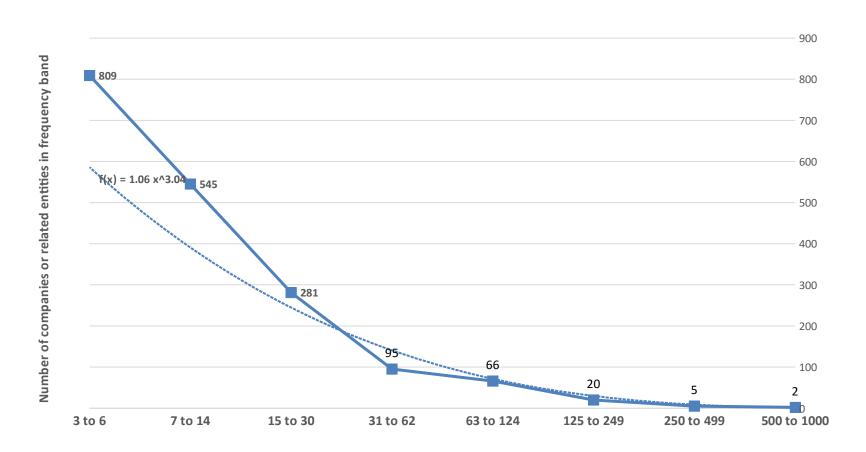
Who NGOs target, and why

Robert Blood
Managing Director, SIGWATCH
www.sigwatch.com

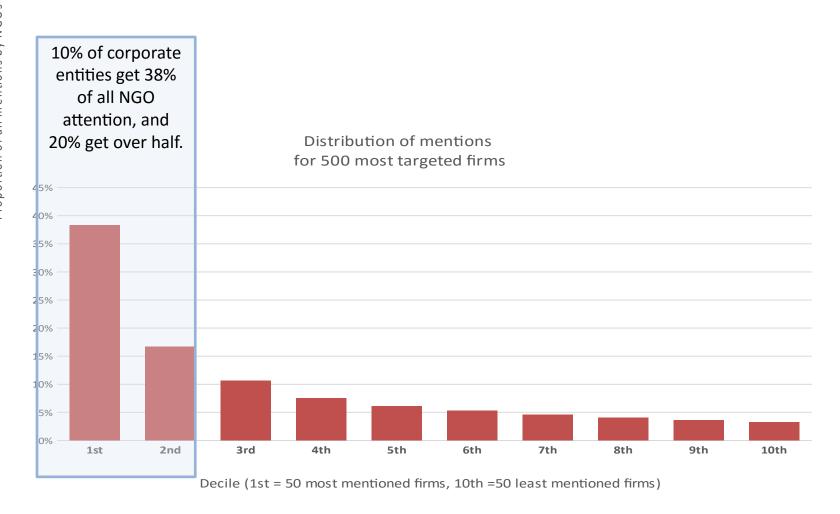


NGOs are very selective in the firms they target

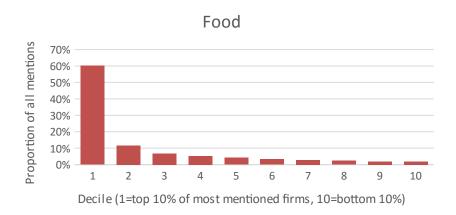


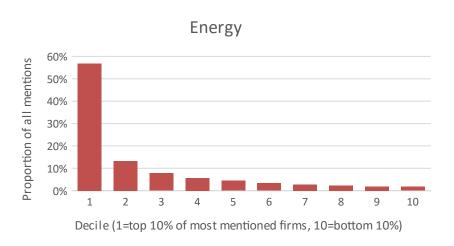
Frequency of mentions in SIGWATCH database

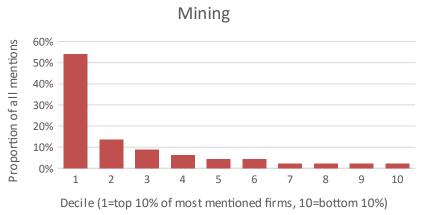
Hence a few firms get most of the NGOs' attention



NGOs' campaigning preferences can be seen at sector level too







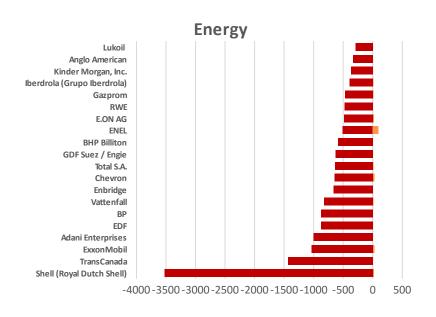
Charts based on 500 most targeted companies in each sector

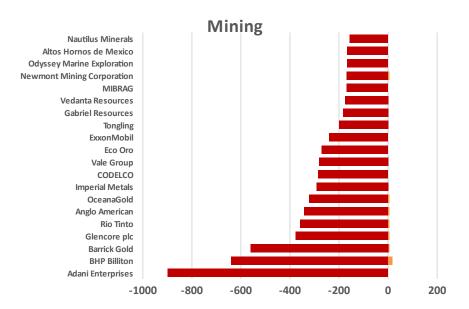
NGOs' targeting strategy depends on sector

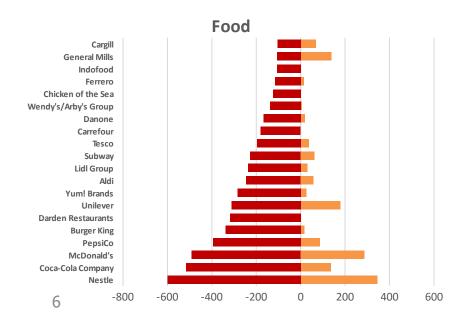
'Attack and outflank' Extractives **Industrials** Finance Outflank through stakeholder pressure 'Heavy' Consumer 'Carrot and stick', Telco & 'FMCG' Retailers **Internet** Consumer leading to co-option

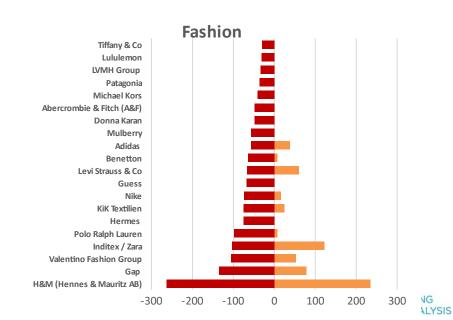
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NGOs' strategy reflected in how leading companies are treated









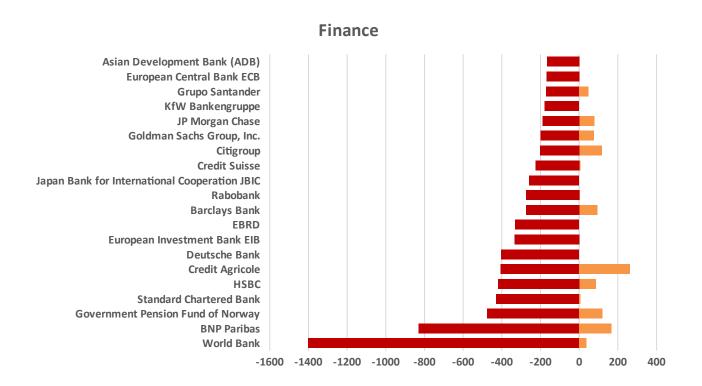
'Carrot and stick' strategy against consumer-facing brands

Fashion: most criticized	2015 Criticism rank	Fashion: most praised	2015 Praise rank
H&M (Hennes & Mauritz AB)	1	H&M (Hennes & Mauritz AB)	1
Gap	2	PVH (Phillips-Van Heusen)	2
Valentino Fashion Group	3	Inditex / Zara	3
Inditex / Zara	4	Marks & Spencer	4
Polo Ralph Lauren	5	Gap	5
KiK Textilien	6 _	Levi Strauss & Co	6
Hermes	6	Kering (formerly PPR Group)	7
Nike	8 _	Valentino Fashion Group	8
Guess	9 1	Arcadia Group Limited	9
Levi Strauss & Co	10 4	Adidas	10
Benetton	11	C&A	11
Adidas	12	Betty Blue	12
Mulberry	13	s.Oliver	13
Abercrombie & Fitch (A&F)	14	L Brands	14
Donna Karan	14	KiK Textilien	15
Michael Kors	16	Li & Fung	15
Patagonia	17	Anthropologie	17
LVMH Group	18	Nike	18
Lululemon	19	Limited Brands	19
Tiffany & Co	20	Ann Inc.	19

'Carrot and stick' strategy against consumer-facing brands

Electronics: most criticized	2015 Criticism rank	Electronics: most praised	2015 Praise rank
Apple	1	Apple	1
Google	2	Credo Mobile	2
Samsung Group	3	Microsoft	3
Microsoft	4 .	Facebook	4
Amazon	5	Google	5
Facebook	6	Hewlett-Packard (HP)	6
General Electric Company (GE)	7	CISCO Systems	7
IBM	8	Fairphone	8
Telefonica	9	Intel Corporation	9
Pegatron Group	10	Kohl's	9
Vodafone	11	Naver Corporation	11
Comcast	12	Adobe	12
Hewlett-Packard (HP)	13	Equinix	13
Toyota Group	14	Panasonic Corporation	14
Siemens	15	Twitter	15
Deutsche Telekom AG	16	BT Group	16
Philips	17	Xerox	16
LG Corp.	18	Sony Corporation	18
Telecom Italia	19	Samsung Group	19
Intel Corporation	20	Canon	20

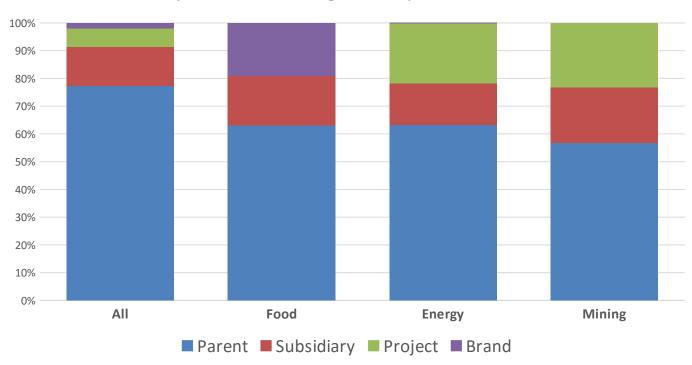
Meanwhile, finance is transitioning from 'baddie' to 'friendly'





NGOs frequently target subsidiary entities, especially brands

Analysis of 500 most targeted companies, 2011-2015



How specific firms end up in NGOs' cross-hairs

Global: most criticized	Wrong sector	Wrong activity	Wrong firm	2015 Criticism rank	2014 Criticism rank	Reasons for ranking in 2015
Shell (Royal Dutch Shell)				1	1	Arctic drilling, but also longstanding target
Monsanto				2	3	Longstanding target (ag biotech/GMOs)
World Bank				3	7	NGOs trying to exploit its global influence over banking sector
TransCanada				4	2	Keystone XL pipelines, oilsands
ExxonMobil				5		Longstanding target, also accused of hiding climate science
Adani Enterprises				6		Queensland coal field development
Volkswagen Group				7		'Dieselgate'
Dow Chemical				8	4	Longstanding target but also new GM crops
EDF				9		Link to nuclear power in France
ВР				10	9	Longstanding target since Gulf of Mexico blowout
Wilmar International				11		Palm oil in Indonesia
BNP Paribas				12		Pressure to stop funding coal and nuclear power
Vattenfall				13	15	Reliance on coal-fired power
BHP Billiton				14	13	Longstanding target but mainly because of coal
Bayer				15	17	Longstanding target (chemicals, ag biotech)
Enbridge				16	10	Pipelines in Canada, oilsands
GDF Suez / Engie				17	6	Fossil fuels but also longstanding target
Chevron				18	5	Fossil fuels, shale gas but also longstanding target
Total S.A.				19		Fossil fuels, but also longstanding target
Walmart				20		Longstanding target over foreign sourcing, wage levels.

Conclusions

- Any corporate can be an NGO target, but market leaders are the most exposed by far.
- The 'wrong' firms, and firms in the 'wrong' sector, will always have a difficult relationship with NGOs, at least in public.
- NGOs may target consumer-facing businesses to undermine their suppliers and partners. NGOs call this 'market strategy'.
- Consumer businesses are especially vulnerable through their brands. NGOs know this.
- In deciding how to respond to NGO pressure, the key test should be, 'What do our core stakeholders think?'