

Predictive, Insightful, Global Intelligence

Oil Sands Market Campaigns

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Characterizations



Radicals

Indigenous Environmental Network Oil Change International Rising Tide North America



Greenpeace Rainforest Action Network

Corporate Ethics International Tides Foundation

Idealists



Realists



Ceres

Environmental Integrity Project National Wildlife Federation Natural Resources Defense Council Pembina WWF

What is a market campaign?

 Activists place pressure on corporations to voluntarily adopt a set of standards for behavior or performance that exceed their responsibilities under the law.

Oil Sands Campaign Context



Oil Sands Campaign Context



- Development of each sector's code of conduct influences the others
- Each is a piece of an eventual global code



Why do corporations agree to these standards?

- Distraction to management
- Risk to brand equity
- Advantage of seal of acceptability
- Campaigns complement or compound other problems
 - Wal-Mart glass ceiling suit
 - Chevron Ecuador suit
 - Gap labor controversy

Why Market Campaigns?

- Globalization
- Environmental movement splits
- Activists lack influence in politics

Running a Market Campaign

Who runs market campaigns?

- Groups that cannot win satisfactory de jure policy
- Smaller, more nimble organizations
- Groups with strong grassroots membership

Running a Market Campaign

What are the requirements of a good market campaign?

- Large corporate target
- Clear demand set
- Single objective
- Pressure on company's management
- Willingness on both sides to compromise
- Trust between activists and company

NGO Market Campaign Preparation

- 1. Select NGO objective
- 2. Determine "good cops" and "bad cops"
- 3. Choose upstream target
- 4. Map target's customers and vulnerabilities
 - Shapes choice of downstream target
- 5. Identify internal champions and intel sources
- 6. Develop and build the case for the public demand set

Upstream Target Checklist

- 1. Does the company have a recognized brand?
- 2. Does the company have a significant presence in its home town?
- 3. Does the company have a visible CEO?
- 4. Is the company publicly traded?
- 5. Is the company among the top two in the industry?
- 6. Does the company have a record of strong environmental performance?

Upstream Target Checklist

	Hometown	Brand	Public	CEO	Industry Leader	Green Leader	Score
BP							50%
Canadian Natural							33%
ConocoPhillips							33%
ExxonMobil							67%
Royal Dutch Shell							83%
Statoil							17%
Suncor							100%
Syncrude							33%
Total							33%

Real Demand vs. Public Demand

Campaign	Public Demand	Real Demand	
Victoria's Secret	Recycled content, sourcing	Switching to specific mills	
No Dirty Gold	Gold sourcing, environment	Participation in IRMA	
Toxic Toys	Lead, phthalates	Green chemistry, clean production	
E-Waste	Computer take-back/ recycling	Toxics, clean production	
Oil Sands	Stop expansion	Code of conduct	

Market Campaign in Operation

Upstream

- 1. Begin shareholder campaign
- 2. Publicize myriad issues facing the company
- 3. Promote champion inside the company
- 4. Alert company rank-and-file staff to grievances

Market Campaign in Operation

Downstream

- 1. Alert target to the campaign
- 2. Alert potential downstream targets
- 3. Choose downstream target for market campaign
- 4. Publicly announce downstream target
- 5. Begin negotiations with downstream target
- 6. Look for quick resolution

Campaign Tactics

- Build support with other campaigns for the actual demand (sometimes little publicized)
- Let "bad cops" focus on the public demand set
- Personalize the issue for the CEO
- Work with major investors, shareholders
- Split the industry
 - 1. Within sector
 - 2. Upstream producers vs. downstream purchasers

Campaign Tactics: Examples

- Critical advertisements in key publications (often mocking corporate marketing efforts)
- Leafleting or other "public education" at company offices, events, career fairs
- Internet and social networking-based campaigns designed to publicize the campaign and the company's "bad" record
- Frequent petition and letter-writing campaigns

Tactics: Direct Action

- Demonstrations , disruptions
 - outside annual meeting
 - at executive speaking engagements, public events
 - at marketing events
 - at downstream customer offices, retail locations
 - at offices of key investors or lenders
- Executive Bird-Dogging
 - Demonstrations, confrontational stunts and harassment techniques directed at the CEO and key executives, and their families, at their homes, places of worship, and social events

No Dirty Energy

- Objective: establish a global code of conduct for the industry upstream
- Strategy: push companies to agree to a code rather than face regulation, brand threats
- Tactics:
 - market campaigns
 - state and federal legislation
 - litigation

Oil Sands Market Campaign

- **Objective:** slow growth of oil sands
- Strategy: increase perceived risk of investment
- Lead group: Corporate Ethics International/Dirty Oil Sands network

Oil Sands Campaign Nodes

- Refinery expansion
- Pipelines
- Human rights
- Climate change
- Environmental health
- Water
- Impact on the Boreal
- Shareholder pressure

- Tanker traffic along the British Columbia coast
- Low-carbon fuel standards
- Banks lending to oil sands operations
- Corporate and government
 procurement
- Indigenous issues

Corporate Procurement

- **Objective:** build a corporate denunciation of oil sands
- Strategy: pressure fleet users not to buy fuel from oil sands
- Tactics: market campaign
- Lead group: ForestEthics

Tanker Traffic on BC Coast

- Objective: shut oil sands access to Pacific
- Strategy: foment local fear of oil spill
- Tactics: reports, lobbying, public relations
- Lead groups: West Coast Environmental Law, Living Oceans, Dogwood Initiative and Environmental Defence

- Rapid negotiations
- Intentionally delayed negotiations
- Structured dialogue
- Flying in formation
- Limited contacts
- Work through coalition only
- Establish credible coalition outside CEI framework
- No Response

Rapid negotiations

- Rationale Gives Suncor the lead on the resolution of the issue
- Pros Campaign ends quickly and Suncor maintains control
- Cons Locks Suncor into negotiations when there is no guarantee of the direct action campaign at it
- Best Case Campaign ends quickly with a resolution along the lines Suncor had wanted.
- Worst Case Activists see weakness and press for an unrealistic deal.

Intentionally Delayed Negotiations

Rationale Results in a predictable negotiation

Pros Direct action will slow or stop; limits the damage done to downstream operations and markets, range of agreement is predictable.
Cons CEI has built strategy with this sin mind. Means that CEI will negotiate when it has the most momentum and leverage.
Best Case Agreement that allows for continued growth of oil sands operations and settles key environmental and public issues

Worst Case Suncor makes an agreement under pressure due to direct action campaign successes.

Structured Dialogue

- Rationale Uses Suncor's size and importance to force activists to look for softer deal
- Pros Potentially reduces demand set.
- Cons Could lead to a direct action campaign that does not necessarily have to be acrimonious
- Best Case Strategists see top oil sands company holding up progress on the larger NDE code and press for fast resolution.
- Worst Case Direct action groups dig in and moderate groups are successful in blocking pipelines, refineries, etc.

Flying in Formation

Suncor develops its own environmental initiatives on Rationale its own timetable and balances environmental needs with environmental responsibility. Allows Suncor to define its own agenda and maintain Pros full control; Suncor does not have to negotiate on difficult issues. Cons Does not provide the key goal – a code of conduct – and therefore cannot satisfy the activists, regardless of public perception of the issue. Best Case Positive media attention proves too strong for environmentalists' negative message to overcome. Campaign dies as public tires of the activists' message and groups lose credibility. Activists succeed in bringing the long term viability of Worst Case oil sands into question.

Limited Contact

- Rationale Entails continuing occasional conversations with activists but not negotiating. Allows for an honest discussion of both sides' positions and the potential discovery of common ground that is not readily apparent.
- Pros Provides the company with the most freedom of any of the options.
- Cons By continuing to talk without making significant changes or even suggesting a willingness to change, the company is indirectly encouraging continued direct action and could lose downstream issues in the process.
- Best Case The sides discover common ground that they had not foreseen and in the meantime, the company has expanded its operations and maintained its overall strategic plan.
- Worst Case Successful downstream campaigns begin to reduce the company's options and threaten to slow new development and investment.

Work Through Coalition Only

Rationale	This is an industry wide problem; needs an industry wide solution
Pros	Allows the company to avoid stepping out alone and moves the debate to the lowest common denominator within the coalition.
Cons	Appeal to lowest common denominator within the coalition means the campaign can continue in perpetuity as companies are asked to do better than peers
Best Case	Industry-wide agreement that is pragmatic and does not stifle development
Worst Case	Activists see coalition as a greenwash front and break coalition, depriving Suncor of the other advantages of coalitions

No Response

Rationale	The activists are not stopping oil sands' growth and they have no power in Alberta or Ottawa. Chances of success with U.S. government is slim.
Pros	Reduces executive time and attention paid to campaign. No concessions needed from company.
Cons	Does not resolve campaign and ensures long term public campaign against oil sands operations.
Best Case	Groups move to fracturing or some other venue to press for the first major code of conduct.
Worst Case	Campaign becomes the most significant environmental campaign of the decade as activists on both sides of the border come to view the industry as arrogant. Code of conduct demands strengthen, downstream activism intensifies.

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Market Campaigns

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