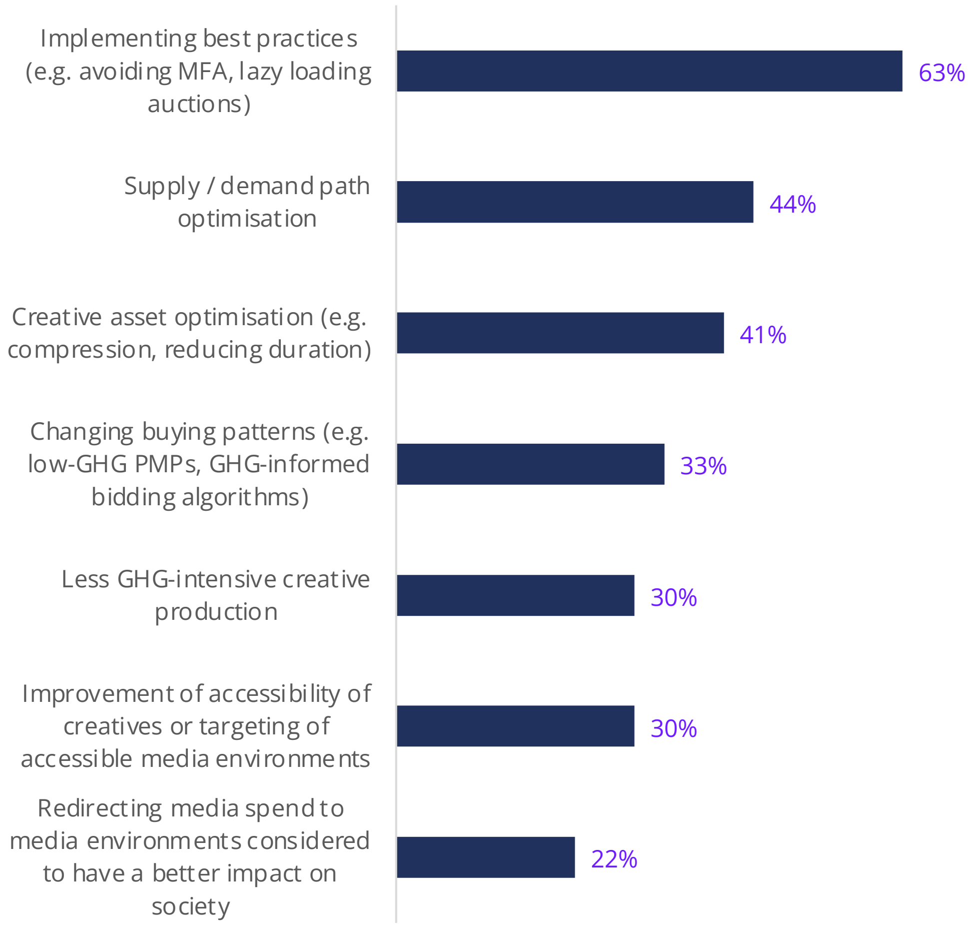
Half of respondents do not have internal standards, guidelines, or requirements relating to the ESG impact of digital advertising. Of the respondents that do, 70% have developed guidelines on carbon footprint and 50% have developed guidelines on social impacts.

Internal Standards and Guidelines (n=35)



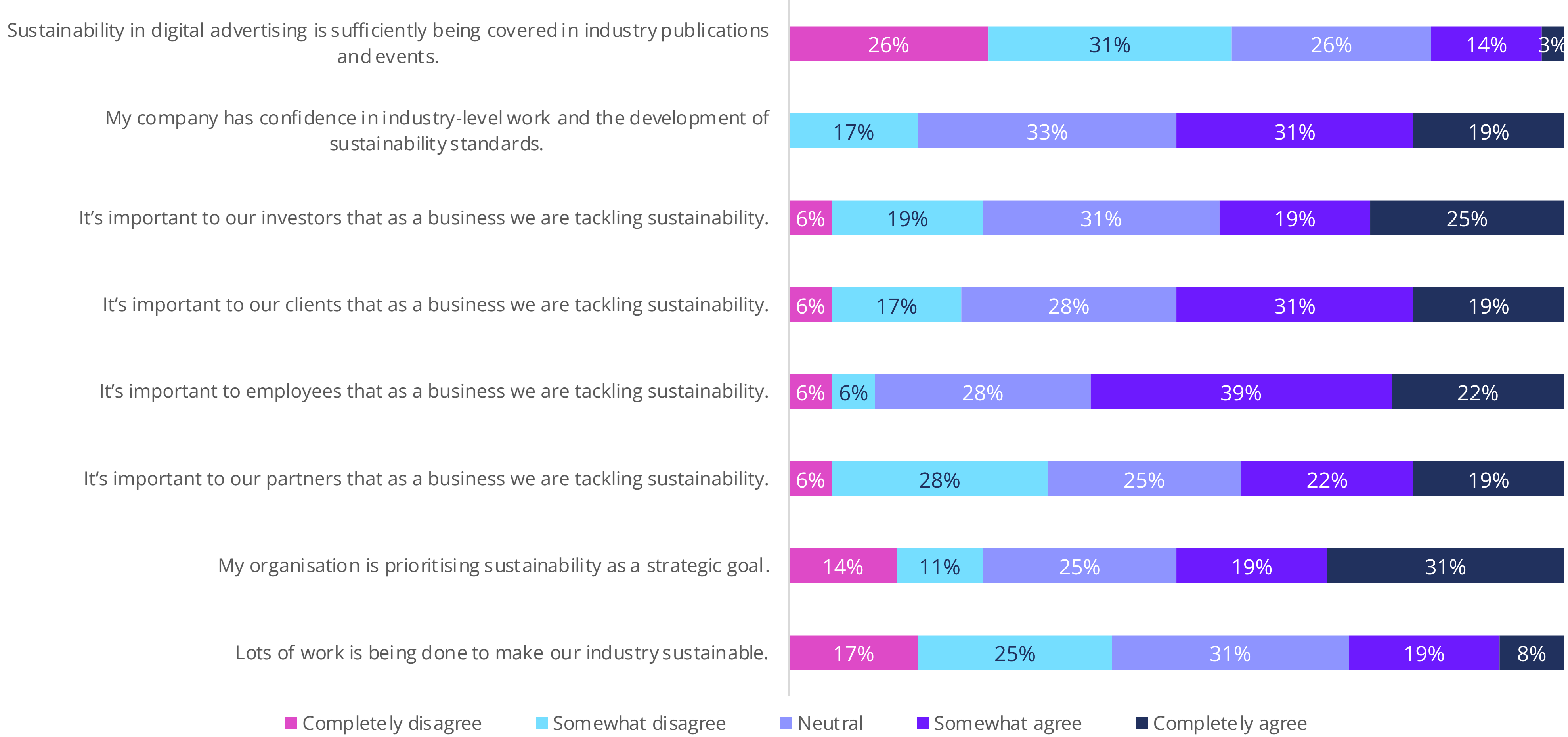
Q: Does your company have internal standards, guidelines, or requirements relating to the ESG impacts of digital advertising?

Actions - Digital Ads (n=27)



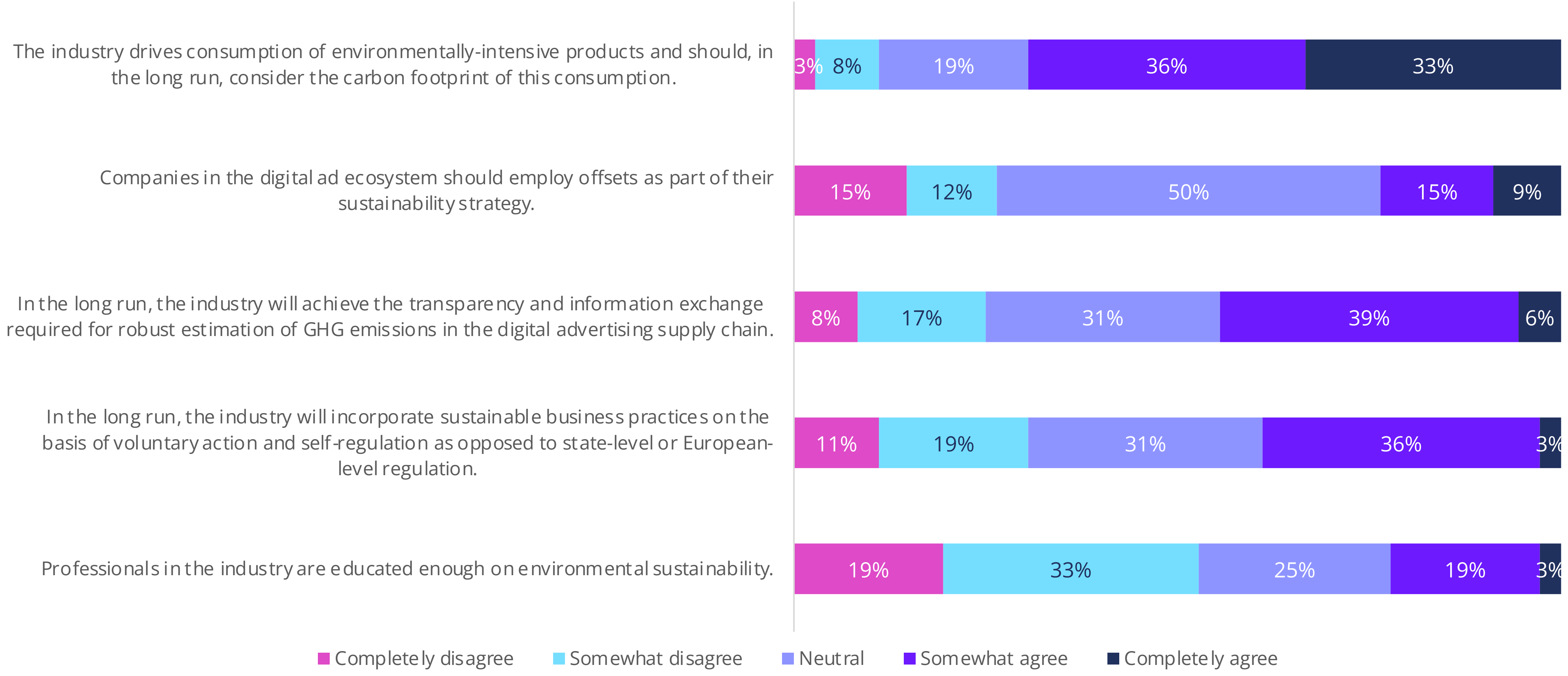
Q: Which of the above actions have you taken to improve the sustainability of media products and digital ads?

Perspectives



Q: To what extent do you agree with the following statements? (n=36)

Perspectives



Q: To what extent do you agree with the following statements? (n=36)

Of the ecosystem perspectives shared above, the most popular relate to employees being a key driver for work on sustainability and the relationship between advertising and environmentally-intensive consumption. On the contrary, respondents were likelier to disagree with the statements that sustainability is sufficiently covered in trade publications and events and that professionals are educated enough on the topic.

Obstacles

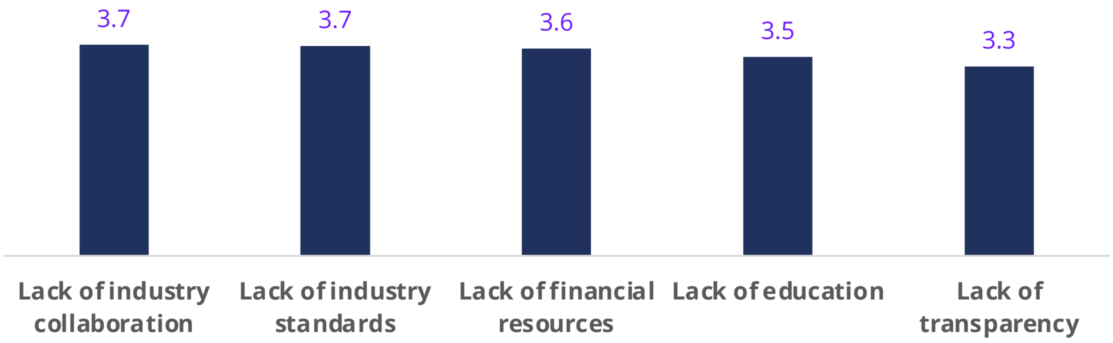
This year's survey is the first to have been distributed after the release of open and implementable standards for estimating digital ad emissions. Still, **the lack of industry standards has only dropped by one place in the ranking of obstacles to ESG progress**, which could indicate that standards are also required in other areas, such as social impacts, or that standards are also required for other use cases, beyond the quantification of impact.

Interestingly, lack of industry collaboration has moved from second-to-last in 2025 to the top spot this year, while lack of transparency ranks lowest. **Regardless of order, all these factors are relevant for different respondents.**

"While individual effort on sustainability is admirable, the data shows that **true systemic changes are necessary**. Collaboration, education, and industry standards are essential for our industry to make genuine, transparent, and quantifiable progress."

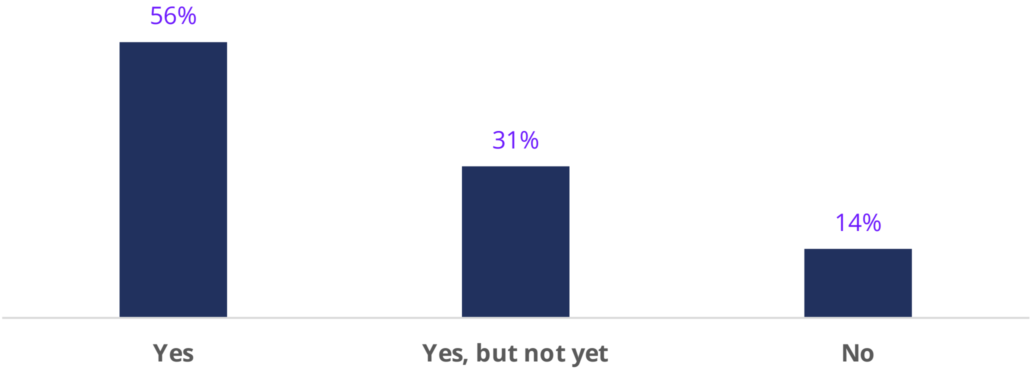
Emanuela Recalcati
Global Head of Emerging Innovation and Creative Services, WPP Media
Co-Chair of the IAB Europe Sustainability Standards Committee

Obstacles to Progress (n=39)



Q: To what extent do you agree that each of the following factors is an obstacle to your company's progress in sustainability?
Score based on Likert scale (1-5).

External Verification of Standards (n=36)



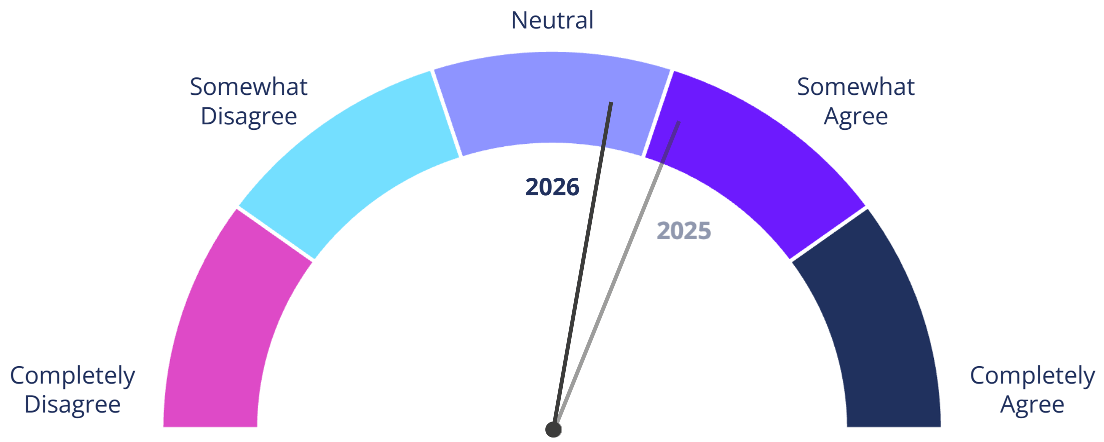
Q: Do you think our industry needs external verification (audits) of ESG standards (e.g. GMSF)

Conclusion

The fourth State of Readiness Report shows a digital advertising ecosystem that is progressing, but unevenly. The latest data confirms a shift towards a more holistic understanding of sustainability, with social impacts such as media plurality and freedom ranking higher on the double materiality matrix than environmental concerns. At the same time, ecosystem challenges are evolving rapidly: AI content ingestion, economic pressures, and ad fraud now dominate the agenda. While participation in industry forums, reporting practices, and campaign-level environmental measurement have expanded, social sustainability actions trail environmental ones, and ESG data does not consistently flow across the supply chain. **The gap between what is considered most material and what is operationalised remains the defining tension of 2026.**

The annual progress score reflects this mixed picture. **Although the adoption of recognised standards and frameworks has increased over time, the data does not indicate that standardisation has acted as the catalyst for widespread operational change that respondents had anticipated in previous editions**. Attention appears to have shifted towards more immediate economic pressures and AI-related challenges, a trend visible not only in the ranking of ecosystem concerns but also in participation patterns, with many sustainability-specific questions answered by roughly half of the total sample. With postponed reporting deadlines approaching again, sustainability may regain prominence; however, current responses suggest that **incentives from the buy-side remain limited and, where present, do not consistently translate into coordinated action across the supply chain**.

Annual Progress Score, Self-Assessed



Q: To what extent do you agree with the following statement:
"Since the last iteration of this survey the industry has made significant progress on sustainability."
Score based on Likert scale (1-5).

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