

Clean Creatives

From:

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To the shareholders of Interpublic Group and Omnicom Inc.:

As you prepare to vote on the proposed merger between Interpublic Group (IPG) and Omnicom, we urge you to consider significant business and reputational risks tied to their ongoing work with fossil fuel clients.

Addressing these risks is essential to safeguarding the long-term value and stability of the combined company. We encourage you to raise these concerns with IPG and Omnicom leadership and ask for action to mitigate these risks in their proposed new company.

The merger would create the world's largest advertising agency. However, it also consolidates exposure to substantial risks related to fossil fuel clients. These risks range from reputational damage to legal liability and shifting market dynamics and require urgent action by shareholders and leadership in order to create a strong company for the future.

Combined, Omnicom and IPG will hold at least 124 contracts with fossil fuel companies, defined as those generating over 50% revenue from fossil fuels. Key clients include ExxonMobil (9 contracts), Shell and TotalEnergies (4 each), and Chevron, Repsol, Saudi Aramco, and Suncor (3 each). The financial and reputational risks associated with these clients are substantial and merit closer scrutiny.

Reputational risks from fossil fuels are under-disclosed:

Several of Omnicom and IPG's peer companies have acknowledged the business risks posed by fossil fuel clients:

- WPP listed fossil fuel clients as their top reputational risk in their 2023 annual report ([Source](#)).
- Havas disclosed financial risks linked to Shell, including the loss of ESG certifications like B Corp status ([Source](#)).
- Dentsu found that its work with high-emissions clients threatens their ability to attract and retain talent ([Source](#)).

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Given these industry precedents, Omnicom and IPG must adopt similar transparency and mitigation strategies ahead of the vote to protect shareholder value. Failure to do so could jeopardize ESG ratings and deter institutional investors.

Mounting legal liabilities:

These reputation risks are only the beginning, and legal exposure is also growing. Over 80 lawsuits over fossil fuel companies' misleading communications have been filed globally ([Source](#)), and the pace of legal action is accelerating. With some of the most significant legal actions, such as the US State of Massachusetts' case against ExxonMobil, directly implicating creative work produced by Omnicom and IPG agencies, notably:

- The Massachusetts Attorney General's lawsuit against ExxonMobil cites creative and media work produced by Omnicom and IPG subsidiaries ([Source](#)).
- IPG and Omnicom have already been subpoenaed by Congressional investigations related to fossil fuel marketing ([Source](#)).
- Agencies assisting with misleading marketing can be held financially responsible: Publicis Health paid over \$350 million for its role in providing misleading marketing services to a pharmaceutical company ([Source](#)).

A more transparent approach to assessing and actively mitigating fossil fuel-related legal risk is critical for the long-term stability of the merged company.

An impending fossil fuel demand peak will threaten marketing budgets:

The fossil fuel sector is entering structural decline as global energy markets transition. With demand peaking and investment shifting toward renewables, fossil fuel firms will likely cut discretionary spending, including marketing and PR budgets. Consider the following trends:

- Since 2022, oil and gas majors have reduced their clean energy investments, closed renewable energy divisions, and recommitted their future business plans to fossil fuel production. ([Source](#)) ([Source](#)) ([Source](#)).
- The world's largest historical oil consumers have already reached peak demand ([Source](#)), with global demand expected to follow suit as electric vehicles reach price parity with gasoline cars ([Source](#)).

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- Investment in clean energy has outpaced fossil fuel investments since 2016 ([Source](#)), with solar energy alone receiving half a trillion dollars in annual investment by 2024 ([Source](#)).

As these trends accelerate, the financial stability of fossil fuel clients will decline, forcing them to reassess marketing budgets. Agencies that remain overexposed to this sector risk revenue losses and business contraction.

Conflicts of interest with other clients:

The risks posed by fossil fuel clients extend beyond the energy sector, affecting key industries within IPG and Omnicom's broader portfolio:

1. **Insurance:** The insurance industry, which spent \$8 billion on U.S. advertising in 2022 ([Source](#)), faces an estimated \$140 billion in climate disaster-related costs in 2024 ([Source](#)). Omnicom client State Farm's recent decision to cancel its 2025 Super Bowl ad due to wildfire-related losses highlights the growing financial strain. ([Source](#))
2. **Healthcare:** Fossil fuel pollution is responsible for economic damage equivalent to 3.3% of global GDP ([Source](#)), primarily in healthcare costs. Clients in the healthcare sector are increasingly scrutinizing their business associations with fossil fuel-aligned firms.
3. **Consumer Goods:** Climate change threatens supply chains for major advertisers in food and beverage, including coffee, chocolate, and beer companies, many of which IPG and Omnicom represent ([Source](#)).

These conflicts of interest will need to be resolved in order to maintain a healthy, growing base of clients under the combined company. A proactive effort to reduce exposure to fossil fuel clients is the best strategy for aligning the combined Omnicom-IPG with broader economic trends and client interests.

Conclusion:

Given these financial, legal, and reputational risks, we urge shareholders to push for a rigorous examination of fossil fuel client exposure as part of the upcoming merger

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process. Reducing reliance on these clients will strengthen the combined company's long-term resilience and align its business strategy with evolving market trends.

We believe a fossil-free Omnicom-IPG would further accentuate the company's strengths while mitigating potential weaknesses. We appreciate your attention to these critical matters and encourage a thorough evaluation of these risks ahead of the upcoming vote.

Thank you for your consideration.

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