



**Promoting responsible marketing:**

**Engaging PR & advertising companies on their climate impact** – The example of Publicis Groupe

“And it includes the **massive public relations machine** raking in billions to **shield the fossil fuel industry** from scrutiny. (...) Fossil fuel interests need to spend less time averting a PR disaster – and more time averting a planetary one.”

*UN Secretary-General António Guterres, September 2022*

## Agenda

- 1) Intro: **The investor initiative**
- 2) Situation: **The PR & advertising industry and its climate impact**
- 3) Complication: **The fossil free movement and creative industry-specific initiatives**
- 4) *Focus insight:* **Advertised emissions by Jonathan Wise of Purpose Disruptors**
- 5) Solution: **Addressing risks and opportunities**
- 6) Example: **The case of Publicis Groupe**

# INTRO

## INTRO: The investor initiative



Shareholders for Change are a **European network of institutional investors involved in active engagement** with corporations to enhance a sustainable development as an essential element of their role as bond – and shareholders.

**Ecofi** and **Inyova** invite fellow investors of Publicis Groupe to join the engagement or to start engaging on this issue on their behalf **via the UN PRI platform.**

**Future Super**, a pension fund from Australia, has joined as a **supporting investor.**



**SITUATION**

# SITUATION: The PR & advertising industry



a **USD 600 billion** industry

**numerous independent agencies**

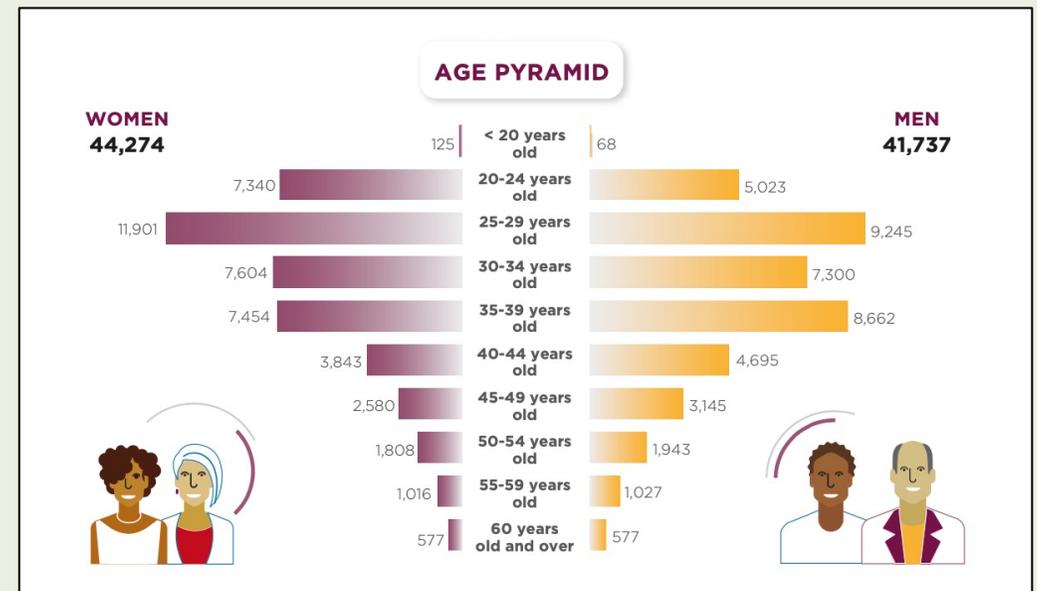
**6 key players** that operate globally via multiple single brand agencies

**highly competitive: small agencies** can **take client accounts** from a much **larger competitor**

**talent is key:** creative people are every agency's principal asset

a **comparatively young industry:** average age between 28 to 34 years

**Gen Z and millennial generations** are much more **climate aware:** look for a job that fits their values, expect companies to take meaningful climate action



# SITUATION: Services provided the industry



PR and corporate affairs: lobbying policy and decision-makers

Defining and building the brand: selling the image of a company

Selling particular products or services for a brand/company

## SITUATION: Clients served by the industry

All of the 6 holding companies are working for the **fossil fuel industry** and **other high carbon emitting clients** from the automotive, aviation or meat industry.

"We want to work with companies that share our values and share our outlook for the future and energy companies are in the process of doing that... **We should be there to support them on that transition.**"



Mark Read, CEO WPP



# SITUATION: Clients served by the industry

Only **one of the 68 publicly listed power companies** has a decarbonisation plan consistent with a **1.5° C pathway**. Despite warnings by the International Energy Agency (IEA) to stop new fossil projects to keep global warming below 1.5° C, **fossil fuel companies continue to expand oil and gas operations**.

Sources: Carbon Tracker, Oil Change International, Transition Pathway

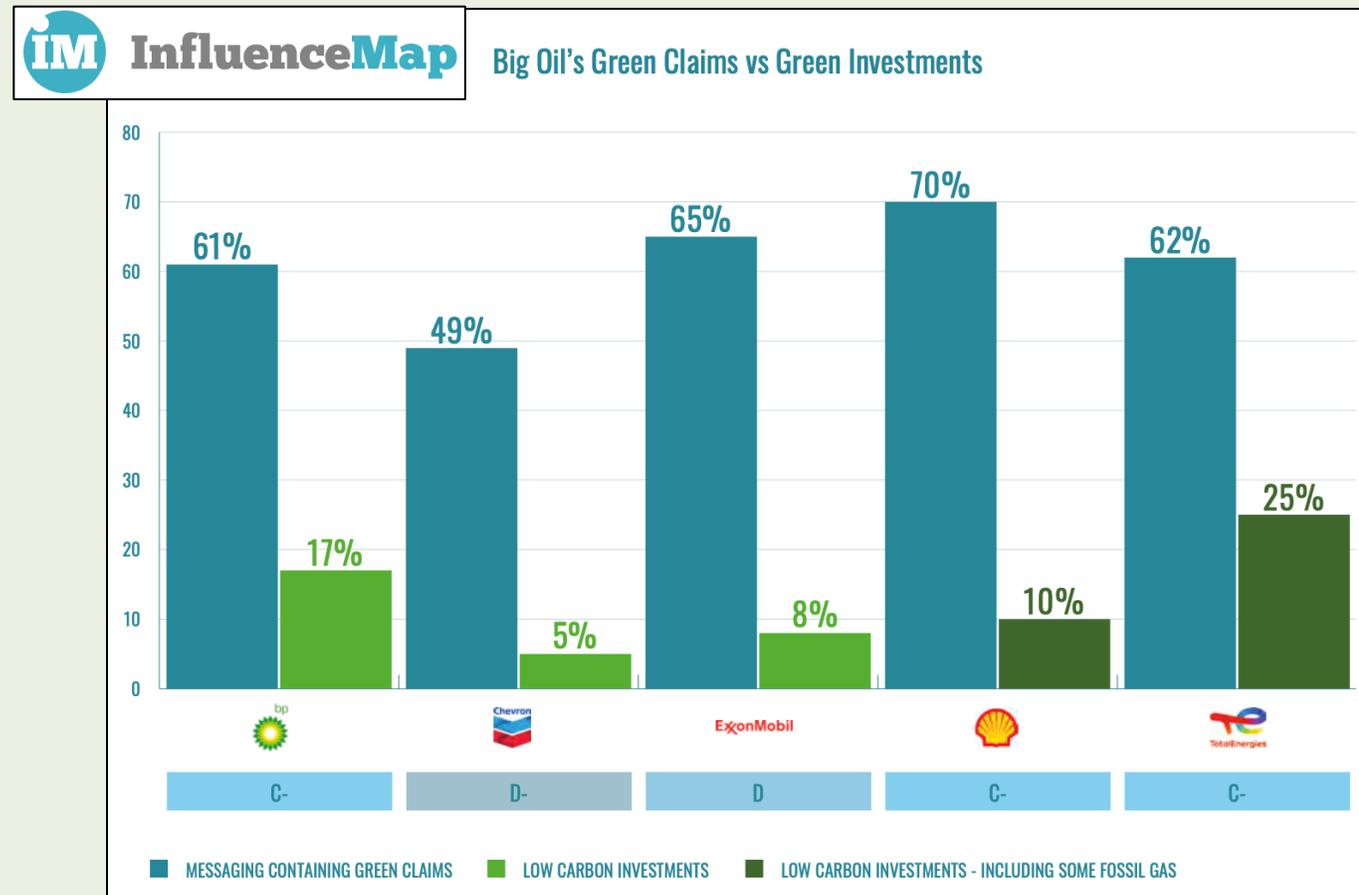
**At least 636 fossil lobbyists at COP27**, outnumbering indigenous peoples' delegates two to one.

Source: Global Witness

Oil and gas majors have invested combined over 1 billion USD of shareholder funds on **“misleading climate-related branding and lobbying”** in the first 3 years after the Paris agreement.

They also spend hundreds of millions of dollars each year on **“a systematic strategy to portray themselves as positive and proactive on the climate change emergency”**.

Source: InfluenceMap



Source: InfluenceMap

## SITUATION: Climate action by the industry



**All of the 6 holding companies have set or have committed to setting a science-based target.**

Climate change is named as one of their priorities regarding ESG.

**5 Action Points** as a guide for its transition to net zero:

1. Get Your House In Order - advertising **business operations**
2. Reduce emissions from advertising **production**;
3. Reduce emissions from **media planning & buying**
4. Reduce advertising emissions through **awards and** from **events**
5. Harness **advertising's power to support consumer behaviour change**



# COMPLICATION

# COMPLICATION: The industry's role in delaying climate mitigation

A study by Brown University found that **PR firms are a key organisational actor in climate politics.**

The results were affirmed by the Intergovernmental Panel on Climate Change (IPCC) in their 2022 report and by UN Secretary-General António Guterres in September 2022.



As per the IPCC, PR and advertising work in two ways:

- 1) **targeted lobbying and doubt-inducing media strategies** by fossil fuel companies
- 2) **advertising and PR to appropriate climate care sentiments in their brand building** and to deflect corporate responsibility to individuals



# COMPLICATION: Climate change laws and legislation

## Ban on fossil fuel ads

France law prohibits advertising for all energy products related to fossil fuels.

Similar laws in place or discussed in Amsterdam, Liverpool, Stockholm and Sydney.

NGOs like Greenpeace and WWF call for an EU-wide tobacco-style ban on advertising for oil, car and aviation companies, incl. an end to sponsorship.

## Greenwashing / Net zero claims

Several countries have implemented laws to clamp down on greenwashing.

In France, the “Climate and Resilience law” no longer allows to advertise a product as “carbon neutral” without being able to prove it.

Similar laws implemented or planned in the EU (“Green Claims Directive”) and the UK (“Green Claims Code”).

**BAN** FOSSIL FUEL **ADS**

**France clamps down on 'zero carbon' advertising to avoid greenwashing**

# COMPLICATION: Climate change laws and legislation

Source: Cancer Research UK

## Ban on fossil fuel ads

France law prohibits advertising for all energy products related to fossil fuels.

Similar laws in place or discussed in Amsterdam, Stockholm and Sydney.

NGOs like Greenpeace and others have campaigned on advertising for oil, car and tobacco sponsorship.

**Loopholes and limitations remain!**

Several rounds of adjustments expected until the law is effective (see action on tobacco ads)

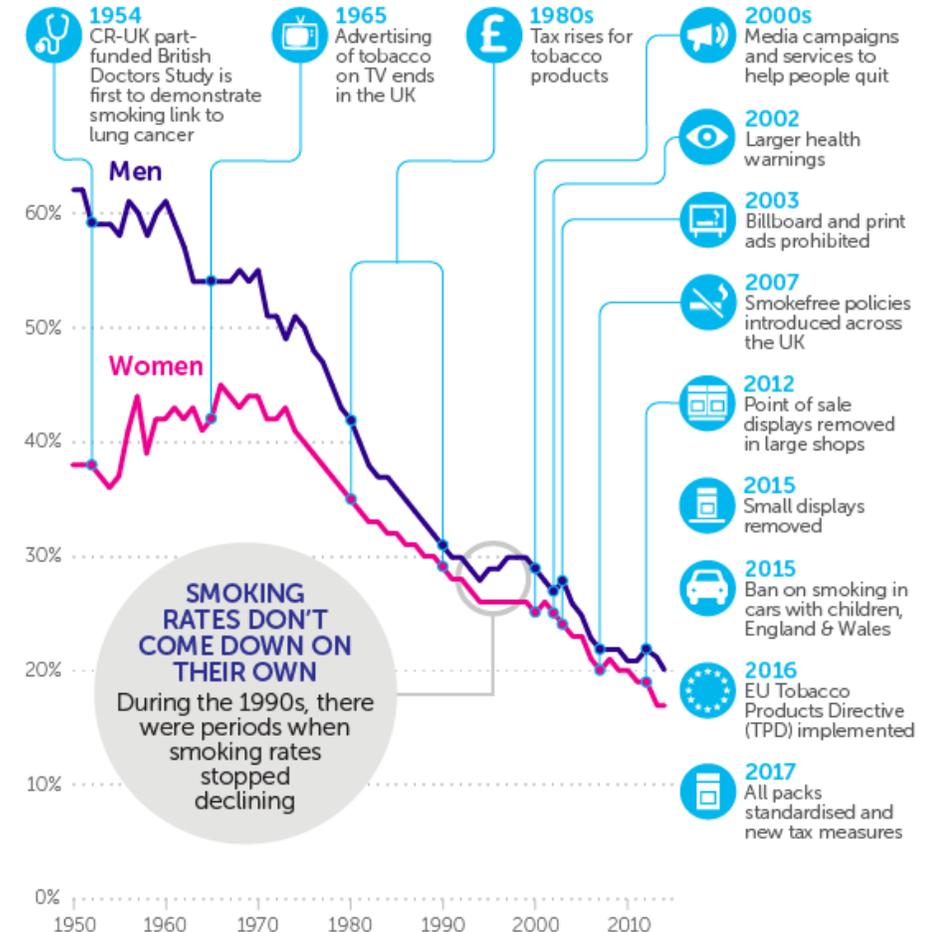
## Greenwashing / Net zero

Several countries have implemented laws to clamp down on greenwashing.

In France, the "Climate and Resilience law" no longer allows to advertise product as "carbon neutral" without being able to prove it.

Similar laws implemented or planned in the EU ("Green Claims Directive" and the UK ("Green Claims Code").

## SMOKING RATES DECLINE WITH ACTION



Source: Adult Smoking Habits in Great Britain. Opinions and Lifestyle Survey, ONS

LET'S BEAT CANCER SOONER  
cruk.org



# COMPLICATION: Climate change litigation

Scrutiny by public authorities is increasing.

In the US, a House panel questioned oil companies about their role in **spreading climate 'disinformation' and spendings on PR agencies.**

The investigation is expected to include third-parties.

## Big Oil Gets Grilled by Congress Over Climate Disinformation

*Source: Foreign Policy*

**New York City sues Big Oil for allegedly misleading consumers about climate change**

**Oil giant Shell accused of 'greenwashing' and misleading investors**

**Lawyers Challenge BP Over 'Greenwashing' Ad Campaign**

**Eni fined €5m for deceiving consumers over its 'green' diesel, Italian watchdog rules**

*Sources: CNN, Inside Climate News, Transport & Environment, Washington Post*

From 2015 to 2021, the cumulative number of **climate change litigation** cases has more than doubled.

**Lawsuits accusing oil and gas companies of greenwashing, citing advertising and marketing campaigns** that allegedly make unsubstantiated claims about the environmental impacts of their products.

**PR and advertising firms likely soon to be named as defendants.**

During the opioid crisis in the US, third-party company McKinsey agreed to a mUSD 600 settlement for their role as consultants. Publicis has been sued, too.

## COMPLICATION: Industry initiatives



Take a pledge to **decline any kind of creative service for fossil fuel companies.**

To date, more than 1,300 creatives and 465 Agencies have pledged to decline fossil fuel clients.

## Creative Climate Disclosure

**Disclose 'climate conflicts'**, i.e. services provided to 'high carbon clients':

Coal, oil and natural gas; Private cars; Trucking and shipping; Iron, Aluminum and Steel manufacture; Concrete and Cement; Aviation; Chemicals and petrochemicals; Timber, Pulp and Paper; Meat and dairy; Plastics



*please see separate slides by Jonathan*

**SOLUTION**

# SOLUTION: Addressing risks and opportunities

## Regulatory, business risks

More regulation banning greenwashing and fossil fuel advertising in particular is expected.

This leads to business risks up to and including **loss of business**.

## Legal, litigation risks

Scrutiny by public authorities is increasing.

**Climate change litigation** has emerged as a new tool to hold carbon polluters liable and **might target involved third-parties, too**.

## Reputational, brand risks

Talent is the most valuable resource in the PR and advertising industry.

Younger generations are looking for work in a purposeful, value-aligned environment.

A survey by NGO Comms Declare found that **73% are hesitant to work with fossil fuel clients**, while 67% think their agencies should take a stronger stand against fossil fuel clients.

PR agency **Edelman** lost **4 executives due to** their involvement with **fossil fuel clients** in 2015.

## Opportunity

**Divest creative talent from destruction!**

Retain and attract talent by reducing advertised emissions and declining environmentally harmful briefs.

**EXAMPLE**

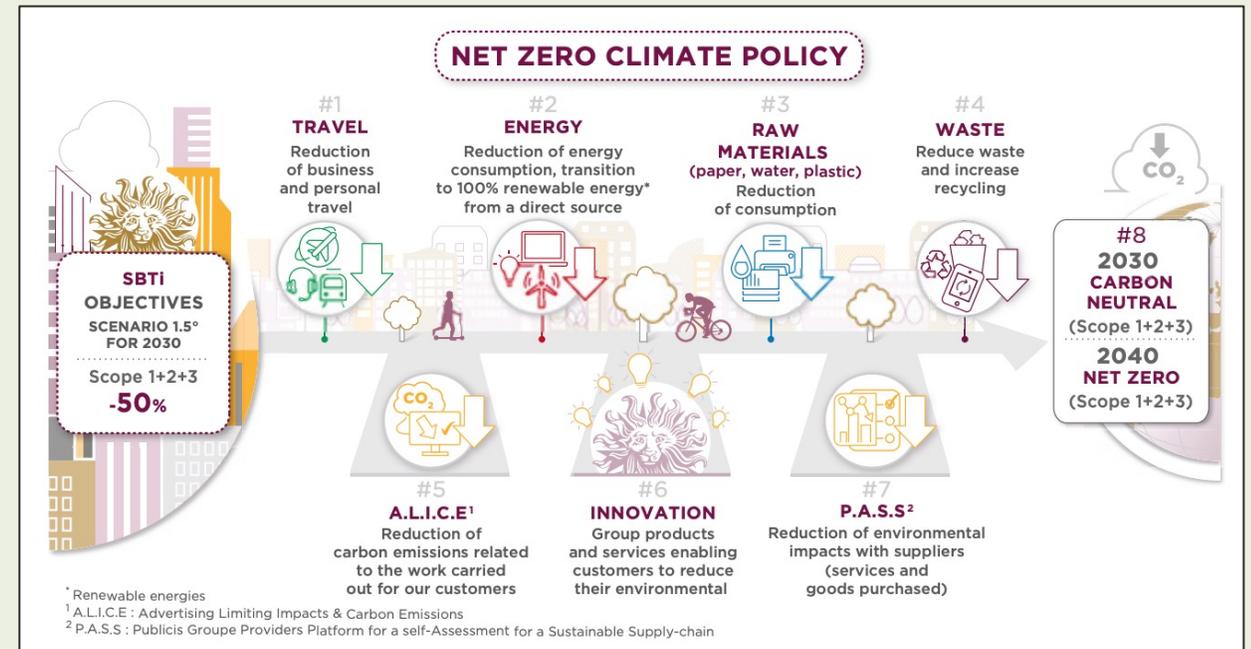
# EXAMPLE: Publicis Groupe – Climate strategy

<b>Publicis Groupe</b> ★ France, Europe	1.5°C	1.5°C	2040	Company	VIEW LESS ^
<b>Date published/updated</b> 2021	<b>Target summary</b> <b>Near term:</b> 1.5°C by 2030 <b>Long term:</b> 1.5°C by 2040 <b>Net zero:</b> Committed by 2040 ★ Business Ambition for 1.5°C campaign member		<b>Target</b> Overall Net-Zero Target Publicis Group commits to reach net-zero greenhouse emissions across the value chain by 2040 from a 2019 base year. Near-Term Targets Publicis Groupe commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. Publicis Groupe also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, business travel, employee commuting and upstream leased assets 50% over the same timeframe. Long-Term Targets Publicis Group commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2040 from a 2019 base year. Publicis Group also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, business travel, employee commuting and upstream leased assets 90% over the same timeframe.		

Source: SBTi



## 4.3 PRIORITY #3: FIGHT AGAINST CLIMATE CHANGE



Source: Publicis Groupe, Registration Document 2021

# EXAMPLE: Publicis Groupe – Climate strategy

<b>Publicis Groupe</b> ★ France, Europe	1.5°C	1.5°C	2040
<b>Date published/updated</b> 2021	<b>Target summary</b> <b>Near term:</b> 1.5°C by 2030 <b>Long term:</b> 1.5°C by 2040 <b>Net zero:</b> Committed by 2040 ★ Business Ambition for 1.5°C campaign member		<b>Target</b> Overall Net-Zero Target Publicis Group commits to reach net-zero greenhouse emissions across the value chain by 2040 from a 2019 base year. Near-Term Targets Publicis Group commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. Publicis Group also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, business travel, employee commuting and upstream leased assets 50% over the same timeframe. Long-Term Targets Publicis Group commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2040 from a 2019 base year. Publicis Group also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, business travel, employee commuting and upstream leased assets 90% over the same timeframe.
<b>Sector</b> Media			

## Target

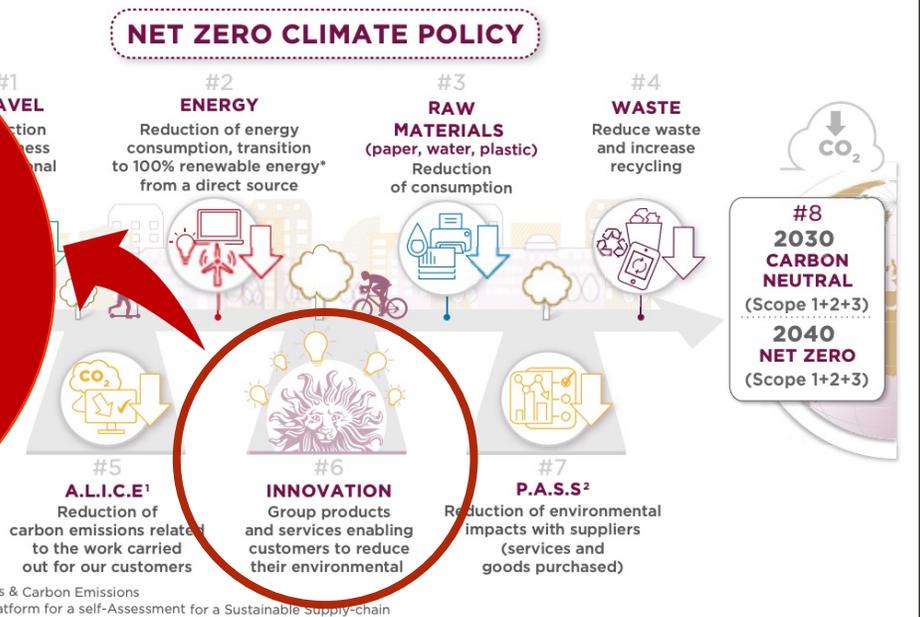
Overall Net-Zero Target Publicis Group commits to reach net-zero greenhouse emissions across the value chain by 2040 from a 2019 base year. Near-Term Targets Publicis Group commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. Publicis Group also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, business travel, employee commuting and upstream leased assets 50% over the same timeframe. Long-Term Targets Publicis Group commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2040 from a 2019 base year. Publicis Group also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, business travel, employee commuting and upstream leased assets 90% over the same timeframe.

Source: SBTi



## 4.3 PRIORITY #3: FIGHT AGAINST CLIMATE CHANGE

«eMission software enabling its clients in the energy sector to monitor their emissions in real time and manage them much effectively»



Source: Publicis Groupe, Registration Document 2021

# EXAMPLE: Publicis Groupe – Clients

## 1.3.4 Main clients

### Middle East Africa

Procter & Gamble; Abu Dhabi National Oil Company; Nestle; Samsung; Abu Dhabi Culture; Fiat Chrysler Automobile Group; McDonald's; Vodafone; Aramco; Majid Al Futtaim Group

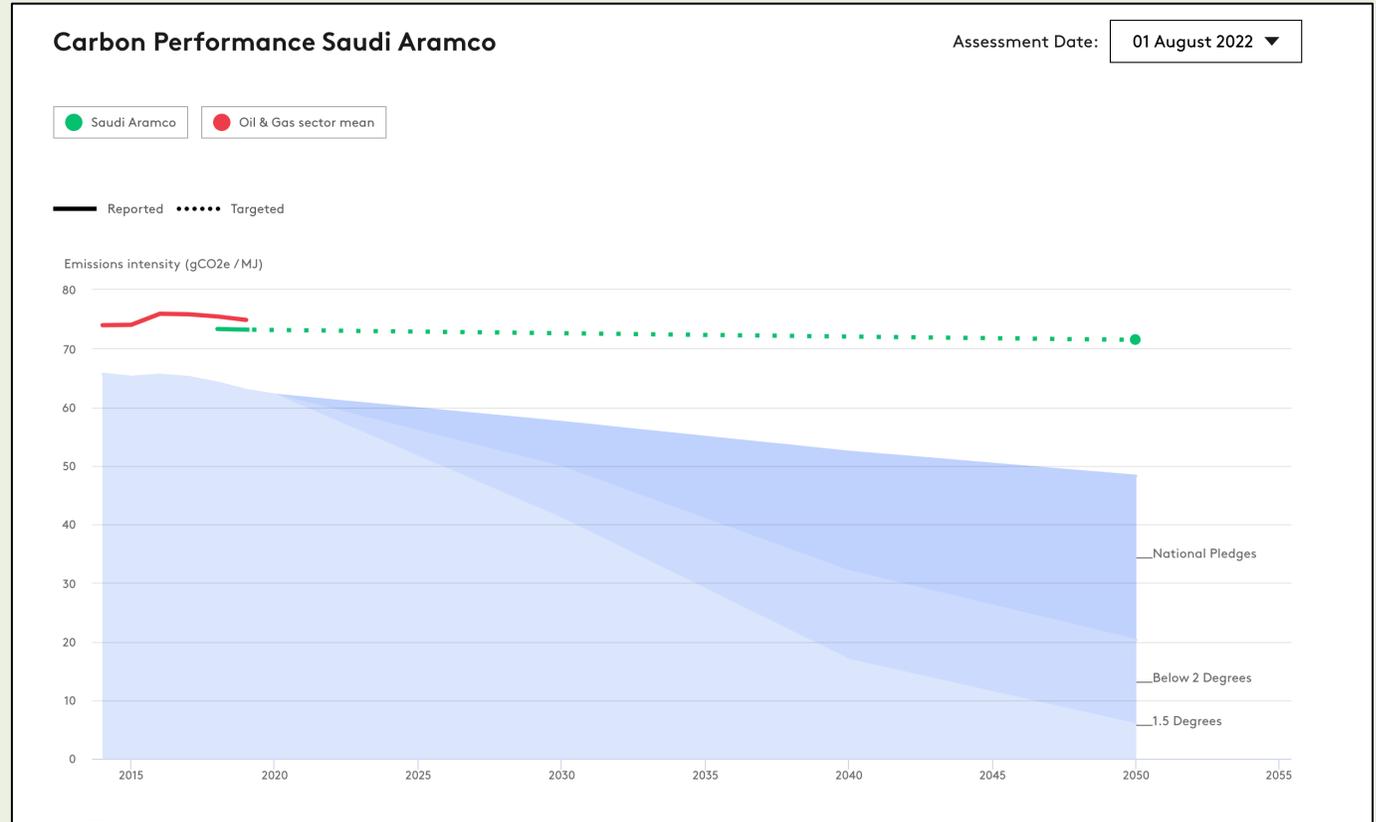
Source: Publicis Groupe, Registration Document 2020

## 1.3.4 Main clients

### Middle East/Africa

Neom; Nestlé; Procter & Gamble; Abu Dhabi National Oil Company; McDonald's; Samsung; Abu Dhabi Culture; Vodafone; Stellantis; Majid Al Futtaim Group.

Source: Publicis Groupe, Registration Document 2021



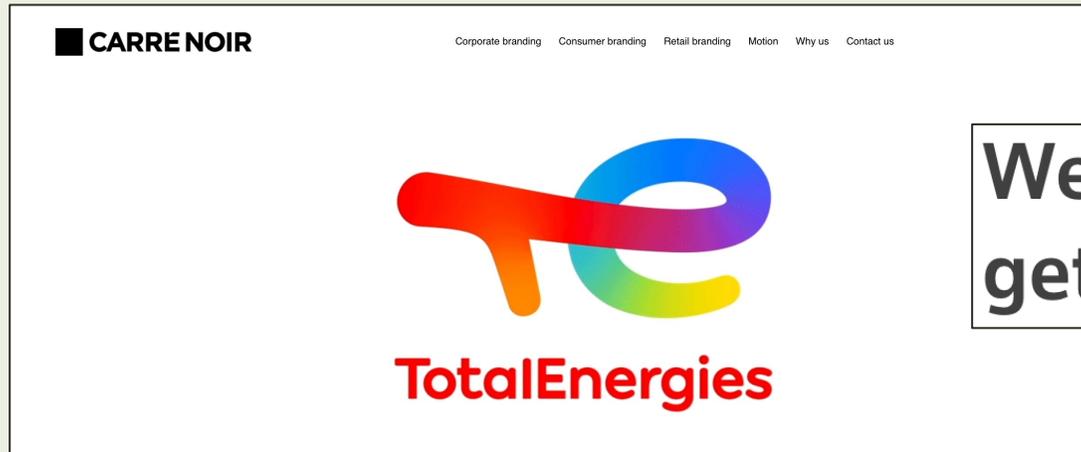
Source: Transition Pathway

publicis  
sapien

acquire customers and catch a potential upcoming recovery wave early. Publicis Sapient's approach to consumer engagement can help potentially capture an additional 20 percent to 30 percent of total mogas (motor gasoline) fuel sales while reducing marketing operating expenses.

Source: Website Carre Noir (<https://carrenoir.com/totalenergies>)

# EXAMPLE: Publicis Groupe – Clients



Source: Website Carre Noir (<https://carrenoir.com/totalenergies>)

**We're TotalEnergies: French oil major gets green rebrand**

Sources: Reuters



**Environmental groups sue TotalEnergies for misleading the public over Net Zero**

**TotalEnergies formally prosecuted for 'greenwashing'**

Sources: Euractiv, ClientEarth

# EXAMPLE: Publicis Groupe – Clients

## Net Zero by 2050

A Roadmap for the Global Energy Sector

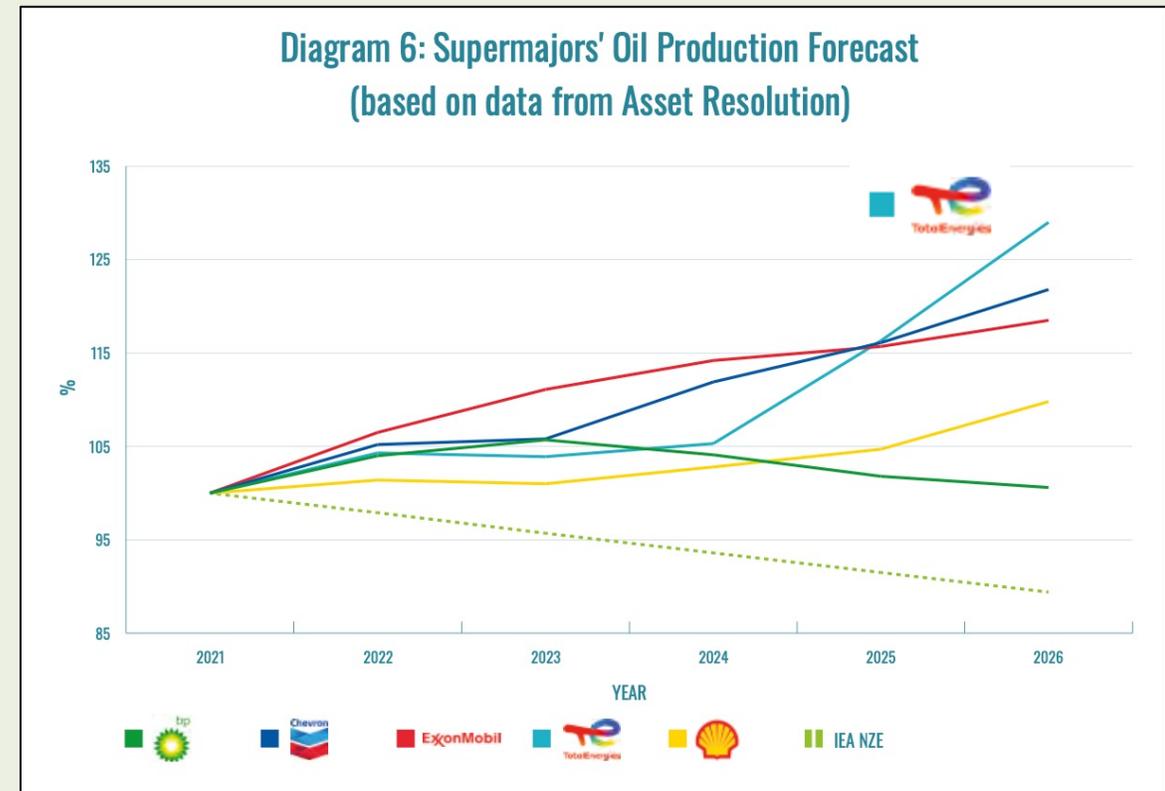
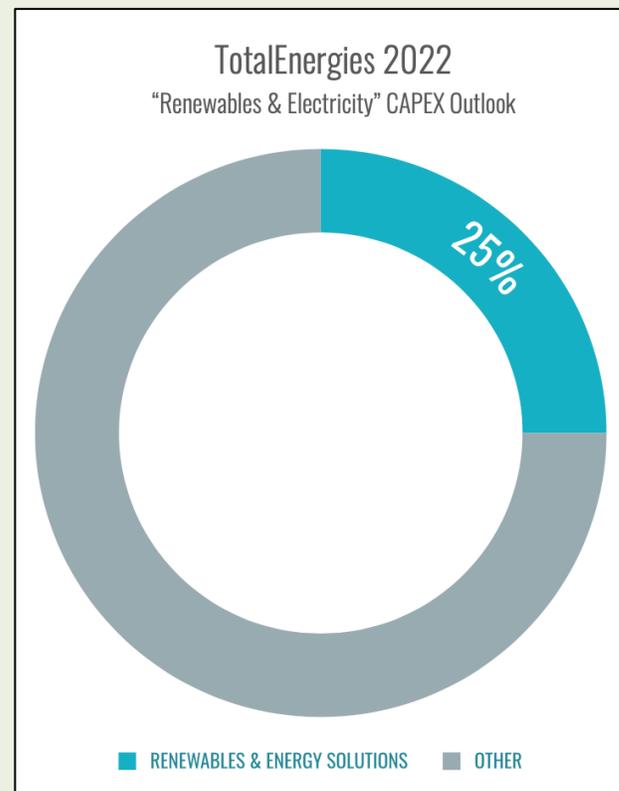
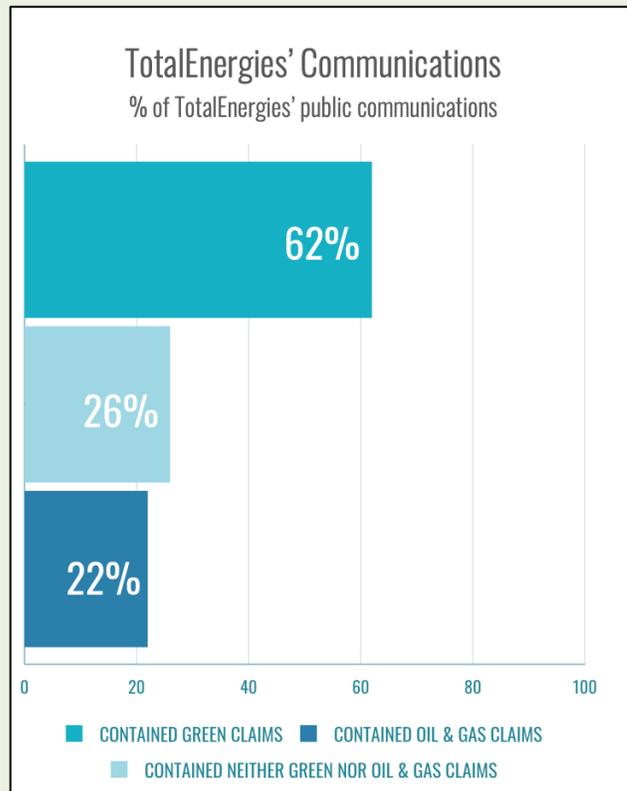
“Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway, and no new coal mines or mine extensions are required.”

**There is no need for investment in new fossil fuel supply in our net zero pathway**

There is a “large consensus” across all published studies that developing new oil and gas fields is “incompatible” with the 1.5C target, a new report says.

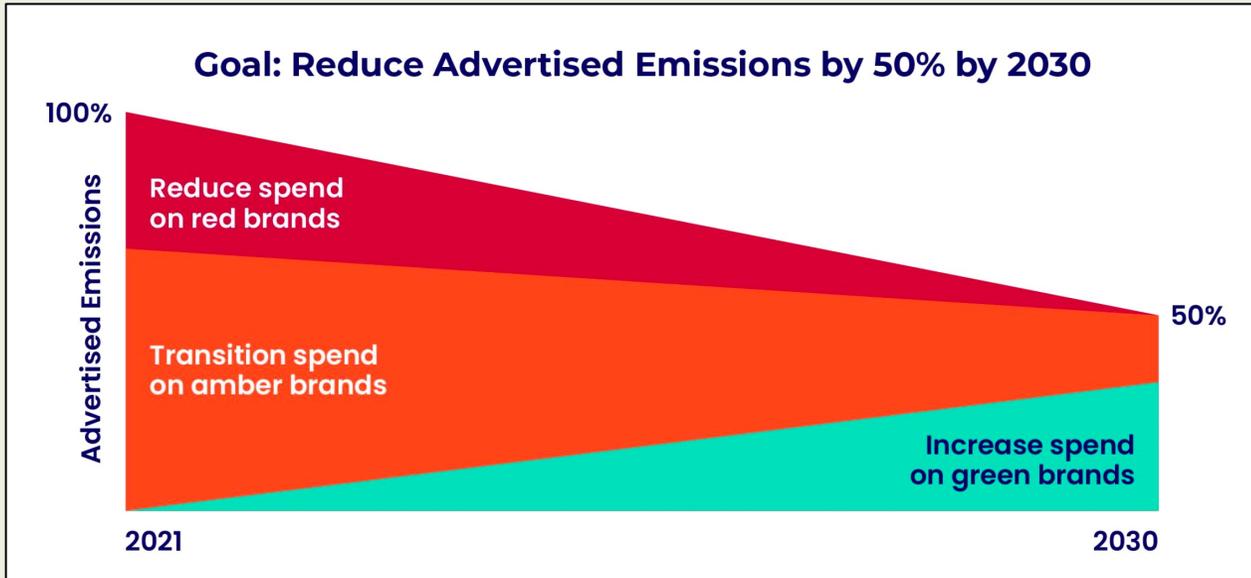


Source: Carbon Brief, International Energy Agency (IEA)



Source: InfluenceMap

# EXAMPLE: Publicis Groupe – Clients



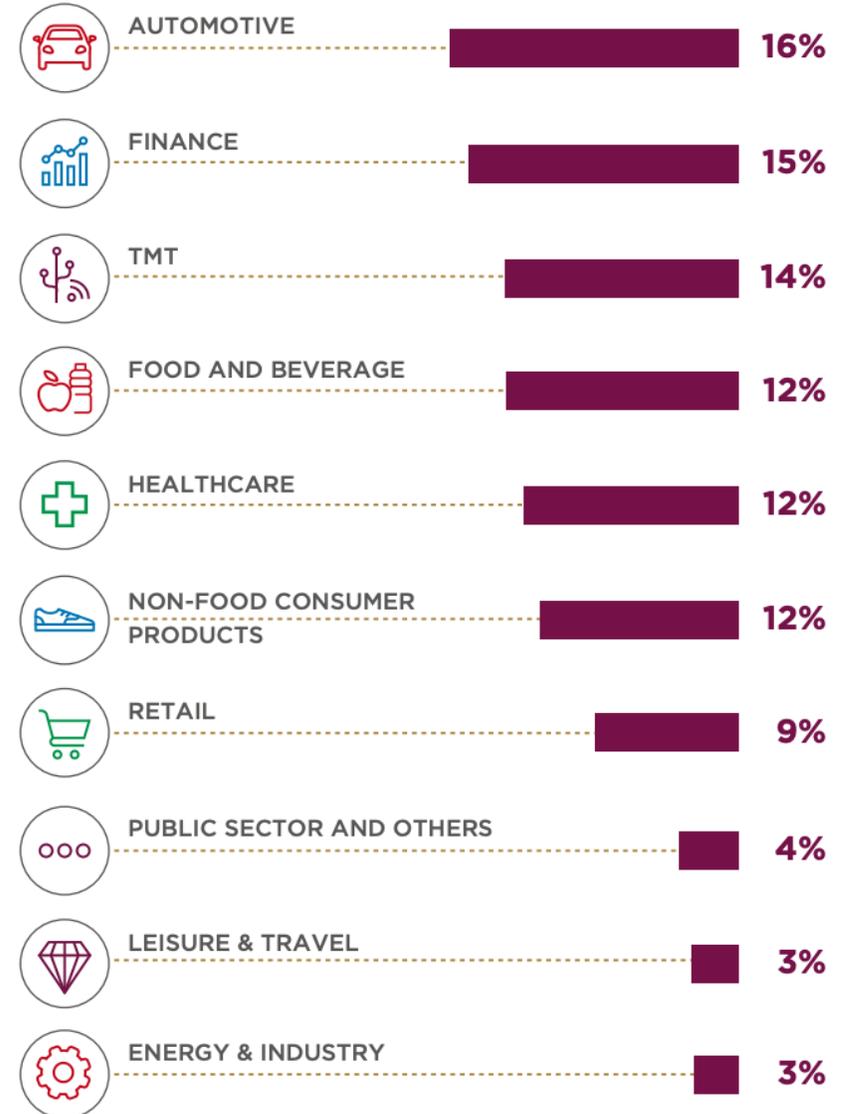
Source: Purpose Disruptors

Addressing ‘advertised emissions’ goes beyond client relations with the fossil industry...

Source: Publicis Groupe, Registration Document 2021

## BREAKDOWN BY CLIENT BUSINESS SECTOR

ON THE BASIS OF **3,574** CLIENTS  
i.e. **91%** of the Groupe’s total net revenue



## **EXAMPLE: Publicis Groupe – Main goal of the engagement**

We want to raise awareness on the following 3 questions:

**Who are you working for?**

**Which services do you provide?**

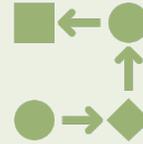
**Is this aligned with the Paris agreement  
and a 1.5° C pathway?**

# EXAMPLE: Publicis Groupe – Key asks of the engagement letter



## Address and discuss:

- the **risks and opportunities** related to providing PR & advertising services to high carbon emitting clients



## Review or implement **policies and processes** to:

- **identify environmentally harmful briefs** by validating claims of high carbon emitting clients (e.g. through internal fact-checking, or publicly available analysis tools)
- **reject briefs that are not aligned with a 1.5° C pathway**

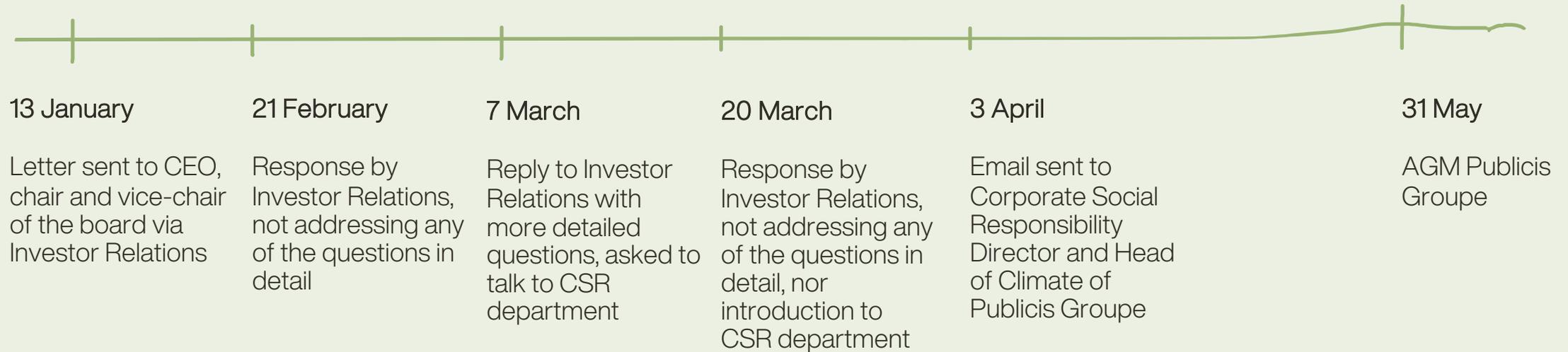


## Increase **disclosure on** the exposure to fossil fuel clients:

- **share of revenues** generated with fossil fuel clients
- **list of companies** from the Energy and Utilities sectors that the company has worked for within the last 3 years
- **services provided** for such clients
- *if engaged in lobbying activities for such clients:* the topics subject to such activities

# EXAMPLE: Publicis Groupe – Timeline and next steps of the engagement

## Steps taken



## Next steps

Find more supporting investors

Encourage other investors to engage on this issue on their behalf – *we'd be happy to support in that!*

File written questions to be answered at 2023 AGM

*tbd: File shareholder proposal at 2023 AGM*

**MERCI BEAUCOUP POUR VOTRE ATTENTION!**

## **About Inyova**

Inyova is a brand of Inyova AG.

Inyova AG is an independent asset manager providing an investment solution to turn retail investors into active owners by offering direct investments in stocks with a sustainability impact.

Inyova's customers represent a new generation of investors (50% below 35 years old).

## **Contact**

Andreas von Angerer  
Head of Impact

[andreas@inyova.com](mailto:andreas@inyova.com)

Inyova Impact Investing GmbH  
Taunusanlage 8  
60329 Frankfurt/Main  
Germany