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ENVIRONMENT

Burn Oil, Then Help a School--It All Evens Out

Nike, IBM, and Johnson & Johnson have all joined a Climate Savers program.

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Where some people see rising sea levels, worsening storms, and polar bears becoming extinct, Sue Hall sees a business plan. The hard-driving London transplant with a Harvard MBA heads the Climate Neutral Network, a nonprofit in Oregon, which is part of a transatlantic cottage industry that tries to show conglomerates the ways that fighting global warming can be profitable, not just politically correct.

In the past two years Hall has persuaded Shaklee Products, the Interface carpet firm, the Better World Travel Agency, and even the 2002 Winter Olympics, among others, to certify themselves as "climate cool." To qualify, they must reduce or compensate for their greenhouse-gas emissions from the burning of oil, gas, and coal so as to arrive at a neutral impact on the climate. Compensating (or mitigating, as it's known in the industry) can mean anything from upgrading public school heating systems to buying solar panels in developing countries to reforesting degraded land, which lets trees absorb heat-trapping carbon dioxide.

"For a long time consumers were in denial about global warming," Hall says. "There were too many big unknowns, and there were no solutions to reach out and grab." The idea is that given a choice, shoppers will be loyal to products that are more atmospherically benign.

Hall's crusade isn't a one-woman show. Future Forests, a for-profit British competitor, has used a similar pitch to persuade more than 125 corporate customers, including Avis Rental Cars, Mazda UK, and the rock band Pink Floyd, to adopt its "carbon neutral" label. And the World Wildlife Fund has recruited half a dozen major firms, including Johnson & Johnson, Nike, and IBM, into its Climate Savers program. Members must commit to an audited program of greenhouse-gas reductions. In return the World Wildlife Fund, the world's largest conservation group, pledges to tout the efforts.

"Being Nike, we're acutely aware of how you can be held in the spotlight. We wanted...a completely audited, credible program, which is why we found the World Wildlife Fund project attractive," says Jim Goddard, the sports firm's director of environmental initiatives.

U.S. firms gambling on a warm response to their climate-change plans have good reason to think Americans are more alarmed about the issue than their Chief Executive is. (President Bush last year rejected U.S. involvement in the Kyoto protocol, the draft treaty setting greenhouse-gas-reduction targets.) A Harris poll last year found that 75% of people surveyed now believe fossil-fuel emissions cause global warming, and to date,

127 U.S. municipalities--double last year's number--have pledged to slash fossil-fuel emissions as part of a voluntary program.

Whether this trend can really make money is still unclear. Not even Shaklee Products, which has been climate-neutral for two years, could offer proof that the decision had directly helped sales. And some climate-neutral products being contemplated, such as "cool fuel" gasoline, may draw protest from avid environmentalists, who make the analogy to low-tar cigarettes.

Nonetheless, an increasing number of executives are spurred on by concerns that include the fear of losing ground to climate-savvier foreign firms and being unprepared for a change of mood in Washington, which could quickly lead to a costly cap on carbon-dioxide emissions. Some are also intrigued by the well-reported boasts of companies like British Petroleum that claim to have saved money by increasing their energy efficiency.

But perhaps the most potent argument for many firms is that mainstream groups are getting involved. Back in Lake Oswego, Ore., Sue Hall sees herself at the hub of a powerful network whose spokes include local schools and governments, environmental groups, and corporations. She says she's currently pursuing a deal between a large energy corporation and the climate campaigners at the National Council of Churches, 50 million members strong, which has helped sponsor interfaith campaigns in 21 states. Says Hall: "We can bring together some truly unlikely bedfellows."

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