Activist Intervention

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In October 2015, the European Securities Markets Authority (ESMA) published the Guidelines on Alternative Performance Measures (APM), of mandatory application for the regulated information to be published from 3 July 2016. Information and disclosures related to APM used on the present document are included in Appendix I “Alternative Performance Measures” of the Management Report for the full year 2016.
Trust

American public attitude to industries
Overall opinion*, %

<table>
<thead>
<tr>
<th>Industry</th>
<th>Negative</th>
<th>Positive</th>
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<tbody>
<tr>
<td>Computer industry</td>
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<td>60</td>
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<tr>
<td>Restaurant industry</td>
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<td>Retail industry</td>
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<td>Internet industry</td>
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<td>Farming and agriculture</td>
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<td>Grocery industry</td>
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<td>Publishing industry</td>
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<td>Accounting</td>
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<td>Education</td>
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<td>Sports industry</td>
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<td>Movie industry</td>
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<td>Television and radio industry</td>
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<td>Healthcare industry</td>
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<td>The legal field</td>
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<td>Electric and gas utilities</td>
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<td>Advertising and public relations industry</td>
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<td>Airline industry</td>
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<td>Banking</td>
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<td>The federal government</td>
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<tr>
<td>Oil and gas industry</td>
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</tbody>
</table>

*% of respondents with positive opinion minus % of respondents with negative opinion

Source: Gallup, August, 2012
“Social license to operate has been ranked as a top six risk over the last five years as it represents a consistent long term challenge.”

Helen Adair
Executive Director,
Climate Change and Sustainability Services
License to operate

LEVEL OF SOCIAL LICENCE TO OPERATE

Co-ownership

Approval – support

Acceptance – tolerance

REJECTION / WITHDRAWAL

SYMPTOMS / INDICATORS

• Political support
• United front against critics
• Advocacy
• Co-management of projects

• Company seen as a good neighbour
• Pride in collaborative achievements

• Lingering / recurring issues and threats
• Watchful monitoring
• Presence of outside NGOs

• Shutdowns
• Blockages
• Legal challenges

• Boycotts
• Violence / sabotage

Adapted from Boutilier and Thomson
A matter of perspective
Visuals change everything
Pictures are worth a thousand words
And videos are everywhere
Add the human component
Fear on what was being reported by certain organizations

Total extent of oil spill, 68,000 sq miles. Adapted from Skytruth.org
Reactions
Activist are not just targeting the oil and gas industry

Infrastructure projects are being challenged everywhere
1. Approximately 20% of the stakeholders will be agreeable to a project moving forward.

2. Approximately 60% of the stakeholders will need additional information prior to making a final decision.

3. Approximately 20% of the stakeholders will object to the project no matter what conditions or efforts are made to address concerns (NIMBY – “not in my back yard”).

Consequently, the role of technical experts is critical in the stakeholder engagement process to advancing a project forward. The challenge is many of these technical experts lack the training or the desire to work under adversarial conditions.
Understanding roles

1. The Perpetrator
2. The Victim
3. The Rescuer
The role of the rescuer

1. Be approachable
2. Shake hands
3. Ask questions respectfully
4. Be a great listener
   • Hear the discussion
   • Acknowledge – be empathic
   • Remain calm
   • Take time to respond
   • It’s ok to say “I don’t know”
5. Be someone they can relate to
6. Protect your credibility at all cost
7. Follow up on commitments or questions
Social media is a powerful tool – understanding how it will be used in support and in opposition of a project is critical

Proper planning prevents poor performance
- Transparency, integrity and operating responsibly are key structural pillars in maintaining a license to operate
- Having a robust and effective stakeholder engagement team and program is fundamental to success
- Early engagement and continuous communications are essential

Adaptive Management – planning for and anticipating the unexpected