



# Shell Group Global NGO Review

## Q2-2017

**SIGWATCH**  
NGO TRACKING  
& ISSUES ANALYSIS

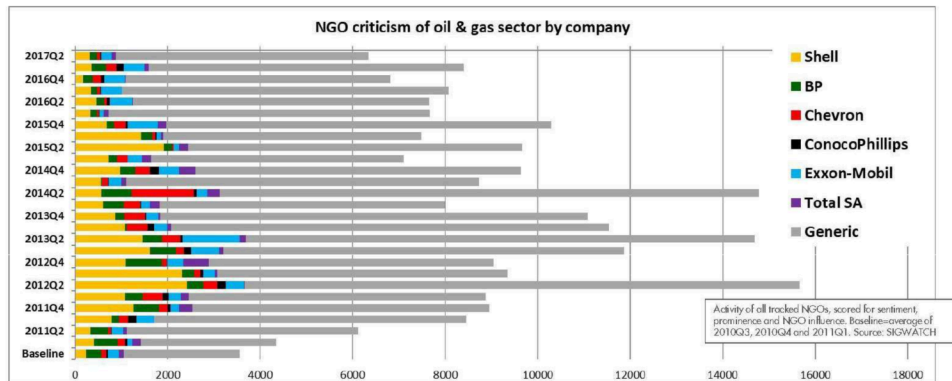
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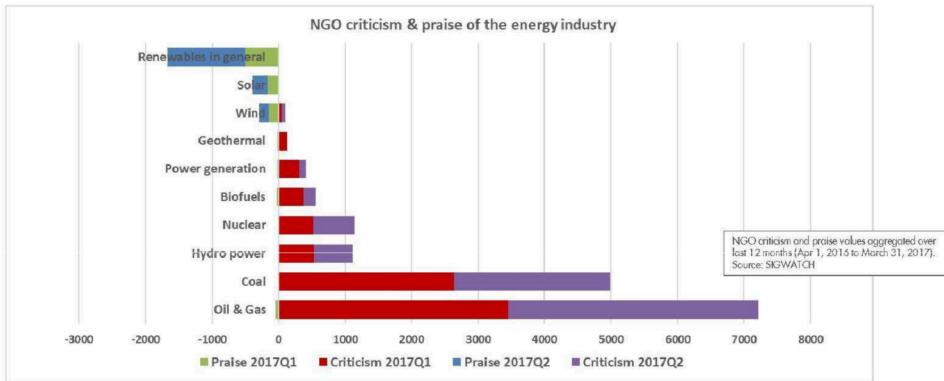
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## Shell criticism from NGOs remains at historically low level



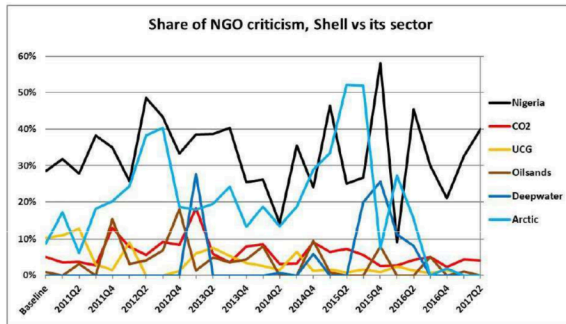
- NGO criticism of Shell stays low for another quarter.
- ExxonMobil may be taking over Shell's role as NGOs' target of choice (certainly outside Europe).
- O&G as a whole remains a major target for campaigners.

## O&G dominates criticism as NGOs sing renewables' praises



- Campaigners continue to shift attack from coal to O&G (the coal argument is won, and cheap gas settles it).
- Big increase in campaigning to promote renewables, if sustained over coming year ahead, suggests NGOs feel the time is right to be much more positive in their campaigning.

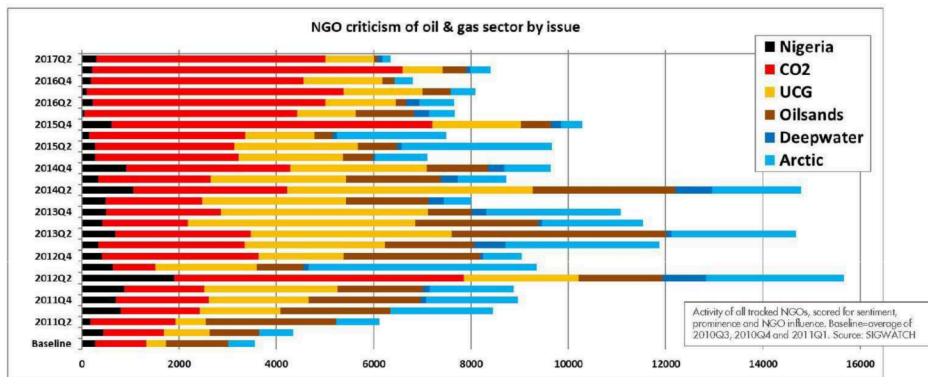
## Outside Nigeria, Shell's exposure on major issues is minimal



Activity of all tracked NGOs, scored for sentiment, prominence and NGO influence. Baseline—average of 2010Q3, 2010Q4 and 2011Q1. Source: SIGWATCH

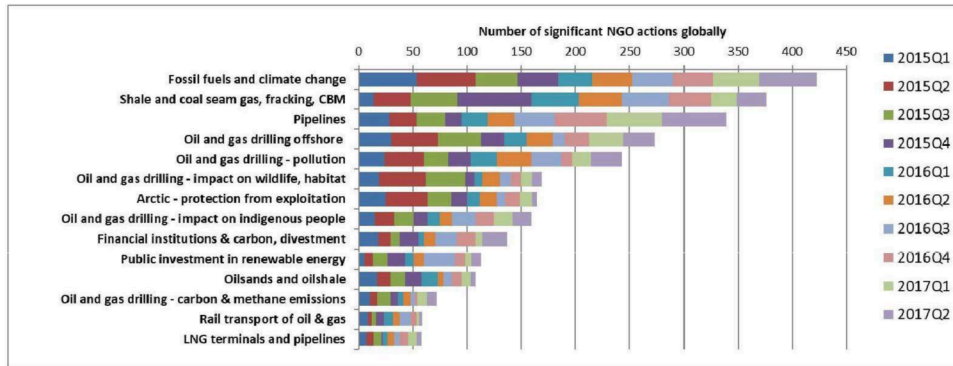
- Arctic: Without relevant plays, Shell no longer a target on this issue.
- UCG: Shell exposure continues to be negligible with no projects targeted.
- Nigeria: Shell's legacy provides easy targets.
- Oilsands: Keystone XL has failed to bring out campaigners so far.
- Climate/CO2: Still an industry rather than an operator issue.
- Deepwater: Campaigning very thin with lack of suitable plays to attack.

## Climate has moved from 'also ran' to lead issue for NGOs



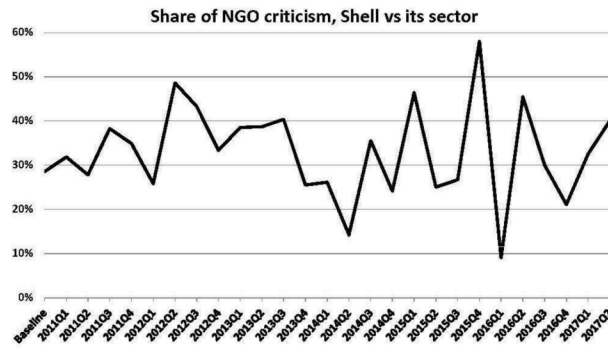
- Climate change now dominates NGOs' global oil & gas attack.
- All other issues are indirect ways for NGOs to drive climate agenda.

## Climate leads NGOs' O&G fight but infrastructure is their new proxy



- Climate change campaigning surges while pipelines and infrastructure provide NGOs' proxy target.
- Fracking switches from being direct to indirect target in this fight.

## Nigeria: Shell struggles to escape legacy issues

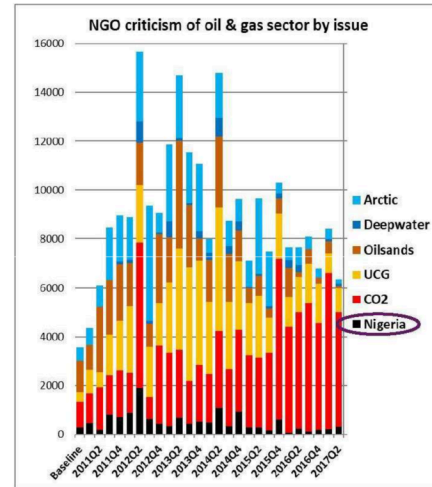


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- Shell drew most criticism of all operators in Nigeria in Q2 over OPL245 and corruption claims, and now Amnesty case.
- ENI was also targeted, mainly over OPL245.

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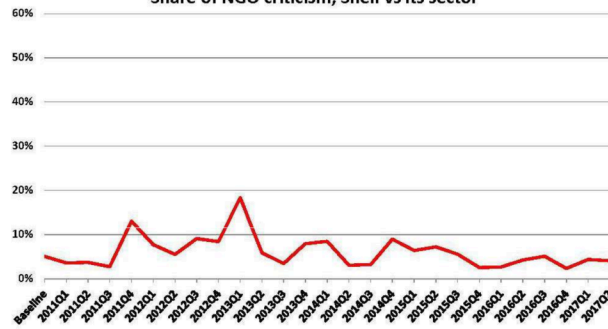
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## CO2/climate: climate dominates campaigning against O&G sector

Share of NGO criticism, Shell vs its sector



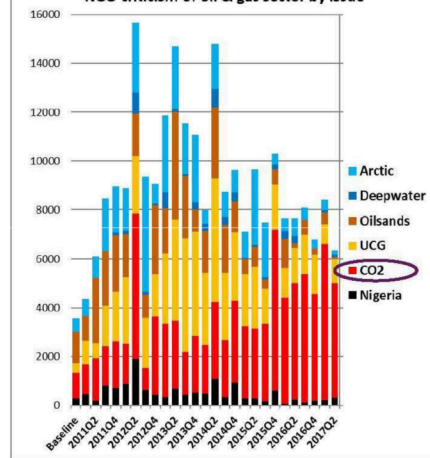
Activity of all tracked NGOs, scored for sentiment, prominence and NGO influence. Baseline-average of 2010Q3, 2010Q4 and 2011Q1. Source: SIGWATCH

- Shell singled out on climate position by Dutch campaigners.
- NGOs not impressed with Climate Leadership Council carbon tax plan.

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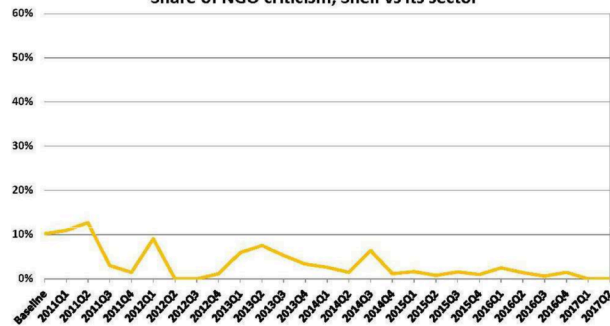
NGO criticism of oil & gas sector by issue



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## UCG/shale gas: activists focusing on infrastructure, not sources

Share of NGO criticism, Shell vs its sector



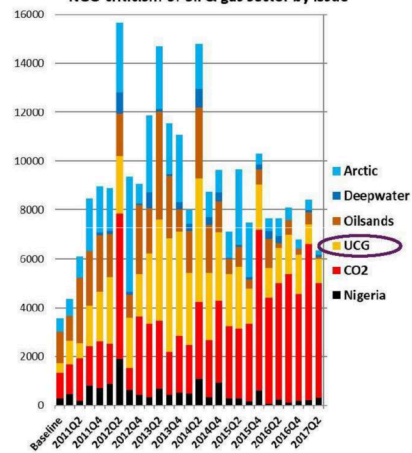
Activity of all tracked NGOs, scored for sentiment, prominence and NGO influence. Baseline-average of 2010Q3, 2010Q4 and 2011Q1. Source: SIGWATCH

- Shell continues to avoid direct targeting.
- Campaigners still focusing on infrastructure over O&G sources.

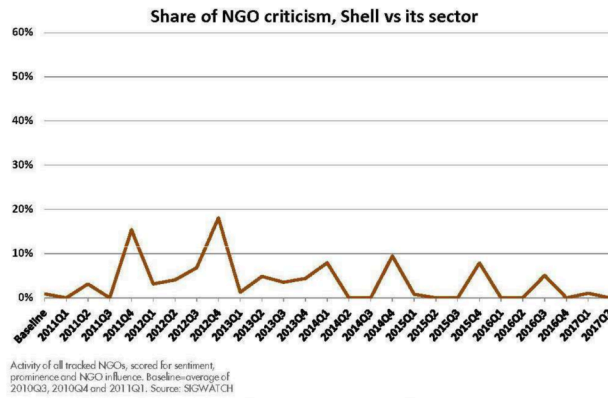
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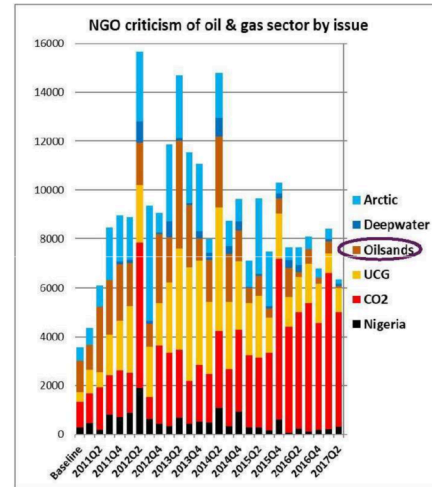
NGO criticism of oil & gas sector by issue



## Oilsands: Domestic oil shale more important for US activists



- Canadian oilsands barely on activists' radar.
- Even revival of Keystone XL has not yet changed this.

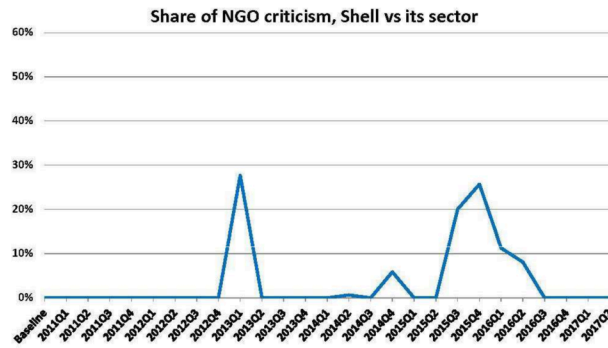


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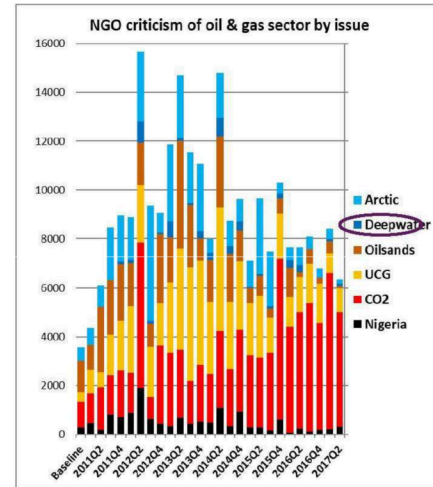
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## Deepwater: Australia and NZ hotting up

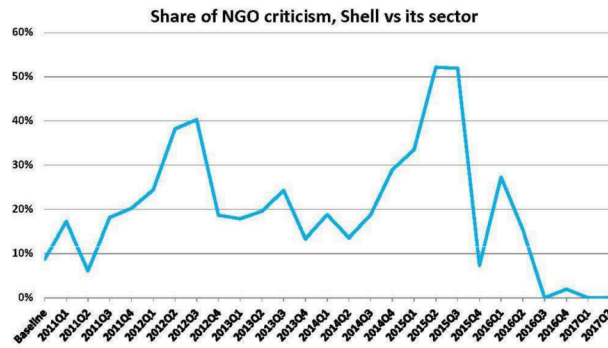


Activity of all tracked NGOs, scored for sentiment, prominence and NGO influence. Baseline-average of 2010Q3, 2010Q4 and 2011Q1. Source: SIGWATCH

- Great Australian Bight and New Zealand plays attracting some attention but still low key.

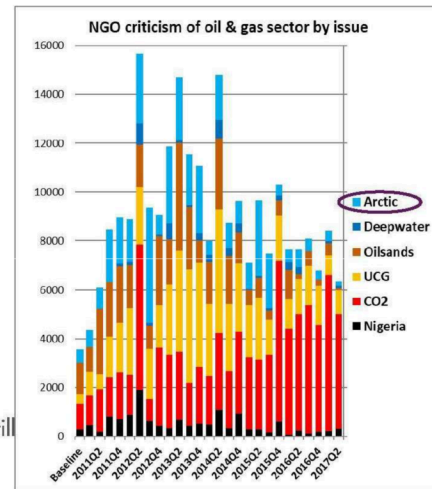


## Arctic: Shell out of the frame



Activity of all tracked NGOs, scored for sentiment, prominence and NGO influence. Baseline-average of 2010Q3, 2010Q4 and 2011Q1. Source: SIGWATCH

- Arctic remains low priority except in Norway where NGOs are still trying to change the government's mind over Barents Sea.



## Targeting of major operators in Q2-2017 (excluding industry attacks)

**Shell** Nigeria, NordStream 2. On many issues, Dutch NGOs are the most vocal critics.

**BP** Arts sponsorship (UK activists), Azerbaijan.

**Chevron** Azerbaijan, Ecuador, Great Bight (Australia).

**Exxon-Mobil** Azerbaijan, Trump.

**Total SA** Amazon (Brazilian offshore) play, Lampiris merger, biodiesel refining.

**ConocoPhillips** Colombia shale gas development.



## Appendix: Methodology

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## SIGWATCH Methodology (1/2): Overview

**SIGWATCH tracks the activities of over 10,000 NGOs around the world.**

We seek out and reports NGO actions that indicate a shift in pressure or emphasis such as new campaigns, new reports, new targets, new strategies and targets, or major protests, direct actions or large-scale stunts.

NGO campaigns are rarely constant in volume – they ebb and flow according to available NGO resources and political seasons. NGOs typically switch targets constantly to take advantage of companies in trouble and dramatic events like BP's Gulf of Mexico spill.

Therefore changes in the level of NGO activity as we measure it may sometimes be due to erratic data and small data sets rather than a real trend, and this should be taken into account when interpreting the charts, especially quarter to quarter.

### **Scoring NGO campaigning activity**

We score NGO campaigning actions for references to industries and named companies and where relevant, by sentiment (from very negative to very positive) and prominence (from 'headline' to 'within a list') using a methodology similar to that used by media measurement companies for grading media coverage.

This scoring system is combined with our existing NGO and issues tracking system which scores each SIGWATCH reported event for the quantity and geographical reach of the NGOs involved (from 2 for a local group to 7 for a global NGO like Greenpeace).

Aggregating these scores for each quarter produces the numbers in the spreadsheet tables.

We have then aggregated scores for NGO campaigning under Shell's defined campaign headings (aka, the issue buckets) and provided comparable scores for Shell's peers (ExxonMobil, Total, Chevron, ConocoPhillips and BP). We have also generated scores for NGO campaigning against the oil & gas sector where no companies are singled out by name.

## SIGWATCH Methodology (2/2): Scoring 'CO<sub>2</sub>/climate change'

Sub-issues on which we aggregate NGO campaigning data  
to calculate the 'CO<sub>2</sub>/climate change' numbers

*(not all issues apply to every industry sector)*

Climate change and ocean acidification

Climate change and sea levels

Carbon footprint

Carbon Capture and Storage (CCS)

Carbon offsets/Clean Devlpmt Mechanism

Carbon trading, cap and trade

Carbon taxes/removal of subsidies

Coal burning and climate change

FI investment in carbon industries

Climate change - impact on agriculture

Food miles

Automotive carbon emissions and fuel efficiency

Shipping carbon emissions

National/international carbon emissions reduction

Climate change - impact on wildlife

Climate change and impact on water resources

Climate change impact on health

Impact of climate change on ski resorts

Mining - contribution to climate change

Oil and gas drilling - carbon emissions

Climate change - impact on permafrost

Energy industry funding climate skeptics

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