

WILL BIG BUSINESS SAVE THE EARTH?

SOME OF THE COMPANIES THAT PEOPLE LOVE TO HATE ARE ACTUALLY AMONG THE WORLD'S STRONGEST FORCES FOR PROTECTING THE ENVIRONMENT

By Jared Diamond

There's a widespread view, particularly among environmentalists, that big businesses are environmentally destructive, greedy, evil, and driven by short-term profits. I know—because I used to share that view.

But I've learned that it doesn't apply to all businesses. Over the years, I've joined the boards of two environmental groups—the World Wildlife Fund and Conservation International—serving alongside many business executives. I've been asked to assess the environments in oil fields and have spoken with oil-company employees at all levels. I've also worked with executives of mining, retail, and logging companies. I've discovered that while some businesses are indeed as destructive as many suspect, others are among the world's strongest positive forces for environmental sustainability—making sure our planet remains livable and that natural resources don't run out.

Businesses are increasingly concerned about the environment for several reasons. Lower consumption of natural resources saves money in the short run, while keeping resource levels sustainable and not polluting saves money in the long run. And a clean image—from

avoiding environmental disasters like oil spills—reduces criticism from employees, consumers, and government.

Here are a few examples involving three corporations—Wal-Mart, Coca-Cola, and Chevron—that many critics of business love to hate, in my opinion, unjustly.

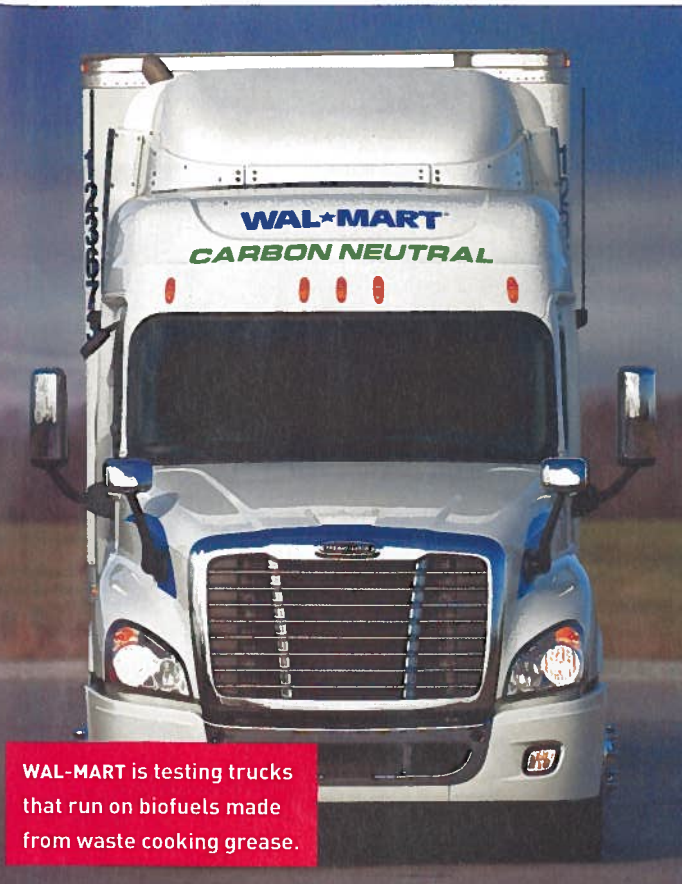
SAVING ENERGY & WATER

Let's start with Wal-Mart, which cut fuel costs by \$26 million simply by changing the way it manages its enormous truck fleet. Instead of running a truck's engine all night to heat or cool the cab during mandatory 10-hour rest stops, the company installed small auxiliary power units to do the job. This also eliminated carbon-dioxide emissions—a major cause of global warming—equivalent to taking 18,300 passenger vehicles off the road.

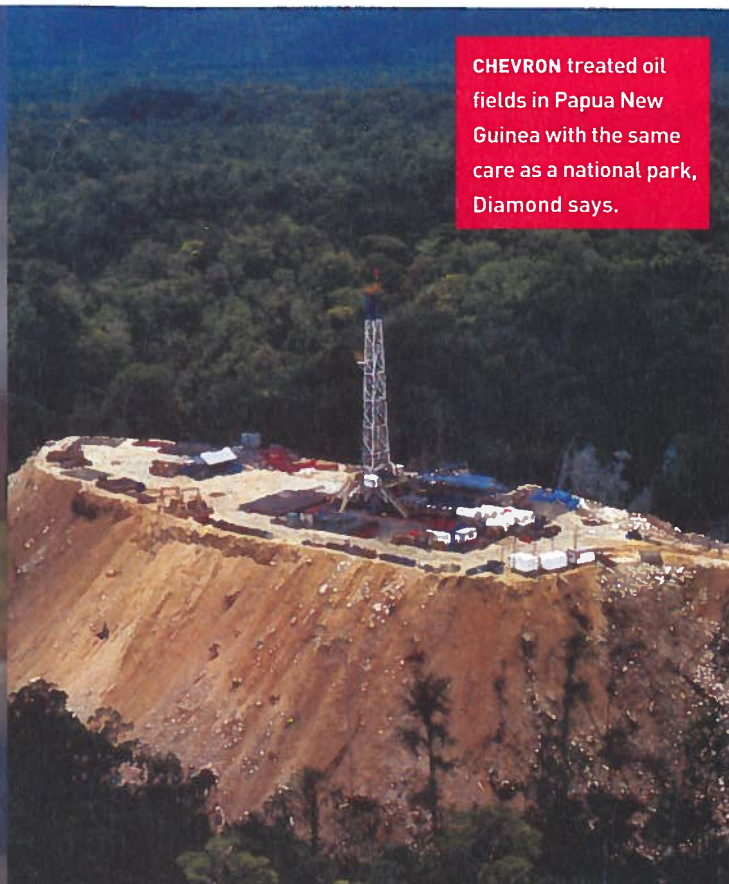
Wal-Mart is working to double the fuel efficiency of its truck fleet by 2015, which would save more than \$200 million a year

at the pump. The company is testing trucks that burn bio-fuels made from fryer grease used at its delis. It's also reducing its use of packaging materials and is recycling plastics.

Coca-Cola's challenges are largely long-term: The key ingredient in its products is water. But global climate change is making water scarc-



WAL-MART is testing trucks that run on biofuels made from waste cooking grease.



CHEVRON treated oil fields in Papua New Guinea with the same care as a national park, Diamond says.

er; most water is used for agriculture, which presents sustainability problems of its own.

So Coca-Cola's survival requires the company to be concerned with problems of water scarcity, energy, climate change, and agriculture in the roughly 200 countries in which it produces beverages. One company goal is to make its plants water-neutral: returning water to the environment in amounts equal to the amount used in producing beverages.

Another goal is to work on conserving seven of the world's river basins, including the Rio Grande along the U.S.-Mexico border, the Yangtze and Mekong in China, and the Danube in Europe—all sites of environmental concerns besides supplying water for Coca-Cola products. Coca-Cola is also recycling plastic bottles and replacing petroleum-based plastic in its bottles with organic material.

The third company is Chevron. Not even in any national park have I seen the level of environmental protection that I saw in Chevron-managed oil fields in Papua New Guinea, about 100 miles north of Australia. Chevron gave several reasons for investing in environmental protection.

First, it's far cheaper to prevent oil spills than to clean them up. Second, clean practices reduce the risk that local landowners become angry, sue for damages, and close the oil fields. Next, environmental standards are becoming stricter around the world, so building clean facilities now minimizes

having to make costly renovations later. Also, clean operations in one country give a company an advantage when bidding on leases in other countries.

HOW WASHINGTON CAN HELP

Some businesses and politicians argue that taking measures to protect the environment are too costly to be profitable. But economic reasons actually provide the strongest motives for preserving the environment: It's more expensive to fix problems than to avoid them in the first place.

When it comes to saving the environment, American businesses are going to play as much or more of a role as the government. And this isn't a bad thing: Corporations have a lot to gain by establishing environmentally friendly business practices.

Washington can help by investing in green research, offering tax incentives, passing cap-and-trade legislation, and setting tough standards to ensure that companies that abuse the environment don't have a competitive advantage over those that protect it.

And the rest of us should get over the idea that American business cares only about immediate profits, and we should reward companies that work to keep the planet healthy. ●

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BY THE NUMBERS

<p style="font-size: 24pt; font-weight: bold; margin: 0;">20%</p> <p style="font-size: 10pt; margin: 0;">Percentage of U.S. greenhouse emissions generated by industry.</p>	<p style="font-size: 24pt; font-weight: bold; margin: 0;">2 million</p> <p style="font-size: 10pt; margin: 0;">Tons of waste generated in the U.S. in 2008 by aluminum containers and packaging, including beverage cans.</p>	<p style="font-size: 24pt; font-weight: bold; margin: 0;">23%</p> <p style="font-size: 10pt; margin: 0;">Percentage of the world's water supply used by industry.</p>
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SOURCES: PEW CENTER ON GLOBAL CLIMATE CHANGE, E.P.A.; UNESCO

COURTESY OF WAL-MART (TRUCK); COURTESY OF CHEVRON (OIL FACILITY); THE COCA-COLA COMPANY (COCA-COLA LABEL)



COCA COLA is replacing petroleum-based plastic in its bottles.