

GLOBAL STAKEHOLDER ENGAGEMENT

A Case Study: The Corporate Campaigns for Forests

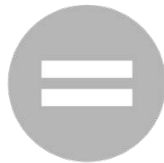
May 2015



Mining



Coal



Human Rights



Forestry



Oil & Gas



Transparency



Oil Sands



Top 10 Issues for Global Brands



Local
activism



Regulation
by retail



Ocean
pollution



Forest
protection



Arctic
activism



Brand
politics



Re-inventing
utilities



Biotechnology
& GMOs



Political
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Justice &
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FORESTRY IS BOTH

Global loss of forest and soils + modern agriculture is the largest driver of climate change.

Restoring living forests and soils is the most promising opportunity to reduce CO2 levels

Land rights issues are central to forest protection and indigenous rights and social justice

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Today's Story:

The Campaigns to Save Global Forests

A Drama in Six Scenes

APRIL

gar
agribusiness and food

APP

wilmar

Cargill



A Note on Method

From an (anonymous) Director and Choreographer at a recent Future 500 intensive

“We’re in the business of creating drama. And every drama needs:

“A crime. We showcase the crime – in the forest ...

“A villain – a black hat – the corporation

“A posse – the white hats – the NGOs

“A resolution – shoot out, victory

“Who and how do we demonize?

“Be soft on the people, hard on the issue.

“Choose a high visibility brand that could change the game –

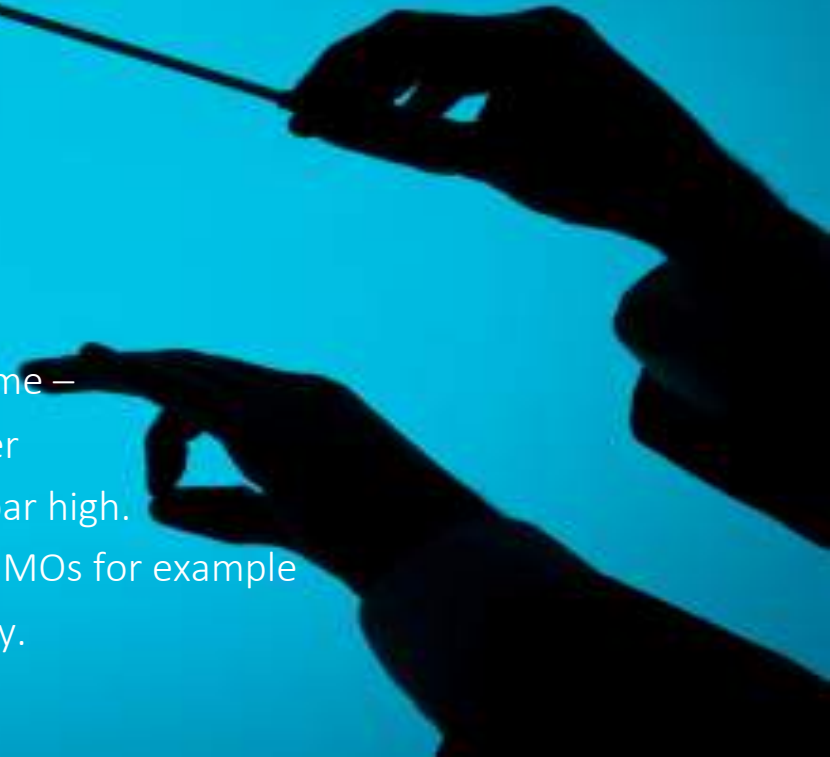
the industry or sustainability leader – smarter and better

“Start by asking much more than we expect to get. Set the bar high.

“Use proxy issues” – substitutes that are simpler stand-ins. GMOs for example

“Find a logo to bastardize, a building to scale, an ad to parody.

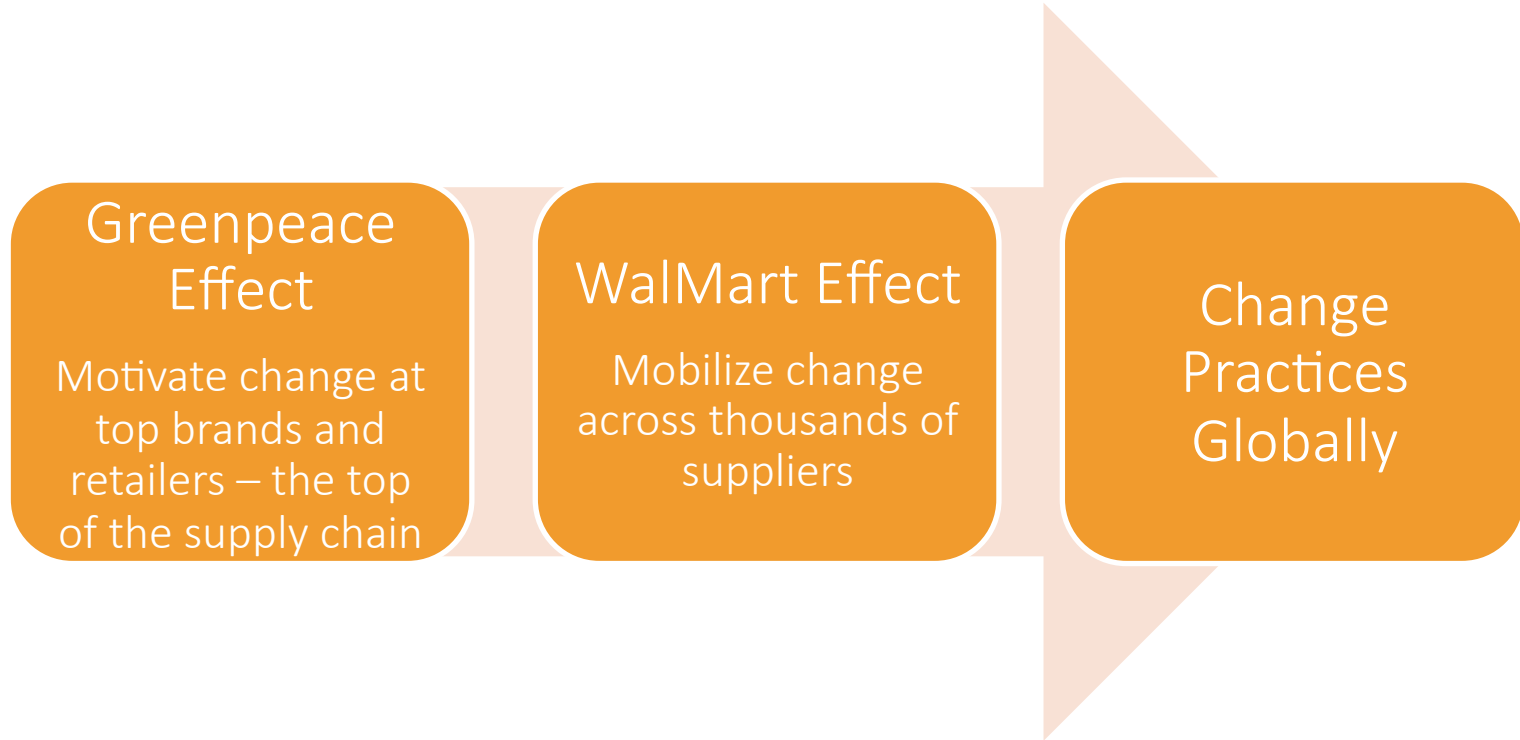
“Exploit other controversies/vulnerabilities. Pile on...”



The Characters



A highly effective strategy is to combine The Greenpeace + WalMart Effect





Our role: Engage the companies and stakeholders in 15 markets, to help find a systemic solution



The Companies – Value Chain



L'ORÉAL

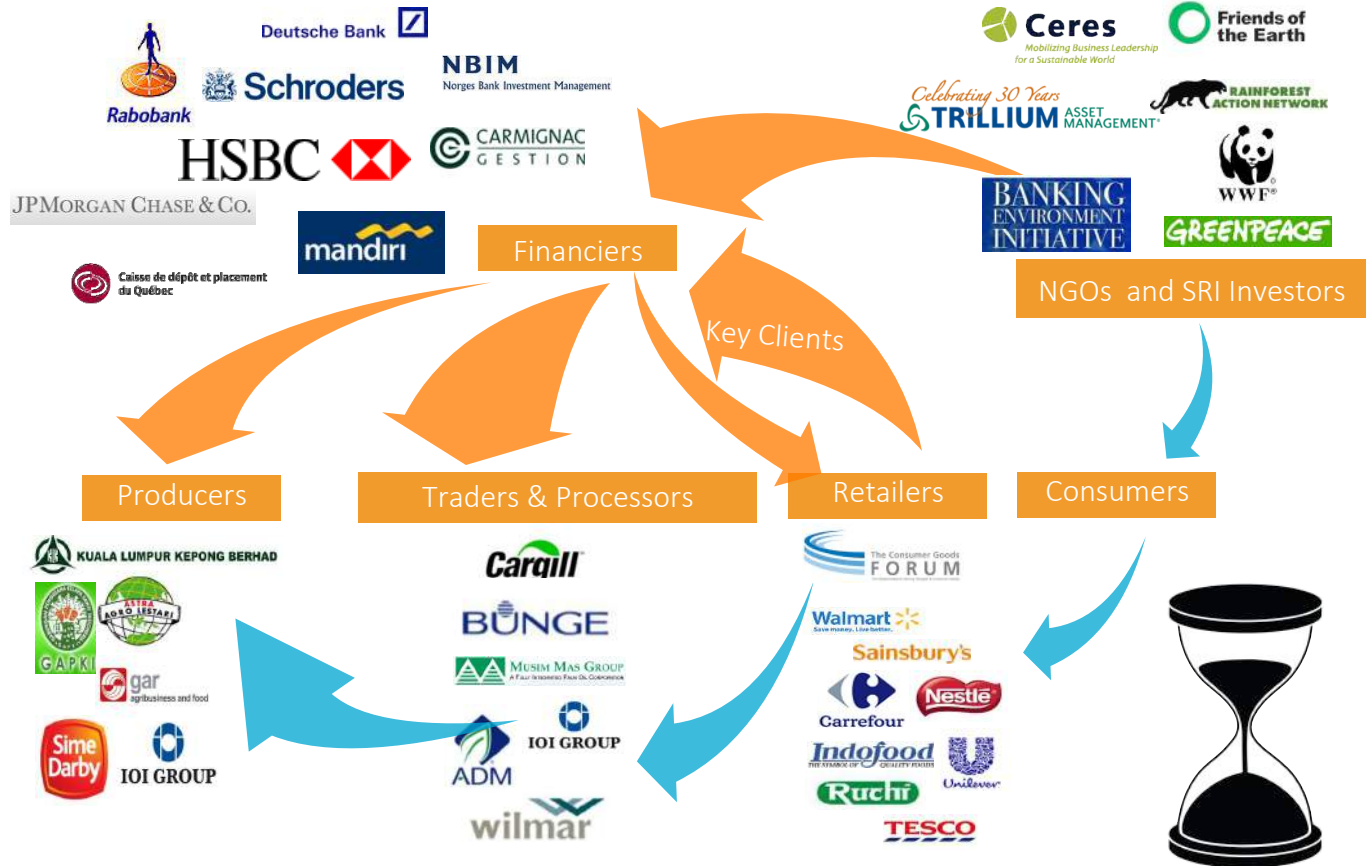


The NGOs – Influence Chain



Stakeholder concerns and priorities tend to flow along this path. Above are key influencers within each stakeholder category. Not all stakeholders listed are necessarily connected.

Palm Oil Influence Map



SCENE ONE – Massive deforestation for Palm Oil



SCENE ONE – The Plot



The Villain



The Victims

SCENE ONE – The Plot



The Villain

THE ACTION:

Greenpeace, the hero, attacks Kit Kat online

Nestle sets palm oil procurement standards – doesn't consult Greenpeace

Greenpeace: "it's not enough" – expands social media campaign

Nestle engages Greenpeace, sets stronger standards

GAR changes practices

Wilmar adopts "Zero Deforestation" – across its global supply chain!

Hundreds of suppliers, multiple commodities

Begins transforming global forest commodity markets



The Victims

*"48 hours that changed
the future of the rainforests"*

- Nathanael Johnson, Grist, April 12, 2015

SCENE TWO – Deforestation for Paper

GREENPEACE



SCENE TWO –

The villains, victims, and heroes

THE ACTION:

Greenpeace targets Mattel

RAN targets Disney

Both target Staples, Office Depot, Office Max

Disney engages RAN, sets paper procurement standards

RAN thanks Disney publicly

Mattel, Staples, Office Depot and others drop APP

APP adopts “Zero Deforestation” – no natural forest conversion

Greenpeace thanks APP – cautiously optimistic

WWF and RAN hold back

APP adopts “Million Hectare” commitment

Rainforest Alliance validates zero conversion by APP, but ...

APP wins back business, gradually.



SCENE THREE— Soya



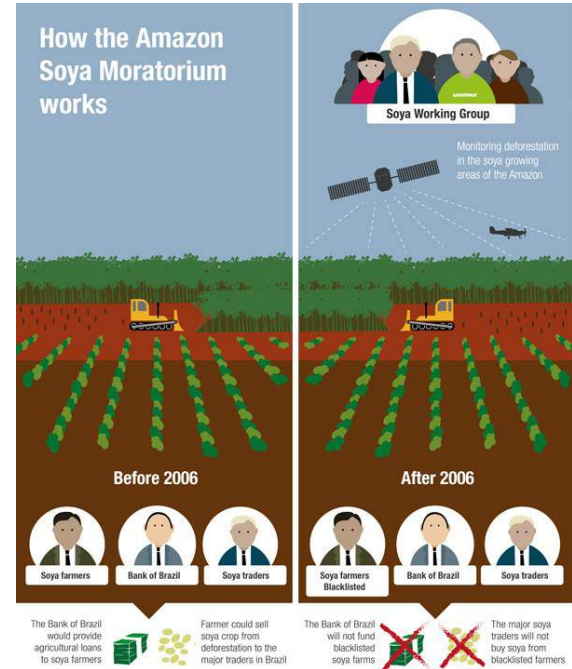
THE ACTION:

Greenpeace targets Cargill's customers

Cargill agrees to Soy Moratorium in Brazil

ADM makes commitment

Pressure on Cargill/ADM/Wilmar ticking up to ensure corporate support or continuing moratorium

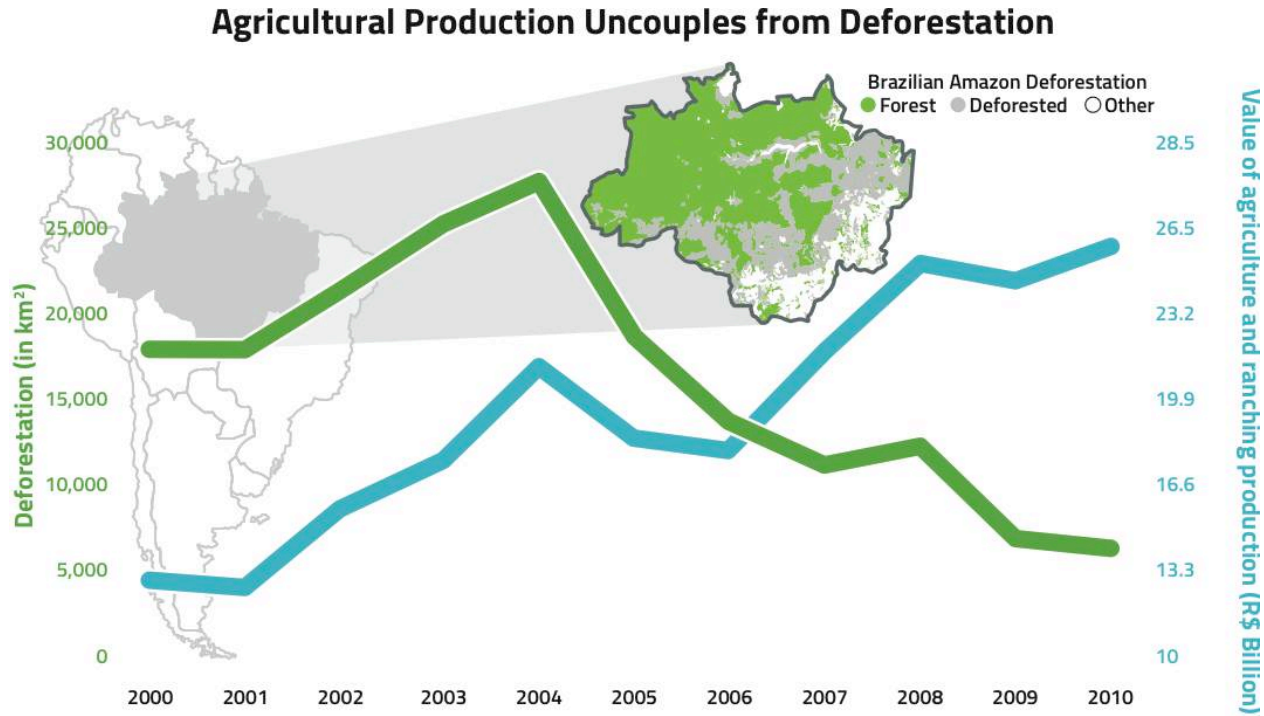


Impact:

A 100-fold reduction in deforestation for soy



Brazil: Breaking the link between deforestation and agriculture



The Result: No Deforestation Commitments as of October 2014



Weaker



Stronger



The Sequels:



Reality Check on implementation

Rivalries among heroes

Complexity

Backsliding

The final installment (i.e., the goal):

DEFORESTATION-FREE SUPPLY CHAIN WITH TRANSPARENCY

Important Tips



Know your supply chain - You are likely at risk

Know the characters – and how they are different

Engage early – even with the “radicals”

Leverage your supply chain

Avoid promising too much, too fast

Be adaptive – keeping improving

Credit the stakeholders early – they will validate you

What to do: Be ready – key steps



1. Inventory your Stakeholders and Issues – prioritize and prepare
2. Know the funders – their objectives, connections, and end-game
3. Engage early
4. Humanize yourself and the company
5. Don't take all demands literally. Focus on:
 - The unstated END GAME of funders and lead groups
 - The sense of POWERLESSNESS of activists – LISTEN to them
 - The FEARS of locals – listen, validate, care, act
 - Being AUTHENTIC, building TRUST, genuinely CARING
6. Support higher-level, systemic solutions

What to do: Be ready – key steps



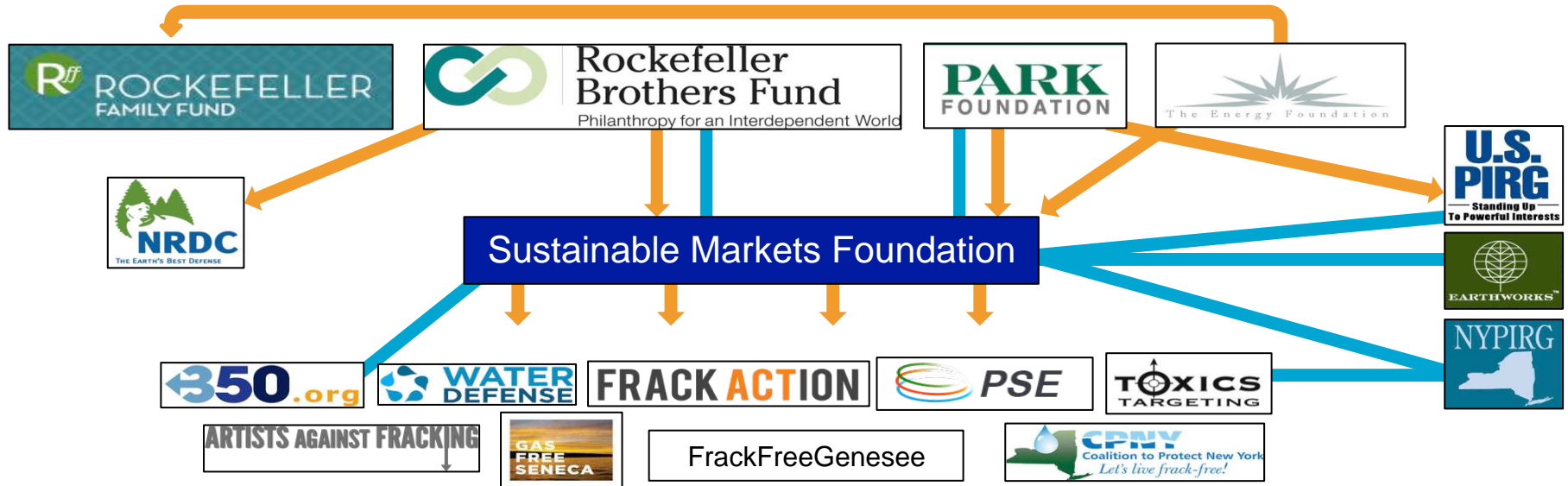
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→ = Grant funding

— = Shared consultant/board member

What to do: Be ready – key steps

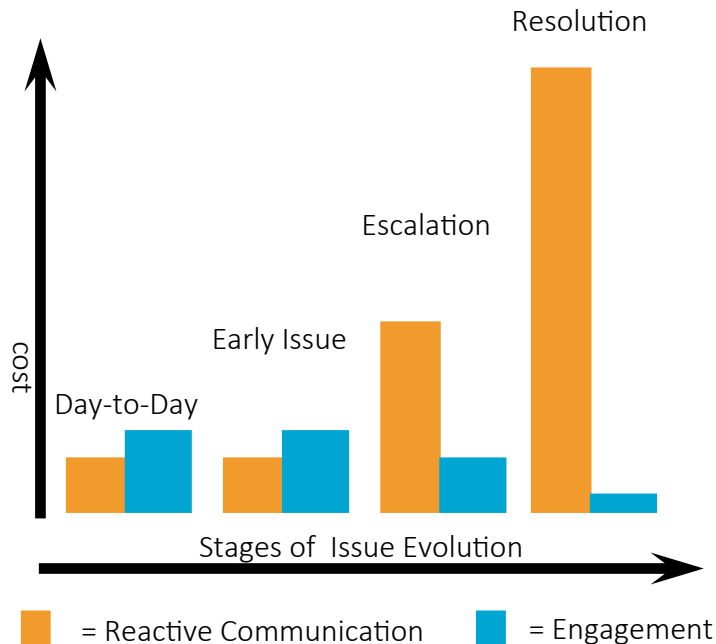


3. Engage early

Proactively address problems before escalation

Build relationships that lessen probability of escalation

Align interests between business and community, locally and globally



Slide originally created by Exxon using internal data

What to do: Be ready – key steps



4. Humanize! You *and* the company



Don't do anything Darth would do.

Be informal – avoid formal processes

Be authentic – never cynical

Be about them – not you

Listen – don't give them a solution

Care – feel what they feel

Heart first – then head

*They won't care what you know...
until they know that you care.*

What to do: Be ready – key steps



5. Don't (just) respond rationally.



Darth is rational.

Don't take all demands literally. Focus on:

- The unstated END GAME of funders and lead groups
- The sense of POWERLESSNESS of activists – HEAR
- The FEARS of locals – listen, validate, care, act
- Be AUTHENTIC, build TRUST, genuinely CARE

What creates unreasonable activists?



- Frustration
- Feeling of Powerlessness
- No one is listening
- Need to get louder to be heard



What breaks the narrative, and turns the focus to *solutions*?



- Listen – acknowledge their impact
- Show your human face
- Gently but clearly question non-solutions
- Consult them to find real solutions



What to do: Be ready – key steps



6. Advance a systemic solution: harness markets and nature

Avoid bans, excessive regulations, and mandates

Use markets to your advantage – buying power

Use nature to your advantage – complex systems are adaptive and resilient

Internalize externalities – make sure every problem has an owner who profits by solutions



The best TWO-MINUTE primer on how to engage with angry stakeholders



VS.



Mark Moody Stuart
Chairman
Royal Dutch Shell

Blame and Shame

Charm, Disarm, Refocus

http://www.youtube.com/watch?v=V9w0x_UWkPc (Start at 2:48)



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