

# LEGO Is Keeping Bad Company





# No more playdates with Shell

For over 50 years, LEGO has inspired children's play and creativity. The company which was founded in 1932 is loved and admired not only for producing quality toys, but also for its efforts around safety, climate and the environment. It is ranked as one of the top ten most reputable companies in the world.<sup>1</sup> For all these reasons, LEGO is a wonderful playmate for children around the world.

However, LEGO has fallen in with the wrong crowd. As part of a co-promotion, LEGO has branded Shell's logo on a special set of its toys. As one of the world's largest oil companies,<sup>2</sup> Shell is responsible for a significant amount of global carbon emissions. And Shell is now hunting for more oil in one of the world's last remaining pristine regions: the Arctic. Sea ice in the The far north is melting, but rather than see this as a warning sign, Shell sees it as an opportunity to drill for more of the oil that caused the melt in the first place. In the Arctic it would be next to impossible to clean up after the inevitable oil spill and the consequences of an accident would be devastating for the unique wildlife and fragile environments of the polar north. Nevertheless, despite the all too obvious risks, Shell refuses to give up its ambition of taking first place in the race for Arctic oil.

Over the past two years Shell and LEGO have run a global advertising campaign in which LEGO Formula One mini-cars are given away or purchased when drivers refuel at Shell petrol stations.<sup>3</sup> The co-promotion has been delivered with a full spread of marketing paraphernalia including billboards, celebrity endorsements, videos, a full-size LEGO Formula One car and more. 16 million Shell branded LEGO sets have been sold at filling stations all over the world, from Brazil to the Philippines, Pakistan to Australia.<sup>4</sup>

By placing its logo in the hands of millions of children, Shell is building brand loyalty with the next generation of consumers, voters, business leaders, shareholders and politicians. Just as Shell lobbies today's decision-makers to win approval for its Arctic drilling, it's also securing support from the next generation of movers and shakers who will ultimately have the final say over Shell's future. This co-promotion is extremely worrying: Shell has launched an insidious invasion of children's playrooms in order to prop up its public image.

This playdate is not merely an advertising campaign, but forms part of a carefully thought-out strategy by Shell to buy friends who can make its conduct look acceptable and misleadingly associate it with positive values. Children and grown-ups around the world love to play with LEGO. But LEGO should not let itself be used to condone environmental destruction in the Arctic. LEGO should stop making playdates with Shell.



# Shell needs nice playmates

Oil exploration and extraction require vast resources, and in recent years the industry has increasingly acknowledged that, in order to protect its investments, complying with local laws is no longer enough. It also needs the tacit support of local communities and the general public.<sup>6</sup>

The term social licence describes the goodwill on which an international oil company like Shell depends. Social licence is an intangible yet crucial concept, which a company must first acquire and subsequently maintain.<sup>7</sup>

Shell needs certainty that social or political changes will not undermine the company's value. Accordingly, it focuses significant resources on coming across as trustworthy in the eyes of everyone from shareholders to local communities. It is not enough to just gain respect of the higher echelons of political decision-makers, so Shell works systematically throughout the world to strengthen and preserve its social licence by supporting research, culture, sports and the arts, creating dialogue groups and partnerships, and other intensive PR and advertising efforts.

In England and the Netherlands, where the company's two headquarters are located, Shell's sponsorships include London's Science Museum and Amsterdam's Van Gogh Museum.<sup>8</sup> In the USA, Shell sponsors the world-renowned New Orleans Jazz Festival, held near drilling fields in the Gulf of Mexico. And closer to the Arctic in northern Canada, Shell finances a series of environmental protection programmes and teaching materials for local schools.<sup>9</sup>



*We know it works – almost three quarters of those that come into contact with Shell through our partnerships around the world go away with an improved view of our company.<sup>10</sup>*

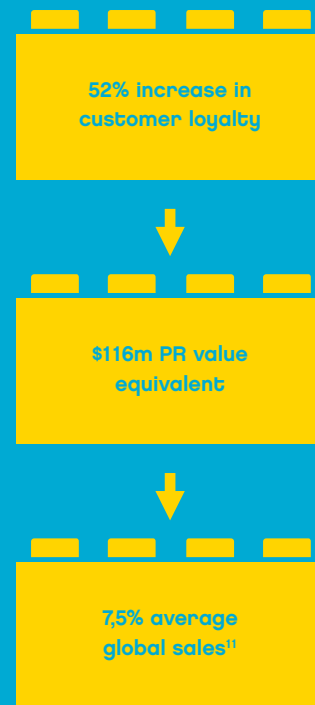
# LEGO is Shell's number one playmate

Shell and LEGO have a long history stretching back to the 1970s and LEGO plays an absolutely central role in Shell's strategy of buying itself social licence. <sup>12</sup> LEGO features in the top ten of most reputable companies in the world <sup>13</sup> and reaches right into living rooms and playrooms through more than millions of children playing with its toys across the world. <sup>14</sup>

In 1999/2000 a £50 million Shell/LEGO co-promotion was launched, aimed at giving Shell a facelift by lending it some of the glamour of Ferrari's macho, sporty image combined with the solidity of LEGO's family values. <sup>15</sup> Following the promotion, Shell's own Annual Report boasted that Shell "are one of the world's largest retailers of LEGO™ toys" <sup>16</sup> Now the partnership has been refined and relaunched to sweep the world from 2012 until 2014, with the distribution of LEGO Formula One mini-cars at Shell petrol stations. <sup>17</sup>

Targeting children is integral to this social licence strategy. The beauty of Lego lies in a child's ability to create their own versions of the real world in their play room and with the Shell LEGO cars, children will start to see Shell as an inevitable part of the fabric of life – like a hospital, school or farmyard.

## The value to Shell of the 2012-13 co-promotion with LEGO:







Shell

V-Power



## Children and advertising



**Dr. Susan Linn**, a psychologist at Harvard Medical School and author of *Consuming Kids: The Hostile Takeover of Childhood*, describes:

“

Children form strong emotional attachments in childhood that last a lifetime, and companies know that all too well. A major danger with inappropriate and pervasive advertising to children is that unscrupulous companies use this mechanism to capture what marketers call “cradle to grave” brand loyalty. Research shows that if you secure brand loyalty when children are young, that positive glow lasts into adulthood. Brand loyal customers are less likely to notice changes in a product or think critically and independently about a company’s ethics.

Imposing product placement on children toys is particularly invasive. Toys profoundly influence children’s desires, values and aspirations. Adverts aimed at children are bad enough, but branding their favourite playthings gain companies like Shell many hours and even days of their dedicated time, energy and love.

We need to protect children’s imaginative play from branding for many reasons, including the important need for them to explore their own ideas and develop their own world view. Children have a right to experience a full, playful and joyful childhood without cynical advertising from companies whose only interest in kids is as a consumer group.

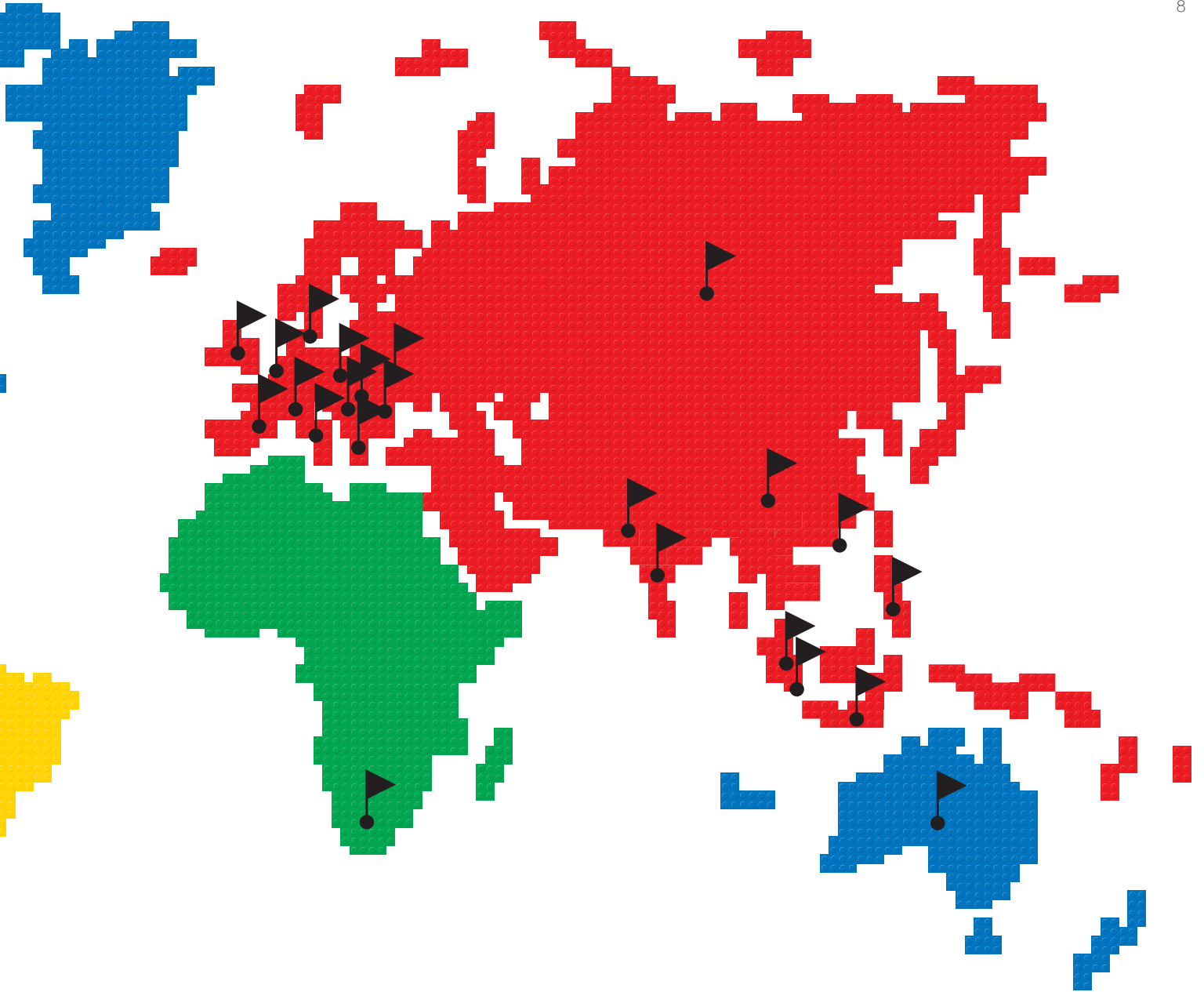
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## Where in the world did the promotion take place?

|                |                |
|----------------|----------------|
| Australia      | South Africa   |
| Chile          | Argentina      |
| China          | United Kingdom |
| Hong Kong      | Denmark        |
| Italy          | Pakistan       |
| Bulgaria       | Malaysia       |
| Russia         | Philippines    |
| Hungary        | Indonesia      |
| Czech Republic | France         |
| Poland         | Greece         |
| Slovakia       | Ukraine        |
| Brazil         | Singapore      |
| India          | Netherlands    |









# LEGO is too good for Shell

There is good reason why LEGO is one of the most supremely reputable companies in the world. <sup>18</sup> Not only does LEGO reach 75 million children each year, making it the world's largest toy producer; <sup>19</sup> the company also works systematically to reduce its negative effects on the climate and the environment. <sup>20</sup>

LEGO has invested in a 77-turbine marine windfarm and aims to be 100% powered by renewable energy by 2020. <sup>21</sup> LEGO's vast consumption of paper for toy boxes has been minimised in recent years and will be 100% environmentally certified by 2015. <sup>22</sup> These two initiatives make LEGO a unique company in relation to environmental and climate concerns.

It is plain to see what LEGO's strong brand – associated with family values, creativity and responsibility – can do for Shell, but it is less clear why LEGO is willing to lend legitimacy to Shell's ambition to extract Arctic oil and continued exacerbation of global warming.

LEGO has confirmed that the co-promotion between Shell and LEGO will continue into the future in some markets. Greenpeace has raised concern over the relationship in the past, but the challenge has been ignored by LEGO.



# Shell is bad company

The Arctic is melting, and unique wildlife and nature in the far north are under massive pressure. In addition to driving climate change, Arctic oil drilling also poses a huge threat to the Arctic itself. Even the oil industry is aware that drilling in the Arctic is particularly risky, as the often extreme weather conditions make it near impossible to clean up after an oil spill in icy and remote waters. At the same time, the natural environment of the Arctic is particularly vulnerable to oil spills due to the low temperatures.

Shell carried out its first test drilling in the Arctic in 2012, just north of Alaska. The company lost control of its Kulluk drilling rig, which ran aground near a nature sanctuary because Shell management – wanting to avoid paying tax to keep the rig in Alaska – defied forecasts of appalling weather and insisted on hauling the rig over the sea towards the USA in the teeth of a winter storm. An investigation into the accident revealed that Shell had neither the required permits nor safety plan in place, and had disregarded a whole series of very obvious warning signs.<sup>24</sup> These aren't the actions of a company that can be trusted to work in the fragile Arctic.

Since the US suspended its Alaskan drilling licence, Shell has joined forces with Gazprom to drill in the Russian Arctic, a company that is responsible for massive oil spills in Russia. A few years ago Gazprom lost the Kolskaya drilling rig, which overturned and sank near the Arctic in a winter storm, claiming the lives of 53 workers and crew on board.<sup>25</sup>





# #BlockShell

Shell desperately needs to be linked to positive values such as play, creativity and family. LEGO makes itself complicit with Shell's destructive activities by allowing the oil giant to use this partnership to buy social acceptance.

If LEGO refuses to play with Shell, the oil company will not only lose one of its most important partners in its social licence strategy, LEGO's rejection could also make other partners think twice before falling for Shell's PR sweet talk.

Children construct their relationship with the world through play with products like LEGO. In light of the pressing need to address climate change, and build a future without fossil fuels, it is imperative that LEGO cuts its ties with Shell. LEGO mustn't help Shell play around with our future. A first step to stopping Shell from polluting one of the most pristine places on the planet is to stop Shell polluting our children's minds.

Greenpeace is calling on LEGO to live up to its own values and cut all its ties with Shell now.



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