

# Advertising's Evolutionary Moment

How to turn  
climate ambition  
into impact

Emerging practices  
from OLIVER and  
M&C Saatchi

“  
**We do have a choice:  
Creating tipping points  
for climate progress—  
or careening to tipping points  
for climate disaster.  
This is an all-in moment.**”

— António Guterres, UN Secretary General

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**Many of us recognise the urgent climate problem. In every sector of the economy, we are in a race to cut global emissions to keep within the planet's guardrails that allow us as humans to thrive.**

The case for reducing emissions is not only in the self-interest of humanity. It has now been calculated that if the world's average temperature rises to 2 degrees Celsius rather than 1.5 degrees above pre-industrial levels, the world would be 100 trillion dollars worse off<sup>1</sup>. This is not just a problem of our shared humanity, it is the greatest business challenge of our time too.

The advertising industry is intrinsically linked to our climate emergency, the more we advertise, the more material goods are sold, the more CO<sub>2</sub> is emitted and the more of our planet's precious resources are used. The industry has taken critical foundational steps to move towards decarbonisation, measuring and reducing its operational emissions, which includes the carbon emissions associated with offices, business travel, advertising production and media placement. But now is the time to embed practices that help us address our role, which at present is counter indicative to planetary boundaries. We must reinvent the relationship humans have with the planet and material things, and embed a holistic way to measure our impact on the primary function that advertising drives – consumption.

Translating these goals into real-world practice is no mean feat. Yet two sustainability leaders from leading UK advertising agencies have taken major steps to do this. This report shares their ambitions, process and learnings across both organisations. It will detail how they engaged with our landmark 'Advertised Emissions' framework and new thinking from the Race to Zero and its Professional Service Providers Working Group on 'Serviced Emissions' to help achieve their climate goals<sup>2</sup>, and crucially, we hope it will inspire leaders that transformative change within large organisations is possible, and indeed happening.

**"The more we advertise, the more material goods are sold, the more CO<sub>2</sub> is emitted and the more of our planet's precious resources are used."**

**This report has been created for leaders, sustainability practitioners and climate pioneers in agencies of all kinds, media owners, and clients, seeking to lead their organisations through the level of change needed to be fit for a stable future for people and the planet.**

**We hope it sparks inspiration, and gives more impetus to create a holistic, ambitious climate transition plan for your organisation.**

<sup>1</sup>Askhat Rathi, Climate Capitalism

<sup>2</sup>Advertised Emissions: the greenhouse gas emissions that result from the uplift in sales influenced by advertising.

**Race to Zero, launched in 2020, is a global campaign led by the UN Climate Change High Level Champions and brings together the largest, growing alliance of non-state actors committed to taking rigorous and immediate action to contribute to halving global emissions by 2030. To drive forward net-zero action the campaign also provides thought leadership on areas of emerging practice. One such area is the amorphous role of “advice” in advancing or impeding high-integrity net zero.**

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Professional services providers (PSPs) have an outsized influence in the real economy, providing advice, thus influence, to both leaders and laggards. Yet, existing guidance and standards, such as the GHG Protocol, have historically excluded the lever of ‘influence’ from PSPs. This has led to many PSPs restricting ambition to operational emissions. Without grappling with the impact of advice, we cannot unlock the level of transformative change necessary to stay within Paris Agreement temperature limits. At Oxford Net Zero, our University of Oxford colleagues, who are earth scientists, economists, lawyers, physicists and other experts focus on the theory and implementation of such change, researching challenges and opportunities of achieving net zero with integrity through an interdisciplinary lens. We track net zero pledges of publicly listed companies, offer guidance on offsetting practices, and assess carbon dioxide removal capacity.

We were brought together as Co-Chairs of a brilliant working group of consultants, lawyers, advertisers, associations and other professional services to create a set of action areas for PSPs to unlock opportunities and set higher levels of ambition. These guidelines for ‘serviced emissions’ (which we define as the greenhouse gas emissions arising from - or impacted by - the activities of a client informed and/or enabled by the advice and/or services of a PSP were originally published at COP28. They are now revised and published after a six-month consultation period, providing a set of key action areas for PSPs. These guidelines are a non-theoretical starting point, usable, testable, and implementable, as demonstrated by M&C Saatchi, a Race to

**“The climate emergency requires high velocity, large scale change that catalyses further action.”**

Zero member, and OLIVER. The advertising industry are ‘architects of desire’, creating aspirational stories, and shaping the world we wish to live in. They are a critical member of the PSP community, making impressive strides in their internal operational emissions. However, the climate emergency requires high velocity, large scale change that catalyses further action, and the financed emissions model presents a good example of an industry “renorming” to internalise the material impacts of influence.

We are grateful to Purpose Disruptors for leading the pathway to clear action on addressing the impact of PSPs, demonstrating that this is not just about closing the gap but about continuously pushing the boundaries of what's possible. We call on advertising companies that are part of the Race to Zero (and those that have yet to join!) to adopt the Serviced Emissions action areas, accelerate their much-needed climate impact as lode-star PSPs driving innovation, accountability, representing bold climate leadership, and defending a liveable future for all.



**Race to Zero** is an umbrella campaign led by the High Level Champions. It brings together over 25 Partners, to mobilise the largest coalition of non-state actors taking action to play their part in halving global emissions by 2030 and reaching net-zero by 2050 at the latest. Since its launch in 2020, partners of the campaign have rallied over 14,000 cities, businesses, SMEs, financial institutions, regional governments and more, to join the Race and take action towards a fairer, healthier, net-zero future.



**Oxford Net Zero** represents 45 researchers across 11 Departments of the University of Oxford, bringing together world-class physicists, earth scientists, economists, lawyers, biologists, anthropologists, geographers and more to examine the challenge of getting to net zero through an interdisciplinary lens. We work to translate that understanding of net zero to policymakers, standards setters, civil society and businesses to ensure that practitioners are rising to the challenge of reaching net zero with integrity. This includes, for example, our work on tracking and assessing the net zero pledges of the 2,000 largest publicly listed companies through the Net Zero Tracker, providing guidance on appropriate offsetting practice through the Oxford Offsetting Principles, and providing a snapshot of existing carbon dioxide removal capacity through the annual State of CDR Report.

## Executive Summary

As the negative impacts of climate change have intensified in 2024, it is clear that there is a requirement for all governments, organisations and individuals to build on their existing activity and increase their climate commitment and action.

There is a need to develop and evolve how we are responding.

## Operational to Advertised Emissions

If the advertising industry is going to evolve its climate focus it will need to make a leap, from primarily managing its operational emissions to reshaping its output to help society be more sustainable. This requires the industry to:

### Accept

the external influence advertising has in driving consumption.

### Address

the intensifying surround sound of pressure from legislators, regulators, clients and investors.

### Support

the necessary change in consumption needed to establish a more sustainable society.

### Close the gap

between ambition and current action.

We present, for the first time, two interlocking pieces of evidence which support the idea that the advertising industry's evolution is needed, and happening.

# Advertising's Evolutionary Moment

## New thinking and evolving practice.

**New thinking** is provided by Race To Zero—led by the UN Climate Change High-Level Champions, and Oxford Net Zero with the idea of Serviced Emissions. Serviced Emissions are the greenhouse gas emissions arising from the activities of a client informed and/or enabled by the advice and/or services of a professional service provider (PSP).

The idea of Serviced Emissions was inspired, in part, by Purpose Disruptors' work on Advertised Emissions, and it applies to law, accountancy, and advertising. Race to Zero and Oxford Net Zero, following an extensive consultation process with the above sectors, have arrived at a set of six key action areas.

### 1

#### Strategy and vision:

Develop a strategy to recognise, understand and reduce your Serviced Emissions as part of a commitment to net-zero/1.5C.

### 2

#### Governance, management and institutional capacity:

Develop robust governance systems to uphold commitments to 1.5C in regard to both your own company's emissions and your Serviced Emissions.

### 3

#### Client and project selection - Due Diligence and Risk:

Integrate climate considerations into due diligence for new and existing clients, projects and services.

### 4

#### Delivery and ongoing client relationships:

Embed climate opportunities and risks into your services and projects.

### 5

#### Measurement of impact and reporting on progress:

Track the GHG outcome and impact of services provided.

### 6

#### System Changes:

Advocate for regulatory and policy changes to support accelerated transition.

Each area is accompanied by a clear, diverse set of aspirational and demonstrable actions, applicable to any PSP.

Evolution happens as an entity adapts and develops in response to its changing environment. This is exactly what is happening within the advertising industry. Organisations are evolving their climate response as external and internal pressures to change increase.

This **evolving practice** comes from two global advertising agencies: OLIVER and M&C Saatchi. Working independently, they are evolving beyond their operational emissions. Activities include:

- **Accepting** that they have influence over the emissions that result from the services they offer to clients
- **Analysing** their current client portfolio to disclose the percentage of agency turnover by industry, including income from high carbon clients
- **Embedding** climate considerations into risk and due diligence processes for new clients
- **Calculating** their Advertised Emissions for their top 20 clients by revenue (out of 200+ clients). They were c.42x higher than their operational emissions

These inspirational actions, when mapped against the Serviced Emissions framework, demonstrate to the industry that an evolution within the advertising industry in how it responds to climate is possible, and happening.

The leadership opportunity is clear. We call for those, bold enough to want to increase their climate impact, to join OLIVER, M&C Saatchi and others, in the 'Advertised Emissions Working Group'. To debate the challenging questions required to co-create the next iteration of the Advertised Emissions methodology.

**“  
This is an  
all-in moment”**

Section 1

Context

The need to evolve our climate response is clear:

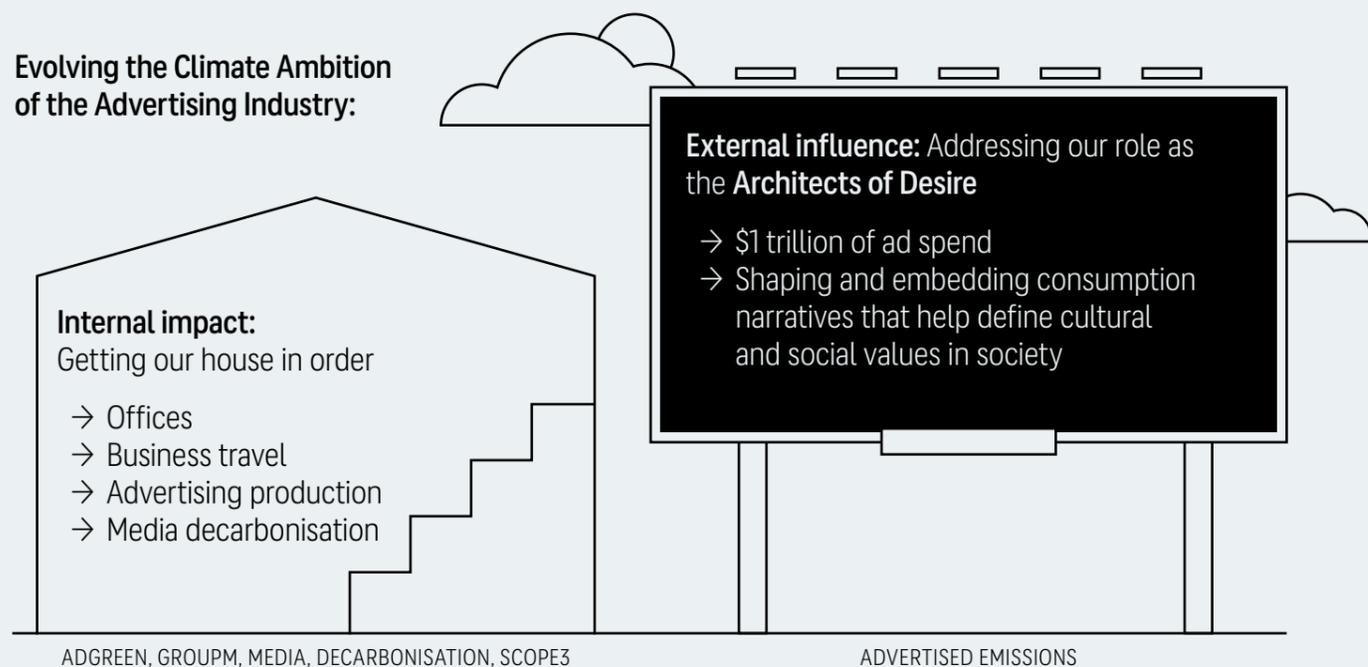
**“We do have a choice: Creating tipping points for climate progress – or careening to tipping points for climate disaster. This is an all-in moment.”**

António Guterres, the UN Secretary-General, stated in the latest special address on Climate Action in June 2024.

His words are in response to two significant environmental moments. Firstly, global temperatures surpassed 1.5 degrees above pre-industrial levels for a 12 month period (and this was the limit stated within the 2015 Paris Agreement that we should not exceed). Secondly, a 2023 update report stated that six of the nine planetary boundaries representing the safe operating space for humanity, have been passed. We are dramatically destabilising the precious planetary resources which keep us alive. The advertising industry has a significant part to play in addressing the climate crisis as it sits at the intersection of business and consumption.

**What will it take to evolve our response?:  
Accepting our external influence**

To date, the advertising industry has made great strides in getting “its house in order”, in understanding and quantifying the operational and supply chain emissions of advertising, through core initiatives including Ad Net Zero, AdGreen and Scope 3.



<sup>3</sup><https://www.wpp.com/sustainability/sustainability-report-2020>  
<sup>4</sup><https://www.group.dentsu.com/en/sustainability/common/pdf/TCFDreport2023.pdf>  
<sup>5</sup><https://lordslibrary.parliament.uk/behaviour-change-for-achieving-climate-and-environment-goals-environment-and-climate-change-committee-report>

Yet these ‘operational emissions’ focus solely on the ‘internal’. It does not account for the fact that the primary goal of the advertising industry, as the architects of desire, is to help stimulate consumption on behalf of its clients.

In 2024 global advertising spend is expected to exceed \$1 trillion. Every single person on the planet, on average, will be exposed to more than \$120 of ad spend. Such volumes of advertising shape consumption narratives, and societal values towards cultures of consumption that exceed planetary boundaries. As WPP acknowledges: “Advertising has undoubtedly played a role in fuelling consumerism<sup>3</sup>” and Dentsu states “We recognise our role in driving consumption<sup>4</sup>”.

In order for the advertising industry to evolve its climate response it would need to accept its external influence, for good and for ill, in influencing the values and behaviours associated with cultures of consumption.

**“The advertising industry needs to accept its external influence, for good and for ill.”**

**What will it take to evolve?  
Support the necessary change in consumption**

Research<sup>5</sup> from The House of Lords has shown that changes in lifestyle consumption can contribute to a significant reduction in emissions: In the UK **“32 percent of emissions reductions up to 2035 require decisions by individuals and households to adopt low carbon technologies and choose low-carbon products and services, as well as reduce carbon-intensive consumption”** and **“shifting towards healthier and lower-carbon diets, reducing growth in aviation demand, shifting to lower-carbon goods and choosing products that last longer and therefore improve resource efficiency”**.

There is an increasing volume of science-based resources, beyond the House of Lords report, which detail what level of consumption and low-carbon products and services are compatible with a sustainable lifestyle. These include the pioneering C40 Cities report<sup>6</sup>, the UN’s 2022 IPCC Report<sup>7</sup>, and the Behavioural Insights Team report: ‘How to build a Net Zero Society’<sup>8</sup>. The consensus is clear: we need to radically change our consumption behaviour to meet our societal goals.

Advertising can **do more good** by popularising and creating desire for low-carbon products and services on behalf of clients. Equally, advertising can **do less harm** by reducing activity that supports and embeds high carbon goods and services as desirable and acceptable, which are at odds with keeping humanity within a safe operating space.

<sup>6</sup><https://www.arup.com/insights/the-future-of-urban-consumption-in-a-1-5c-world/>  
<sup>7</sup><https://www.ipcc.ch/report/ar6/wg3/chapter/chapter-5/>  
<sup>8</sup><https://www.bi.team/publications/how-to-build-a-net-zero-society/>

**Why does the industry need to evolve?: The surround sound of pressure is mounting**

A critical success factor in evolution is the ability to adapt to changes in the external environment. As the need for a shift in consumption patterns becomes clearer, a wide range of external voices are recognising the critical role of the advertising industry in driving this change. Concerns are being raised, particularly about how the industry shapes consumption narratives, grants social acceptance to harmful categories, and promotes high-carbon lifestyles.

This pressure is not just coming from NGOs and activists. Calls for change are now being echoed by those within the industry's own ecosystem - through legislation, regulation, litigation, clients, and investors (see opposite).

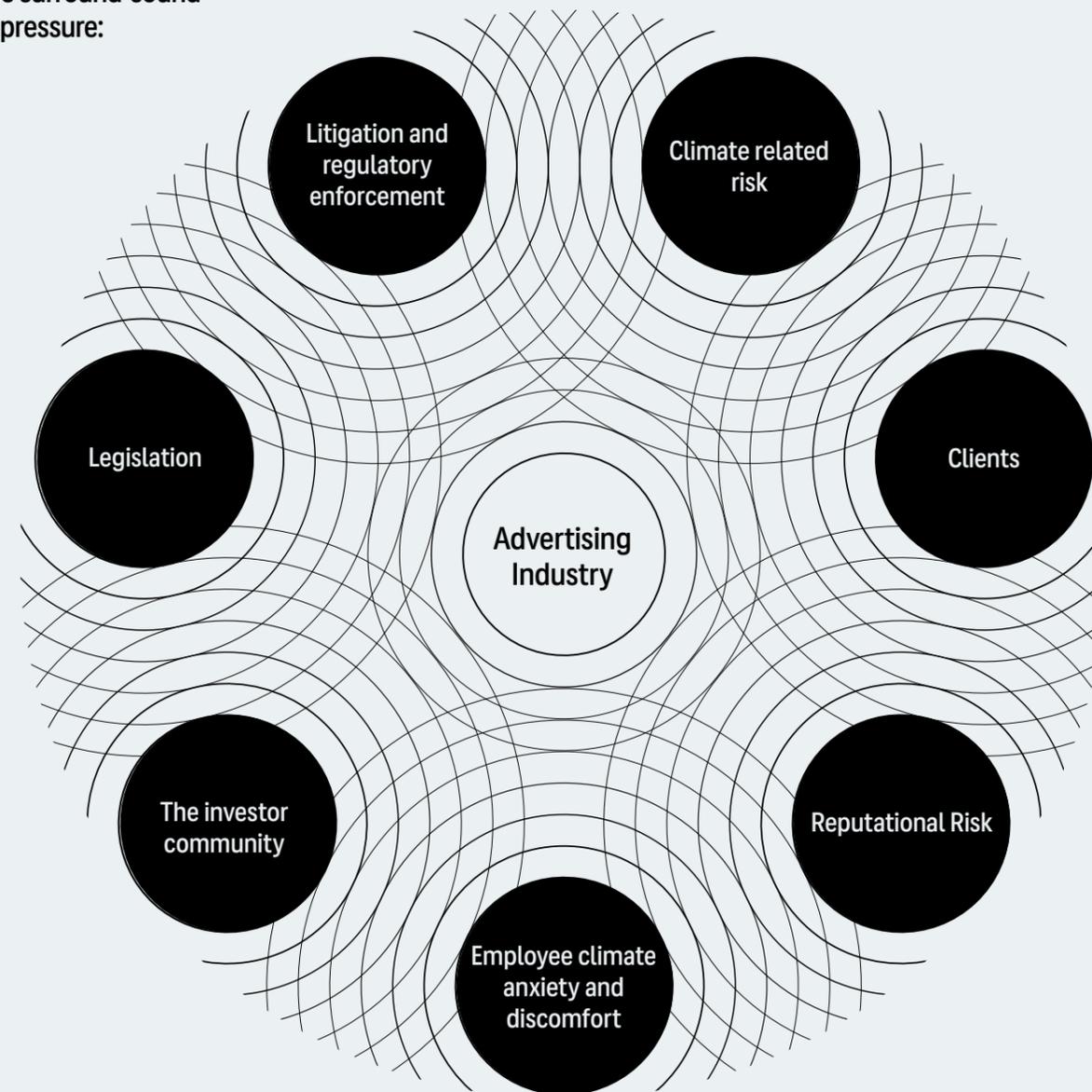
What's more, employees within the sector are more likely to suffer from eco-anxiety, as they have a heightened sense of self awareness that the work they do directly impacts the climate crisis.

Together, these factors are creating a powerful wave of pressure on the advertising industry to reconsider the work it produces. As with evolution in the natural world, those organisations that are better able to adapt to these forces are more likely to survive and thrive. For more details, see Appendix I: 'Surround Sound of Pressure'

These pressures in the operating environment of the advertising industry will only intensify. Evolution dictates that success will be awarded to those organisations who most successfully adapt to such changes. This requires the bold step to reimagine its role - to help accelerate adoption of low-carbon brands and redefine what it is to live a good life (Purpose Disruptors Change The Brief programme and 'Reimagining Advertising' report can help provide further support in this area).

**"The industry must take the bold step to reimagine its role."**

**The surround-sound of pressure:**



**Legislation:**

National (France) and 42<sup>9</sup> local governments (amongst others in the Netherlands, Australia, UK, Sweden, UK) have taken legislative action against high-carbon advertising. In the UK they include: Edinburgh, Sheffield, Cambridgeshire, Coventry, Basingstoke, and Deane Borough Council.

**Litigation and regulatory enforcement**

The first published assessment of climate-washing litigation<sup>10</sup> identified 43 cases between 2016 and 2021. Climate lawyers, Client Earth, have since identified 120 climate-washing cases filed between 2016 and 2023, more than half are from the last two years. Greenwashing legal challenges and regulatory rulings are proliferating rapidly, with activity disproportionately focussed on high carbon sectors<sup>11</sup>. The UK ASA and CMA are pursuing increasingly active enforcement programmes.

**Climate related risk**

Global standards focused on climate-related financial risks are becoming more and more mandatory. The Taskforce for Climate-related Financial Disclosures (TCFD) framework - now part of IFRS, aligns the impact of climate change with exposure to financial risk. This framework will be mandatory in the UK from 2025

**Clients**

Many clients have sustainability-related criteria as part of the procurement process. Those requirements are expanding beyond operational concerns, to the agency's client mix.

For example, Corporate Knights is supporting Global 100 companies - which include IKEA and H&M - to sign a declaration to update their procurement language for communications service providers, by the end of 2025, to require disclosure of how their work is aligned with the Paris Agreement.

**Reputational Risk**

Over 1100+ agencies, globally, have signed the Clean Creatives Pledge and have committed to not work on fossil fuels<sup>12</sup>.

Havas have been stripped of their BCorps status as a result of choosing to work with Shell<sup>13</sup>. Other agencies, particularly Edelman and McCann, have faced public pressure in the form of protests at events and offices over their fossil fuel ties.

**Employee climate anxiety and discomfort**

An IPA Survey<sup>14</sup> reveals 53% of agency employees feel anxious about climate change, and 37% feel demoralised about climate change. These figures are far higher than for the general public, for whom 37% feel anxious and 14% feel demoralised

**The investor community**

Members of Principles for Responsible Investment (PRI), who have over \$120 trillion of assets under management, state, on their website: "Services across the entire marketing and communications value chain can have a severe and adverse impact on the climate, especially when provided to high carbon-emitting clients."<sup>15</sup>

Investors in the group have held a dialogue with Publicis on the issue of Advertised Emissions in a series of questions and responses to explore the group's current relationship with high-carbon clients.

<sup>9</sup><https://www.worldwithoutfossilads.org/projects/?type=projects&tags=local-council&sort=latest>

<sup>10</sup><https://cssn.org/wp-content/uploads/2022/01/CSSN-Research-Report-2022-1-Climate-Washing-Litigation-Legal-Liability-for-Misleading-Climate-Communications.pdf>

<sup>11</sup>Climate-washing litigation: towards greater corporate accountability? - Grantham Research Institute on climate change and the environment (lse.ac.uk)

<sup>12</sup><https://cleancreatives.org/>

<sup>13</sup><https://www.desmog.com/2024/07/18/havas-agencies-lose-b-corp-status-over-work-with-oil-companies/>

<sup>14</sup><https://ipa.co.uk/news/climate-anxiety/>

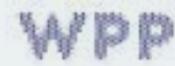
<sup>15</sup><https://collaborate.unpri.org/group/20076/about>

**What's stopping us from evolving: Closing the gap between ambition and current action**

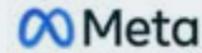
At present, key players within the advertising ecosystem have issued sustainability related statements stating their ambitions to meet this evolutionary moment. Taking AdNetZero, WPP and Meta as examples, they have an ambition to drive societal change and help drive the sustainability transition, foster **inclusivity, connection, respect for nature, and recognise our shared responsibility.**



*“...help our industry deliver on its full potential to support businesses and people to deal with this emergency and **build a more sustainable future**<sup>16</sup>”*



*“Use the power of creativity to **build better futures for our people, planet, clients and communities**<sup>17</sup>”*



*“we are working with others to scale inclusive solutions that **help create a healthier planet for all, ensuring that no one is left behind**<sup>18</sup>”*

Yet the complex interplay of economic, business, social, political, and structural factors creates substantial barriers to achieving these goals. The current, fundamental structure, of the advertising sector is heavily influenced by short-term profit incentives, immediate financial returns which often override longer-term decision-making. Shareholder expectations, talent shortages, rising operational costs, and the rapid advancement of artificial intelligence diverting critical investment away from sustainability initiatives in pursuit of competition, efficiency and 'progress' are all live challenges.

These factors make it exceedingly difficult to rewire the core business principles of the advertising industry. However, as highlighted in the following section, some business leaders are beginning to take promising steps towards overcoming these challenges.

**“Facing these challenges could lead to an alternative, profitable future.”**

To help drive the necessary shift in consumption patterns, respond to the growing pressure, and meet the industry's stated goals, we offer three guiding questions:

- What values should we embed in society through our work?
- What level of societal consumption do we want to promote?
- Should we, and how do we, work with fossil fuel and other high-carbon clients?

Facing these challenges could lead to an alternative, profitable future where the industry creates new products and services that support a more sustainable world. Many sectors—Energy, Automotive, Consumer Products, and Finance—have already begun this shift. They are experiencing both the struggles and rewards of transforming their value chains: from oil and gas to renewables, from internal combustion engines to electric vehicles, and from linear models to circular alternatives.

**“The current, fundamental structure of the advertising sector is heavily influenced by short-term profit incentives, immediate financial returns which often override longer-term decision-making.”**

<sup>16</sup><https://adnetzero.com/>

<sup>17</sup><https://www.wpp.com/>

<sup>18</sup><https://sustainability.atmeta.com/>

**To evolve:  
Acknowledging the gap**

Speaking to people in the industry it is clear they see, and feel, a gap between the current reality and future possibility for their organisations, and the industry as a whole.

The good news is we are starting to bridge the gap. Individuals are asking important questions that begin to address the work their organisations do, and their clients they choose to work for, such as:

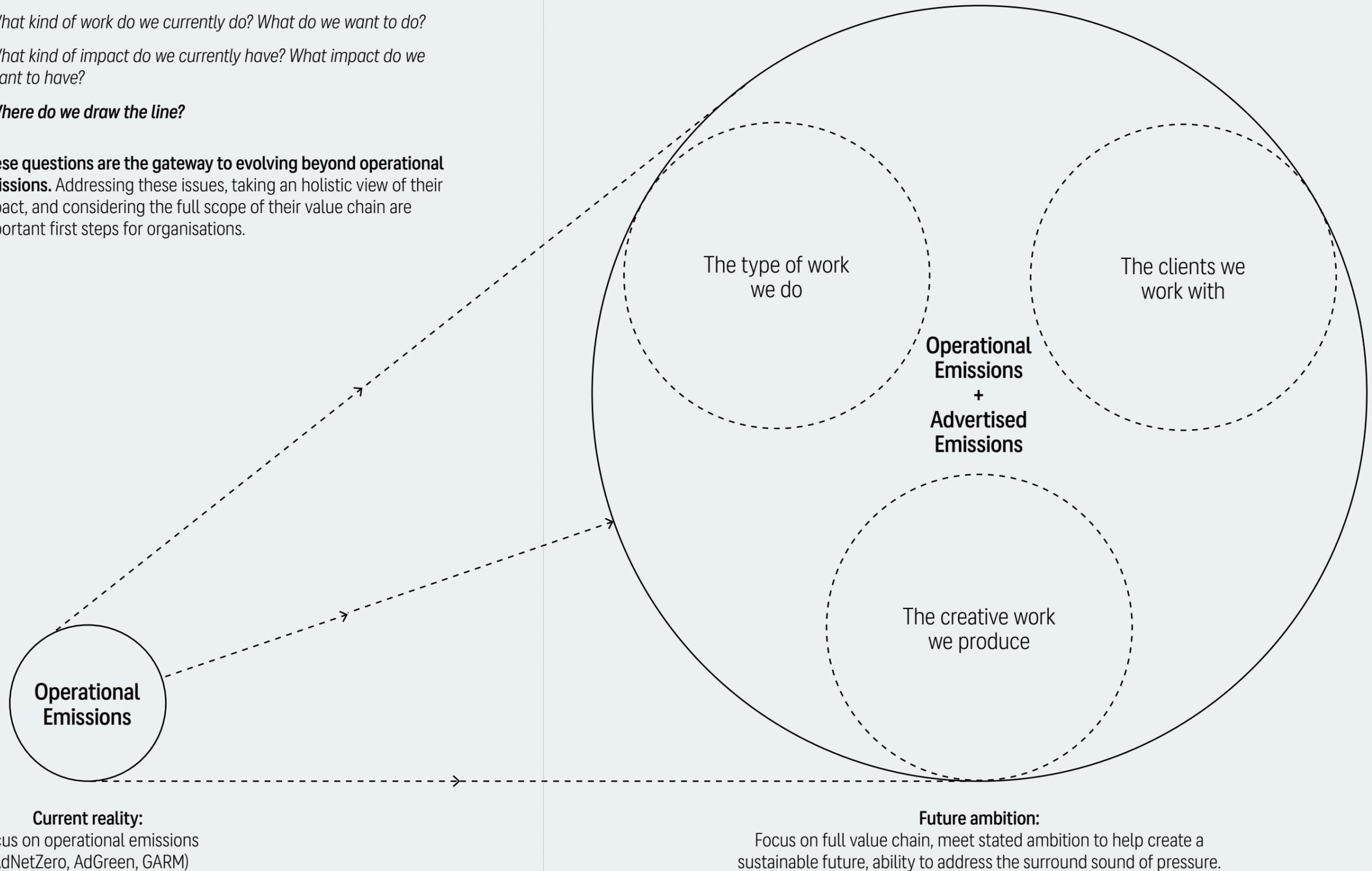
*Who do we work with?*

*What kind of work do we currently do? What do we want to do?*

*What kind of impact do we currently have? What impact do we want to have?*

**Where do we draw the line?**

**These questions are the gateway to evolving beyond operational emissions.** Addressing these issues, taking an holistic view of their impact, and considering the full scope of their value chain are important first steps for organisations.



“  
**Can advertising be encouraged to follow the lead from finance and take a more holistic approach to their climate impact?”**

Section 2

Evolution in action

**OLIVER & M&C Saatchi's climate transition journeys**

If the advertising industry is to fully evolve in the face of our climate emergency, it will need to make a leap, and shift from its current reality to achieving what is needed for a sustainable future.

Here we share new thinking from the Race to Zero campaign<sup>19</sup> led by the UN High-Level Climate Champions and Oxford Net Zero<sup>20</sup> in the form of 'Serviced Emissions' Action Areas.

We also detail the learning journeys and evolving practices from two climate leaders in our industry - global agencies OLIVER and M&C Saatchi - and place their actions against the Serviced Emissions Action Areas.

Together this combination of thinking and activity provides a robust framework, rationale and a diverse range of practical actions for climate leaders who are keen to evolve beyond the confines of operational emissions.

We want to highlight the importance of Advertised Emissions as a conduit for these developments. We, as Purpose Disruptors, developed the Advertised Emissions thinking and methodology, supported by our cross-industry Advertised Emissions Working Group. Our first iteration raised many questions that helped stimulate the work we share here.

We invite those interested in continuing to develop this work to join our re-booted Advertised Emissions Working Group.

We will be joined by a newly appointed team member with a PhD in data science, funded by the UK government, to help develop a more robust methodology. Together we will co-create the next iteration and debate the challenging questions it raises with the aim of producing a global standard.

**“ We invite those interested in continuing to develop this work to join our re-booted Advertised Emissions Working Group. ”**

<sup>19</sup>Race to Zero is the world's largest coalition of non-state actors taking immediate action to halve global emissions by 2030. With over 14,000 members - including WPP, Google and JCDecaux - they are committed to the same overarching goal: reducing emissions across all scopes swiftly and fairly in line with the Paris Agreement, with transparent action plans and robust near-term targets.

<sup>20</sup>Oxford Net Zero is an interdisciplinary research initiative based at the University of Oxford. Our researchers sit across ten Departments of the University, including Law, Physics, Biology, Earth Sciences, Anthropology and Geography. As an academic research programme, we produce high-quality, peer-reviewed research, and leverage that work to provide advice and expertise to policymakers, global industry leaders and international organisations in the global race to net zero.

**Advertised Emissions**

**In 2021, Purpose Disruptors was invited by the UNFCCC to launch the concept of Advertised Emissions at COP26. We define Advertised Emissions as the greenhouse gas emissions that result from the uplift in sales generated by advertising. Since then, momentum has been building, including:**

Advertised Emissions included as a Leadership Practice with the Race to Zero, the world's largest coalition of non-state actors taking immediate action to halve global emissions by 2030. Members include: WPP, the FT and JCDecaux.

Dentsu, the global marketing and advertising agency network calculated their Advertised Emissions as part of their TCFD (Task Force on Climate-related Financial Disclosures) report

The UK Government is funding a 30-month Knowledge Transfer Partnership, between the University of Portsmouth and Purpose Disruptors, to help develop the Advertised Emissions methodology into a global standard.

**Advertised Emissions can be calculated by:**

$$\text{Advertising Spend} \times \text{Advertising Return on Investment} \times \text{GHG Emissions per £ of Output} = \text{Advertised Emissions}$$

**In 2015, the idea of Financed Emissions was introduced and defined as:**  
*“The greenhouse gas emissions linked to the investment and lending activities of financial institutions, specifically the emissions produced by the companies a bank invests in and lends money to.”*

Therefore, if HSBC chooses to invest in a coal-fired power station, the GHG emissions associated with the building and running of that power station are part of their Financed Emissions.

This is now an established idea, firmly embedded in the global finance industry, and supported by a robust methodological standard. This has led to HSBC, NatWest and many others, beginning to reorientate their portfolios away from fossil fuels towards clean energy solutions.

Can other Professional Services sectors, including advertising, be encouraged to follow the lead from finance and evolve to take a more holistic approach to their climate impact?

The answer is yes. The momentum behind Advertised Emissions and the emerging idea of Advised Emissions within the law profession are two factors that led Race to Zero and Oxford Net Zero to establish and champion the idea of Serviced Emissions, which they define as:

*“The greenhouse gas emissions arising from - or impacted by - the activities of a client informed and/or enabled by the advice and/or services of a professional service provider.”*

They define Professional Service Providers (PSPs) as:

*“An organisation, individual, or department that sells a service based on their expertise in a specific field, rather than a physical product. They can work with companies or consumers in a variety of industries and subsectors, including public and private. Examples include consultants, advisors, lawyers, advertising and PR firms.”*

Race to Zero and Oxford Net Zero, are promoting Serviced Emissions in recognition of the significant role PSPs play as force multipliers and their ability to influence exponential change in the “real economy”. Through introducing the idea, the goal is to align the

**“These are practical actions that will allow an advertising company to graduate beyond operational emissions.”**

forces of these industries who have a significant opportunity to help influence and drive change towards a sustainable future.

So, Advertised Emissions are Serviced Emissions for the advertising industry, with its own methodology, in the same way that Advised Emissions are Serviced Emissions for the law profession.

The idea of Serviced Emissions launched at COP28 was followed by a six-month consultation period with contributions from over 250 participants, including Ad Net Zero. The outcome was a final report with a set of principles that build on the Race to Zero Criteria<sup>21</sup>. They underscore the need to measure the emissions associated with, and in some cases resulting from, the provision of services across projects and client work, particularly through working in high emitting sectors.

The guidance provides, for the first time, a comprehensive suite of activities that a PSP can take and embed Serviced Emissions within the organisation. These are practical actions that will allow an advertising company, or any other PSP, to graduate beyond operational emissions to be considerate of its whole value chain. At its core, there are six action areas:

# 1

## Strategy & vision

Develop a strategy to recognise, understand and reduce your Serviced Emissions as part of a commitment to net-zero/1.5C.

# 2

## Governance, management and institutional capacity

Develop robust governance systems within the PSP to uphold commitments to 1.5C in regard to both your own company’s emissions and your Serviced Emissions. Build institutional capacity for delivery.

# 3

## Client and project selection – Due Diligence and Risk:

Integrate climate considerations into due diligence for new and existing clients, projects and services.

# 4

## Delivery and ongoing client relationships

Embed climate opportunities and risks into your services and projects.

# 5

## Measurement of impact and reporting on progress

Track the GHG outcome and impact of services provided.

# 6

## Systems change

Advocate for regulatory and policy changes to support accelerated transition.

We provide a detailed view of the actions associated with each area and how OLIVER and M&C Saatchi are delivering against them in Appendix II. The full Serviced Emissions report is available [here](#).

<sup>21</sup><https://racetozero.unfccc.int/wp-content/uploads/2021/04/Race-to-Zero-EPRG-Criteria-Interpretation-Guide.pdf>

**“We call for those bold enough to want to increase their climate impact, to join M&C Saatchi, OLIVER and others, in the Advertised Emissions Working Group.”**

**Evolving practice:  
OLIVER and M&C Saatchi**

## **Climate experts Race to Zero and Oxford Net Zero suggest that advertising organisations can evolve to meet this moment, but is there any evidence that this is naturally occurring within the advertising industry?**

Are leaders already developing beyond operational emissions and taking steps to adapt the influence and impact they have? The answer is 'yes'.

OLIVER and M&C Saatchi are two climate pioneers trying to work out how to bridge the gap between the current realities of climate reporting and future planet-and people-positive ambitions. Though they might have different business models, they both have an innovative mindset and a vision for an advertising and marketing industry that is in service of the planet and its people. They are doing what they can from where they stand to shift the agenda and drive change, helping their clients and themselves build momentum in the right direction.

In this spirit of collective learning, they have kindly agreed to share their story so far. It is our hope that in learning more about their motivations, processes and successes, you will be inspired to embark on your own journey of climate transition.

We will showcase both of their journeys, highlighting successes, key learnings and challenges along the way. The final section of this report summarises the key takeaways for the industry and acknowledges the open questions that require the collective wisdom of the industry to collaborate on an answer.

# The OLIVER climate transition journey

“**OLIVER's mission is to transform their clients' business performance using smarter solutions delivered from the inside.**”

For 20 years, OLIVER's mission has been to transform its clients' business performance using smarter and faster solutions, delivered from the inside. OLIVER broke the traditional agency mould by revolutionising the business model, simplifying the complexities of modern marketing and giving brands back control. Having created bespoke solutions for over 300 clients in 40+ countries across the globe, they design, build and run dedicated in-house teams and marketing ecosystems for brands. The group operates across both technology and creative, supporting clients on their digital, advertising and marketing needs. OLIVER is part of the Inside Ideas Group (IIG), which joined The Brandtech Group in January 2019 to give its clients access to cutting-edge marketing technology solutions in the AI, AR, and the metaverse space.

## OLIVER's climate ambitions:

Diversity, Equity and Inclusion (DEI) and Environmental Sustainability are strategic imperatives at OLIVER, placing people and planet at the core of their sustainability strategy. At the end of 2022 they created a Change Team Strategy bringing DEI and Environmental Sustainability ambitions together, and set priorities based on four key pillars: **Equity; Diversity and Inclusion; Conscious Creativity; Accelerating Net Zero.** This was to emphasise the interconnectedness of social, environmental and economic aspects across their business and working across teams of active employees to embed these strategic priorities into OLIVER's business plans, processes and products.

Their Environmental Sustainability approach focuses on three aspects:

- 'Get our house in order' - Impact from OLIVER's operations
- 'Impact from the work we create' - Creative's influence on behaviour change and production
- Accelerating our clients' sustainability journeys' - client mapping and new offerings

To support their environmental commitments, OLIVER set up a Sustainability department with 3 FTEs to drive the strategy and reporting. To ensure business integration, OLIVER also introduced an Environmental Management System (EMS) that consists of 15+ EMS representatives who are accountable for taking action to reduce the environmental impact of their departments. OLIVER has also developed their first Environmental Policy as well as a Sustainable Business Travel Policy.

## The journey towards Serviced Emissions:

OLIVER shares the same vision as Purpose Disruptors, to help transform the industry to be in service of a thriving future. As part of setting out their climate ambition, OLIVER has been considering what it means to take a holistic approach to the climate transition. They have worked on a series of learning experiments that have helped them set a trajectory for the future.

The journey followed a series of actions which align to some of the Serviced Emissions framework action areas:

- **Seek opportunities to engage clients on climate/sustainability:** OLIVER started with a vision to accelerate net zero by working with like-minded clients by offering sustainable production services and, sustainable marketing strategy to the more ambitious.
- **Map client portfolio: revenue, services and projects delivered:** To do so, OLIVER started analysing their client portfolio for internal use, using the Client Disclosure Report as a framework to quantify their types of clients<sup>23</sup>. The reporting solution, created by Futerra, aims to increase transparency across the industry and within agencies. The report discloses the percentage of turnover categorised by industry, and includes income from fossil fuel companies and other high carbon clients. This helped the organisation gain insight across its client portfolio as a first step.

“**Despite already being a carbon-aware company, we're growing rapidly and therefore have a responsibility to raise standards on a global scale. We're asking ourselves, how can we work with brands in a low carbon, responsible way? And we're committed to finding the answers so that we can become better for our clients, better for the future of our industry and better for the planet<sup>22</sup>.**”

— Simon Martin, founder and CEO of OLIVER and IIG

# OLIVER

<sup>22</sup><https://www.oliver.agency/2021/11/03/OLIVER-commits-to-ad-net-zero-amidst-climate-crisis/>

<sup>23</sup><https://www.creativeandclimate.com/disclosurereports>

→ **Start to develop robust governance systems within the organisation to uphold commitments to the Paris Agreement:** OLIVER got its “house in order” by measuring and reporting on their operational emissions. The organisation is committed to achieving its net zero target globally by 2030, driven by its dedicated Sustainability Team partnering with all areas of the business. The plan focused on:

- Measuring and reducing global operational emissions via new data systems, new policy changes and - coming soon - actions aligned to Science-Based Targets.
- Understanding the impact from the work made with clients, from behaviour changes driven from creative ideas, and production emissions - including a robust AdGreen sustainable production training approach which saw 700+ staff trained, 200+ carbon reports in under 2 years, and a rewired production approach to make sustainable production best practice the new normal.

→ **Develop training and capacity building for all staff on climate and sustainability.** OLIVER also considered Advertising’s positive influence - how to harness the power of advertising to promote more sustainable consumer choices and behaviours, and joined Purpose Disruptors’ sustainability learning programme tailored for the advertising industry, the **Change the Brief Alliance**<sup>24</sup> as one of the earliest members. They then developed the online expert content into a 7-week facilitated learning course for internal leaders with action plans at the end to encourage impact beyond the course.

Getting their house in order and understanding their client portfolio helped OLIVER become more climate aware. Reporting on carbon emissions is an important part of climate transition plans; it provides a baseline for understanding the impact which business operations have on the environment.

However, OLIVER realised that these actions do not look at the holistic impact of the work that is being created and the holistic influence that OLIVER has across the entire value chain. While most of the industry is focused on the actions above; the team at OLIVER are looking outside their walls, towards their value chain and asking bigger questions: How do we help our clients thrive? Who do we work with? Where do we draw the line?

Advertised Emissions was one of the tools in their toolkit that is helping triangulate the data and provide objective clarity and understanding of how to help clients and who to work with.

OLIVER joined the Advertised Emissions working group in 2022, and started mapping their client base and reviewing their top 20 clients by revenue globally, as a first step.

*“Rather than eating the elephant all at once, we decided to just calculate [Advertised Emissions] for our top 20 clients by revenue globally, rather than trying to spend a vast amount of time to find data on 200+ clients. We learnt what data was easy to get hold of, and we now actually have a version 1. We’re now starting to get a sense of who the high carbon clients are and can make business decisions based on this.”* — Lucy Usher, Head of Sustainability at OLIVER

Calculating Advertised Emissions showed that OLIVER’s holistic emissions were 42 x higher than their calculated operational emissions, and that was just for their top 20 clients. Emission reduction efforts needed across the value chain are therefore very significant.

Another important element to consider is understanding the risks and opportunities OLIVER might be facing as a result of the climate crisis. Risk management is not a new discipline and is very much embedded in the operations of any organisation; businesses do this to make sure their business is relevant and profitable in light of future and emerging trends.

Advertised Emissions has helped OLIVER:

- Quantify the difference between operational emissions and advertised emissions with their own business data (x 42) to succinctly communicate the much larger impact of our client portfolio to decision makers.

→ Highlight areas of risk (high carbon clients) in their client portfolio and areas of opportunity to focus on. This view can now become the strategic lens for how the client portfolio could shift over the next 3-5 years.

→ Clarify the importance of not taking on any fossil fuel clients in the UK, and reaching a leadership agreement to not do this, with a clear new business process to support this.

→ Identify opportunities to promote low-carbon alternatives and more sustainable behaviours with clients who are in line with their climate ambitions.

Other learnings include how difficult it is to determine ‘where we draw the line’ in an objective way, whilst at the same time seeing how simple the first step can be when OLIVER used the existing SBTi definition and rules for fossil fuel clients in order to define a fact-based approach to why working with fossil fuel companies would be fundamentally misaligned with their own and their client portfolio’s ambitions. OLIVER UK has since turned down opportunities to pitch for work with a fossil fuel company.

**“OLIVER started with a vision to accelerate net zero by working with like-minded clients by offering sustainable production services.”**

<sup>24</sup><https://www.changethebrief.org/>

# The M&C Saatchi climate transition journey

M&C Saatchi Group is a global creative solutions company that helps clients tackle the toughest business and societal challenges, creating beautifully simple, integrated solutions for the increasingly complex world around us. The Group combines specialist expertise with data and technology to build iconic brands, drive action, and shape culture.

Headquartered in London, operations span 23 countries with major hubs in the UK, Europe, Americas, APAC, the Middle East, and South Africa.

Within their bold Planet & People strategy, M&C Saatchi set out a series of commitments that highlight the need for both environmental and social targets to work hand in hand. Their climate ambitions include the reduction of scopes 1, 2 and 3 emissions by 50% by 2030 in line with their SBTi target, ensuring their teams are climate-literate and growing the % of revenue generated from planet-positive campaigns.

The initial focus of the Planet and People strategy from an environmental perspective is on climate, as it requires immediate and ambitious action. However, over time they plan to deepen and accelerate their focus on other environmental challenges like biodiversity, water and air quality as well as a circular economy strategy.

**Planet-Positive Campaigns** have been defined by M&C Saatchi as campaigns that enhance the wellbeing of the natural environment while promoting sustainability in social, economic, and environmental aspects. These campaigns aim to support at least one of the environmental Sustainable Development Goals (SDG 7 Affordable and Green Energy, SDG 12 Responsible Production and Consumption, and SDG 13 Climate Action) and avoid negative impacts on other SDGs. They should demonstrate a reduction in negative impacts compared to the market or previous versions of a product or service.

“M&C Saatchi set out a series of commitments that highlight the need for both environmental and social targets to work hand in hand.”

**M&C  
SAATCHI**

M&C Saatchi are keen for others in the industry to help revise this concept and create an industry standard. Examples of such campaigns include: COP26 campaign for the UK government, Global Wind and Energy Council's Wind: Are you in? campaign and Lexus EVs to name a few.

## M&C Saatchi's Climate Ambitions:

### The way we work: Planet

- 1 Set a net zero target, in line with the SBTi Net-Zero Standard.
- 2 Reduce our Scope 1, 2 and 3 emissions by 50% by 2030.
- 3 Set an internal price on carbon and offset remaining emissions from our own operations by 2025 and across our value chain by 2030.

### The way we work: People

- 4 Evolve how we recruit, develop and reward our people to address under-representation.
- 5 Create an inclusive experience where all can flourish, perform and belong.
- 6 Inspire and support people from underrepresented groups to start careers in the industry.

### The work we do

- 7 Build climate and DE&I-literate teams.
- 8 Drive alignment with our planet and people goals across our supply chains.
- 9 Grow the % of overall revenue from planet- and people-positive campaigns year-on-year.
- 10 Review potential new clients based on their impact on the planet and people.
- 11 Offer time and funding to organisations that have a positive impact on planet and people.

## The journey towards measuring Serviced Emissions

*“We can be certain the next decade will be a time of exponential change and extraordinary inventiveness. This new frontier requires new outlooks, new approaches and new partnerships, not only to take charge of our own impacts, but to influence and help shape the work of our clients, and opinions in the world at large. At M&C Saatchi we’re calling this Conscious Creativity. None of us can do this alone. The time has arrived for all of us in the industry to work together to drive change.”*

— Zaid Al-Qassab, Global CEO, M&C Saatchi Group.

M&C Saatchi shares similar principles to Purpose Disruptors: the need to move the conversation beyond operational emissions towards the wider, holistic impact of the creative work it produces, and advice it gives on the planet and people. As a player in the service economy, M&C Saatchi plays a part in the success of its clients and the growth generated, therefore it is important to account for that growth. More importantly, their sustainability mission is to create positive change by using their skills and expertise in helping clients reduce their emissions and create a positive social impact.

**“Key to creating the space for learning was a sustainability team with a multi-sector background.”**

Their approach centres on the ability to create positive impact through the work they produce and has evolved over time through a series of learning experiments that are helping them begin to understand the impact of their Planet-Positive strategy as it evolves.

Key to creating the space for learning was a sustainability team with a multi-sector background that:

- Created the structures, processes and decisions in place to deliver on those commitments;
- Helped meet client RFI and external reporting requirements (including requirements related to other ESG issues);
- Ensured that M&C Saatchi has the insight and strategic vision to keep pace with the rapidly changing ESG landscape and ultimately drive a differentiation strategy in this area.

Moving beyond climate awareness, M&C Saatchi have acknowledged the need to step beyond their direct emissions and getting their house in order, to looking at their wider sphere of influence. Over the last 12 months they have been embedding this strategy into the way they work and interact with clients. Some of the actions they have taken include:

- **Mapping the client portfolio including revenue, services and projects delivered:** using team experience in Financed Emissions, M&C Saatchi focused on mapping the client portfolio to try and understand the potential financial risks that might come up in the future. “We’ve started looking at some of the various risks those [high emitting] sectors might pose, risk that we might accidentally get involved in greenwashing, risks that sectors might get banned, risks of climate litigations, risks that our people might not be happy to work with certain clients and risks

that some of our clients might not be happy with us working with clients in high emitting sectors.” Pamela Noakes -Group Director of Sustainability

- **Supporting clients to align their stakeholder engagement with positive climate action:** In their quest to support clients, M&C Saatchi teams identified that there is often a disconnect between sustainability and marketing teams at clients, which can get in the way of progress towards more sustainable products and services. They have therefore also introduced some simple conversation prompts for existing clients to help bring their teams together, with the hope of creating great creative and engaging campaigns that simultaneously solve sustainability issues.
- **Embedding climate considerations into risk and due diligence processes for new clients and projects:** M&C Saatchi also introduced an approach to review the environmental credentials of prospective new clients. This initiative involves a three-step check process and a new client questionnaire designed to help teams make informed decisions about working with businesses with high negative environmental and social impacts. It also aims to measure the environmental impacts of the work done for clients. The review includes evaluating clients' climate commitments, emissions reduction performance, climate-related target setting and reporting, industry lobbying, human rights and DE&I performance. The “3 Check Steps” process supports decision making within the business around current and future clients, with high-risk clients escalated to the Group Sustainability Director for advice and recommendations before final decision-making by the Group CEO. An entry level version is available to all account teams to encourage conversation with clients around sustainability and climate action.

The previous steps enabled the sustainability team at M&C Saatchi to start considering how to understand the holistic impact of their work with clients. Advertised Emissions was one of the ideas that resonated with their approach. M&C Saatchi joined the Advertised Emissions Working Group in 2022.

The first piece of industry guidance around measuring emissions from media buying has recently been released, enabling agencies like M&C Saatchi to start to measure and address emissions in this area. However, this only addresses the emissions of the purchasing of media itself. To understand the true impact of media buying we need to better understand what is being sold via that media. M&C Saatchi considers that understanding Advertised Emissions will be an important addition to the work on operational media buying emissions. At M&C Saatchi, the aim at all stages of emissions calculations is to provide ‘decision-useful’ information. This helps the Group to understand the activities that play a role in the sustainability transition. Measuring Advertised Emissions will help M&C Saatchi pinpoint these areas.

Starting small and building up capabilities is essential, especially in a global business. When M&C Saatchi launched their “3 Step Check” and client questionnaires to embed climate considerations into the brief process, they found use was patchy across the global teams. However, recently they integrated Planet and People reporting into Quarterly Business Reviews. This means that the financial health review of each individual business unit within the Group has become more holistic, starting to incorporate a triple bottom line approach. This mandates M&C Saatchi businesses to set targets for adopting and reporting against how they are incorporating tools like the “3-Step Check” and client questionnaire into their day-to-day work.

Their biggest learning so far has been the gap on the client side between sustainability and marketing and the agency's role in closing that. Although some client-side marketing teams can be very engaged in sustainability, many are not. On the one hand there are clients whose sustainability ambitions fail because they failed to make them aspirational for their customers. Whereas there are other clients who promote a level of consumption that is unsustainable for the planet. This is a paradox that advertising and communications agencies need to address. M&C Saatchi believes it is a fundamental role of any agency with sustainability ambitions to be proactive in helping their clients close the gap between sustainability and marketing and to help them transition to a model where the majority of their marketing investment is driving sustainable consumption.

M&C Saatchi are now starting to see some of the green shoots of their experiments and are beginning to measure revenue generated from planet positive campaigns. The idea is to demonstrate how valuable planet positive campaigns are to the business, and importantly they have tied a proportion of executive bonuses to this KPI.

**“If we can harness the power that exists within the creative community and align that with the sustainability agenda we can do extraordinary things.”**

— Tom Firth, Founding Partner at M&C Saatchi Life and Chair of the IPA Sustainable Action Group.



**We stand on the brink of an extraordinary transformation, where the shift to sustainability is not merely an option but a commercial imperative. Just as those who failed to embrace digital transformation were left behind, brands that delay this change risk being consigned to irrelevance.**

**It is our responsibility to both our businesses and our clients to lead proactively in this transition. This is a call to action for the advertising and communications sector to embed the Serviced Emissions Principles. But we should not let perfect be the enemy of good. Start where you think you can—and, most importantly, start now.”**

— Pamela Noakes, Group Director of Sustainability

When Purpose Disruptors launched Advertised Emissions, much of the focus was on the methodology and the ‘number’. Yet, through working with the Advertised Emissions Working Group and consulting with members of the Serviced Emissions Working Group, we have realised that Advertised Emissions and Serviced Emissions can provide an organisation with a more holistic approach to its climate impact.

We have come to understand the ‘messiness’ and challenge of encouraging an organisation to evolve beyond operational emissions. The Serviced Emissions framework helps greatly as it helps make sense of the ‘messiness’. It provides an inspiring, cohesive set of six action areas, that comprise a total of 34 diverse individual actions, created by a climate authority, and adapted and improved with feedback from across the PSP landscape.

This places Advertised Emissions and the actions of OLIVER and M&C Saatchi on a bigger stage. An idea and methodology crafted for the advertising industry, by the advertising industry, now becomes a demonstrable exemplar of what is possible for any PSP.

We have mapped OLIVER and M&C Saatchi’s activity against the Serviced Emissions action areas. This not only validates their actions within a framework, but also provides inspiration and direction for future actions, for themselves and others.

“  
**We call on advertising companies that are part of the Race to Zero (and those that have yet to join!) to adopt the Serviced Emissions action areas, accelerate their much-needed climate impact as lode-star PSPs driving innovation, accountability, representing bold climate leadership, and defending a liveable future for all**”

— Ranjita Rajan and Alexis McGiver, n  
Co-Chairs, Race to Zero “Net Zero for  
Professional Service Providers” Working Group

# Serviced Emissions framework in action:

Mapping the activities of OLIVER and M&C Saatchi against the six action areas

Theme:	1. Strategy and vision	2. Governance, management and institutional capacity	3. Client and project selection - Due diligence and risk
<b>Action:</b>	Develop a strategy/vision to recognise, understand and reduce your serviced emissions as part of your commitment to net-zero/1.5C and within a holistic climate strategy that goes beyond Scope 1-3.	Develop robust governance systems within the PSP to uphold its commitments to a 1.5°C future in regard to both your own company's emissions and your Serviced Emissions. Build institutional capacity for delivery.	Integrate Climate Considerations into due diligence for new and existing clients, projects and services.
<b>OLIVER's Approach:</b>	<p>Adopted the concept of Serviced Emissions and Advertised Emissions. Publishing AE result (x42 bigger than operational emissions) in Annual Sustainability Report to lead and learn with transparency.</p> <p>Internally mapped and assessed the client portfolio using Futerra's CDR framework</p> <p>Initiated a project to define "green" sector clients with a view to increasing engagement with this category and reducing proportion of "red" clients over time.</p>	<p>Dedicated Sustainability Team reporting to Chief Inclusion Officer. Introduced an Environmental Management System (EMS) team of 15 people across multiple departments in the UK.</p> <p>Offers Change The Brief Alliance training to all its employees.</p>	<p>"Embedded a Client Assessment Process for new energy clients that considers SBTi target and product mix alignment</p> <p>Embedded sustainable behaviour considerations into creative briefing, influenced by Change the Brief Alliance. Using company-wide briefing and reporting platform to track progress "</p> <p>Staff trained on Sustainable production best practice and reporting via AdGreen. Creative, strategy and client services leaders and teams are go through Change the Brief Alliance to gain an understanding of climate risks, sustainable behaviors and lifestyles and how to engage with peers and clients on those topics</p> <p>High risk potential new clients are escalated to the Head of Sustainability for review and go forward recommendations are made in collaboration with Senior Leaders. Part of the decision tree tool.</p>
<b>M&amp;C Saatchi's Approach:</b>	<p>Mapped largest clients by spend. Identified Clients' climate commitments. Identified climate leading clients and high-carbon hotspots in client portfolio in TCFD report.</p>	<p>Convened a Sustainability Leadership Group (C-Suite and ELT membership, including Group CEO) that meets every two months.</p> <p>Executive remuneration at Board Level includes 5% bonus weighting dependent on achievement of GHG emissions-related objectives</p> <p>Combination of in-house training and expert training for high risk teams on Greenwashing risk. Ad Net Zero Essentials training is also available to employees.</p>	<p>Using a "3 Step Check" of new clients, which is based on their environmental performance, with escalation of high risk clients to the Group Sustainability Director. This review is shared with the Group CEO for final decision.</p> <p>Our Client Review Tool provided to our internal teams includes question prompts for clients to consider how we can help them achieve emissions reductions goals.</p> <p>High risk potential new clients are escalated to the Group Sustainability Director for review and go forward recommendations.</p>

Theme:	4. Delivery and ongoing client relationships	5. Measurement of impact and reporting on progress	6. Systems change
<b>Action:</b>	Embed climate opportunities and risks into your services and projects.	Track the GHG outcome and impact of services provided	Advocate for regulatory changes to support accelerated transition
<b>OLIVER's Approach:</b>	<p>Working with like-minded clients and offering sustainable production service</p> <p>In the UK EMS representatives set department objectives in partnership with Sustainability Team. Departments contribute to own Net Zero Targets which are tracked annually.</p>	<p>Adopted and published the first iteration of Advertised Emissions to measure the emissions of top 20 clients.</p> <p>OLIVER are developing low carbon media plans, building sustainability criteria into awards, and planning events to minimise carbon footprints.</p> <p>OLIVER committed to achieving its net zero target globally by 2030 through setting an SBTi target.</p>	<p>Working with Purpose Disruptors to support advocacy for integration of Advertised Emissions and Serviced Emissions considerations and measurement.</p>
<b>M&amp;C Saatchi's Approach:</b>	<p>Our Client Review Tool provided to our internal teams includes question prompts for clients to consider how we can help them achieve emissions reductions goals.</p>	<p>"Developed an internal methodology for assessing revenue against what we broadly define as "Planet Positive Campaigns" with targets to increase our revenue from these campaigns as a way of galvanising internal momentum.</p> <p>We report our progress towards our SBTi-verified near term target in our Annual Report and Accounts.</p>	<p>We are working with Purpose Disruptors to support advocacy for integration of Serviced Emissions considerations and measurement within the advertising and communications sector.</p> <p>As Chair of the IPA Sustainability Action Group we are at the forefront of sharing knowledge and expertise within the UK's main industry association. We also actively share and learn as part of the Ad Net Zero Steering Group.</p>

## The concept of Advertised Emissions is often first encountered by companies in the advertising value chain through their climate risk and reporting processes, as companies have growing obligations to comply with climate and ESG-related risk disclosure and reporting requirements.

This began with the introduction of the Taskforce for Climate-related Financial Disclosures (TCFD) framework in 2015 by the Financial Stability Board (FSB), a voluntary framework helping companies to report on their climate-related financial risks and opportunities. Over time, TCFD has become part of the mandatory regulatory framework in many countries and jurisdictions, including the UK, the EU, Canada, Japan, Singapore, and South Africa. As part of a global consolidation and standardisation of climate risk reporting, the TCFD has been integrated into global International Financial Reporting Standards (IFRS) standards and, in the UK, the government has used the framework as the basis for the Climate-Related Disclosure Regulations (CDR), making climate-related financial disclosure mandatory for large organisations in the UK.

The other key reference point for Advertised Emissions, which may lead to their consideration as a part of a climate scenario analysis, is Financed Emissions—the process that underpins climate risk reporting. Financed Emissions are derived from the activities of the investee companies linked to the investment and lending activities of financial institutions. The concept was embraced and driven by the finance sector through the establishment of The Partnership for Carbon Accounting Financials (PCAF) to promote transparency and accountability in the sector's climate impact. They are listed as Scope 3 emissions in the GHG Protocol and PCAF provides the frameworks and guidance to help financial institutions calculate and disclose these emissions. The leadership shown by PCAF and the recognition of the source of the sector's material impact and how it is linked to the commercial model of the sector are held up as a parallel and relevant model for the advertising industry, and while this is debated within the industry, some companies are already recognising this as a risk that may have reputational, regulatory, and financial impacts.

“Typically, media and advertising sector companies report on Advertised Emissions as a financial risk because they anticipate future regulation.”

In climate risk reporting, there is doubtless an element of self-fulfilment prophecy where the process of sector recognition of an issue, often driven by policy advocacy to promote the issue in question, helps bring about its own truth by further establishing the concept with stakeholders and policymakers. Consequently, companies are more likely to identify and act on these risks, both for reputational and financial reasons. Typically, media and advertising sector companies report on Advertised Emissions as a financial risk because they anticipate future regulation that may lead to a financial cost in the form of carbon-related taxes. Advertised emissions also occupy a similar space to policies and rules relating to green claims and greenwashing measures which together may increase and focus attention.

At the same time, other voluntary and mandatory regulation is at work in establishing the practice of measuring Advertised Emissions. The UK's Transition Planning Taskforce launched by HM Treasury in 2023 helps private sector companies develop climate transition plans, and as they are intentionally interconnected with the International Sustainability Standards Board (ISSB), which includes TCFD and European Sustainability Reporting Standards (ESRS), this means that if Advertised Emissions is reported as a risk, it should then translate into an element of a company's transition plan strategy, and form part of their business strategy and financial planning. This may encourage companies to set policies about the types of products and services they will be involved with both to mitigate reputational risk and potentially realise opportunities.

The other key regulation is the EU's Corporate Sustainability Reporting Directive (CSRD) that came into effect in 2023 and mandates large companies, including non-EU companies operating in the EU, to disclose detailed and extensive information on their ESG impacts, based on the ESRS. The CSRD is probably the most exacting and detailed sustainability regulation eligible companies are required to comply with. For the question of Advertised Emissions, ESRS S4 relating to 'Consumers and end-users' is particularly interesting as it requires companies to understand and assess its material impacts on consumers and end-users and to articulate what it is doing to prevent and mitigate them. ESRS S4 includes explicit reference to responsible marketing practices and access to quality information and, although there is some degree of ambiguity relating to interpretation, the wording suggests it is likely to encompass the concept of Advertised Emissions.

**“  
There has never been  
a more urgent need  
for the superpower of  
media companies.  
The time to use it is now.”**

Section 3

Reflection

## What will it take for the advertising industry to meet this evolutionary moment?

### What will it take to help build a sustainable future in a way that enables the industry and society to thrive?

These are vital questions. To answer them authentically, it is patently clear that the industry has to move beyond its operational emissions and consider its holistic climate impact, including the consumption it helps influence.

To expand the focus from internal to external, this paper provides a new contribution from recognised climate experts from outside the industry - Race to Zero and Oxford Net Zero. Race to Zero and Oxford Net Zero have recognised the significant power and influence which PSP's, including advertising companies have. As a result they have offered the Serviced Emissions Action Areas as a practical guide for the industry to address its holistic impact.

As an industry, we need to go through a paradigm shift. The models, practices and tools we've got today have served their purpose. Climate and industry experts have come together to create a framework for Professional Service Providers that sets up a new way of thinking, to help us navigate the climate transition. Two climate leaders within the industry, OLIVER and M&C Saatchi, have demonstrated that their independent actions are already delivering on many of the identified actions. Where pioneers tread, others will follow.

**"OK, I'm on board... how do I get started?"**

Take a look at the six action areas and the diverse list of actions within them. Perhaps you have already taken one or more of them? If so, congratulations on evolving to meet this moment. There are many actions you can take, but we have created a simple easy-to-use checklist to get you started:

**"It is patently clear that the industry has to move beyond its operational emissions and consider its holistic climate impact."**

#### Individual action:

- Map the client portfolio:** Identify the list of clients that your organisation is working with and identify the revenue generated from each account.
- Embed climate considerations into processes for new and existing clients and projects:** Identify the climate commitments of client sectors your organisation is already working with, or will be working in. This can be challenging, but to give you a head start we suggest using the process below:
  - Who are they?
  - How do they communicate?
  - What are we engaging with them on?
  - What is the nature of the relationship?
- Talk to your senior management:** We recognise the challenges that senior management teams are already facing with competing priorities, and the need to maintain a financially sustainable and healthy business that provides an inspiring and supportive environment for employees to thrive in and work on their passions. We believe that addressing the climate crisis, creating a sustainable future, and maintaining a viable business go hand-in-hand. That is why it's important to align sustainability and climate with commercial and financial decisions.

#### Organisation action:

- Sign up to Change the Brief Alliance:** 'Change The Brief Alliance' is our flagship industry sustainability learning programme, designed for people working in advertising, media, creative, design, PR - and their clients, learning and acting together to directly address the challenge of the climate crisis by promoting sustainability via every channel available to them.
 

It's a flexible on-demand platform, offering insights and expert advice at a category level on how we can adapt our work to promote more sustainable choices and behaviours in line with a zero-carbon world.
- Join the new Advertised Emissions Working Group:** We are currently working with industry practitioners and academics to develop the next iteration of the Advertised Emissions methodology. We are looking to collaborate with bold organisations to help us evolve the current methodology into a global standard that works for all of us.

#### Industry action:

- A pan-industry debate about the 3 key strategic questions raised:**
  - What values should we embed in society through our work?
  - What level of societal consumption do we want to promote?
  - Should we, and how do we, work with fossil fuel and other high-carbon clients?
  - What do we need to stop, start, and continue to do in response to these questions?
- Advertising organisations who are members of the Race to Zero global campaign can embed the Serviced Emissions action areas:** This will enable the advertising industry to become more resilient for the future, better deliver on its ambitions, support clients in their climate transition journey and help build a more sustainable future and economy.

## Join the new Advertised Emissions Working Group

Our motivation for introducing Advertised Emissions is to create space for data-driven, objective conversations around this emotionally charged topic. Measuring Advertised Emissions is currently strictly voluntary and open to stakeholders in the advertising industry. Similarly the methodology is currently at a starting point and with the help of the industry it will evolve over time as audited, granular data becomes available.

We are currently considering the implications of Advertised Emissions, and re-configuring the Advertised Emissions Working Group. If you are interested in joining, we invite you and your organisation to get in touch as we determine the ideal configuration to co-create the next iteration and debate the challenging questions in partnership with academics and climate experts. We have some deep research questions and we need you to collaborate with us, interrogate our reasoning, and evolve our thinking.

- *When calculating Advertised Emissions for a client's communications campaign, what is the correct attribution of those emissions for the campaign to each of the contributing parties - agency/ies, media owner and client?*
- *How can we appropriately measure the return of investment beyond paid-for media campaigns?*
- *How do we understand advertising's role in driving market growth and market switching and its relationship to Advertised Emissions?*
- *How do we consider an organisation's yearly Advertised Emissions in relation to work that stimulates short-term demand versus longer-term brand building?*

What do you think are some of the other challenging areas, and what questions require further rigorous research?

We can't wait to hear from you !

We at OLIVER, M&C Saatchi and Purpose Disruptors, would welcome opportunities to collaborate and discuss how to help evolve the industry's climate response.

We invite you to take the learning shared in this case study and join us. We are looking forward to charting a course together towards a regenerative future with others bold enough to build it.

**Are you bold enough to  
build the future we need?**

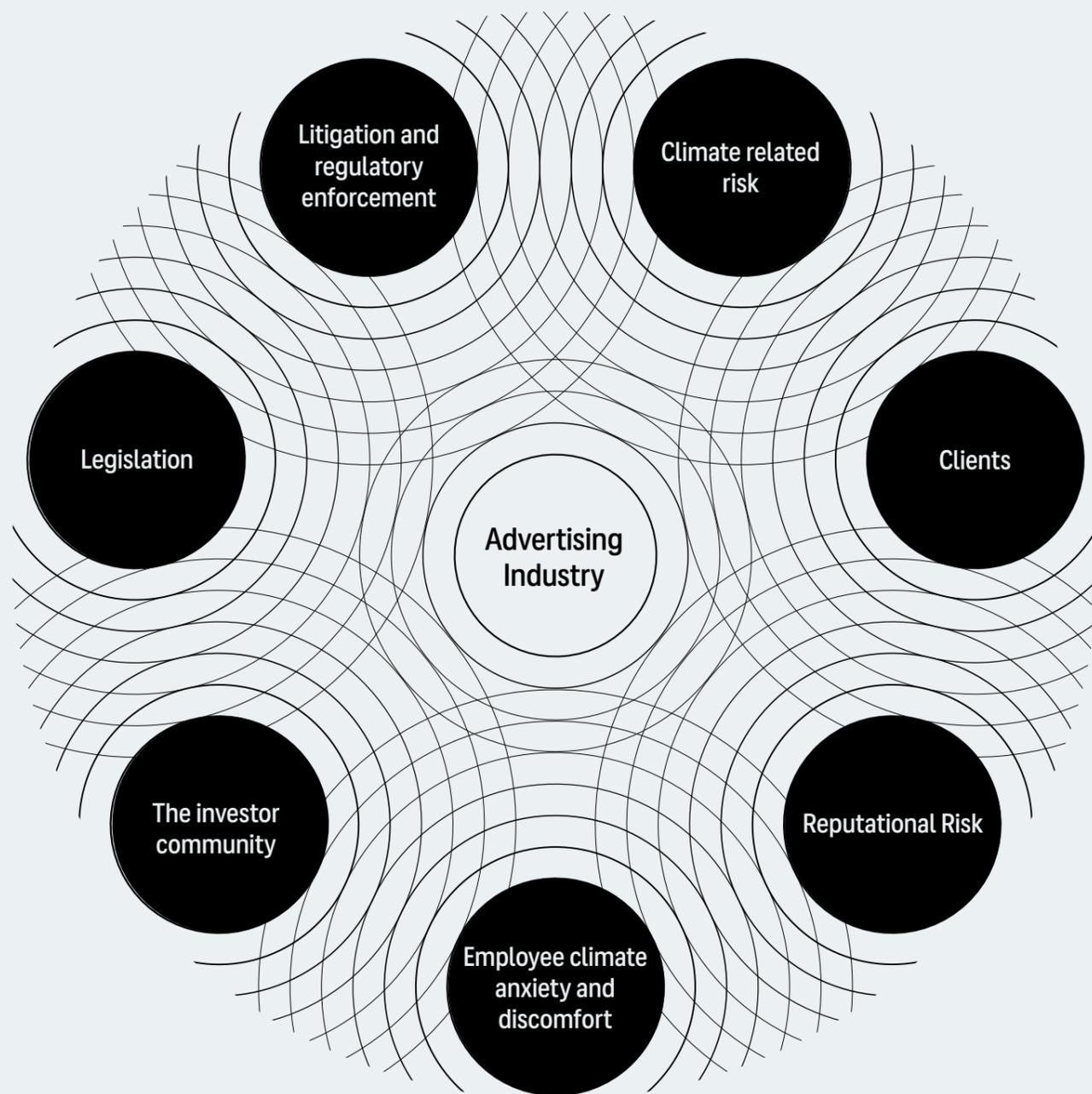
**Get in touch to join our  
Advertised Emissions  
working group.**

“  
To change our relationship to the physical world—to end an era of profligate consumption by the few that has consequences for the many—means changing how we think about pretty much everything: wealth, power, joy, time, space, nature, value, what constitutes a Good Life, what matters, how change itself happens.”

— Rebecca Solnit

## Appendices

Emerging forces creating a surround sound of pressure driving change across the advertising industry



Legislation:

National and local governments have taken legislative action against high-carbon advertising. Examples include:

- Partial ban on fossil fuel<sup>25</sup> and a ban on fast fashion<sup>26</sup> advertising in France.
- Amsterdam (the Netherlands) was the first city in the world to adopt a motion to ban fossil ads in 2020. This became world news and inspired many more<sup>27</sup>.
- Sydney (Australia) with over 5 million people is the biggest city that has passed a motion to ban fossil ads<sup>28</sup>.
- Haarlem (NL) bans ads for fossils and meat<sup>29</sup>.
- Ban on OOH ads for airlines, airports, cruise holidays, fossil fuel companies, fossil fuel cars and all SUVs in Edinburgh<sup>30</sup>.
- Ban on junk food, airlines, airports and fossil fuel in Sheffield<sup>31</sup>.
- Restrictions on advertising for fossil fuels is now policy at Cambridgeshire County Council<sup>32</sup>, Coventry City Council<sup>33</sup> and Basingstoke and Deane Borough Council<sup>34</sup>.
- Bills for national-level restrictions on fossil fuel advertising have been put forward in Ireland and Canada<sup>35</sup>.
- The region around Stockholm has banned fossil ads from public transport<sup>36</sup>.
- Such actions are likely to accelerate following the UN Secretary General's call: "I urge every country to ban advertising from fossil fuel companies"
- The Hague was the first to respond to Guterres' call and bans fossil ads through the ordinance per 1 January 2025 - a world first<sup>37</sup>.

As national net zero pledges are implemented into law, expectations and legislation is coalescing around sustainability due diligence, and climate transition plans<sup>38</sup>. EU disclosure laws, for example, will require the disclosure from larger companies of 'whole of value chain' impacts and mitigation<sup>39</sup>. This implies that advertising organisations might need to report on their Advertised Emissions in the near future.

Litigation and regulatory enforcement

The first published assessment of climate-washing litigation identified 43 cases between 2016 and 2021, highlighting an upward trend in the jurisdictions assessed over this period. Client Earth has since identified 120 climate-washing cases filed between 2016 and 2023, more than half from the last two years.

Greenwashing legal challenges and regulatory rulings are proliferating rapidly, with activity disproportionately focussed on high carbon sectors<sup>40</sup>. The UK ASA and CMA are pursuing increasingly active enforcement programmes.

- The EU is bringing forward anti-greenwashing legislation. Legislators have introduced bans and preconditions for certain types of sustainability messaging<sup>41</sup>. The Commission has also proposed a pre-publication verification process, where any green claim would need to go through an external verifier, measuring the claim against the evidence standing behind it<sup>42</sup>.
- Signals to watch include the coordinated EU regulatory interest in industry messaging strategies<sup>43</sup>, the first challenges brought by competitors to high-carbon industries<sup>44</sup>, the onset of US litigations for climate damage investigating more modern greenwashing strategies alongside historic climate denial campaigns<sup>45</sup> and US lawsuits adding (in an echo of developments around the opioid crisis where Publicis reached a settlement of \$350m for their involvement in work undertaken for opioid manufacturers. This was not an admission of wrongdoing or liability) advisors as defendants<sup>46</sup>. This implies that if an advertising organisation is knowingly working for a client which is causing negative climate impacts, it could end up in court.

*The requirement to substantiate environmental claims with environmental evidence makes high-carbon advertising a legal red zone. Incoming corporate sustainability regulation will increase expectations on businesses of all types to credibly manage their environmental impacts.* – Johnny White, Lawyer, ClientEarth

<sup>25</sup><https://www.euronews.com/green/2022/08/24/france-becomes-first-european-country-to-ban-fossil-fuel-ads-but-does-the-new-law-go-far-e>

<sup>26</sup><https://edition.cnn.com/2024/03/15/style/france-fast-fashion-bill-intl-hnk>

<sup>27</sup><https://www.euronews.com/green/2021/05/20/amsterdam-becomes-first-city-in-the-world-to-ban-this-type-of-advert>

<sup>28</sup><https://meetings.cityofsydney.nsw.gov.au/ie/DecisionDetails.aspx?id=3725>

<sup>29</sup><https://www.theguardian.com/world/2022/sep/06/haarlem-netherlands-bans-meat-adverts-public-spaces-climate-crisis>

<sup>30</sup><https://www.edie.net/edinburgh-set-to-ban-adverts-for-high-carbon-products-including-fossil-fuels>

<sup>31</sup><https://www.badverts.org/latest/sheffield-kicks-out-polluting-ads-in-groundbreaking-new-policy>

<sup>32</sup><https://www.cambridgeshire.gov.uk/asset-library/advertising-and-sponsorship-policy-2022.pdf>

<sup>33</sup><https://www.coventry.gov.uk/advertisingsponsorshippolicy>

<sup>34</sup><https://www.basingstoke.gov.uk/advertising-sponsorship-policy>

<sup>35</sup>Prohibition of Fossil Fuel Advertising Bill 2024: First Stage – Dáil Éireann (33rd Dáil) – Tuesday, 5 Mar 2024 – Houses of the Oireachtas; Bill C-372: The Fossil Fuel Advertising Act - CAPE

<sup>36</sup><https://www.badvertising.se/nyheter-blog/stockholm-region-bans-fossil-fuel-advertising>

<sup>37</sup> <https://www.theguardian.com/world/2024/sep/13/the-hague-becomes-worlds-first-city-to-ban-fossil-fuel-related-ads>

<sup>38</sup> <https://netzeroclimate.org/regulation-tracking/>

<sup>39</sup><https://eyfinancialservicesthoughtgallery.ie/value-chain-and-csrd-reporting/>

<sup>40</sup><https://www.lse.ac.uk/granthaminstitute/news/climate-washing-litigation-towards-greater-corporate-accountability/>

<sup>41</sup>[https://energy.ec.europa.eu/news/new-eu-rules-empower-consumers-green-transition-enter-force-2024.03.27\\_en](https://energy.ec.europa.eu/news/new-eu-rules-empower-consumers-green-transition-enter-force-2024.03.27_en)

<sup>42</sup><https://taxnews.ey.com/news/2024.0607-european-parliament-adopts-new-rules-on-green-claims>

<sup>43</sup>[https://ec.europa.eu/commission/presscorner/detail/en/ip\\_24\\_2322](https://ec.europa.eu/commission/presscorner/detail/en/ip_24_2322)

<sup>44</sup><https://montelnews.com/news/fd61b567-cc44-4e35-a44c-4330939760cd/iberdrola-sues-repsol-for-alleged-greenwashing>

<sup>45</sup><https://oag.ca.gov/news/press-releases/attorney-general-bonta-files-amended-complaint-lawsuit-against-five-largest>

<sup>46</sup><https://drilled.media/news/multnomah-county-climate-case>

## Climate related risk

- Global standards focused on climate-related financial risks are becoming more and more mandatory.
- The Taskforce for Climate-related Financial Disclosures (TCFD) framework - now part of IFRS, aligns the impact of climate change with exposure to financial risk. This framework will be mandatory in the UK from 2025 for all large private and listed companies. And it takes the climate conversation directly to the boardroom.
- The European Sustainability Reporting Standard (ESRS) S4 adopted by the EU Commission in July 2023 relates to 'Consumers and end-users' is particularly interesting as it requires companies to understand and assess its material impacts on consumers and end-users and to articulate what it is doing to prevent and mitigate them. ESRS S4 includes explicit reference to responsible marketing practices and access to quality information and, although there is some degree of ambiguity relating to interpretation, the wording suggests it is likely to encompass the concept of Advertised Emissions. This is a requirement for EU firms and non-EU firms operating in the EU by 2026<sup>47</sup>.

## Clients:

When selecting agency partners, many clients have sustainability-related criteria as part of the procurement process. Those requirements are expanding beyond operational concerns, to the agency's client mix.

For example, Corporate Knights is supporting Global 100 companies - which include IKEA and H&M - to ensure climate integrity in their service provider contracts through the engagement with the Action Declaration on Climate Policy Engagement. Companies signing on to the declaration are updating their procurement language for communications service providers, including advertising, public and government relations agencies, by the end of 2025, to require disclosure of how their work is aligned with the Paris Agreement.

*"The world's biggest advertisers are clean growth companies committed to a sustainable future. These companies are now considering the climate integrity of their advertising agencies' activities beyond their own client-relationship - reviewing their greenwashing guidelines, fossil fuel client activity, and astroturfing practices - as part of their own procurement practices."* Anne White, Director, Global 100 Market Acceleration, Corporate Knights

## Reputational risk

Working with fossil fuel clients is increasingly divisive, an increasing number of agencies are choosing not to work with fossil fuel clients and those that do are increasingly under the spotlight:

- Over 1100+ agencies, globally, have signed the Clean Creatives Pledge and committed to not work on fossil fuels<sup>48</sup>.
- The UN Secretary General's call for advertising agencies to stop working with fossil fuels will increase the focus: "I call on these (advertising and PR) companies to stop acting as enablers to planetary destruction. Stop taking on new fossil fuel clients, from today, and set out plans to drop your existing ones<sup>49</sup>."
- Havas have been stripped of their BCorp status as a result of choosing to work with Shell<sup>50</sup> Other agencies, particularly Edelman and McCann, have faced public pressure in the form of protests at events and offices over their fossil fuel ties.
- A Desmog report found that 22 of the 64 board members at Omnicom, WPP, IPG, Publicis Groupe, Dentsu and Havas have current roles with fossil fuel companies and other carbon-heavy sectors<sup>51</sup>.

## Employee climate anxiety and discomfort

An IPA Survey<sup>52</sup> reveals the significant discomfort within agency employees, coupled with a lack of agency when it comes to climate:

53% of agency employees feel anxious about climate change, and 37% feel demoralised about climate change. These figures are far higher than for the general public, for whom 37% feel anxious and 14% feel demoralised.

- Only 12% believe the ad industry has a positive impact on climate change and a considerable 48% believe it has a negative impact on climate change
- Only a minority feel they have influence over environmental strategy
- *"What we're seeing is that advertising's impact on climate change is not necessarily a deterrent to recruitment into our industry but could well become a retention issue, if we don't address these findings fully."* — Pauline Robson, Chair of the IPA Media Climate Action Group and Managing Partner, Head of Sustainability, EssenceMediacom.<sup>53</sup>

## The investor community:

Investors are increasingly questioning the advertising industry, looking to understand shareholder risks and opportunities:

- A group of impact investors led by Inyova, lobbied Publicis at the 2023 AGM to produce concrete climate action plans and pushed for the use of "Advertised Emissions" to measure holistic environmental impact<sup>54</sup>.
- Members of Principles for Responsible Investment (PRI), who have over \$120 trillion of assets under management, state, on their website: *"Services across the entire marketing and communications value chain can have a severe and adverse impact on the climate, especially when provided to high carbon-emitting clients<sup>55</sup>"* Investors in the group have held a dialogue with Publicis on the issue of Advertised Emissions in a series of questions and responses to explore the group's current relationship with high-carbon clients.
- An investor report by Planet Tracker<sup>56</sup>, investigated the relationship between agency holding groups and polluting clients. Recommendations to Capital Markets included:
  - Reassess investment strategies with regard to Holding Companies' support for carbon-intensive clients.
  - Encourage the advertising holding companies to transition from "changing client attitudes from within" to refusing to work for environmentally harmful clients.
  - Press agencies to comply with guidance on Client Disclosure Reports or Advertised Emissions as recommended by Race to Zero.
  - Ask why executive compensation has little or no sustainability component.
  - Fully understand the material financial implications of client and employee dissatisfaction. If clients wish to disassociate themselves from those agencies with the largest environmental footprints, the revenue implications are obvious. If employees become discontented, that 60% plus of their cost base is at risk.

<sup>47</sup><https://www.consilium.europa.eu/en/press/press-releases/2024/02/07/council-and-parliament-agree-to-delay-sustainability-reporting-for-certain-sectors-and-third-country-companies-by-two-years/>

<sup>48</sup><https://cleancreatives.org/>

<sup>49</sup><https://www.theguardian.com/environment/article/2024/jun/05/antonio-guterres-un-chief-fossil-fuels-advertising>

<sup>50</sup><https://www.desmog.com/2024/07/18/havas-agencies-lose-b-corp-status-over-work-with-oil-companies>

<sup>51</sup><https://www.desmog.com/2024/04/03/dozens-of-ad-pr-industry-directors-have-ties-to-heavily-polluting-industries/>

<sup>52</sup><https://ipa.co.uk/news/climate-anxiety/>

<sup>53</sup><https://ipa.co.uk/news/climate-anxiety/>

<sup>54</sup><https://www.desmog.com/2024/02/25/wpp-omnicom-esg-investing-climate-ratings-financial-risks-publicis-ipg-dentsu-fossil-fuel-clients-advertising-pr-agencies/>

<sup>55</sup><https://collaborate.unpri.org/group/20076/about>

<sup>56</sup><https://planet-tracker.org/from-adversity-to-advantage/>

# Appendix II – Serviced Emissions: A detailed view of M&C Saatchi and OLIVER’s approaches

## 1. Strategy and vision

Develop a strategy/vision to recognise, understand and reduce your serviced emissions as part of your commitment to net-zero/1.5C and within a holistic climate strategy that goes beyond Scope 1-3.

Framework actions:

*Adopt the concept of Serviced Emissions within your organization recognising that as trusted advisors, PSPs can influence the scale and speed of their clients’ emissions. The nature of this influence is based on the clients you choose to work with and the unique skills you offer that could result in more or less emissions from your clients.*

*“In line with emerging best practices, map clients, services and projects to create an inventory of clients against proxy indicators such as the nature and sector of the client, the nature of the client relationship, the nature of the service/ project, the scale and scope of the service/ project, and the source of revenue. Where appropriate, publish this map - anonymized where necessary).*

*Identify (a) the matters on which you advise that result in high emissions, (b) the matters on which you advise that already support transition to net-zero, and (c) where you have greatest potential in terms of influence and emissions to make a positive difference. Reflect the results in your business development plans, identifying opportunities to create distinct competencies in your organization that could help your clients pursue a net-zero strategy ”*

*Using this map, set engagement targets for reducing Serviced Emissions.*

*As part of a holistic strategy, plan for the decline or transition of high carbon sectors as part of the global net zero transition and in line with the scientific consensus on the global effort needed to limit warming to 1.5C with no or limited overshoot. Recognising that this requires phasing down and out all unabated fossil fuels as part of a just global transition.*

OLIVER:

Adopted a leadership position by starting to measure the Advertised Emissions of the top 20 clients.

Will be publishing the Advertised Emissions total result (x42 bigger than operational emissions) in the Annual Sustainability Report to lead and learn with transparency.

Analysed client portfolio for internal use by using Futerra’s Client Disclosure Report Framework. This very accessible reporting solution, , aims to increase transparency across the industry and within agencies. The report discloses the percentage of turnover categorised by industry, and includes income from fossil fuel companies and other high carbon clients. This helped OLIVER gain insight across their client portfolio as a first step. From here, they moved on to calculating Advertised Emissions

We have planned a project to define the 'green' sectors and brands who are aligned with a sustainable and low carbon future, whilst considering a social justice lens, in order to increase our new business pipeline with these more 'desirable' clients and ultimately reduce the proportion of 'red' misaligned clients over time.

M&C Saatchi

Mapped largest clients by spend overlaid by industry to identify our largest clients in high emitting industries (in the same way as we might do with our suppliers). We then sought to understand the role those clients are currently playing in the sustainability transition. In our Annual Report and Accounts TCFD report this year we published the % of our largest clients that are aligned with the SBTi. In addition we reviewed two distinct sectors - reviewing the % of our clients that are fossil fuel companies and % of our clients in travel and tourism that are reliant on flying for their business success

## 2. Governance, management and institutional capacity

Develop robust governance systems within the PSP to uphold its commitments to a 1.5°C future in regard to both your own company’s emissions and your Serviced Emissions. Build institutional capacity for delivery.

Framework actions:

**Develop new frameworks and offerings for services to take account of serviced emissions.**

**Appoint a leader or leadership group with board-level oversight who can provide (or has access to) robust knowledge of climate risks, impacts and opportunities.**

**Align all PSP-wide incentive structures with climate-related emission reduction targets, including bonuses, share and commission schemes and performance reviews. Consider formulating employment policies that acknowledge staff may not want to do high-emitting work and how the PSP will address this.**

**Invest in high-quality training in climate issues, including training provided by association networks, to ensure that staff are sufficiently aware of the potential climate impact of their work with clients and climate risks. This should include due diligence and risk assessments.**

OLIVER:

OLIVER has a Head of Sustainability FTE plus 2 FTEs making up a dedicated Sustainability Team, who report into the Global Chief Inclusion Officer and the Global deputy CEO. In the UK, OLIVER have introduced an Environmental Management System (EMS) that consists of 15+ EMS representatives - typically the head of department - who are accountable for taking action to reduce the environmental impact of their departments in line with OLIVER’s broader Sustainability strategy.

OLIVER also considered Advertising’s positive influence: how to harness the power of advertising to promote more sustainable consumer choices and behaviours, and joined Purpose Disruptor’s sustainability learning programme tailored for the advertising industry Change the Brief Alliance as one of the earliest members. AdGreen and Ad Net Zero Essentials training provided by the Advertising Association is also available to employees.

M&C Saatchi

The Sustainability Leadership Group (C-Suite and ELT membership, including Group CEO) meets every two months. The Group Sustainability Director is invited to all meetings to provide strong knowledge on climate risks, impacts and opportunities and how to embed this into actions and strategies.

We undertake a combination of in-house training and expert training for high risk teams on Greenwashing risk. Ad Net Zero Essentials training is also available to employees.

Executive remuneration at Board Level includes 5% bonus weighting dependent on achievement of GHG emissions-related objectives (meeting our SBTi GHG emissions reduction targets). The Sustainability Leadership Group includes Executive Directors (Group CEO and CFO) and reports to the Board twice a year.

We are sensitive to the views of our people about the work they wish to be involved in. This is often undertaken informally and has had a significant impact on decision-making. One of our global agencies has a formal policy for staff.”

## Serviced Emissions: A detailed view of M&C Saatchi and OLIVER’s approaches

### 3. Client and project selection –

**Integrate Climate Considerations into due diligence for new and existing clients, projects and services**

**Framework actions:**

*Embed climate considerations into risk and due diligence processes for new clients and projects across your business, as part of ongoing assessments in line with your established procedures. This could include:*

- *During client and project screening and acceptance.*
- *As client/project work progresses and its (potential) alignment with net zero transition becomes clearer, regularly update risk assessments to reflect new insights or changes in project alignment with climate goals. This may include requiring additional information from potential clients as part of take on/acceptance procedures.*
- *Identify and assess clients’ progress towards transitioning to a 1.5C*
- *This should consider how clients are engaging in climate policy and whether they are supporting policies in line with net-zero by 2050*
- *Identify and assess clients’ progress in transitioning to a 1.5 °C future including considering how clients are engaging in climate policymaking and whether they support policies in line with achieving net-zero emissions by 2050.*

*Identify the emissions reductions opportunities that could be realised within the provision of the service or advice.*

*Define a risk management strategy including risk appetite for your organisation related to Serviced Emissions.*

*Develop training and capacity building for all staff on climate and sustainability due diligence and risk assessments.*

*Establish escalation procedures and protocols for scenarios where service engagements are not contributing to the broader 1.5°C-aligned transition goals. These procedures should outline a clear course of action, including the reinforcement of engagement approaches and, if necessary, the strategic reassessment of client relations and guidelines for when this should be considered.*

**OLIVER:**

"We have a Client Assessment Process for energy clients, where the New Business team filter any potential new energy client who does not have a SBT visible on the SBTi platform to the Sustainability Team for assessment before deciding whether to pursue the prospect or not. We do not move forward with any energy client who gains 50%+ revenue from new oil, coal and gas related projects, as per SBTi's definition of a 'fossil fuel' company. We plan to expand this client assessment further in the future using external, objective data sources to inform the risk to the business.

We have integrated prompts and resources about 6 key sustainable behaviours into our creative briefing templates, informed by Change The Brief training, to raise client-agency conversations on climate and sustainability at the very beginning of a project. We are also tracking which briefs include driving one or more of these 6 behaviours via our company-wide briefing and reporting platform."

We train our staff on Sustainable Production best practice and carbon reporting for productions via AdGreen, and provide written guidance and template for how to talk about reducing carbon emissions with their clients. We have also trained leaders in creative, strategy and client services through Change The Brief on the risks of certain sectors on climate and societal stability, ways to promote/normalise sustainable behaviours, and how to start this conversation with our peers and clients.

We educate our staff (currently for new business and sales) with a simple decision tree on the risks of new fossil fuel projects to society and our business, what SBTs are, and where to look for a company's SBT on the SBTi.

High risk potential new clients are flagged to the Head of Sustainability, who gives a recommendation to the Head of New Business and brings into wider Senior Leadership Team weekly meeting if required. This is written as part of the decision tree which the New Business team has been trained on, and it has been in use since January 2024.

**M&C Saatchi**

We use a range of data sources and analysis to make informed decisions about new clients. We undertake a "3 Step Check" of new clients, which is based on their environmental performance, with escalation of high risk clients to the Group Sustainability Director. The Group Sustainability Director uses a range of data sources, analysis and direct questions of clients to fully understand their sustainability transition goals (including alignment with Paris Agreement), progress so far, climate policy engagement and our potential role in that transition. This review is shared with the Group CEO for final decision.

Our Client Review Tool provided to our internal teams includes question prompts for clients to consider how we can help them achieve emissions reductions goals.

We have an entry level tool for our people (our "3 Check Steps" tool). Detailed analysis of high impact potential clients is undertaken by our Group Sustainability Director, who has extensive sustainability experience across a range of sectors and geographies.

High risk potential new clients are escalated to the Group Sustainability Director for review and go forward recommendations.

### 4. Delivery and ongoing client relationships

**Embed climate opportunities and risks into your services and projects.**

**Framework actions:**

Seek opportunities to engage clients on climate/ sustainability even when this is not the primary focus of the activities.

Support clients to align their stakeholder engagement, including political lobbying, activities with positive climate action.

Encourage top-down commitment and proactive involvement in sustainability and climate-positive practices.

Identify the emissions reductions opportunities that could be realised within the provision of the service or advice.

**OLIVER:**

OLIVER started with a vision to accelerate net zero by working with like-minded clients. By offering sustainable production services to their clients and crucially by helping sustainable businesses grow.

The EMS reps each set department objectives in partnership with the Sustainability team, which contribute in their own ways to achieving our net zero and sustainability goals. They are tracked internally and audited externally every year. Leadership remuneration is not yet tied to objectives.

**M&C Saatchi**

Our Client Review Tool provided to our internal teams includes question prompts for clients to consider how we can help them achieve emissions reductions goals.

**Serviced Emissions: A detailed view of M&C Saatchi and OLIVER’s approaches**

**5. Measurement of impact and reporting on progress**

Track the GHG outcome and impact of services provided

**Framework actions:**

Establish approaches across the organisation to track progress and regularly report against metrics that demonstrate progress in addressing serviced emissions as a contribution to reducing global emissions by 50% by 2030. Where possible, engage independent verification and/or reporting support to ensure your reporting is transparent and honest.

**OLIVER:**

Develop objectives and key results, key performance indicators and/or other performance indicators for Serviced Emissions alongside overarching targets.

Integrate serviced emissions impacts into your post project/service reviews.

Report your progress on transition to net zero transparently, being honest about the evolving narrative that will emerge with the benefits and learning offered by better data over time.

Pursue learning and share best practice across your organisation

OLIVER moved on to getting its “house in order” by measuring and reporting on their operational emissions. OLIVER committed to achieving its net zero target globally by 2030, pending setting science-based targets in 2024, via its dedicated Sustainability Team. The EMS reps each set of department objectives in partnership with the Sustainability team, which contribute in their own ways to achieving our net zero and sustainability goals. They are tracked internally and audited externally every year. Leadership remuneration is not yet tied to objectives.

**M&C Saatchi**

There is currently no methodology for tracking serviced emissions. In the meantime we have developed an internal methodology for assessing our revenue against what we broadly define as “Planet Positive Campaigns” (we acknowledge that “Planet Positive” is not an official definition and does not imply that these campaigns have no negative impacts on the environment, just that they are promoting products and services that are less harmful than standard practices). We have targets to increase our revenue from these campaigns as a way of galvanising internal momentum for thinking differently about our responsibility for the environmental impacts of the products and services we promote for our clients.

Like many agencies, we are also engaging with the newly released initial methodology for measuring Media Buying emissions. Calculating Advertised Emissions is the logical step to take alongside this in order to start engaging more holistically with media buying impacts.

**6. Systems change**

Advocate for regulatory changes to support accelerated transition

**Framework actions:**

Advocate for regulatory and policy changes where you can see these are inhibiting your sector and/or your clients from achieving 1.5 alignment, in line with Race to Zero’s 5th P (Persuade),

Exert influence within and through industry associations (including collaborative efforts) to advocate for positive change.

Solicit support and expertise from and share knowledge within industry associations.

Address any association memberships or views not supporting the net zero transition.

Encourage peers to engage with their climate impact.

**OLIVER:**

Working with Purpose Disruptors to support advocacy for integration of Advertised Emissions and Serviced Emissions considerations and measurement.

**M&C Saatchi**

We are working with Purpose Disruptors to support advocacy for integration of Serviced Emissions considerations and measurement within the advertising and communications sector.

As Chair of the IPA Sustainability Action Group we are at the forefront of sharing knowledge and expertise within the UK’s main industry association. We also actively share and learn as part of the Ad Net Zero Steering Group.

## Acknowledgements

This report is dedicated to those who came before us: those that have enabled Financed Emissions to be acknowledged and adopted by the finance industry. And those we hope will come along on the journey with us: management consultants, accountancy firms and law firms who have the opportunity to acknowledge and adopt the nascent idea of Serviced Emissions.

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Report designed by [M Andrews Studio](#)

### Contributing authors:

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### **Bias statement**

*This report is built out from the work carried out by different organisations working within the advertising industry in the UK, and is based on reports from leading climate scientists and climate organisations like the IPCC, Race to Zero and Oxford Net Zero.*

*Purpose Disruptors does not have global scientists within our team. Our learning experiments are from a limited lived, cultural and geographical perspective. Please be aware of the potential UK cultural bias of our conclusions.*

Purpose Disruptors is an award-winning organisation catalysing the advertising industry's climate transition. They aim to shift the story of advertising, from one of extraction to regeneration, negligence to responsibility, and careless to conscious consumption.

Their work includes: Advertised Emissions, a pioneering framework to measure the holistic emissions of advertising (now adopted by the UN as best leadership practice); developing the ChangeTheBrief Alliance, a flagship sustainability training programme; founding the Good Life 2030 project, aimed at redefining the concept of a 'good life' by shifting the focus away from consumerism towards connection; and—most recently—launching the Agency for Nature, the first creative agency for all Life on Earth, garnering attention from the BBC, The Irish Times, Mashable, Vogue Business, and It's Nice That.

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