

Google Is No Longer Claiming to Be Carbon Neutral

The tech giant, which has seen its planet-warming emissions rise because of artificial intelligence, has stopped buying cheap offsets behind the neutrality claim. The company now aims to reach net-zero carbon by 2030.



The Google Inc. pop-up store ahead of the World Economic Forum in Davos, Switzerland, on Jan. 15, 2024. *Photographer: Stefan Wermuth/Bloomberg*

By [Akshat Rathi](#)

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Google has ended its mass purchase of cheap carbon offsets and thus stopped claiming that its operations are carbon neutral, according to the tech giant's latest environmental report. The company now aims to reach net-zero carbon emissions by 2030.

The Alphabet Inc. unit has claimed that it's been carbon neutral in its operations since 2007. The status was based on purchasing carbon offsets to match the volume of emissions that were generated from its

buildings, data centers and business travel. But in its latest report, the company states: “Starting in 2023, we’re no longer maintaining operational carbon neutrality.”

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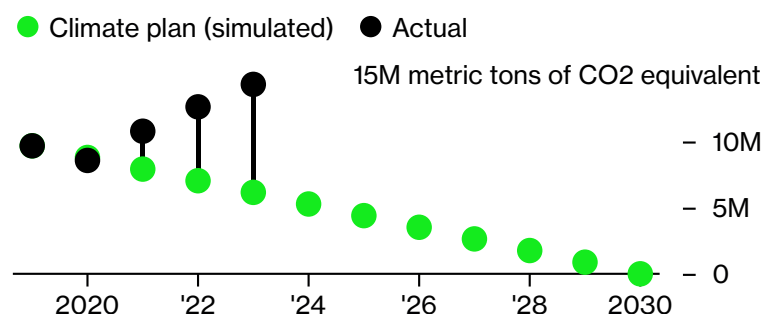
It’s a sign of a company learning to adapt to strengthening sustainability criteria. “In line with a changing market – including a more robust carbon-removal ecosystem we helped catalyze – we’ve shifted our strategy,” a Google spokesperson said. “We aim to avoid or reduce greenhouse-gas emissions to reach our absolute emissions reduction target.”

The changes to its carbon credits purchase strategy have coincided with Google and Big Tech’s push on artificial intelligence, which a [*Bloomberg News* investigation](#) has shown is extremely resource intensive. As a result, Google’s [total planet-warming emissions](#) in 2023 are 48% higher than 2019. In that period, its total energy consumption has doubled. It’s a similar story for Microsoft, which has seen primarily its AI activities cause emissions to [rise](#)

by 30% relative to 2020, even as it still aims to be carbon negative by 2030.

Google's Emissions

Artificial intelligence is putting the tech giant's climate goals in peril



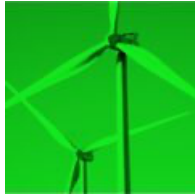
Source: Google (Scope 1, 2 and 3 data)

Note: Green dots represent linear decline to net-zero emissions goal.

The definition of carbon neutral is when an entity balances its planet-warming emissions with techniques that draw down the same amount of carbon dioxide from the air.

However, most companies making carbon-neutral claims today rely on cheap offsets – where one credit equals a ton of emissions – that are derived from projects that claim to protect forests or deploy clean energy and avoid the production of emissions.

While those are actions that should help the world tackle climate change, experts have found that the purchase of the emissions-avoidance offsets does little to actually reduce emissions. Many forest projects exaggerate their claims, while most renewable energy plants would have been built without the small sums raised by the offset purchased. That's why most carbon-neutral claims from companies and products are questionable.

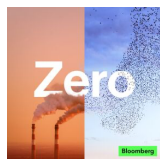


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In 2022, Google bought nearly 3 million tons of such offsets to counterbalance its direct emissions and business-travel emissions. Though the company did not declare what specific projects those offsets came from, its sustainability report stated that the credits were verified “under the Climate Action Reserve (CAR), American Carbon Registry (ACR), Verified Carbon Standard (VCS), or the UNFCCC Clean Development Mechanism.”



Microsoft Wanted to Be Carbon Negative. Then it Went Big on AI.

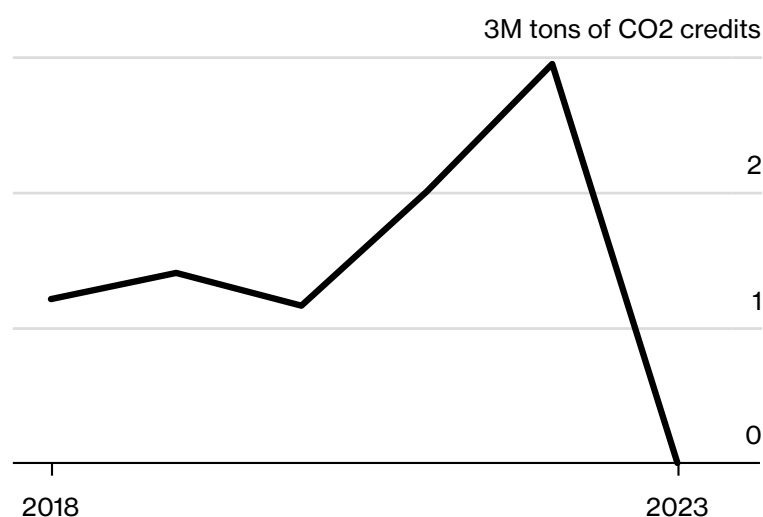
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Google was among a few global corporations that was early in thinking about the role that companies should play in fighting climate change. After offsets-based claims from companies came under scrutiny, Google stated in a *Bloomberg Green* story in 2021 that it aimed to reach carbon neutrality without offsets.

But now, instead of bulk purchase of emissions-avoidance offsets, Google says it's going to focus on absolute reductions in emissions and buy carbon-removal credits for its residual emissions. These tend to be more expensive, but also have greater chance of verifiably drawing down carbon dioxide from the air.

Google's Offsets

The tech giant is no longer buying emissions-avoidance offsets and moving to buying carbon-removal credits in the future



Source: Google Sustainability Report 2023
Note: Credits purchased were verified by CAR, ACR, VCS and CDM.

In 2022, Google pledged \$200 million toward a fund that was set up to catalyze the carbon-removal market. Google's 2024 report states that the company has contracted 62,500 tons from three companies – Charm Industrial, Lithos Carbon, and CarbonCapture – with delivery dates on those credits between 2024 and 2028. That's a small fraction of its total emissions – direct and indirect – which last year reached 14.3 million tons of carbon-dioxide equivalent.

“We remain dedicated to the sustainability goals we’ve set,” Google spokesperson said. “Reaching net-zero emissions by 2030 is an extremely ambitious goal, and we are working very hard on it. We don't have all the answers but are committed to collaboration and playing our part.”



In this year’s report, Google also confirmed that the company has “formally committed to Science-Based Targets initiative (SBTi).” The group is a watchdog of corporate climate goals and recommends that companies focus on reducing their emissions and only use offsets for small fraction of residual emissions.

Google isn’t the only company changing its carbon-credits strategy. Airline EasyJet Plc. and flooring company Interface Inc. ended purchase of avoidance-emissions offsets tied to carbon-neutral claims. Decisions like these caused the market for those offsets to shrink last year. Both companies also had their climate targets validated by SBTi in the past few years.

“In principle, offsetting is still wrong,” said Fabiola De Simone, policy expert at Carbon Market Watch. That’s a view held by some

experts that perfectly counteracting a company's emissions is a flawed exercise. For example, even if emissions can be demonstrably be removed, for the time they existed in the atmosphere, they still caused harm.

De Simone said she realizes that companies may have to rely on some amount of carbon removal to meet strict climate goals, but it should not be an excuse to not reduce emissions. "It's good that companies are acknowledging that reducing emissions is the priority," she added.

– *With assistance from Natasha White*

