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Climate Control: Unlikely Allies in the Fight on Carbon

Companies from Wal-Mart to Eaton to FedEx are teaming up with environmentalists and nonprofits to cut down on greenhouse gas emissions

By [Diane Brady](#)

Although aggressive climate action is basically frozen in the U.S., the hard work of emissions reduction continues among states, cities, corporations, and nonprofits. On Nov. 16, [California Governor Arnold Schwarzenegger launched R20](#), a public-private partnership of regional players that seeks measurable reductions within five years. Environmental groups, while girding for courtroom battles against corporations seeking to roll back coming carbon regulations from the Environmental Protection Agency, are also working with companies that want to make their businesses more sustainable.

The first significant alliance between a corporate giant and an environmental nonprofit came in 1990, when McDonald's ([MCD](#)) began working with activists at the Environmental Defense Fund to get rid of the chain's ubiquitous foam clamshell containers. Another milestone came in 2005, when retail giant Wal-Mart Stores ([WMT](#)), working with Conservation International, EDF, and other groups, set ambitious targets to create zero waste, rely solely on renewable energy, and sell only products deemed "sustainable" by 2015. Now such partnerships are a key to the reduction of carbon emissions. In September, Duke Energy ([DUK](#)), Cisco Systems ([CSCO](#)), and local leaders in Charlotte, N.C., announced a push to reduce energy use in the city's core commercial buildings by up to 20 percent by 2016.

"The tide has turned," says Gwen Ruta, EDF's vice-president for corporate partnerships. Despite setbacks in Washington, she says, "There's this sense of inevitability that they have to adjust to a world where resources are scarcer and there's a price for carbon."

Successful green partnerships are rarely monogamous. While McDonald's maintains ties with EDF, the bulk of the company's sustainability efforts are channeled through broader industry initiatives that bring suppliers and even rivals into the mix. "The issues are so systemic that no one company can do it alone," says Bob Langert, McDonald's vice-president of corporate social responsibility.

Wal-Mart, long a target for green activists, announced a goal earlier this year of eliminating 20 million metric tons of greenhouse gas emissions from its global supply chain by the end of 2015. The behemoth is working with nongovernmental organizations at every level. "As big as we are, we can't take on these issues on our own," says Miranda Ballentine, Wal-Mart's director of sustainability.

For watchdog groups, the aim is measurable results. "We're supposed to be the voice for our mission, not the voice for shareholders of a corporation," says Jonathan Lash, president of the World Resources Institute. "It's our job to keep the pressure on." WRI and the World Business Council for Sustainable Development have created the Greenhouse Gas Protocol, a widely used accounting tool to track emissions.

EDF remains one of the most active players, with a "Climate Corps" staffed this year with 51 business school interns. Working with 47 companies, this summer's interns identified energy savings equal to taking some 67,000 SUVs off the road. At Eaton ([ETN](#)), Vice-President Dimitri Kazarinoff says collaboration with EDF and FedEx ([FDX](#)) to develop hybrid trucks helped generate technology that is now in use in hybrid buses in Beijing. EDF teamed up with Donlen, a Chicago company that leases and manages corporate fleets, in a push to cut emissions from the commercial fleet by 20 percent. "We could not have made this a global industrywide effort without EDF," says Dan Hannan, Donlen's senior vice-president of sustainability. "The inaction of the government has created a strong corporate sense of responsibility to do something ourselves."

The bottom line: Companies from FedEx to Wal-Mart have enlisted the help of environmental groups to cut their greenhouse gas emissions.

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