

Winds of Change: Corporate Strategy, Climate Change and Oil Multinationals

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Behind pessimistic expectations regarding the future of an international climate treaty, substantial changes can be observed in company positions. Multinationals in the oil and car industries are increasingly moving toward support for the Kyoto Protocol, and take measures to address climate change. This article analyses developments in the oil industry over the past few years, observing considerable shifts in corporate climate strategies. It compares British Petroleum, Royal Dutch Shell, Texaco and ExxonMobil, of which currently only the latter strongly opposes a climate treaty. BP and Shell have moved decisively toward supporting emission reductions and investing in renewable energy, while Texaco has begun to move in a similar direction. Divergent behaviour can be explained in terms of company-specific factors, particularly corporate histories of profitability and location, market assessments, degrees of centralization and the presence of climate scientists. Ongoing stakeholder pressures, which focus on 'first-mover' BP, are evaluated. © 2001 Elsevier Science Ltd. All rights reserved.

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Climate change is an international environmental issue that has provoked widespread controversy in the industries that are most involved (Ikwue and Skea, 1994; Levy, 1997). Strong business opposition has contributed to the deadlock in the negotiations, with a US government that rejects particularly the European efforts to proceed with the international approach as agreed upon in Kyoto in 1997. The oil

industry has been a critical player in the worldwide efforts to address greenhouse gas emissions (e.g. Anon, 1999). The combustion of oil-based fuels for transportation, electricity generation and heating accounts for more than half of greenhouse gas emissions in industrialized countries. At the same time, oil multinationals control substantial technological, financial and organizational resources which, if applied appropriately, could play a major role in reducing these emissions and in implementing international policies. From a business perspective, companies can try to seize possible economic opportunities arising from the climate issue by reducing risks and costs, anticipating regulation, developing green capabilities through new products or markets, and strategic behaviour vis-à-vis competitors (Kolk, 2000; Reinhardt, 2000a; Rugman and Verbeke, 2000).

With increasing regulatory and public pressure, the climate strategies of most oil companies have started to change. However, as Table 1 shows, the timing, pace and types of responses have varied enormously. BP, followed by Shell a few months later in 1997, were the first to adopt a more open stance toward climate science and the Kyoto protocol, and have joined industry associations and partnerships with environmental non-governmental organizations (NGOs) that reflect these perspectives. They have invested resources in low-emission and renewable energy sources. Located at the other end of the spectrum is ExxonMobil, which maintains a strong lobbying stance against mandatory reductions of greenhouse gases, arguing that these measures are not justified by the science and are prohibitively expensive. It has not joined its counterparts in investing in renewables. In between these extremes is found Tex-

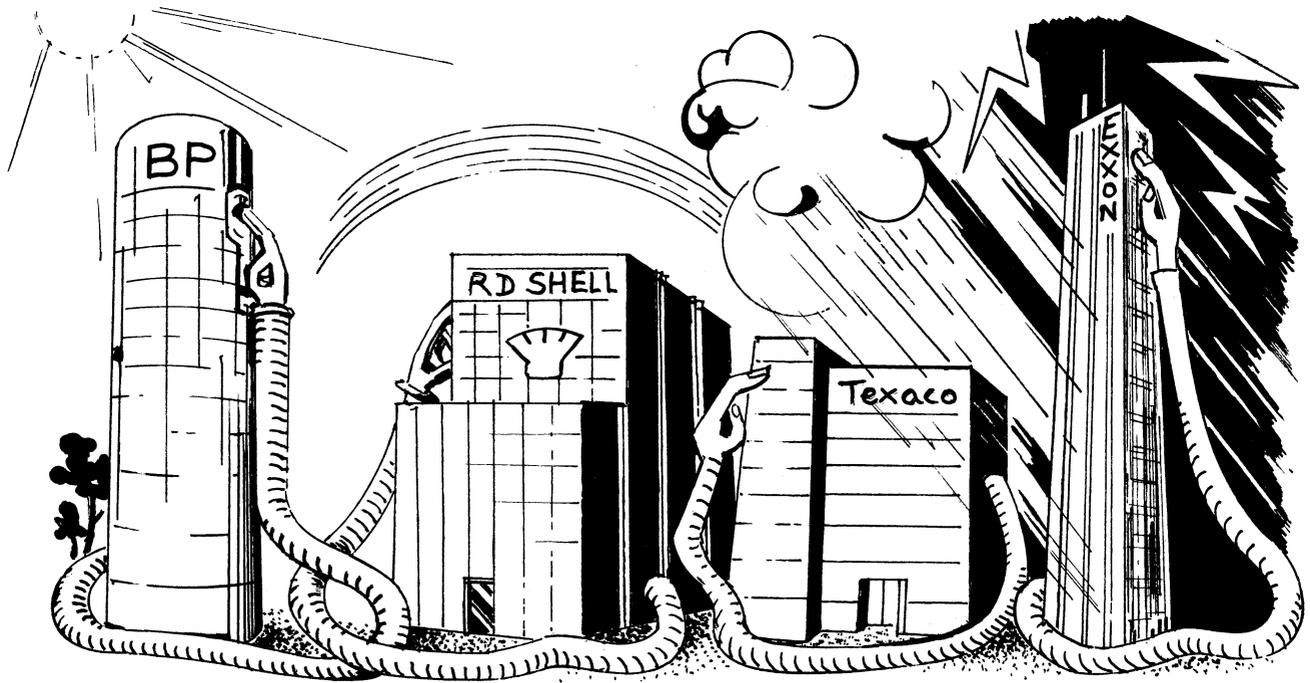


Table 1 Overview of Oil Companies' Climate Positions

| Topic | BP | ExxonMobil | Shell | Texaco |
|---|--|---|--|--|
| Public recognition of the climate problem | May 1997 | NA | September 1997 | February 2000 |
| Current view on climate science | Precautionary principle | Uncertain; precautionary principle precludes science | Precautionary principle | Need to move beyond 'protracted debate on science' |
| View on Kyoto protocol | Is supported | Labelled as ineffective | Considered to have real policy commitments | Will not responsibly fulfil its objectives |
| Membership of Global Climate Coalition | Left in 1996 | Stayed until the end | Left in April 1998 | Left in February 2000 |
| Type of climate measures | Measurement and external monitoring of emissions; renewable investments, especially solar and hydrogen | No climate measures; points at emission reductions in refineries, and research expenses | Measurement and external monitoring of emissions; renewable investments in solar, wind, biomass and hydrogen | Measurement of emissions; renewable investments, especially hydrogen |

aco, which changed sides much later, in February 2000.

How can the divergence of these responses within one and the same industry be explained? As the industry environment is similar for all companies, the different strategies originate from company-specific factors, particularly corporate histories of location and profitability, market assessments, degrees of centralization and the presence of climate scientists. In this article, these factors will be examined consecutively to understand variations in the timing, pace and types of climate strategies as adopted by BP, ExxonMobil, Shell and Texaco. Although observers, especially before Texaco's shift, have been tempted to trace differences back to regional and country origins, our analysis shows that

this is just one factor informing company behaviour. Company strategies can only be explained from a combination of distinct traditions, backgrounds and idiosyncracies, which will be analysed in this article following the elements summarized in Table 2. The detailed comparative case studies, and the rich set of data derived from interviews and the analysis of primary and secondary material, provides insights into the different factors that have played a role in the strategic changes on the issue of climate change.

Location and the Timing of Change

Location-specific factors are to some extent internalized by companies, even if they are large multina-

Table 2 Important Explanatory Factors for Corporate Positions on Climate Change

| Factors | Components |
|---------------------------------|---|
| Locational factors | Societal concerns about climate change in home country Societal perceptions about scientific uncertainties Societal views on the behaviour of oil companies Regulatory culture (litigational or consensus-oriented) National policies on climate change |
| Economic and market position | Company financial and economic situation Competitive, market positioning Role of long-term scenario planning History of involvement with renewables |
| Internal organizational factors | Degree of (de)centralization Position of CEO Availability and type of internal climate expertise Type of decision-making process Corporate culture |

tionals that operate worldwide. Public opinion and regulatory policies in the country of origin, which is home to their corporate staff and many of their employees, and accounts for considerable shares of sales and assets, influences the way in which companies approach environmental issues. It has been hypothesized that the trans-Atlantic divide might be an important factor for explaining corporate positions on climate change (Rowlands, 2000). As examined in more detail below, a US –European comparison shows differences in the overall socio-cultural and political contexts, especially related to the timing of societal concerns for climate change, corporate reactions and interactions with stakeholders, including policymakers. The implications for the changes in the oil industry are not unequivocal, however, for several reasons.

As the climate issue matured in public opinion and policy circles, international communication and exchange of views increased, leading to a gradual decline of the initial differences between the regions. Companies also started to take positions that deviated from what would be expected on the basis of their nationality; Texaco is a case in point. Especially in the oil industry, global in nature with a small number of large multinational players closely watching each other, the salience of the US – European dividing line seems to be declining. Socio-cultural and

political developments are nevertheless important to consider as (historical) background for understanding company strategies.

Socio-Cultural Factors

In the US, climate change became a cause for societal concern at an earlier stage than in Europe. Coinciding with a warm summer, global warming received considerable media and Congressional attention in 1988 and alarmed US industry. The Global Climate Coalition (GCC) was formed in 1989 to represent major fossil fuel users and producers, and lobby Congress to prevent regulatory measures. Contentious policy battles have been waged on the basis of detailed technical studies, focusing on the scientific (un)reliability of the evidence on global warming. US industry associations and oil companies have challenged the legitimacy of the Intergovernmental Panel on Climate Change (IPCC), created in 1988 to investigate this matter. As the most outspoken oil company, ExxonMobil has emphasized the absence of a proof for climate change from the very beginning. Only in the past year, after its withdrawal from the GCC in 2000, did Texaco publicly announce its wish 'to move beyond protracted debate about the adequacy of the science'.¹

Compared to the US, European public concern about climate change emerged more slowly with the preparations for the 1992 United Nations Conference on Environment and Development. Industry did not form an issue-specific association, although it also warned for harm to competitiveness. Since the mid-1990s, societal awareness of the problem, its causes and the potential implications has increased. The political debate has focused less on the nature of the scientific evidence and on technical details, and more on finding consensus for ways to deal with the issue. Challenging the science and the IPCC without a willingness to cooperate and work on alternatives is not considered socially acceptable, and jeopardizes existing corporate channels of influence. Companies such as BP and Shell have withdrawn from the GCC and are active in more cooperative associations such as the World Business Council for Sustainable Development, and in emission trading initiatives. Contrary to 'big elephant' ExxonMobil, which has a powerful negotiation position in the US regardless of its ferocious rejection of measures, Shell and BP have thus felt pressure from their stakeholders, including employees, for a constructive approach to secure credibility, legitimacy, obtain reliability and a seat at the table.

The stance of companies also originates from societal worries concerning the broader environmental impact of oil exploration, production and transport. These also started earlier in the US than in Europe, driven by the Exxon Valdez oil spill in 1989. As a

result, US oil companies started to report on their environmental behaviour. Both Exxon and Texaco published environmental reports already over 1990, while the two European companies followed a few years later (BP in 1995, Shell in 1997). The impact of oil companies has become contentious in Europe particularly since the mid-1990s following the Nigerian and Brent Spar controversies, and recent oil spills in the Atlantic Ocean. Shell has taken strong measures to be responsive to social and environmental concerns, since a lack of social legitimacy is seen as a fundamental threat to the company. Following the Brent Spar incident, consumer boycotts were organized in European countries, and sales dropped, particularly in Germany. Whereas Shell's previous scenarios did not reckon with broad societal awareness, they currently envisage substantial public pressure about globalization and the environment, which translates into political pressure. BP's CEO Browne made a strong public statement about climate change in 1997 in an attempt to acquire a green(er) profile. Its new global brand and the advertising campaign that accompanied its introduction refer to this image even more explicitly.

Generally speaking, Shell and BP have a more cooperative approach towards NGOs than ExxonMobil. They tend to consult NGOs on various issues in order to be kept informed about societal perceptions. This cannot be explained, however, from overall socio-cultural differences between the regions, as many US multinationals have partnerships with domestic environmental and social NGOs (Rondinelli and Berry, 2000; Van Tulder and Kolk, 2001).

The Regulatory Context

In the EU, discussions to implement climate policies in order to stabilize emissions started in the early 1990s. Although the overall target, and the underlying precautionary principle, was supported, attempts to adopt an energy tax faltered as a result of strong opposition by industry and some member states (Ikwue and Skea, 1994). Support came from countries in Northwestern Europe, including The Netherlands, whereas the UK rejected the proposal mainly because it was seen as European interference in domestic taxation matters (with the closure of the coal mines as a secondary factor, Maddison and Pearce, 1995). Due to the 1997 Kyoto conference, the late 1990s witnessed the resurfacing of the threat of some kind of regulatory intervention to address climate change. In line with societal appreciation for constructive approaches, many European companies, including BP and Shell, have been active in such discussions, also as a way to pre-empt stricter or undesirable forms of regulation. In, respectively, the UK and The Netherlands, BP and Shell have played a role in the voluntary initiatives, particularly emission trading, that were proposed to counter regulation.

In the UK, business came up with proposals on how

to reduce emissions after Kyoto, especially through voluntary agreements and market mechanisms. After the Labour government announced its plans to introduce an energy tax in early 1999, broad-based industry associations opposed this proposal, warning about harm to business competitiveness. At the same time, however, large companies also very soon started to cooperate on a greenhouse-gas trading system. The tax initiative was subsequently scaled back and postponed, with industry continuing to oppose the levy. In The Netherlands, business had already offered before the Kyoto conference to participate in an international benchmarking of energy efficiency. As a *quid pro quo*, the government refrained from imposing specific emissions measures targeted at the industry. In early 1999, parties agreed on a covenant in which Dutch companies committed themselves to the objective of becoming the world's most energy efficient firms as soon as possible. If they have to take substantial measures to arrive there, these should be realized in 2012 at the latest.

In the US, the political and regulatory situation has been quite different with regard to climate change. Only in 1989 did the (first) Bush administration suggest the importance of a 'no-regrets' approach towards climate change (Bryner, 2001). Within one year, however, this changed into an emphasis on more research and opposition to an international agreement and binding commitments. The subsequent Clinton administrations participated in the international negotiations, but faced a hostile Congress at home. As a result, there was no opportunity to translate this tentative support for international steps into Kyoto ratification or into concrete measures other than calls for voluntary steps by companies. The debate has continued to focus on the reliability of the science, damage to the US economy and the lack of participation by the developing countries. The current Bush administration has given a new impetus to this rejectionist approach. The position taken by companies such as ExxonMobil matches with the political context, and there is consequently not much domestic pressure to be more cooperative.

Although participatory and pre-emptive approaches thus fit much more into the European tradition, this neither means that European countries take identical measures nor that similar approaches are impossible in the US. The voluntary, pre-emptive initiative taken by the US chemical industry (Responsible Care) and sulfur emission trading schemes are cases in point. In the present political context, however, EU policymakers are moving in the direction of an energy tax as a result of increasing support by the member states, whereas the US administration and Congress are taking an even more oppositional stance on climate. Although this gives companies such as ExxonMobil ample opportunity to continue their opposition to climate measures, there is as much room for other companies (Texaco) to support them. This also

means that other factors than location alone are important to explain and understand corporate strategies. In the case of climate change, this involved particularly the economic situation and market positioning, and internal organizational and idiosyncratic factors.

Economic and Market Position

The economic situation of the oil multinationals has largely reflected the turbulence of the industry as a whole. In the past few decades, the industry has exhibited waves of diversification in the mid-1970s, divestments and focus strategies one decade later, and large-scale mergers and acquisitions in the late 1990s (Ernst and Steinbuhl, 1999; Grant and Cibin, 1996; Stonham, 2000). In this restructuring race, Exxon was the most aggressive and successful in implementing the lean model of cost reductions, efficiency and shareholder value, leading to high returns on capital employed. In the period between 1990 and 1999, Exxon had an average return on capital of 12.7 per cent, compared to 9.4 per cent for both BP and Shell (Durgin and Corzine, 2000). For the two European companies, return rates were particularly low in the early 1990s, and they were forced to restructure drastically (Halberstadt, 1998; Stonham, 2000). As a considerably smaller player than the oil majors, Texaco has operated in a relatively low margin business, suffering difficulties particularly when oil prices are low (Ernst and Steinbuhl, 1999).

The difficult situation for BP, Shell and Texaco is likely to have contributed to the different market orientation that they have started to adopt. With high returns on capital, Exxon did not experience any need to change its strategy of focusing on two large growth markets: supplying oil for transportation and gas for power markets. Instead, ExxonMobil's CEO Raymond very recently proclaimed that 'we are industry leaders in all aspects of our operations' (Corzine, 2000), having 'established a new definition for world class scale and efficiency in our industry' (Corzine, 2000; Durgin and Corzine, 2000). The company is strongly focused on running very tight financial controls, can remain profitable even with very low oil prices, and thus feels therefore less pressure to invest in alternative technologies. Alternative energy has been under review for three decades. This has led to the conclusion that renewables are only niche markets, in which the company will not invest as long as substantial profits cannot be expected, and that, as CEO Raymond stated, it 'made better sense for us to concentrate on our core energy and petrochemical business'.² In view of Exxon's expertise in extracting from older oil fields, the company is more confident about its possibilities of continued exploration.

In contrast to ExxonMobil, the other three companies

currently characterize themselves more broadly as energy companies. There are differences in focus and timing, however. BP and particularly Shell have a broader approach than Texaco, and started the process a few years earlier. In the past year, Texaco started this transition as part of a movement away from its traditional reliance on bulk. In considering alternative energy technologies, Texaco has there is no clear idea of what the 'winners' will be; geothermal technologies receive particular attention in view of their good fit with existing core competencies in geology and drilling, and spending on cleaner, synthetic natural gas has increased in 2000.

BP's broader focus started with its renewed investments in solar in 1996, which have expanded since, particularly through the creation of BP Solarex. This new company merged BP's solar division from the 1980s (BP Solar) with Solarex, acquired from Enron in 1999. The emphasis on BP's distinct energy profile became most explicit with the launch of its new global brand, the Helias trademark and the slogan 'BP – Beyond Petroleum' in July 2000. Although BP considers all options for alternative energy, it has invested primarily in solar. CEO Browne made very positive assessments about renewables in 1998, expecting shares of 5 per cent by 2020, and 50 per cent by 2060 (Corzine and Marsh, 1998).

Shell can be characterized as the broadest energy company in view of its investments in oil, gas and power, and renewables. From 1997 onwards, it has invested in power generation, and more recently also in the trade and distribution of power (Otten, 2000; Veeger, 2000), and in solar and biomass, of which the company had retained some activities from the 1970s. Shell's policy, traditionally based on long-term scenarios, currently points to a considerable role for renewable energy, projected to rise to 30–40 per cent by 2060. The exact division among the various sources is difficult to predict, but in its activities Shell bets on biomass, solar, wind and perhaps geothermal energy. In renewables, the company invests in line with existing businesses where possible, using available expertise and experience. Examples include offshore wind activities and geothermal's synergies with exploration and production.

Internal Organizational Factors

As part of the restructuring wave in the 1980s, oil companies streamlined their organizations, reducing the number of management layers and divisions (Grant and Cibin, 1996). They changed their structures from geographical to product-based divisions, usually upstream, downstream and chemicals. Company-specific differences remained, however, with some combining both types, in which a geographical structure applied to some parts of the organization. Examples include Texaco and Exxon. In the late

1980s, both companies underwent a process of substantial downsizing and decentralization.

Shell did not follow this wave as it had traditionally been very decentralized, having grown organically from two separate national bases. In view of this history, Shell has generally preferred to rely on joint ventures and alliances, and on building new competencies itself, rather than through mergers and acquisitions. This emphasis on internal growth explains the company's early investments in renewables. Exxon, by contrast, can wait and acquire competencies later through acquisition. Compared to the other oil companies, Shell also differs in its top management model: a committee of managing directors headed by a chairman instead of a CEO, with position changes every five years.

Except for Exxon, the other companies (again) restructured in the 1990s: BP after 1992, Shell after 1994, and Texaco after 1996. This coincided with the arrival of new top managers, respectively Browne, Herkströter and Bijur. In all cases, product-based business groups or divisions were created in order to improve efficiency and market-responsiveness. The reorganizations created a climate of change within the three companies, with a strong impact of the new leaders, albeit in different ways. Shell's chairman started the company's transition from a closed to a more open culture following the serious large controversies surrounding the company's Nigerian investments and the proposed sinking of the Brent Spar oil platform. This also included efforts to bring Shell Oil more into line with corporate policies; the opposition of this 'independent fiefdom' to withdrawal from the Global Climate Coalition obstructed Shell's corporate position change on the climate issue for some time (Corzine and Durgin, 1999; Shell, 1998). Individual factors played a role in all three companies' stances on climate change.

Although the climate issue had been around since the late 1980s, the preparations for the Kyoto meeting, the conference itself in December 1997, and the wide support for the protocol by so many countries, were most influential. Browne's speech in May 1997, and the extensive and positive publicity that BP received from it, had an impact on other companies. Climate change increasingly became a topic for discussion at international business meetings such as the World Economic Forum in early 1998. At this Davos meeting, John Browne mentioned that he had been 'struck by the openness of the debate among senior people in the industry and in particular by the strong support for action expressed by Cor Herkströter, the head of Shell, and Peter Bijur, the head of Texaco'.³

Especially for Texaco's CEO, the Davos meeting signalled the moment when his thinking about the climate issue began to change. Climate was identified as a major strategic issue, and the company started with the collection of emission data, after having

looked at the approaches taken earlier by BP and Shell. It took some more time, however, before this resulted in an overall public policy change, the withdrawal from the GCC, and the appointment of new staff with a clear environmental mandate. In 2000, Texaco also became a member of the World Business Council for Sustainable Development and, together with companies such as BP and Shell, signed a set of voluntary principles on security and human rights drawn up by the UK and US governments.

Unlike the other three companies, Exxon has had internal climate expertise since the early 1980s; an informal climate team and network was created by the mid-1980s. It employs a climate scientist who has published in the academic literature, has become a 'skeptic' and is a key figure in developing Exxon's strategy. The company prides itself on providing one consistent message concerning climate change, both internally and to the world. Other companies are perceived as pandering to public opinion without fundamentally changing strategies, at least as far as their oil and gas businesses are concerned.

BP, Shell and Texaco do not have internal technical, scientific knowledge, but rely instead on outside experts, who are sometimes brought in as speakers. The companies are therefore exposed to a wide range of opinion on the climate issue, and run less risk of institutionalizing a particular viewpoint. Building internal expertise is not deemed necessary or seen as useful, *inter alia* because oil industry scientists would not be considered as very reliable sources of information by outsiders. These three companies do have internal networks and climate teams, but these were created more than a decade later than Exxon's. In addition, they seem to be looser and more internationally-oriented; ExxonMobil has a highly centralized strategy-making process concerning climate change, with little room for local discretion or dissent. In spite of its multinationality, perspectives from elsewhere do not easily permeate into the deliberations of top management. Similarly, Mobil's slightly less confrontational style and different, more diplomatic leadership style, does not seem to have had much influence on ExxonMobil's corporate position. Exxon's tradition, structure and strategy-making process seems to have made it more prone to insular thinking than a decentralized company such as Shell. Decentralization helps to bring in more international perspectives, offering opportunities for more open decision-making and corporate change. In addition, Shell's scenario-based planning deliberately sets out to contemplate radical environmental changes and pressures, and to challenge conventional thinking at the senior management level.

Evaluating Drivers and Pressures

In conclusion, developments in oil companies' climate policies can only be explained from a set of

company-specific factors consisting of three components: locational, internal organizational, and economic situation and market position (see Table 2). After BP openly acknowledged the problem of climate change and announced measures, a dynamic has unfolded in the industry, accompanied by intensive stakeholder interaction. This section evaluates these pressures and the developments related to the companies' climate policies.

As the 'first mover' on the issue, BP has attracted most attention, receiving much support but also becoming the subject of public scrutiny. The company's decision for an active climate policy built on already existing environmental and safety activities within both BP and Amoco; it was stimulated by incidents such as the 1989 Exxon Valdez oil spill and the Brent Spar, but driven initially by internal considerations (Reinhardt, 2000b). The idea that leadership and responsibility would make good business sense and motivate BP staff also originated from internal doubts stemming from the Brent Spar controversy that debates in the public arena could be won on the basis of science alone.

BP's new position had a large impact on other companies, especially in the oil industry. Besides inducing companies such as Shell and Texaco to take similar steps and avoid not lagging behind, others in the industry reacted negatively to BP's breaking ranks with the industry (Reinhardt, 2000b). In addition, by recognizing the problem, demonstrating accountability and professing openness (Browne, 2001), BP has made itself highly vulnerable to criticisms, attracting even more attention from environmentalists than other oil companies (Bahree, 2001). In their campaigns, NGOs have focused on the basic unsustainability of the oil industry, the negligible amounts spent on solar energy compared to other expenses, and BP's continued investment plans in oil, especially in Alaska and Tibet. In July 1999, the US Transnational Resource and Action Center gave BP the special Greenhouse Greenwash Award for its 'Plug in the Sun' solar programme. It asserted that the selection had been difficult with industry competitors Chevron ('People do' advertising campaign), Exxon ('Save the Tiger Fund'), Mobil (claims for recognition of environmental considerations in Peruvian oil field exploration) and Shell (its 'Profits or Principles' philosophy).⁴

The new BP logo and the 'Beyond Petroleum' campaign, launched in July 2000, was ridiculed within the industry and by NGOs. It inspired Corporate Watch 'to think about more appropriate phrases for the company's re-branding: *British Petroleum: Beyond Pompous, Beyond Protest, Beyond Pretension, Beyond Preposterous, Beyond Platitudes, Beyond Posturing, Beyond Presumptuous, Beyond Propaganda... Beyond Belief*' (Bruno, 2000, emphasis in original). Internally, the slogan led to confusion and dissatisfaction, because it threatened to hamper the company's core

activities and business units' daily operations (Banerjee and Kapner, 2001). At the 2001 annual meeting, management retracted the original message by emphasizing that it was not meant to show the company's intention to retreat from oil. As Browne pointed out 'Beyond Petroleum just means that we are giving up the old mindset, the old thinking that oil companies had to be dirty, secretive and arrogant' (Buchan, 2001). Departing from previous positive expectations about the size of future markets for renewables, the CEO currently also seems to have become considerably less optimistic, and has stated recently that renewables could not even begin to substitute for oil on present conditions (Warner, 2001).

With regard to Shell, NGOs have particularly criticized its activities in Nigeria and with the Brent Spar. Although the Nigerian situation continues to provoke controversy, for example through the oil spills and victims' lawsuit against the company in the US, the follow-up to the Brent Spar has represented a new direction. The improvement of Shell's image has been helped by Greenpeace's admission of errors on the technical details, and by the publication of a series of externally audited Shell reports on its social, environmental and economic performance, and which discuss its main dilemmas. Shell has repeatedly emphasized that the investments in renewables are not public relations stunts, but involve long-term business decisions. This also means that they need to become profitable within five years.

ExxonMobil continues to be the focus of NGO criticisms for its climate change policy, which is seen as a major force behind the position currently taken by the Bush administration. Calls for boycotts of the major oil companies, particularly ExxonMobil (and Esso in the UK), have been made by representatives from green political parties in April 2001. While the company has felt the need to defend itself, this has merely included a repetition and explanation of its argumentation. In April 2001, Greenpeace threatened campaigns against five US oil companies (ExxonMobil, Chevron, Texaco, Conoco and Phillips), because they are seen as the main Bush supporters. Remarkably, this includes Texaco, which has adopted a different position on climate change, but not BP, which ranks high on the list of top contributors to the Bush campaign. In the list of donations by the oil and gas industry to Bush, BP (Amoco) ranks third, after Enron and ExxonMobil, and just before Chevron.⁵

In spite of some public pressure, however, climate change continues to be a very controversial issue for ExxonMobil. As a relatively more centralized company, the CEO and corporate headquarters have played an important role in adhering to the original strategy. Idiosyncracies also seem to be salient, particularly Exxon's traditional emphasis on science, the fact that a well-known climate skeptic has headed the climate team since 1980, and that the company is

proud of having provided a clear, consistent message on the issue. It is interesting to compare ExxonMobil's climate policy to its initiatives regarding fuel-cell technologies, where considerable investments have taken place. In the first few months of 2001, the company announced the development of a fuel-cell vehicle together with GM and Toyota, and joined the California Fuel Cell Partnership, in which the other oil companies BP, Shell and Texaco were already participating. These developments might mean that a future position reversal on climate change is not unthinkable, although unlikely in the present US political context.

Notes

1. Letter to GCC's executive director Glenn Kelly by James Metzger, Texaco's vice-president and chief technology officer, 25 February 2000.
2. Quoted in '21st century oil: big oil faces uncertain future', *Dow Jones Newswires*, 28 February 2000. Interviewees at Exxon headquarters confirmed this outspoken corporate position.
3. 'Texaco, Shell chiefs also seek climate action', *Reuters*, 6 February 1998.
4. <http://www.corpwatch.org/greenwash/bp.html>, website last accessed 28 April 2001.
5. ExxonMobil donated \$1.2 million to Bush, BP Amoco \$0.9 million, Chevron \$0.78 million, and Texaco \$0.35 million (calculated from the Center for Responsive Politics, <http://www.opensecrets.org>, website last accessed 28 April 2001).

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