

## **Should the cooperation between Lego and Shell goes on?**

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Founded in 1932 in Denmark, Lego Group is currently the world's largest manufacturers of play materials and toys. Its unique creativities and interlocking principles are admired and endorsed by millions of customers, and the toy it manufactured accompanied people's childhood across generations. Yet, Lego did not stop as becoming a brilliant manufacturer, its extraordinary investment and commitment in corporate social responsibility (CSR), product safety, and communities building have earned public credibility among global customers.

To spark product creativity, Lego has been working with many external partners. With the unlimited possibilities of Lego bricks, they are able to create unique and iconic products such as the Disney characters series and Marvel superhero series. Shell was one of these partners, their first collaboration on designing toy trucks, gas stations, and excavators with the Shell logo was popular among consumers. This partnership was a huge success, Lego had the chance to deliver more products to their young customers and Shell was able to earn extensive profits and well reputation.

However, this seemingly Win-Win collaboration was strongly opposed by Greenpeace. Greenpeace is an independent global non-profit organization that advocates sustainability and environment-friendly issues through non-violent actions. They have an internal research team to earn credibility and use the public pressure and media to encourage corporates on changing their policies on environmental related issues. For example, they had successfully made the public aware of the potential

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crisis of commercial whaling and tuna fishing, facilitating the sustainability of the fishing industry.

But the Greenpeace's actions were not without controversy, such as their action in the fall of 1975. In this event, they brought a group of photographers and journalists to capture the "cruel images" of Eskimos hunting the seals, reckoning that Greenland seals would become extinct within 5 years if seal hunting were not prohibited. As a consequence, the European Commission was forced to declare that seal leathers were prohibited to sell within the European market due to public pressure, resulting in the collapse of the entire seal leather market. The director of the Canadian office of the "World Wide Fund for Nature" made a public announcement indicating that "they don't believe seal extinction is an issue". The direct result of this Greenpeace's action was devastating: The Canadian hunters and fishermen near the Arctic were out of their jobs and fishing marketing was severely impacted.

International petroleum companies, also known as Big Oils, were always the target of Greenpeace's critiques. Greenpeace believed that many of these oil companies actively used public media to "greenwash": these oil companies tried to reverse their negative images and rebuild fake images of environmental-friendly, responsible and safety-concerning by sponsoring the cultural or sports event, investing in infrastructure construction, and partnering with corporates that with good and positive reputation.

As the second-largest global petroleum firm, Shell has five core businesses, including explorations and production, gas refining and electricity, coal gasification, chemical engineering, and renewable energy. They have branch-offices and businesses in more than 140 countries worldwide. Currently, they are actively investing in Arctic oil drilling.

Shell had caused several environmental impacts during 2012 and 2013, including the strand of the oil drilling platform, the failure in safety test of their drilling vessels, the failure in a test of their drilling equipment, and the outbreak of fire on their drilling vessels. United States Coast Guard (USCG) also disclosed that Shell had ignored the safety warning, leading to the incident of oil drilling platform stranded. Moreover, Shell's drilling platform "Kulluk" and drilling vessel "Noble Discover" was found to exceed the standard of pollutant emission, violating the Clean Air Act (CAA) of the United State. As a result, Shell was fined because of it.

There was another perspective that believes that Shell had already done more on environmental protection than any other oil company. For instance, in their 2013 sustainability report, Shell claimed that they are devoted to providing the global energy supply and establishing a clean energy system. In environmental protection, Shell also claimed that they are dedicated to reducing the amount of water usage and the amount of carbon dioxide and waste emission. In this report, an interview of Shell's vice chief executive Ann Pickard was included. Pickard addressed the urgent needs of exploring new fossil fuel areas and establishing the next generation energy since the traditional global energy supply was reducing. The coastal area of Alaska has abundant unexploited oils and gas. To solve the urgent need for global energy supply, it is necessary to exploit Alaska's coastal area. In this interview, Shell also claimed they have fully prepared for any possible accidents of oil leaking. Even in the worst scenario, Shell still has the ability to pre-warning and dealing with the aftermath. They will minimize any possible environmental impact.

However, Greenpeace believed that no corporates are capable enough for safely drilling in the Arctic. The extreme weather, harsh environment, frozen temperature, huge iceberg, and constant storms would make offshore drilling even more difficult. Besides, scientists have warned that it is impossible to fully clean up the oil leaking if

it happened in the Arctic, causing extreme harm to the unique ecosystem in the Arctic. Greenpeace also believes that the critical decisive factor of whether Shell is able to drill in the Arctic is the permission from the US government. The United State authority will evaluate thoroughly the environmental, social and political risks of this plan. In this critical moment, Shell used its collaboration with Lego to build a good image of supporting family, embracing integrity and caring sincerely for human rights. They hoped that this positive image will influence the US government on the evaluation of the Arctic oil drilling plan. Therefore, Greenpeace decided to pull every effort in breaking the collaboration between Shell and Lego.

Firstly, Greenpeace produced a short documentary. The protagonists of this short film were sorrow Polar bears, the oil-polluted ocean, and the unconcerned oil company. In early July of 2014, Greenpeace released a short film called “LEGO: Everything is NOT awesome”, using Lego brick to stimulate the oil leaking accident in the Arctic. This film had received six million views just on YouTube. In the following, Greenpeace organized a street protest outside the Shell head office in London at the end of July 2014. The protest was held by 50 children with their parents accompanied, using huge Lego Brick to make three animals for protesting Arctic-destroyed Shell to put their logo on the beloved Lego toys. Moreover, Greenpeace also created a Lego minifigure with a Lego Polar bear “Pauline” as the protest icon. This Lego minifigure can be seen all the way from Paris, Taipei to Buenos Aires. Polar bear “Pauline” even travelled to Hong Kong to deliver the message of protecting the Arctic. Greenpeace also encourage people to write letters to Lego, indicating people’s attitude against Shell and their wish for stopping the collaboration between Lego and Shell.

After these incidents, The Economist had issued an article named “Childish Arguments”. In this article, The Economist believed that many oil companies had

already actively invested in renewable energy development. If people only put their focus on those incidents, the reputation of oil companies would be tarnished. Even more, the materials of Lego toys are actually made from oil. There are few enterprises that can remit from the original sin for using fossil fuel. In fact, all of us are the sinners of destructing nature. When people used transportation and charged for our smartphone, we are all involved in this destruction by using fossil fuel. We did not reflect on our own behavior, instead, we put the blame on the Lego and oil company. Furthermore, Greenpeace actions would cause some good petroleum companies for losing their chance of exploration and production on Arctic oil. This would not provide any help on the current energy shortage. The excessive criticism would eventually handicap the business activities of corporates.

### **Questions:**

1. If you are the CEO of Lego, would you choose to partner with Shell in the beginning? And what are the reasons for your choice?
2. If you are the CEO of Lego, how can Lego respond to public pressure? After the boycott, will you continue on this collaboration with Shell? And what are the reasons for your decision?
3. Please provide your personal reflection on these incidents from the perspective of sustainable development.

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