

# Apple and Amazon further climate commitments as sustainability race heats up

Article

**The news:** Amazon and Apple are advancing their sustainability goals, with the former investing in eco-conscious startups and the latter transitioning its suppliers to sustainable energy.

- Amazon announced on Wednesday that it had invested in three additional companies via its \$2 billion program, **The Climate Pledge Fund**, which has backed 11 businesses to date.
- Meanwhile, Apple reported that it had reduced carbon emissions by **40%** over the past five years, and that 175 of its suppliers will switch to using renewable energy, preventing the release of 18 million metric tons of carbon dioxide annually.

**More on this:** Amazon's and Apple's announcements come ahead of the **United Nations Climate Change Conference (COP26)**, which starts next week. Both companies have made ambitious commitments to sustainability and renewable energy in recent years as the climate crisis looms large over regulators and consumers.

- Apple committed last July to becoming carbon neutral by 2030 and has made sustainability a major selling point in the marketing for new products. The company boasted an 11% reduction in the carbon footprint of the newly announced iPhone 13 Pro, and an 8% reduction for the 16-inch MacBook Pro compared with earlier models.
- Amazon is a co-founder of **The Climate Pledge**, an initiative signed by over 200 companies to achieve net-zero carbon emissions by 2040. Its accompanying fund has invested in a wide range of industries and products, from low-carbon concrete to battery recycling and electric vehicle charging.
- One of the fund's newest investments is in **CMC Machinery**, a company that creates custom-sized boxes for products to eliminate the need for single-use plastic packaging. This business is directly applicable to Amazon's core ecommerce operation and addresses growing consumer interest in sustainable packaging for online orders.

**Consumers driving change:** Much of the increased investment in sustainability follows changing consumer attitudes toward the environment. On the whole, consumers are concerned about ethical spending and how the brands they interact with affect the environment.

- CMC Machinery is an especially prescient investment for Amazon: A March 2021 Dotcom Distribution survey found that sustainable packaging was the eco-friendly practice most likely

to get consumers to shop with a brand, with **45%** of online shoppers in the US citing it as a priority.

- If the cost that sustainable practices can sometimes impose was a barrier to entry before, it's a much smaller concern for businesses now. An April 2021 **YouGov** survey found that **58%** of US adults said they were willing to pay more for products that are good for the environment, with millennials and Gen Z adults leading the pack at 64% and 63%, respectively.

**Why it's worth watching:** Combine consumer interest, regulator scrutiny, and growing global anxiety toward climate change, and you have an environment with a wide array of industry leaders racing to outperform their rivals in sustainability, either through investments and supply changes, or through branding products with sustainability in mind.