

## Study says tech firms underreport their carbon footprint

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Large technology companies such as SAP, IBM and Google are underreporting their greenhouse gas emissions at a time of heightened scrutiny over the role of corporations in driving climate change, a study released Friday claimed.

Research published in the journal *Nature Communications* found inconsistencies in the way companies declare their carbon footprint, a measure that is increasingly considered important for investors.



The study, conducted by researchers at the Technical University of Munich, examined so-called scope 3 emissions that account for a large share of corporate carbon footprints, such as business travel, employee commuting and how companies' products are used.

Focusing on 56 companies in the <u>tech industry</u>, they found that on average these failed to disclose about half of their emissions.

Christian Stoll, one of the report's authors, said some companies—such as Google's parent Alphabet—were found to have been consistent in how they reported their carbon footprint, but excluded some emissions that should have been counted.

Others, such as IBM, had reported their <u>carbon footprint</u> differently depending on the audience and excluded emissions that should have been included.

Neither Google nor IBM immediately responded to requests for comment.

The authors suggested ways in which companies can improve their emissions reporting.

Laura Draucker, senior manager of corporate <u>greenhouse gas emissions</u> at nonprofit business research firm Ceres, said she agreed with the Nature paper's conclusion that companies' emissions disclosure needs to improve.

"However, we cannot wait for perfect data," said Draucker, who wasn't involved in the study. "Companies can use estimates and screening tools to identify hot spots for climate risk along their <u>value chain</u>, and they can set goals and take actions now to meet those goals—while at the same time, working to improve <u>data collection</u> and quality."



Ceres' own research showed many of the largest U.S companies lack ambitious climate goals, she added.

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