Oil Sands Market Campaigns

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Characterizations

- Idealists
- Radicals
- Realists
- Opportunists
Radicals

Indigenous Environmental Network
Oil Change International
Rising Tide North America

Realists

Corporate Ethics International
Tides Foundation

Opportunists

Greenpeace
Rainforest Action Network
Idealists

Amnesty International
Communities for a Better Environment
Earthworks
Plains Justice
Sierra Club

Radicals

Realists

Environmental Defence
ForestEthics
West Coast Environmental Law

Opportunists
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

Global Code of Conduct

Oil Sands
Fracturing
Chevron
Latin America
Oil Sands Campaign Context

Global Code of Conduct

- 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

<table>
<thead>
<tr>
<th></th>
<th>Hometown</th>
<th>Brand</th>
<th>Public</th>
<th>CEO</th>
<th>Industry Leader</th>
<th>Green Leader</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50%</td>
</tr>
<tr>
<td>Canadian Natural</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
</tr>
<tr>
<td>ConocoPhillips</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
</tr>
<tr>
<td>ExxonMobil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>67%</td>
</tr>
<tr>
<td>Royal Dutch Shell</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>83%</td>
</tr>
<tr>
<td>Statoil</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17%</td>
</tr>
<tr>
<td>Suncor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>Syncrude</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
</tr>
</tbody>
</table>
## Real Demand vs. Public Demand

<table>
<thead>
<tr>
<th>Campaign</th>
<th>Public Demand</th>
<th>Real Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria’s Secret</td>
<td>Recycled content, sourcing</td>
<td>Switching to specific mills</td>
</tr>
<tr>
<td>No Dirty Gold</td>
<td>Gold sourcing, environment</td>
<td>Participation in IRMA</td>
</tr>
<tr>
<td>Toxic Toys</td>
<td>Lead, phthalates</td>
<td>Green chemistry, clean production</td>
</tr>
<tr>
<td>E-Waste</td>
<td>Computer take-back/recycling</td>
<td>Toxics, clean production</td>
</tr>
<tr>
<td>Oil Sands</td>
<td>Stop expansion</td>
<td>Code of conduct</td>
</tr>
</tbody>
</table>
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
Engagement Options

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

### Rapid negotiations

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Gives Suncor the lead on the resolution of the issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pros</td>
<td>Campaign ends quickly and Suncor maintains control</td>
</tr>
<tr>
<td>Cons</td>
<td>Locks Suncor into negotiations when there is no guarantee of the direct action campaign at it</td>
</tr>
<tr>
<td>Best Case</td>
<td>Campaign ends quickly with a resolution along the lines Suncor had wanted.</td>
</tr>
<tr>
<td>Worst Case</td>
<td>Activists see weakness and press for an unrealistic deal.</td>
</tr>
</tbody>
</table>
# Engagement Options

## Intentionally Delayed Negotiations

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Results in a predictable negotiation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pros</strong></td>
<td><strong>Cons</strong></td>
</tr>
<tr>
<td>Direct action will slow or stop; limits the damage done to downstream operations and markets, range of agreement is predictable.</td>
<td>CEI has built strategy with this sin mind. Means that CEI will negotiate when it has the most momentum and leverage.</td>
</tr>
<tr>
<td><strong>Best Case</strong></td>
<td>Agreement that allows for continued growth of oil sands operations and settles key environmental and public issues</td>
</tr>
<tr>
<td><strong>Worst Case</strong></td>
<td>Suncor makes an agreement under pressure due to direct action campaign successes.</td>
</tr>
</tbody>
</table>
## Structured Dialogue

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

## Flying in Formation

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Suncor develops its own environmental initiatives on its own timetable and balances environmental needs with environmental responsibility.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pros</td>
<td>Allows Suncor to define its own agenda and maintain full control; Suncor does not have to negotiate on difficult issues.</td>
</tr>
<tr>
<td>Cons</td>
<td>Does not provide the key goal – a code of conduct – and therefore cannot satisfy the activists, regardless of public perception of the issue.</td>
</tr>
<tr>
<td>Best Case</td>
<td>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.</td>
</tr>
<tr>
<td>Worst Case</td>
<td>Activists succeed in bringing the long term viability of oil sands into question.</td>
</tr>
</tbody>
</table>
# Engagement Options

## Limited Contact

<table>
<thead>
<tr>
<th>Rationale</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pros</td>
<td>Provides the company with the most freedom of any of the options.</td>
</tr>
<tr>
<td>Cons</td>
<td>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.</td>
</tr>
<tr>
<td>Best Case</td>
<td>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.</td>
</tr>
<tr>
<td>Worst Case</td>
<td>Successful downstream campaigns begin to reduce the company’s options and threaten to slow new development and investment.</td>
</tr>
</tbody>
</table>
Engagement Options

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.
Engagement Options

**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.
Market Campaigns

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