THE F-LIST 2021: 90 AD AND PR COMPANIES WORKING FOR THE FOSSIL FUEL INDUSTRY

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/ Clean Creatives

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INTRODUCTION: A GROWING CHALLENGE, AND GROWING CALLS FOR CHANGE

The advertising and public relations industry is facing its biggest corporate social responsibility challenge since the war over tobacco advertising. A growing movement of industry professionals and regulators are asking questions about the role of agencies in supporting the fossil fuel companies most responsible for climate pollution, and insisting on concrete change that brings agencies and executives in line with the needs of the climate crisis.

This report will document the many known relationships between PR, advertising, and other creative agencies and fossil fuel companies that are responsible for climate change, and compare holding company pledges for climate action with their work for polluting clients.

Misleading claims by major fossil fuel advertisers are driving conflict with employees and regulators:

The collaborations between these two industries are under more stress than ever before. As more capital flows into essential climate solutions, and awareness of the climate crisis deepens among the creative industry's core workforce, agencies that continue to work for fossil fuel polluters will face harsh scrutiny, and tough business decisions that will affect their clients, and staff. Beyond these business forces, regulators and governments are also focusing on the polluted relationships between fossil fuel companies and the agencies they hire to spin their dirty stories in ways that will make these decisions unavoidable.

Communities of professionals rejecting highly polluting work are growing across the creative industries. The PR company Edelman recently released a report finding that 60% of employees would leave a company that is doing 'fundamentally immoral' work. A growing percentage of millennial, Gen Z, and other younger workers view the fossil fuel industry in precisely those terms.

Clean Creatives, a co-author of this list, has convened hundreds of individual creatives and dozens of agencies to reject future contracts with fossil fuel companies. Another co-author, CommsDeclare, focused on Australia, is building a similar community with ever-growing scale and impact.

Projects such as Purpose Disruptors are engaging agency heads about their climate strategies, and communities like Climate Designers and Creatives for Climate are bringing individuals together to build design, marketing and PR solutions for climate-focused companies and initiatives.

Regulatory interventions that limit the opportunities to advertise on behalf of fossil fuel companies are under consideration, or underway, particularly in Europe. The city of Amsterdam has banned fossil fuel ads outright, and France has passed a national ban. Seattle has banned ads on public transportation. Additionally, social media platforms are under growing pressure to address paid disinformation in the form of fossil fuel advertisements as well.

Legal risks are growing as well. Washington D.C., New York City, the US States of Minnesota and Massachusetts have all filed some kind of legal action addressing disinformation by oil companies about climate change. BP lost a legal case in the UK filed by the organization ClientEarth addressing their false claims about their commitment to climate action, and similar action was filed in the US against Chevron by Global Witness and Earthjustice. Shell has been ordered by multiple Dutch courts to stop campaigns that contain greenwashing claims. Each of these cases bring agencies that work with fossil fuel corporations closer to legal scrutiny, and the public eye.

> ***The source of these tensions is simple: the ever-expanding gap between major advertisers' claims of climate action, and their business and political practices which continue to promote pollution.***

The energy industry is the world's number one producer of carbon pollution - and greenwashing. The International Energy Agency finds the sector responsible for roughly three quarters of global emissions. US Climate Secretary John Kerry recently pronounced that the need for new fossil fuel development has ended, a claim that has been echoed by widely-respected authorities such as the IEA. But as recently as 2019, major oil companies spent over 99% of their capital expenditures on further development of oil and gas projects. This business reality contrasts with the green-tinted picture painted by agencies for fossil fuel companies in their engagement with the public for polluting clients.

Both Shell and BP have been rebuked by regulators in the Netherlands and UK, respectively, demanding that they end campaigns that mislead the public about their actual commitments to renewable energy and a responsible climate future. Shell has even gone so far as to disclose to investors that "as of February 11, 2021, Shell's operating plans and budgets do not reflect Shell's Net-Zero Emissions target," even while widely advertising that target to the public and regulators.

For the agencies listed in this report, the questions raised by their work with fossil fuel companies are not going away. This report serves as a reminder of the scope of these relationships, and an update on the roadmap to ending them.

GLOBAL AGENCY-FOSSIL MAJOR RELATIONSHIPS

This report documents relationships between public relations and advertising agencies, and their clients in the fossil fuel industry, with a focus on three major regions: North America, Europe, and Australia. In each of these three regions, PR and ad campaigns on behalf of fossil fuel interests are playing a uniquely destructive role in the work to achieve meaningful climate action.

Fossil fuel industry clients include the full range of corporations involved in the business of extracting, transporting, refining, and selling fossil fuels, their trade associations, and front groups representing their interests. These relationships have been documented through a number of sources, including industry publications, public disclosures by agencies or their contractors, and verified reporting, and are collected here to paint a global picture of this kind of work.

In the United States, the fossil fuel industry has expanded their efforts to oppose and water down major climate legislation under the Biden Administration. The American Petroleum Institute launched a 'Climate Action Framework' that focuses on voluntary industry action, and weakened regulatory interventions, while attacking policies by the Administration designed to meaningfully address the consumption of fossil fuels. This follows a large expenditure during the 2020 election designed to attack climate proposals by the Biden campaign funded by a variety of oil majors.

Meanwhile, Exxon has become one of the top spenders on climate issues on Facebook, frequently sharing misleading statistics about proposed climate action, and encouraging users to "take action" to stop them on their website Exxon Exxchange. (See case study, below)

In Europe, fossil fuel companies face both a stricter regulatory environment targeting their products, and a tightening space for their advertisements as well. France's climate law includes measures to outlaw advertisement of fossil fuel products, as well as measures banning greenwash tactics "suggesting wrongly that a service is carbon neutral or has no negative climate effects". This follows a decision by the city of Amsterdam to ban fossil fuel advertisements in public places, a law that has sparked conversation about similar rules in major European cities.

These measures have not stopped fossil interests - both in the business of extraction, and power generation - from attacking major proposals for climate action. Polish power company PGE targeted decisionmakers with a "Green Deal not a Grim Deal" campaign of fear-mongering, and efforts to greenwash Europe's major oil producers, such as BP, Shell, and Total, have expanded in tandem.

As one of top exporters of gas and coal in the world, Australia's total domestic and exported fossil fuel emissions are on par with Russia. The influence of fossil fuel companies goes all the way to the top, with Prime Minister, Scott Morrison famously brandishing a lump of coal in parliament and holidaying in Hawaii as the country faced catastrophic bushfires.

Australia once had a price on carbon and was planning to tax the extreme profits of mining companies. That was overturned following a strong advertising and PR campaign by the resources sector, resulting in the politicization of climate policy. SInce then three Prime Ministers have lost their positions over climate policy (Malcolm Turnbull lost his twice), and both the government and opposition parties support new coal and gas.

Australia's recent LNG expansion is staggering and getting bigger, backed by lobby group, the Australian Petroleum Production & Exploration Association (APPEA) and companies including Santos, Woodside, BHP, ConocoPhillips. Arrow Energy, Shell and Origin. Their lobbying and public information campaigns have resulted in the government planning a "gas fired recovery" from COVID-19, opening up new basins to create an estimated 1602mt of carbon dioxide equivalent, three times the country's current emissions.

These organisations and corporations spend tens of millions on sponsorships as well as advertising gas as clean, green and necessary for renewables to work effectively. Advertising laws are weak and regulated by the industry, which has resulted in only one public complaint on misleading environmental claims being upheld since 2011.

The agencies named in this report are the facilitators of this obstruction across three continents.

REDUCING TRAVEL, BUT STILL INCREASING POLLUTION: CONFLICTS BETWEEN HOLDING COMPANY SUSTAINABILITY POLICIES AND FOSSIL FUEL CLIENTS

In recent months, major advertising and PR holding companies have announced sustainability policies aimed at reducing the carbon impact of their offices, travel, and production. Disclosed pledges from across the industry so far amount to reductions of less than 7 megatons of carbon per year - an amount that equals approximately one month of the carbon impact of a single fossil fuel client, Exxon, under their current business plans.

Sustainability pledges by holding companies will fall short in addressing climate change and questions of employee engagement as long as they do not clearly rule out working with the most polluting clients.

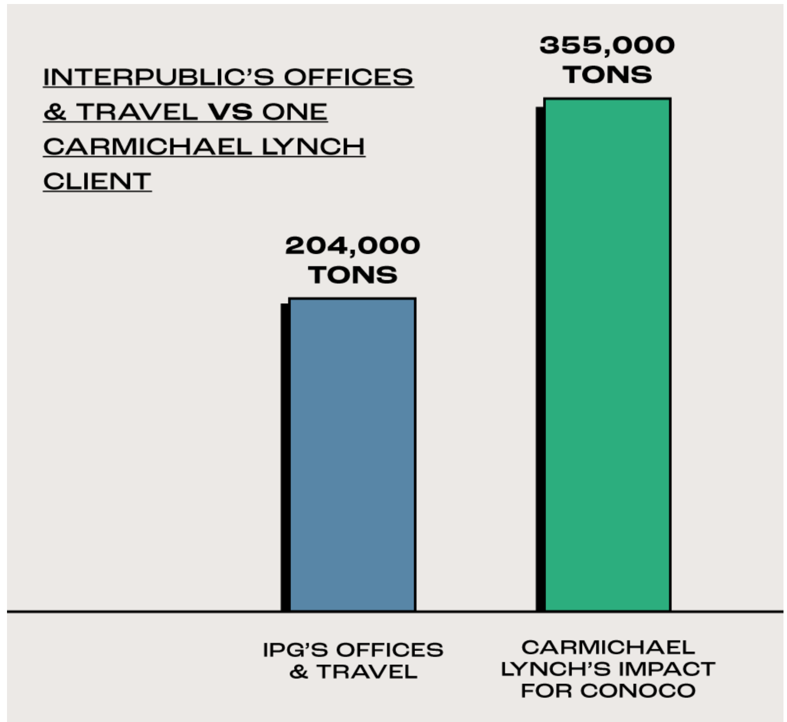
WPP:

On Earth Day 2021, holding company giant WPP pledged to reach net zero across all of its operations, going so far as to account for the energy used to run banner ads across the internet and develop plans to power them with renewable energy, or offset the carbon impact. This extensive, detailed plan will account for reductions of 5.4 mt of carbon annually by 2025 across the entire group of agencies.

WPP maintains a long list of fossil fuel aligned clients, most prominently BP in Ogilvy, Shell at WundermanThompson, and Exxon in both Hill + Knowlton and Burson Cohn and Wolfe. These fossil fuel majors account for 423 times the carbon impact of WPP's operations. This gap in WPP's pledge means that generating sales increases of .2% across these clients would immediately wipe out the impact of WPP's net zero plan.

Interpublic:

In June 2021, the holding company Interpublic released a Net Zero plan that included powering their work with 100% renewable energy by 2030, and reaching net zero emissions by 2040. This plan, which includes expanded reporting and disclosure on their operations, would account for reductions of 211 tonnes of CO2 equivalent annually.



IPG's operations represent a tiny fraction of emissions compared to their work for major polluting clients. Just one agency, Carmichael Lynch, bragged to the public that their campaign for oil giant Conoco Phillips resulted in 40,000,000 gallons of gasoline sold, representing a carbon impact greater than the entire global holding company.

Additionally, their extensive work for Exxon at both Weber-Shandwick and UM Media contributes directly to Exxon's longstanding - and confessed - strategy to obstruct climate action by governments, and extend their highly-polluting business model past the window of climate safety.

In comparison with IPG's goal to use 100% renewable energy by 2030, their client Exxon plans to increase oil production by 52%, and gas production by 27% by 2030.

Dentsu:

Dentsu has made a public commitment to achieve Net Zero on a timeline which, on its face, matches well to the Paris Climate Agreement goals, and more ambitious timelines for climate action. However, none of its clients in polluting industries have targets to match Dentsu's ambition, and the company's failure to account for the impact of their work for those clients undermines the credibility of their pledge.

On its website, Dentsu lays out five planks to its net zero agenda: Technology, Flights, Research and Advertising, Professional fees, and Buildings and Fleet. None of these five areas would account for, or mitigate, the impact of working for clients such as Chevron (mcgarrybowen), or Ampol (iProspect), both of which are major sources of climate pollution at a scale that outstrips any of Dentsu's current commitments.

Publicis:

Since 2007, holding company Publicis has adopted climate disclosure and planning into its business plans. Their current plans include carbon neutrality in their operations by 2030, and regular reporting on annual emissions. Their climate plan focuses first on reducing travel, and then the most concrete parts of its carbon and waste footprint by reducing raw material consumption and using renewable energy in its offices.

These commitments stand in sharp contrast to their work with fossil fuel companies such as Ampol and Total. While Publicis will reduce their carbon footprint to zero by 2030, Total plans to expand their oil production and leave their gas production virtually unchanged. The work

Publicis agencies do for these companies allows them to extend their polluting business models far beyond where Publicis itself believes it is appropriate to continue contributing to carbon pollution.

Omnicom:

Holding company Omnicom has taken a fragmented, piecemeal approach to sustainability within its business. Several agencies have joined initiatives like the UK Advertising Association's Ad Net Zero project, but none which would commit them to addressing the impact of their work for major polluting clients.

Their current holding-company wide goals include only minor targets such as using 20% renewable energy by 2023. But by comparison, their fossil fuel clients are even lower-performing. In 2020, Ketchum's major oil industry client ExxonMobil invests less than 1% of their annual capital expenditures into developing renewable or carbon-capture programs.

FIRM / AGENCY	CURRENT OR RECENT FOSSIL FUEL CONTRACTS (SINCE 2008)
Edelman	Shell, ExxonMobil, Chevron, PSE Puget Sound Energy, API American Petroleum Institute, NMA, AFPM American Fuel & Petrochemical Manufacturers, EEI Edison Electric Institute, National Association of Manufacturers, TransCanada In business to deliver, TASK FORCE ON SHALE GAS
Edelman Blue	API American Petroleum Institute
Edelman EDELMAN AUSTRALIA	Shell
T Brand	Shell, ExxonMobil, Chevron
wp BrandStudio	API American Petroleum Institute, bp, Shell
FTI Consulting	ExxonMobil, IPAA Independent Petroleum Association of America, appea
FTI Consulting, Compass Lexecon	National Association of Manufacturers
FTI Consulting, Story Partners	noble energy, API American Petroleum Institute, VENTURE GLOBAL LNG
Advoc8	API American Petroleum Institute, National Association of Manufacturers, AEM Association of Equipment Manufacturers, AGA American Gas Association, U.S. Chamber of Commerce
kivvit	NRECA America's Electric Cooperatives
POOLHOUSE	API American Petroleum Institute, National Association of Manufacturers
PURPLE STRATEGIES	bp
BRUNSWICK	bp
Singer Associates, Inc.	Chevron, AFPM American Fuel & Petrochemical Manufacturers
Sitrick And Company	ExxonMobil, Chevron
SOMETHING ELSE* STRATEGIES	U.S. Chamber of Commerce
DCI GROUP	ExxonMobil, ACCCE American Coalition for Clean Coal Electricity

FIRM / AGENCY	CURRENT OR RECENT FOSSIL FUEL CONTRACTS (SINCE 2008)
DCI GROUP (CONTINUED)	National Association of Manufacturers
dezenhall resources, LTD.	AFPM American Fuel & Petrochemical Manufacturers; ExxonMobil
VAYNERMEDIA	Shell
BANJO	alintaenergy
BIG RED	CME; BHP
C|T GROUP	appea the voice of australia's oil and gas industry
govstrat.	BRAVUS MINING & RESOURCES; NEW HOPE GROUP
M&CSAATCHI	origin
NEWGATE COMMUNICATIONS	MALABAR COAL; WHITEHAVEN COAL
Next Level Strategic Services	BRAVUS MINING & RESOURCES; Shell (AUS)
REPUBLIC PR	BRAVUS MINING & RESOURCES
STATECRAFT DIGITAL	AngloAmerican; Cockatoo Coal Limited; HUMECOAL PROJECT; WOLLONGONG COAL; YANCOAL; SOUTH32; SHENHUA WATERMARK COAL
TLA	AMPOL
W.	CALTEX
StrategicPoliticalCounsel	apa
nunn.media integrated strategy, planning & buying	Minerals Council of Australia
kojo	Minerals Council of Australia
JWS RESEARCH	Minerals Council of Australia; appea the voice of australia's oil and gas industry
Houston.	AMPOL
ANACTA STRATEGIES	GLENCORE

FIRM / AGENCY	CURRENT OR RECENT FOSSIL FUEL CONTRACTS (SINCE 2008)
rpa	ARCO
Q Quigley-Simpson	Shell
Flavor	Shell
KEMPNER COMMUNICATIONS	Shell
X.Y.0.1	equinor
Allegro 234	REPSOL
THE VISUAL AGENCY	eni
intarget: flowing digital	eni
Leftloft	eni
digitalwave//	OMV
DMB.	OMV
GREENROOM FILMS	MOLGROUP
IRIS	Shell
L	ExxonMobil

CASE STUDIES

Case Study: Edelman's work for Exxon's Exxchange

Under the Biden Administration, the United States federal government has undertaken a number of climate policies that affect the business of major polluters, such as limiting fossil fuel extraction permits from public lands, re-instituting a 'social cost of carbon' for the purposes of environmental permitting, and rejecting the Keystone XL pipeline. In addition, they've backed major legislation that could transform the energy system to better address climate change.

In response, energy giant ExxonMobil has aggressively targeted the Biden Administration through its "Exxchange" platform, which uses digital ads on Facebook to encourage Americans to oppose these measures. Throughout 2021, Exxon has regularly been the top spender on climate issues across Facebook, and their total ad spending on the Exxchange likely extends into the millions of dollars.

Previously, Harris Media, a Texas-based PR firm that often works for far-right politicians in the United States and elsewhere has taken responsibility for managing the Exxchange project. However, a coding error preserved on archive.org also reveals that PR giant Edelman has played a role in managing the site, and likely other aspects of the campaign as well. A link on the preserved site includes a Microsoft SafeLinks URL containing the email address with an edelman.com domain. This SafeLinks URL could have only been generated by an Edelman employee and appears to have been mistakenly embedded in the site. It demonstrates that Edelman has had direct control over the site and its content, at least up until May of 2021.

Edelman has not previously disclosed their work on this project.

Case Study: Project Cesar

In 2019, the Guardian revealed the existence of an operation created by the firm Crosby Textor to astroturf support for coal projects, and oppose measures to address climate change in Australia. "Project Cesar" received a budget of millions of dollars per year from the coal major Glencore, which was spent on professional graphic and video production for content designed to promote coal as a solution to Australia's energy problems.

Crosby Textor, now known as CT Group, is an international political strategy firm known for work with right-leaning politicians who specialize in the use of wedge issues to divide and polarize the public. The strategy for Project Cesar matched this approach: posts from pages like "Energy Australia" made outrageous and false claims, such as claiming that wind turbines would be used to desecrate the graves of veterans, that clean energy mandates would be used to turn off power to businesses, and blaming blackouts on renewable energy. These posts were designed to divide and incite in the CT playbook that had already been deployed in Australian politics, UK elections, and beyond.

In addition to broadly attacking renewable energy, Project Cesar also targeted opposition to coal and fossil fuel development. The project assembled dossiers on groups such as Greenpeace and 350.org, using budget information, and maps of staff to better target and respond to organizations. These dossiers were used to feed communication strategies that demonized clean energy advocates.

Prior to reporting by the Guardian, no link between Glencore, CT Group, and the page Energy Australia was ever shared with the public. Upon the disclosure of Project Cesar, it was called a 'national disgrace' by prominent politicians, and shut down by Glencore, claiming that it no longer fit with the company's strategy.

Case Study: EU's Greenwash of Blue Hydrogen

The EU is banking big on hydrogen to be a critical element of its decarbonization pathway. According to the EC's July 2020 Hydrogen Strategy, EU investments in renewable (green) hydrogen are expected to range between €180 and €470 billion by 2050, with fossil fuel sourced (blue) hydrogen investments ranging between €3 and €18 billion.

Currently, 95% of hydrogen is sourced from fossil fuels, and scientists recently warned that making blue hydrogen from natural gas while capturing some of the escaping CO2 emissions is actually more polluting than simply burning natural gas directly due in part to the massive electricity required to capture CO2, and resultant methane emissions. The fact that there are only two functioning carbon capture operations around the world is concerning, as well as the lack of a safe CO2 pipeline infrastructure needed to bury it. Despite this failing, Europe's fossil industry declared, "$280 billion in global investment is needed from now until 2030 to fully realize hydrogen's role in the energy transition, and governments can work as true partners to create an investment environment that shares the risks."

In December 2020 Corporate Europe Observatory released a report that identified two major industry coalitions steering the hydrogen discussion–Hydrogen Europe and Hydrogen Council. Although there is a constellation of other PR firms and niche consultancies involved at various strategic levels and geographic regions within the EU hydrogen lobby, the report also named FTI Consulting as pulling strings for both coalitions.

Hydrogen Europe, with FTI as its secretariat, launched in late 2015 as a 'super association.'

It has grown to over 280 members from all sectors across the oil & gas value chain. Its most recent vision paper, the April 2021 Hydrogen Act, declares "Hydrogen will become a crucial energy vector and the other leg of the energy transition – alongside renewable electricity." Hydrogen Council launched at Davos in January 2017 with 13 steering members, chief among them Air Liquide, Shell, and Total. By October 2020 the Hydrogen Council boasted 92 members collectively representing total revenues of over €18.9 trillion. Today, it has over 120 members. Not only is Hydrogen Council an FTI client--Hydrogen Council's official address is the same as FTI's Brussels office.

LOOKING AHEAD: THE REAL MEANING OF NET ZERO

The concept of 'Net Zero Emissions' has rapidly proliferated through corporate communications since the signing of the Paris Climate Agreement in 2015. Now, ahead of the 2021 climate talks in Glasgow, Scotland, the term has taken on even greater importance as countries and companies take stock of their commitments, and the relative lack of progress towards keeping them.

What "net zero" means - and doesn't mean - is a matter of great importance for the future of the planet. We anticipate further growth in misleading advertising and PR campaigns by fossil fuel interests to center on this term, particularly in the lead up to the talks in Glasgow.

In 2021, the International Energy Agency released "the world's first comprehensive study of how to transition to a net zero energy system by 2050." They concluded that the most important building block for achieving Net Zero is an immediate reduction in the production and consumption of fossil fuels. In the most feasible, fastest plan for a global transition to Net Zero, "Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development," and production of fossil fuels must be cut in half by 2030.

"Net Zero Emissions Targets" are frequently featured in oil industry communication to create an impression that companies are doing much more to address the climate crisis than they are, and we can expect to see it used for this purpose ahead of the next round of climate talks.

In fact, not a single business plan of any major fossil fuel firm matches the trajectory released by the IEA to achieve this goal. Shell, for their part, admits as much. Despite prominently advertising their Net Zero 'goal,' in disclosure to investors they admit: "Shell's operating plans and budgets do not reflect Shell's Net-Zero Emissions target."

The question of what is, and is not, a 'Net Zero Emissions' plan will need to be a central focus of advertising and PR trade associations, regulators, and internal ethics watchdogs for agencies with fossil fuel clients. We expect that this phrase will be the central focus of a growing number of fossil fuel PR and ad campaigns, in a large and widespread greenwashing effort towards the end of 2021.