Addressing the Climate Impact of Startups and the Cloud

Helping startups minimize the carbon footprint of cloud computing and software supply chains

EXECUTIVE SUMMARY

To avoid the worst effects of climate change, scientific consensus states that CO₂ emissions must decline by 40–60 percent by 2030 to keep our planet from warming more than 1.5°C. To achieve these goals, the software industry, whose climate impact from cloud computing is often underestimated, must significantly change. Large companies like Google and Microsoft are taking action to reduce their carbon footprint. Yet most startups lack the resources to understand and factor climate impacts into their business decisions. This project recommends that investors engage with portfolio companies to help them understand and reduce their climate impact. The project website supplies startups with tools to understand the impact of cloud providers, measure their carbon footprint, and take action to clean up their software supply chains.
THE PROBLEM

Computing is having a real impact on the climate, but this is neither widely understood nor acted upon. Software companies may think their footprint is negligible when compared to businesses that produce physical goods, but in reality their choice of cloud provider and software supply chain can have a significant climate impact. Even startups motivated to take action lack the tools to understand and address their carbon footprint.

“Cloud computing accounts for over two percent of global carbon emissions today—equivalent to the aviation industry—and few startups understand how to reduce their footprint.”

THE SOLUTION

This project recommends that investors and incubators work with portfolio companies to assess their climate impact and take action to address it. The project gives startup founders tools and information to measure their current carbon footprint and understand the climate impact of their cloud provider choices and software supply chain, with concrete examples of actions they can take. Empowering investors and companies to engage in the climate fight encourages collective industry action and creates the potential for large-scale impact. As more companies work to clean up their software supply chains, cloud providers will become global leaders in utilizing renewable energy, with many positive benefits for the broader energy industry and climate.