



Overall Assessment

Omnicom is most likely heading towards a 1.5°C pathway by 2030.

Planet Tracker assessed Omnicom's climate transition strategy across emissions, policy and engagement, governance, risk management, and capital allocation. The company is making strong progress towards its Science Based Targets initiative (SBTi)-validated target of a 46.2% reduction in total emissions by 2030. However, Omnicom provides fairly limited details on how it will continue to deliver direct emissions reductions, or how it works with its suppliers and clients to address Scope 3 emissions. Beyond its 2030 target, Omnicom is also involved in the [Ad Net Zero](#) initiative to move the industry towards net zero, although the timeline and actions to deliver this outcome remain unclear. We note that Omnicom is also one of only two of the major advertising holding companies that are not signatories to the United Nations-backed Race to Zero campaign, which asks signatories to address their Advertised Emissions.

The company has good management oversight of delivery on sustainability. However, the absence of quantified climate-related scenario analysis raises concerns about comprehensive climate risk management. Sustainability-related targets are included in annual management compensation target-setting, but these are qualitative rather than quantitative.

In summary, we assess Omnicom as most likely heading towards a 1.5°C pathway by 2030. We call on the company to provide more detail on how it will continue to deliver emissions reductions over the medium term and to address its Advertised Emissions.



Climate Alignment

- Omnicom aims to achieve a reduction in total greenhouse gas (GHG) emissions (Scopes 1, 2 and 3) of 46.2% by 2030 versus a 2019 baseline. Between 2019 and 2023, Scopes 1, 2, and upstream Scope 3 emissions decreased by 30.2%, primarily driven by an absolute decrease of 31.7% in Scope 3. Our own estimate of the future emissions trajectory suggests that Omnicom is on track to meet its reduction target.
- Omnicom does not discuss its Advertised Emissions or any plan to reduce these in its sustainability reporting. This is a notable hole in its green credentials.



Policy and Governance

- Omnicom engages with its suppliers to ensure they are aligned with Omnicom's environmental strategy and policies. However, it provides limited detail on how it will continue to drive Scope 3 emissions reductions. It notes that it uses supplier responses on environmental issues as a factor in vendor selection.
- Management compensation includes qualitative climate-related incentives; however, executive incentives primarily focus on revenue and profit growth rather than explicitly linking pay to sustainability target progress.



Risk Analysis

- Omnicom does not currently conduct climate-related scenario analysis to inform its corporate strategy. It does include opportunities and risks from climate change in its annual company-wide risk management process.



Strategy Assessment

- Omnicom has so far driven its emission reduction through initiatives focused on energy management, waste minimisation, efficient use of space, and smart travel and commuting. The company provides little detail on how further reductions will be delivered beyond our assumption that these initiatives will continue.



Company Overview

Omnicom Group Inc. (Omnicom) is a U.S.-based global marketing and corporate communications company. Over the past five years (2019-2024), the company has reported an average annual revenue of USD 14.4 billion.

Omnicom operates through seven core business segments: **Advertising, Precision Marketing, Commerce & Brand Consulting, Experiential, Execution & Support, Public Relations** and **Healthcare** (which provides corporate communications and advertising services to global healthcare companies). The **Advertising** segment is the principal revenue driver, contributing 54% of the company's average revenue during this period – see **Figure 1**. A list of agencies under the Omnicom umbrella can be found here – [Omnicom Agencies and Global Marketing Firms](#).

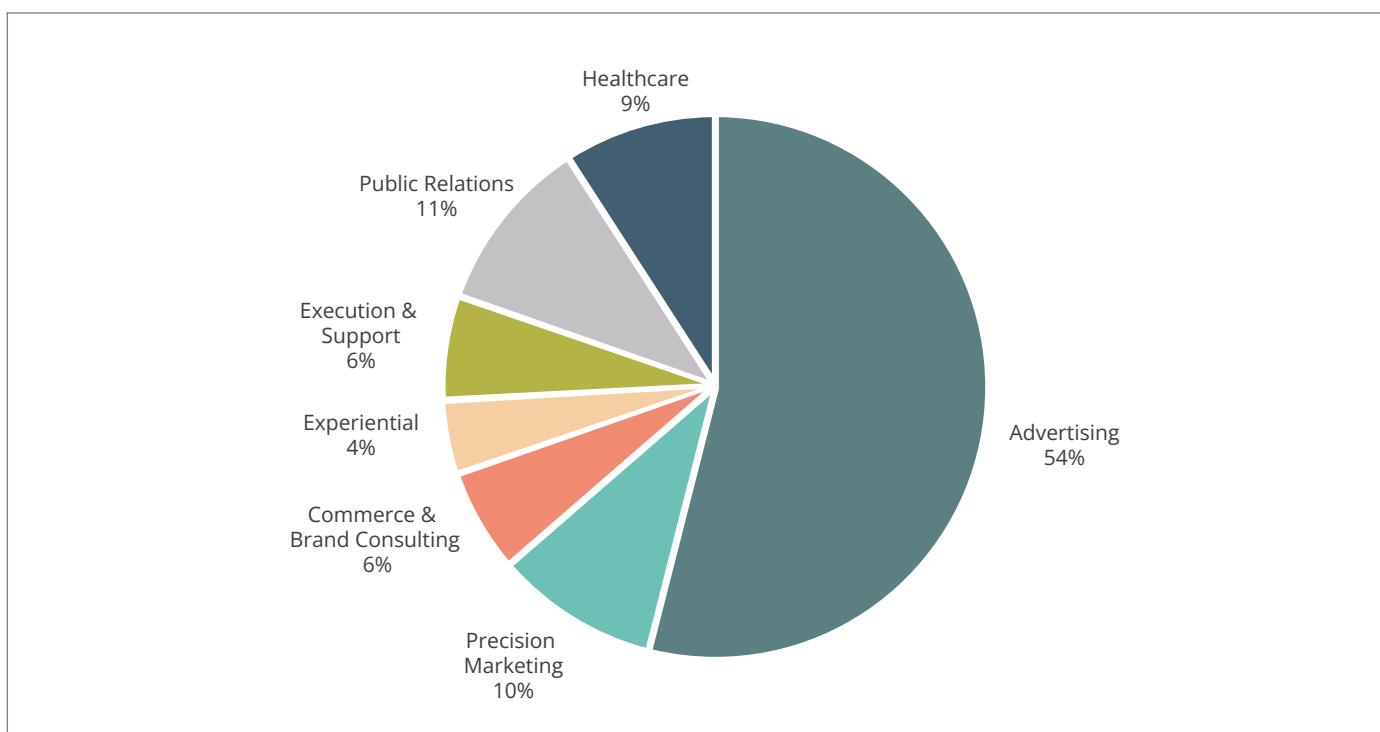


Figure 1: Revenue - Breakdown by Business Segments (4Y Avg.). Source: Omnicom's Annual Reports 2021-2024.

Geographically, Omnicom has established a significant presence in North America and Europe, but is active across the globe. The North American market constitutes the majority of Omnicom's total revenue – see **Figure 2**.

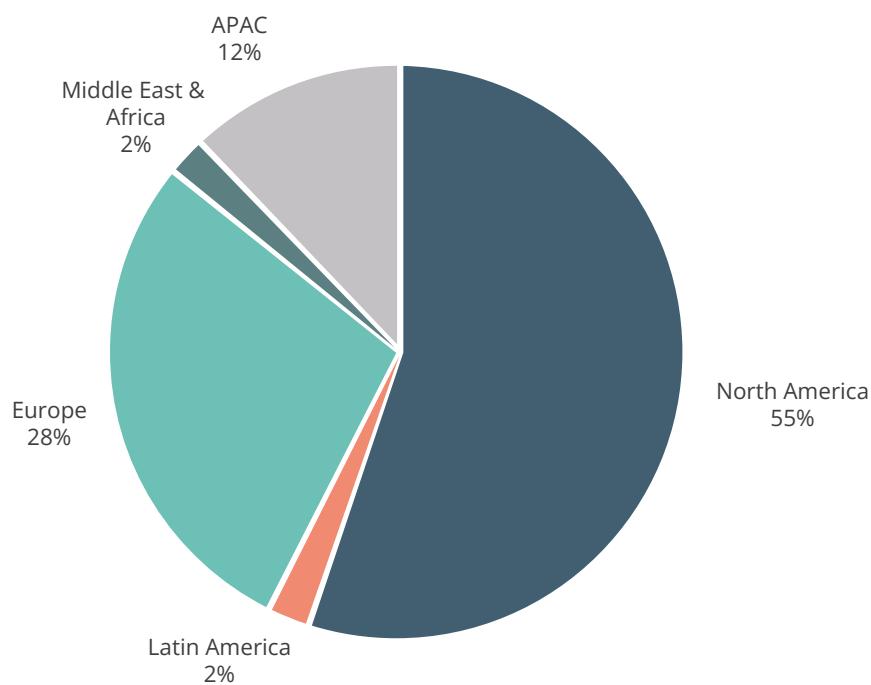


Figure 2: Breakdown by Geography (5Y Avg.). Source: Omnicom Annual Reports 2019-2024.

In summary, Omnicom's global operations in key developing regions such as the Asia-Pacific and developed markets such as North America and Europe suggest that its climate transition risks and opportunities, along with regulatory impacts, are concentrated in these areas.

We note that Omnicom is currently in the process of acquiring its peer, Interpublic Group (IPG), with the deal expected to close in the second half of 2025.

Climate Alignment

EMISSIONS INVENTORY

As of 2023, Omnicom has restated some of its past emissions data to reflect “material methodology changes under the requirements of the SBTi”. In the body of this report, we discuss the restated data, while we provide the older data in the appendix for comparison.

Total emissions decreased from 568.1 ktCO₂e in 2019, to 396.8 ktCO₂e in 2023 (30%). However, we note that emissions rose by 4% between 2022 and 2023 (**Figure 3**). The company attributed this increase in 2023 to changes in the emissions factors used in the calculations and increased business travel, as well as company-owned/leased fleet mileage.

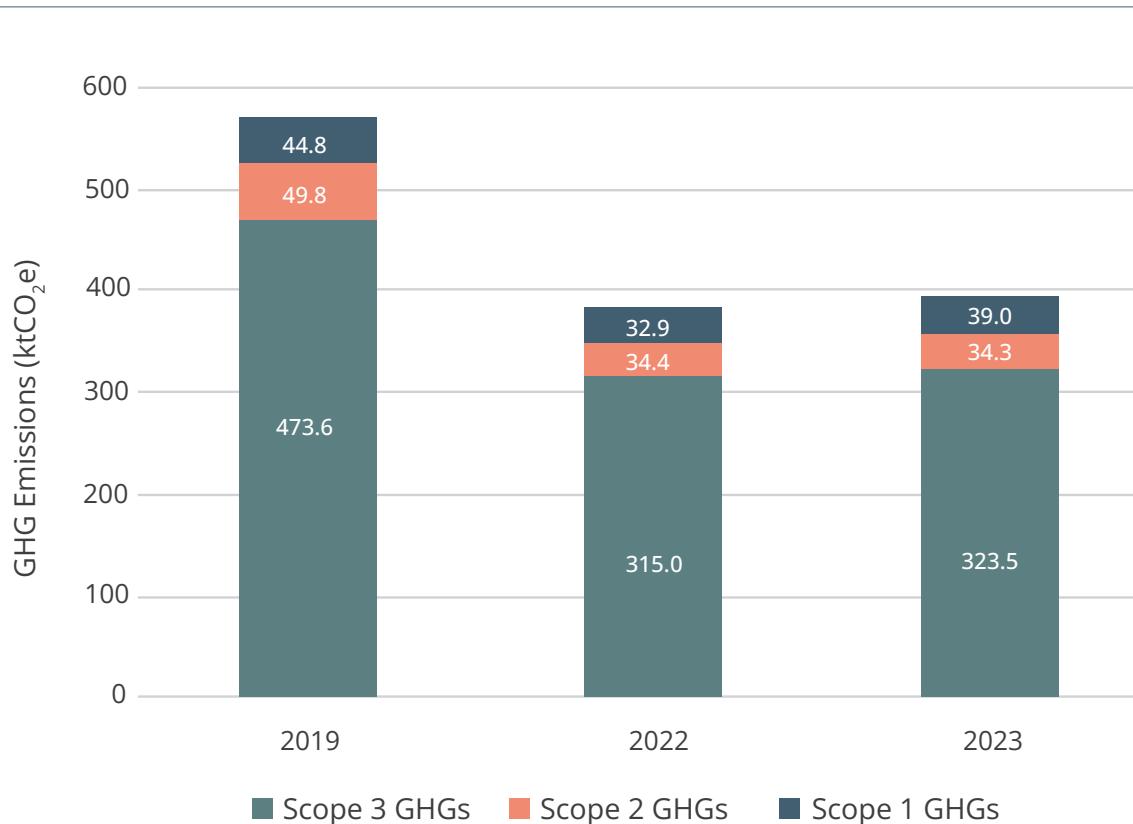


Figure 3: Omnicom Restated its Emissions When Setting SBTi Targets (Source: Omnicom CSR Report 2023).

EMISSIONS TRENDS AND TARGETS

Historical and Expected Emissions

Omnicom saw a 30.2% GHG emissions reduction as of 2023 (against the 2019 baseline). This was driven by a 22% fall in Scope 1 and Scope 2 emissions, and a 32% fall in Scope 3 emissions.

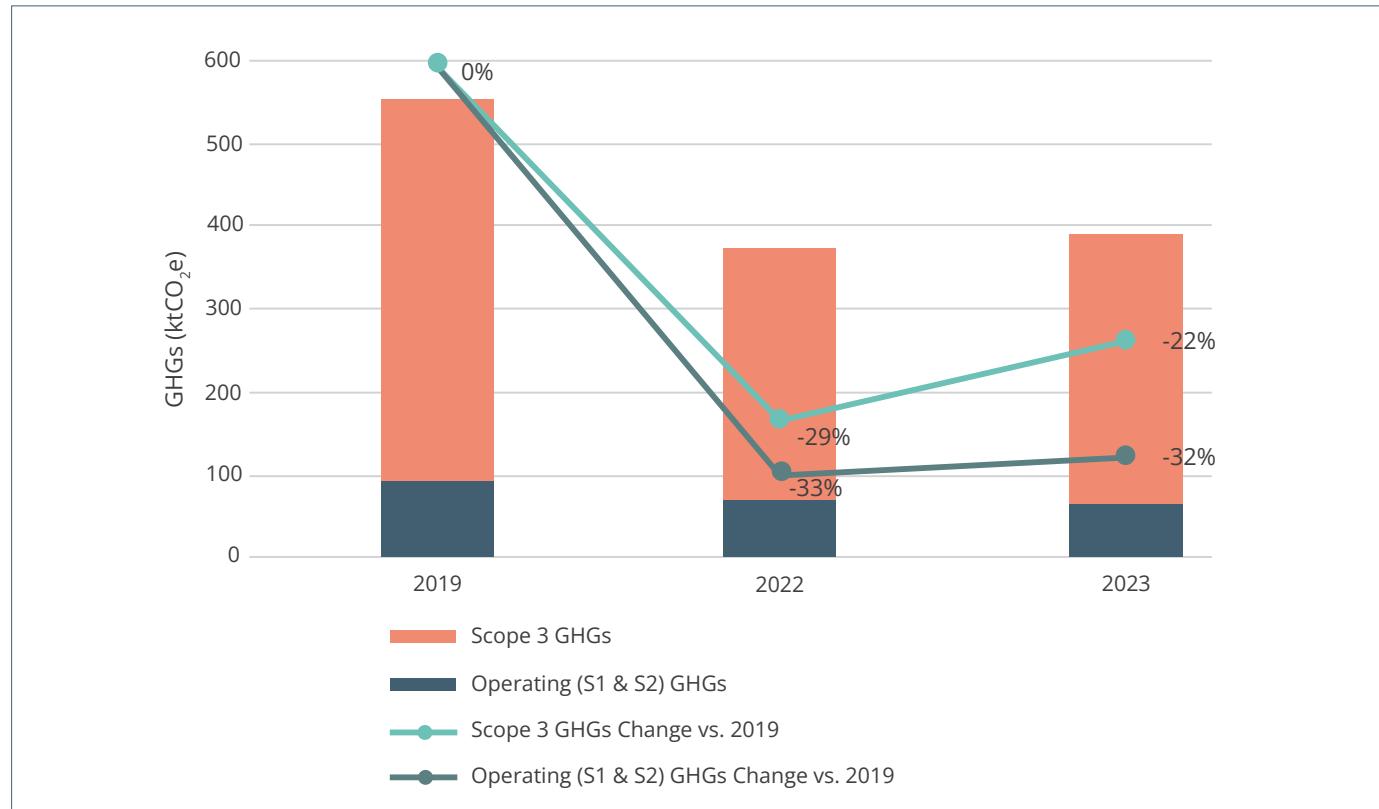


Figure 4: Historic Scopes 1, 2, and 3 CO₂e Evolution Per the Restated Numbers.

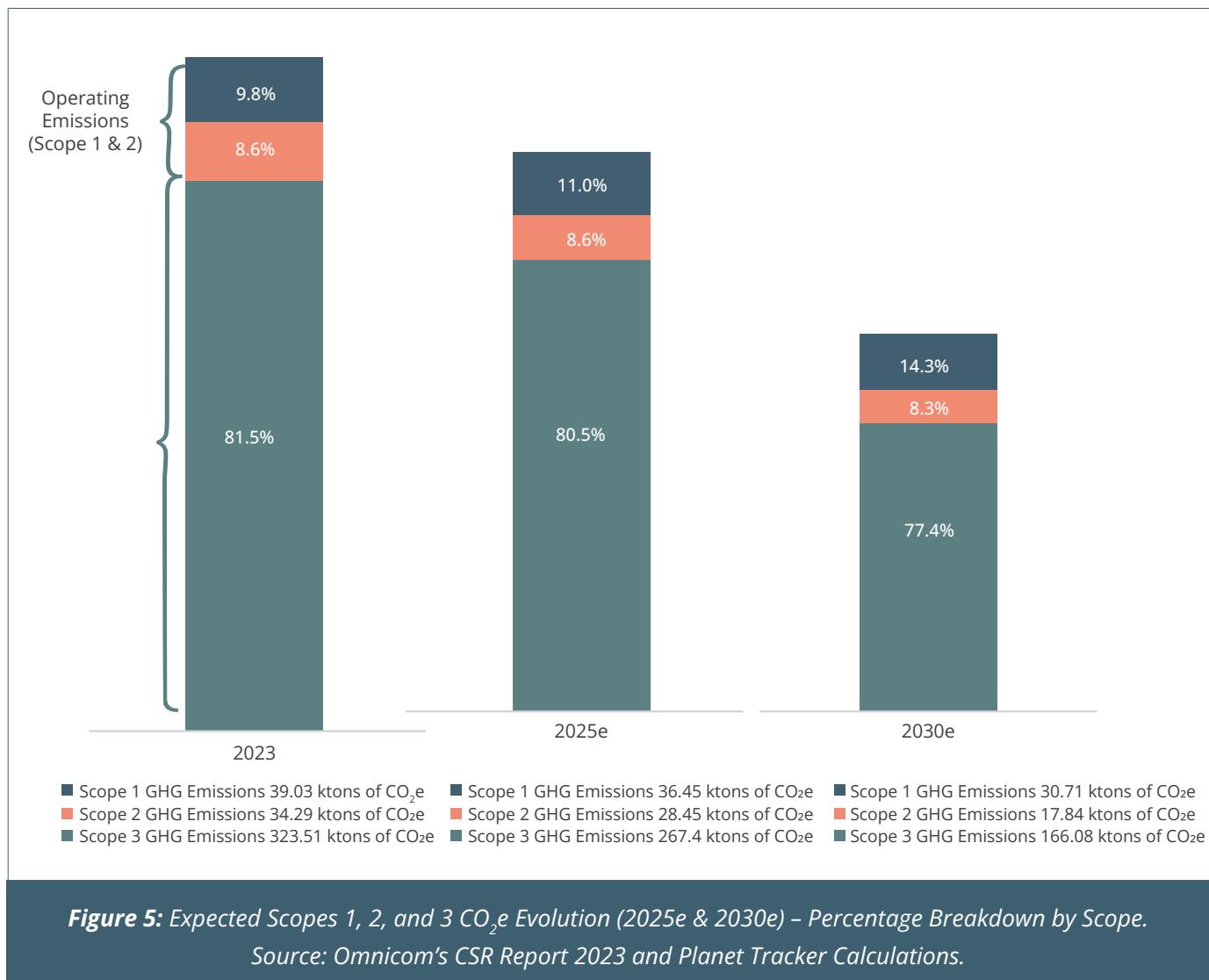
Source: Omnicom CSR Report 2023.

A high-level extrapolation model was employed to forecast Omnicom's emissions up to 2030. This model projects the annual emissions change rate from the past five years forward, assuming that the company continues its historical mitigation efforts while maintaining an intrinsic annual revenue growth rate in the low single digits.

According to Planet Tracker's extrapolation:

- **Scope 1 emissions** are expected to decrease by 31% by 2030 vs 2019.
- **Scope 2 emissions** are projected to decrease by 64% by 2030 vs 2019.
- **Scope 3 emissions** are expected to decrease by 65% by 2030 vs 2019.

This would result in an absolute emissions decrease of 62% vs 2019, with projected emissions (reaching 214.6 ktCO₂e by 2030, compared to 396.8 ktCO₂e in 2023). In this scenario, operational emissions (Scopes 1 and 2) would account for 23% of the total footprint, while upstream Scope 3 activities would contribute 77%, as presented in **Figure 5**.



Decarbonisation Targets

Omnicom has a goal to reduce its absolute Scopes 1, 2 and 3 greenhouse gas (GHG) emissions by 46.2% by 2030 against a 2019 baseline. This goal was validated in 2023 by the Science Based Targets initiative (SBTi). Progress has been strong so far, with a 30.2% GHG emissions reduction as of 2023 (against the 2019 baseline).

Beyond its 2030 target, Omnicom is part of the Ad Net Zero global group, which aims to move the advertising industry towards a net zero future. However, exactly how this will be done, the timeline and Omnicom's role in the transition are not detailed.

Policy and Governance

ENGAGEMENT AND INFLUENCE

Suppliers' Engagement

Omnicom engages with its suppliers to ensure they are aligned with Omnicom's environmental strategy and policies. Omnicom includes climate-related questions in its interactions with suppliers to help them understand its priorities.

Centrally managed vendor contracts include environmental clauses and requests for proposal (RFP) questions on the supplier's environmental aspirations and information. Responses are used in the selection of vendors.

Suppliers are expected to develop, implement and maintain environmentally responsible business practices. Omnicom requires all suppliers to abide by local environmental regulations.

Customers' Engagement

Omnicom holds regular meetings with clients to update them on sustainability actions. For smaller clients, it offers one-off calls with clients' procurement teams or sustainability leads. It estimates that it has engaged with 85% of customers.

What About Advertised Emissions?

Advertised Emissions are the greenhouse gas emissions that result from the uplift in sales generated by advertising. This can be a material source of emissions. Work by industry network [Purpose Disruptors](#) and econometrics firm [Magic Numbers](#) in 2021 estimated Advertised Emissions in the UK market alone at 186 million tonnes of GHG, equivalent to the emissions of the Netherlandsⁱ.

Asking advertising holding companies to calculate and publish their Advertised Emissions reveals the climate impact of the incremental consumption they have generated on behalf of their clients. The more carbon-intensive their clients, the higher a holding company's Advertised Emissions will be.

In 2024, Race to Zero¹, a global campaign led by the UN Climate Change High-Level Champions published a report setting out a six-point framework as to how service providers, like ad agencies, can be a key driver of the transition to net zeroⁱⁱ. Many large businesses already require their agencies to be signatories to the United Nations-backed Race to Zero campaign. However, Omnicom is one of two large holding companies that are not members (IPG is the other).

ⁱ Race to Zero is a global campaign to rally leadership and support from businesses, cities, regions and investors for a healthy, resilient, zero-carbon recovery that prevents future threats, creates decent jobs and unlocks inclusive, sustainable growth.

In **Figure 6**, we show Omnicom's customer mix by area of business for 2024. Moving to report on its Advertised Emissions, and how it will reduce these over time, would be a key step for Omnicom in aligning with a net-zero future.

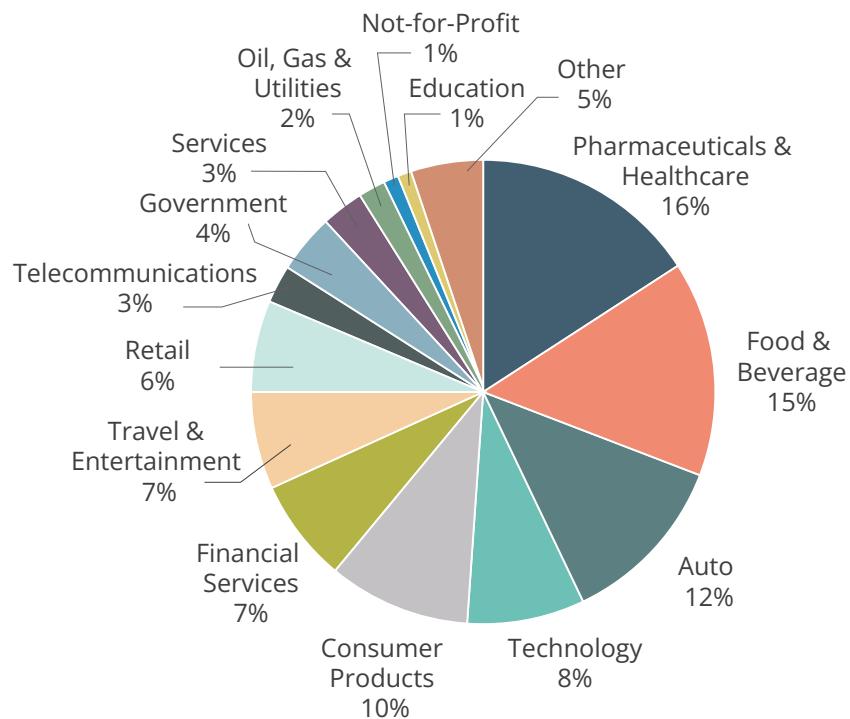


Figure 6: Omnicom Customer Mix 2024 (Source: Omnicom Annual Report 2024).

Influence on Policymakers

Omnicom is a member of advertising industry trade associations that engage in lobbying. Omnicom states it assesses the activities of these organisations to ensure they align with Omnicom's corporate strategy. Trade associations it is a member of include:

- **4As:** The 4As network of clients and peers provides Omnicom with opportunities to collaborate on sustainability. 4As also provides resources and information sharing within the network. 4As also has a Benefits division that advocates for policies to support the advertising industry, and a Foundation to connect multicultural talent to the industry.
- **Advertising Association:** The Advertising Association promotes the rights, roles and responsibilities of the advertising industry. It includes the Ad Net Zero programme, an initiative to move advertising to net zero.
- **Association of National Advertisers:** Omnicom provides funding to the ANA to support relationship-building between regional and national advertising industry players. The ANA supports the Ad Net Zero initiative.

MANAGEMENT ALIGNMENT

Sustainability Targets Oversight

Omnicom operates with a governance structure comprising a Board of Directors with a total of 12 members, consisting of the chair, who is the CEO of the company, and 11 independent directors. A number of committees report to the Board of Directors and are staffed by members of the Board. They include the Audit Committee, Finance Committee, Governance Committee and Compensation Committee.

The Governance Committee is responsible for overseeing Omnicom's climate change initiatives and processes. In this role, it receives and reviews reports from management on progress against goals and targets.

At the operational level, Omnicom's Chief Environmental Sustainability Officer (CESO) oversees the company's climate change initiatives. The CESO reports directly to the Chief Executive Officer, who is also the chair of the Board of Directors. The CESO also provides updates to the Governance Committee at least annually.

Management Compensation

The CEO and other executive managers receive performance-linked compensation, including monetary rewards, bonuses as a percentage of salary, and stock options.

Key targets included in the annual executive compensation scheme include:

- **Adjusted Diluted EPS Growth**
- **Adjusted EBITA Margin**
- **Organic Revenue Growth**
- **Return on Equity**
- **Qualitative Targets**

The qualitative targets focus on progress on human capital management, corporate social responsibility and sustainability. Together, these targets carry a 20% weighting in determining annual bonus awards. While it is welcome to see environmental progress included, the extent is unclear, and thus its materiality must be questioned. Omnicom's long-term incentive scheme focuses on Return on Equity, with no sustainability element included.

Risk Analysis

FINANCIAL IMPACT

Omnicom does not currently conduct climate-related scenario analysis to inform its corporate strategy. It does include climate-related opportunities and risks in its annual company-wide risk management process.

Opportunities

Omnicom anticipates growing markets for products that help its customers address increasing consumer preferences for environmentally preferable and socially responsible products and services. For instance:

- **Climate Strategy and Environmental Data Architecture.**
- **Consultation and Communication** on how to address consumer preferences for environmentally preferable and socially responsible products and services.

Transition Risks

Based on the company's assessment, in the shift to a low-carbon economy, Omnicom faces potential revenue declines if it does not become a company active in addressing climate change. Omnicom anticipates its major customers may seek to do business with companies acting to slow climate change or mitigate its impacts, partly due to their efforts to address their own Scope 3 impacts. Omnicom therefore risks losing customers if it does not take climate change seriously.

The company also expects investors to increasingly demand that their portfolio companies take action on climate change. Omnicom could therefore face a higher cost of capital if it does not reduce its climate impacts.

Omnicom also notes that it risks losing key talent if its actions on climate change are not considered appropriately significant by employees.

In addition, it emphasises the importance of its brand reputation and notes that it could be put at risk if it is thought not to be taking climate-related issues with appropriate seriousness or if it fails to adhere to environmental laws and regulations.

Physical Risks

When it comes to physical climate change impacts, Omnicom notes the risk of severe weather, flooding or wildfires affecting its employees. Such events could affect the ability of employees to work and thus risk delays in product development, potentially impacting revenues and corporate reputation.

In the longer-term, it notes that rising sea levels could impact certain office locations (such as New York), potentially leading to higher insurance costs or relocation costs. Rising temperatures could also affect employee health.

RISK MANAGEMENT

Risk Management

Omnicom considers risks and opportunities to have a potentially substantive financial impact when they exceed 10% of group operating revenue.

Physical risks related to climate change, for instance, extreme weather events, are included in Omnicom's business continuity planning.

Omnicom has offices in cities around the world that could be impacted by climate-related weather events. They have invested in cloud infrastructure to allow employees to work remotely as necessary, reducing the risk of business disruption from office closures.

Upcoming government and market regulations and policies are monitored by Omnicom's Global Accounting team. The team periodically meets with external experts to identify any risks or opportunities related to disclosure requirements and to ensure a response plan is in place.

Strategic Assessment

CAPITAL ALIGNMENT

As a service-focused business where much of the value is in intangible assets, Omnicom's pathway to reducing GHG emissions is driven more by opex than capex over the medium to long-term.

Omnicom targets a reduction its absolute Scopes 1, 2 and 3 greenhouse gas (GHG) emissions by 46.2% by 2030 against a 2019 baseline. This goal was validated in 2023 by the Science Based Targets initiative (SBTi). Progress has been strong so far, with a 30.2% GHG emissions reduction as of 2023 (against the 2019 baseline). To achieve this objective, the company is continuing with projects that have already been implemented:

Efficient use of space – Omnicom has reduced its real estate footprint by consolidating agencies into hub buildings in its major markets.

Proactive energy management – Omnicom uses cloud-based computing and dedicated printing centres to reduce energy use. In 2018, Omnicom set targets to reduce energy consumption per employee by 20% by 2023, using a 2015 baseline, and to increase renewable energy purchasing to 20% by 2023. Omnicom met these goals by 2021. In 2022, Omnicom achieved a global renewable energy use of 29.4% and a 53.3% reduction in energy use per person globally.

Waste minimisation – Omnicom is working to standardise recycling programmes for office supplies in addition to a robust, centralised e-waste recycling programme. Omnicom has centralised contracts with vendors for proper disposal if needed, with a primary focus on device reuse and redeployment.

Smart travel and commuting – Omnicom's offices are equipped with video conferencing equipment, to reduce the need for travel. Emissions related to business travel have decreased since 2019 from 75.1 ktCO₂e to 58.5 ktCO₂e.

TRANSITION APPRAISAL

Planet Tracker assessed Omnicom's climate transition strategy by analysing its GHG emissions trends from 2019 to 2023 and its alignment with the Paris Agreement. In 2023, Omnicom updated its emissions disclosures and climate transition ambitions to align with the Science Based Targets initiative. The plan includes a 46.2% reduction in emissions by 2030 against a 2019 baseline.

The trajectory of emissions we derive based on the reductions in emissions achieved from 2019 to 2023 suggests Omnicom has a high likelihood of achieving the target for 2030. However, we note that the company lacks any detail on how it will proceed beyond its 2030 target and achieve a net-zero emissions position.

Planet Tracker's assessment also reviewed Omnicom's policies, governance, risk management and capital alignment to evaluate its ability to sustain its historical progress on emissions reductions. The company has undertaken various strategic initiatives to reduce its emissions, starting with goals set in 2018 to reduce its energy intensity and boost its use of renewable energy. Although the initiatives enacted so far have delivered an impressive 30.2% GHG emissions reduction as of 2023 (against the 2019 baseline), it is unclear exactly how they will continue to deliver further reductions in the medium term. Notably, Omnicom does not currently address its Advertised Emissions. This means that even if it does deliver on its own emissions targets, it could still be considered to be misaligned with the Paris goals due to its development of advertising for other businesses that are not aligned.

Generally, Omnicom's climate risk assessment and management strategy reflects a commitment to managing key risks and leveraging opportunities. The company acknowledges both risks and opportunities related to climate change and has a well-defined internal reporting structure for addressing these issues. We note that management incentive structures include qualitative targets related to environmental goals. Making these goals quantitative and tied to an explicit proportion of compensation, on both an annual and long-term basis would align management incentives more directly with delivering on climate targets.

In conclusion, Omnicom demonstrates a good commitment to achieving its climate transition goals, supported by credible initiatives, and a management structure and incentives that are supportive of delivery. While certain gaps remain, such as transparency on Advertised Emissions and greater clarity on management compensation alignment, the company's efforts position it to align with a 1.5°C pathway by 2030.

Planet Tracker concludes OMNICOM is likely to align with a 1.5°C pathway by 2030.

ⁱ [Advertising adds 28% to the annual carbon footprint of every single person in the UK - Magic Numbers](#)

ⁱⁱ [The role of professional service providers in realizing a net-zero future.pdf](#)

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Planet Tracker is a non-profit financial think tank producing analytics and reports to align capital markets with planetary boundaries. We aim to create a significant and irreversible transformation of global financial activities by 2030. By informing, enabling and mobilising the transformative power of capital markets, we aim to deliver a financial system that is fully aligned with a net-zero, nature-positive economy. Planet Tracker proactively engages with financial institutions to drive change in their investment strategies. We ensure that they understand which risks are built into their investments and identify opportunities from funding the systems transformations we advocate.

PLANET TRACKER'S CLIMATE TRANSITION ANALYSIS

As part of its Influencers programme, Planet Tracker is examining the transition plans of the six major Advertising Agencies. Our goal is to provide investors with the key information and analysis they need to be able to hold the companies to account for the quality of their climate transition plans and their execution against those plans. We also encourage investors to use this information to engage effectively with these companies with the aim of driving the sustainable transformation of the advertising industry.

ACKNOWLEDGEMENTS

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WITH THANKS TO OUR FUNDERS



Suggested citation:
Wielechowski R., Omnicom Climate Transition Analysis, Planet Tracker (2025)

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