POLLUTED PR:

How Ad Agencies and PR Firms Secretly Block Climate Action

INTRODUCTION: 100 YEARS OF DECEPTION

For over 100 years, PR firms and ad agencies have sent the same message: "fossil fuel companies are part of the solution." They've built a covert relationship with fossil fuel companies to prop up their respective bottom lines, while pushing the planet past its breaking point, and polluting the communities of poor people and people of color worldwide.

In 1914, Ivy Lee, the man who created the first press release, worked with John D. Rockefeller of Standard Oil to undo the public relations damage done by Rockefeller's violent suppression of a miner's strike by having him visit with families of dead workers. He pledged to listen to their grievances and promised to make changes for workers – and put off calls for more stringent regulations of his labor practices.

The empty pledge to be part of the solution has been the foundation of the fossil fuel industry's strategy to accumulate more power and influence for over a century, and they've relied on PR and ad agencies to carry it out.

Today's versions of that message – promoting new technologies, lofty claims about human rights, embracing diversity – are used to enable the industry to continue selling and burning fossil fuels even as the planet experiences year after year of record temperatures and catastrophic extreme weather events caused by carbon pollution.

The work done on behalf of fossil fuel companies by professional communicators remains almost entirely undisclosed, but a clear picture has emerged from the data that has become public. We have begun to document wherever possible the public relationships between agencies and oil companies, as well as their trade associations and front groups. The full story is larger, and speaks to a coordinated effort to peddle influence with the public, and in halls of power.

The secrecy - and value - of these fossil fuel campaigns has only increased as the planet warms and the legal and social threats to the fossil fuel industry grow. Fossil majors are investing more in their public image as historic marches for climate action touch every country and continent, lawsuits from nations and local governments that target oil industry greenwashing and deception, and the public grows more aware of the causes and impacts of climate change.

Despite their coordinated efforts at secrecy, the full scope of these deceptive campaigns will ultimately be revealed through increased public scrutiny, employee whistleblowers, and growing government action. As they have for over a century, the fossil fuel industry is going to their same playbook to try to diminish and defeat rising calls for change. With a shift in political leadership in the United States, as well as new regulations on pollution in the EU and beyond, we can expect that in the coming year, they will once again use their largely secretive relationships with professional communicators to manipulate the public debate on climate action, and seek to further delay needed change.

With the final window for meaningful global action on climate change closing, it's time for the PR firms of the world to put an end to this century of deception, and refuse new work for fossil fuel clients.



VI. EXXONMOBIL IS DECEIVING MASSACHUSETTS CONSUMERS THROUGH MISLEADING ADVERTISEMENTS THAT CLAIM USING EXXONMOBIL FOSSIL FUEL PRODUCTS REDUCES GREENHOUSE GAS EMISSIONS, FAILURES TO DISCLOSE THE IMPACT OF ITS FOSSIL FUEL PRODUCTS ON CLIMATE CHANGE, AND GREENWASHING CAMPAIGNS.

600. In the course of selling and marketing its fossil fuel products to Massachusetts consumers, ExxonMobil has engaged in intentional, concerted efforts to obfuscate the fact that the production and use of ExxonMobil's fossil fuel products emit large volumes of the dangerous greenhouse gas pollution that is causing disruptive climate change impacts. ExxonMobil's false and misleading misrepresentations are material because they directly influence a consumer's decision to purchase those products, have the capacity to affect consumer energy and transportation choices, and deter consumers from adopting cleaner, safer alternatives to ExxonMobil products.

EXCERPT FROM COMMONWEALTH OF MASSACHUSETTS VS. EXXON MOBIL LAWSUIT

THE HIDDEN DIRTY WORLD OF FOSSIL FUEL PR & ADVERTISING

Much of the financial relationship between PR and ad companies and the fossil fuel industry remains hidden behind non-disclosure agreements, confidential contracts, and literal closed doors.

The goal of PR and ad companies' work for fossil fuels is simple: obstruct climate action by positioning fossil fuel companies as part of the solution to climate change, rather than the most important cause of the problem. As with the work of PR and ad companies on behalf of tobacco companies, this work has the power to change the public discourse

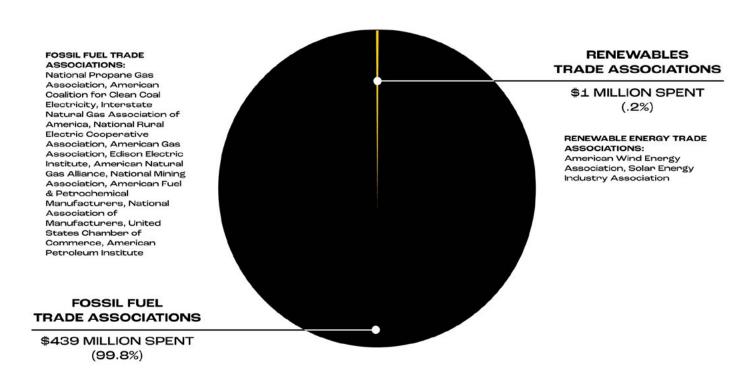
surrounding government measures to protect the public - at the cost of many thousands of lives.

What we do know about this covert work by professional communicators has been documented in peer-reviewed academic research, tax filings of industry groups, document leaks, and mentions in industry communications.

A review of data from trade association tax forms and academic research by Dr. Robert Brulle of Brown University on corporate promotion spending shows the fossil fuel industry has spent at least \$1 billion on public relations and advertising over 5 years (2014-2018). We know that this understates the true total, likely by a large degree.

This amount overwhelms the spending by the clean energy industry and public interest groups. In short, PR and ad companies are distorting the public discourse around climate change by drowning out the public. Examining the discrepancy between clean energy trade groups and fossil fuel trade groups demonstrates this dynamic clearly. The fossil fuel industry spends enormous sums of money to promote its vision for our energy system. PR and ad firms are boosting the fossil fuel industry's message, nearly to the exclusion of clean energy industries, who are outspent by over 400:1 by the fossil fuel industry.

FOSSIL FUEL TRADE ASSOCIATIONS SPEND VS. RENENEWABLES TRADE ASSOCIATIONS (2014-2018)



POLLUTED PARTNERSHIPS: AD AND PR FIRMS' COVERT CONNECTIONS TO FOSSIL FUELS

Most PR and advertising firms do their best to hide their connections to fossil fuel industry clients, but through leaks, mentions in industry press, and public filings of trade associations, we can identify some of the known connections between professional communicators and fossil fuels.

You won't find any of the firms named below advertising their contracts with fossil fuel companies - likely because these polluted partnerships directly contradict communications firms' mission and ethics statements, and their work for clients pursuing climate action.

Edelman CEO Richard Edelman says his company's mission is to increase "confidence in the global institutions that form the framework of our society," while working closely with billion dollar oil companies that are undermining trust in governments that

try to manage the climate crisis. Edelman is also running campaigns aimed squarely at continuing or expanding the use of fossil fuels by fighting regulations that would restrict carbon pollution.

Omnicom proudly promotes their sustainability initiatives to reduce the impact of their offices and travel, while their subsidiary GSD&M is the main contractor producing campaigns for the largest oil and gas front group in America, the American Petroleum Institute.

David Ogilvy claimed that his company "must pull our weight as good citizens." Now, Ogilvy is assisting BP to make misleading claims about their decarbonization plans while extreme weather events accelerate, and BP remains one of the biggest spenders on new oil drilling on the planet.



KNOWN PR AND AD AGENCY CURRENT OR RECENT FOSSIL FUEL CONTRACTS

Note: This table lists some recent contracts between PR firms or advertising agencies, and their fossil fuel companies or trade association clients. These contracts and connections have largely been uncovered by investigators since much of this work is cloaked in contractual secrecy. Ongoing investigations will lead to more information about these relationships and the details of the PR contracts.

FIDNA / A OFFNION	CURRENT OR RECENT
FIRM / AGENCY	FOSSIL FUEL CONTRACTS (SINCE 2008)
UM	Ex∕onMobil
WEBER SHANDWICK	Ex∕onMobil
McCANN-ERICKSON	Ex∕onMobil
havas london	Ex∕onMobil
■ Advoc8	American Gas Association ATIONAL ASSOCIATION OF Manufacturers U.S. Chamber of Commerce
Edelman	Shell Services Sound Energy Sound Energy American Patroleum Energy Sound Energy American Energy American Manufacturers Institute Manufacturers TransCanada In Business to deliver ON SHALE & GAS
Edelman Blue (SUBSIDIARY)	APP American Petroleum Institute
F T I™ consulting	ExonMobil IPAA
F T I COMPASS LEXECON (SUBSIDIARY)	Manufacturers
The Hawthorn Group L.C.	Entergy, ACCE Edition Conf. Electricity Edition Electricity In STITUTE
kivvit	NRECA America's Ductric Congestion
POOLHOUSE	ACE ACTION OF Manufacturers
PURPLE	bp
BRUNSWICK	bp
SINGER ASSOCIATES, INC.	Chevron AFPM American Fut 8 Perochemical Manufacturers
Sitrick And Company	E x onMobil Chevron
SOMETHING ELSE* STRATEGIES	U.S. Chamber of Commerce
DCI GROUP	EXONMOBIL AGENCIA COLUMNO REPRESENTATIVE NATIONAL ASSOCIATION OF Manufacturers
dezenhall resourcesx	### AFPM Anerican Final Perceptanical Manufacturers EXONMOBIL

CASE STUDIES

Defending Natural Gas: APGA and Porter Novelli



Client: American Public Gas Association

PR Firm: Porter Novelli

Timeline: 2017-2020

Objective: Thwart the growing pressure to transition quickly to electricity and away from

natural gas in homes in order to cut greenhouse gas emissions.

Target Audience: Millennial home buyers

Key Message: Natural gas is the clean, hip energy choice for those who demand the highest

quality lifestyle.

Back Story:

Porter Novelli is a prime example of a PR firm that avoids public exposure of its ties to Big Oil and doesn't put its fossil fuel work on its webpage.

Clients seek out firms like Porter Novelli for an image makeover with the understanding that the client's reputational issues will be fixed from behind the scenes by a silent partner who reshapes the client's public narrative.

Unfortunately for Porter Novelli, it got caught on the wrong side of climate history when it mounted a clever campaign called "*Natural Gas. Genius*." for the American Public Gas Association (APGA) promoting natural gas for home use. Responding to a growing push to <u>replace</u> natural gas with electricity to reduce household greenhouse gases, the campaign <u>depicts</u> likeable young "influencers" using gas for cooking, baking, grilling, heating water for showers and baths and snuggling before gas-burning fireplaces.

The gas industry knew Porter Novelli from its work with America's Natural Gas Alliance (ANGA), which paid the firm \$1.9M in 2013-14, according to ANGA's tax filings. ANGA has since merged with the American Petroleum Institute.

After their relationship with APGA was revealed in the New Yorker, Porter Novelli said they would conclude their contract at the end of 2020.

A nearly fifty-year-old company, Porter Novelli was founded in 1972 by Jack Porter and William E. Novelli, whose first big PR gigs included promoting the Peace Corps and getting Richard Nixon re-elected. The firm is known for its creative work, advertising and also bills itself as experts in crisis management.



ExxonMobil's Algae Adventising

Client: ExxonMobil

Ad Agencies: BBDO and others

Timeline: 2016-present

Objective: Repair reputational damage done by the "Exxon Knew" campaign, lawsuits and

social activism around climate.

Target Audience: Consumers concerned about climate change and environmental impacts

Key Message: ExxonMobil's advanced scientific capability sets it apart as a trustworthy and

responsible part of solutions to the climate crisis.

Back Story:

Decades of effective work by shareholders, non-profit organizations, members of Congress, journalists and more recently lawsuits by cities and states have exposed ExxonMobil's role in undermining climate science and policy and sought to hold it accountable. In the fall of 2015, journalists uncovered a trove of documents revealing how much "Exxon Knew" about the climate crisis and its implications going back to the 1970s and 1980s. Attorneys general from several states launched investigations.

The following summer, ExxonMobil launched a major advertising effort <u>during the Olympics</u>. This campaign created a major storyline around Exxon's development of algae biofuels - but the real story is one of false solutions.

<u>Launched in 2009</u>, the Exxon algae research initiative has cost hundreds of millions with nothing to publicly show for it. In 2013, Rex Tillerson, then CEO of ExxonMobil, <u>downplayed</u>



the project's progress. "We've come to understand some limits of that technology, or limits as we understand it today, which doesn't mean it's limited forever," Tillerson said, noting that the venture is "probably further" than 25 years away from developing useable fuels.

In spite of the lack of results from these investments in "clean energy" R&D, ExxonMobil has run an extensive TV and <u>online ad campaign</u> over the past 5 years touting its algae research. This campaign has included thousands of airings of TV ads, reaching billions of viewers by some estimates, a PR blitz costing the company over \$68 million.

The effort is such a blatant example of misleading advertising that the State of Massachusetts cited such advertising in a <u>lawsuit</u> filed in late 2019 against ExxonMobil. Despite more than a decade of development, not a single drop of algae-based biofuel has ever been made available to consumers.

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WPP and #bpNetZero

Client: WPP

Ad Agencies: Ogilvy and other WPP-owned agencies

Timeline: 2020

Objective: Continue efforts to restore a social license damaged by a poor safety record and

environmental recklessness.

Target Audience: GenZ and BP Employees

Key Message: We understand youth frustration with phony climate promises, but we are different and are remaking our international oil company into an "integrated energy company."

Back Story:

BP was the first oil supermajor to brand itself an energy rather than an oil and gas company, and relies greatly on the influence and talent of its professional communicator partners to maintain their social licence, despite a series of environmental catastrophes climaxing with the Deepwater Horizon disaster.

But BP's reputational rehabilitation efforts continue to hit snags. In a potential <u>precedent</u> for greenwashing campaigns, a British agency <u>found</u> in June 2020 that BP's Possibilities Everywhere campaign may have violated rules on misleading ads established by the 37-nation Organisation for Economic Cooperation and Development.

The decision followed a December 2019 <u>complaint</u> that while BP was still focused on oil and gas, its ads misleadingly touted only its renewable energy investments. The net effect was to exaggerate BP's commitment to addressing climate change.



Two months later, BP responded by rebranding its reputational campaign again. In a February 2020 speech, BP's new CEO, Bernard Looney, pulled the plug on Possibilities Everywhere and called for a radical corporate make-over to favor decarbonization, including a halt to corporate reputation advertising. Yet this very speech marked the launch of #bpNetZero, another corporate reputation blitz that trumpeted BP's alleged intent to achieve net zero carbon emissions by 2050.

<u>The new #bpNetZero campaign</u> was hurriedly <u>assembled</u> in January 2020 during a marathon week-and-a-half-long creative throwdown in London by Ogilvy and other WPP-owned agencies.

The new series of ads was designed to win over younger people, "key future opinion leaders," 41% of whom cited the climate emergency as the biggest global challenge, intending to signify "We get it," according to WPP's creative brief, despite the fact that 97% of BP's capital expenditures were still in oil and gas and less than 3% in low-carbon projects. The campaign would reach its own employees and shareholders through global brand trainings and the company intranet, and Generation Z through promise-laden videos and other content on YouTube, Instagram and Facebook.



"Vote 4 Energy": Edelman's Long Partnership with API



Client: American Petroleum Institute

Ad Agencies: Edelman

Timeline: 2005-2015

Objective: Political advocacy campaigns for the oil industry.

Target Audience: American consumers, FFI employees, elected officials, Hill influencers

Key Message: The oil industry is essential to American prosperity and security, creating jobs

and supporting economic growth.

Back Story:

Edelman Public Relations had a long and very lucrative relationship with the American Petroleum Institute, the biggest and most powerful oil industry trade group.

The financial value of Edelman's partnership with API eclipsed all other known PR contracts with energy trade associations, and was triple the combined spending by all renewable energy trade associations, including the ethanol association, between 2008 and 2012. The non-profit API's tax filings reveal that API paid Edelman up to \$75 million a year between 2008 and 2012, with a total of \$327 million over those five years.

In 2013, API switched to Blue Advertising, a subsidiary of Edelman, which garnered another \$112M between 2013 and 2016 when its contract was terminated. (Note: IRS required contractors

to report income starting in 2008 so we have no information on this relationship prior to that year. We do know Edelmans' API contracts started well before 2008). To be clear, much of this money passed through Edelman to be spent directly on advertising and did not end up as profits at Edelman. Nevertheless the relationship was lucrative for the PR giant, and its dismissal by API was a significant loss to the company.

In 2014, the Climate Investigations Center (CIC) surveyed the major PR companies about their climate commitments, about carbon tracking inside the PR company, and other basic climate-related questions. The president of Edelman's U.S. unit accidently copied CIC in an email to staff instructing them not to respond. "There are only wrong answers for this guy," he said of the survey.

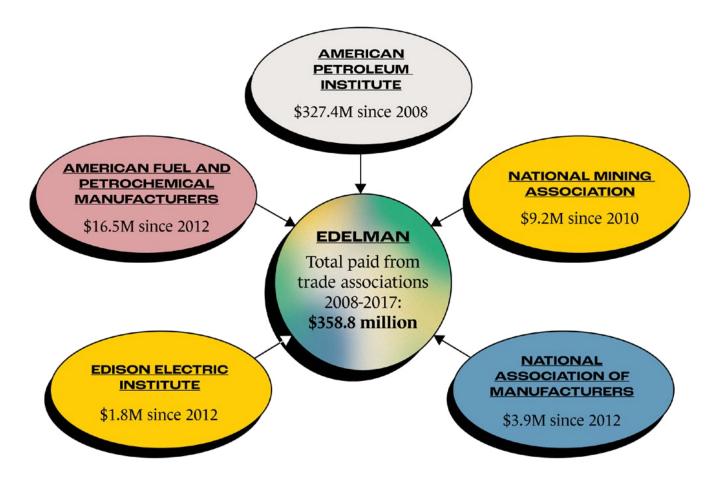
The ensuing media scandal caused a <u>series of tremors</u> inside the company, eventually forcing Edelman to publicly pledge not to work with climate deniers or the coal industry (without ruling out oil and gas or other polluters) and causing multiple senior staff to <u>quit in protest</u>.

Edelman spun off Blue Advertising in an effort to preserve its API business and API retained Blue for a few more years. While Edelman pledged it would no longer work for coal companies or with climate deniers, it's not clear they ever had much coal industry business nor how they defined "climate denial."

In addition to API, Edelman has had multiple contracts over the past decade with trade associations promoting fossil fuels including Edison Electric Institute, National Association of Manufacturers, National Mining Association and the <u>American Fuel & Petrochemical Manufacturers</u>, a group singled out for influencing the Trump administration to roll back regulations aimed at cutting global warming pollution.



EDELMAN 2008-2017 TRADE ASSOCIATION CONTRACTS



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The New York Times

organizations and websites funded by energy companies that can appear to represent grass-roots support for fossil-fuel initiatives.

How One Firm Drove Influence Campaigns Nationwide for Big Oil FTI, a global consulting firm, helped design, staff and run

ition Trump's Changes Climate 101 Environmental Racism

FTI Consulting and Fossil Front Groups

Client: Oil industry

Ad Agencies: FTI Consulting

Timeline: 2008-present

Objective: Create web assets that act as if they are news sites, promoting fossil fuel interests

and defending oil companies from critics and litigation

Target Audience: Decisionmakers - editors, politicians

Key Message: Attacking lawyers, journalists, activists, and academics

Back Story:

This case study is an example of "strategic communications" or propaganda created to enhance or protect the "social license" of fossil fuel industry, their reputation and ability to operate within society.

FTI Consulting is a publicly traded global company (FCN), founded in 1982, described in their own words is as: "an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional."

FTI provides a wide range of services to corporate clients, including "strategic communications" or stratcomms. This branch of public relations is not "advertising" or marketing the products of its clients, but rather managing criticism and risks to the company's brand or reputation.

FTI has a specialized team, many of whom are based in Washington DC, dedicated to running anti-environmental strategic comms campaigns on behalf of their oil and gas clients. This team

has created and staffed multiple oil and gas fronts organizations that disseminate propaganda that defends clients in the oil and gas industry. Those clients include fossil fuel trade associations like Independent Petroleum Association of America and the Western Energy Alliance and corporations like ExxonMobil and others.

A recent expose by the <u>New York Time</u>s revealed the wide range of FTI's pop up websites that pose as news organizations or pretend to be grassroots citizen's groups, a technique known as "astroturfing". As part of its stratcomms practice, FTI has been known to <u>pressure and attack reporters</u>, and <u>pretend to be reporters</u>.

FTI has run a number of these campaigns and projects over the past decade, including:

- Energy in Depth project (EID) launched in 2009. The website says it is a project of the IPAA, but in fact EID is paid for by individual companies. EID is a well-funded tool for the oil and gas industry to oppose reporting and activism around fossil projects.
- <u>Divestment Facts</u>, also depicted as a project by IPAA and directly by oil and gas companies, aims to attack the growing "divestment movement" that has colleges, universities and now pension funds and governments divesting or pulling.
- Mainstreet Investors, now taken offline, was a campaign effort to punch back at investors and shareholders who have pressured oil companies in recent years on issues such as climate change.
- Texans for Natural Gas which includes the Permian Action Team and straight up says it "is a grassroots organization that gives a voice to those who support Texas oil and natural gas production." when in fact it is an astroturf organization, far from grassroots.

CONCLUSION

We anticipate major growth in PR and advertising campaigns on behalf of fossil fuel companies in the coming year. With a change in political leadership in the United States, strengthening climate regulations in the EU, and a global debate about the nature of post-COVID economic recovery, fossil fuel companies once again face a potentially existential threat to their future.

Meanwhile, extreme weather disasters caused by fossil fuel pollution will continue, as will spills, toxic dumping, and air pollution that threaten fenceline communities worldwide. The urgent need to shift the PR and ad industry's role in the fossil fuel economy could not be more clear.

While this report primarily addresses public communications by ad and PR agencies working for fossil fuels, there is also an even more clandestine network of bad actors committed to dirty tricks under the guise of 'crisis communications' and informal lobbying work. These areas of work also require closer scrutiny.

Unless the entire ecosystem of agencies, creatives, and clients take action to address the growing harm of fossil fuel misinformation, the expansive relationship between PR and ad firms and fossil fuels will grow once more. Individuals and companies in every part of the advertising ecosystem have a role to play.

PR FIRM AND AD AGENCY EXECUTIVES

If you're working with the fossil fuel industry, you're part of the problem. Divest yourself from fossil fuel contracts and pledge to only work with businesses who support climate solutions.

CREATIVES, ACCOUNT MANAGERS, DEVELOPERS, AND OTHER PROFESSIONAL COMMUNICATORS

Your talent is the backbone of your industry, and your companies, and your voice matters. Make the Clean Creatives Pledge saying that you do not wish to work with fossil fuel industry clients.

CLIENTS

Ask your PR and Ad firms to come clean about their ties to the fossil fuel industry, and make it clear that you do not want to work with firms that keep working for polluters.

POLICYMAKERS

PR and ad firms are ground zero for misinformation and manipulation of the public on behalf of polluters. Investigate the ties between the fossil fuel industry and advertising and public relations firms, and support guidelines for how professional communicators should be protecting the public interest.