

Green revolution in big biz

By **Nick Kelley** / Special To The Tab

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Multi-billion dollar companies can have a huge impact, both positively and negatively, on the environment. Even minor changes in business models and practices can dramatically effect how a company interacts with the larger world.

There is a common misconception that it is too expensive in a highly competitive world market for large corporations to focus on reducing their impact on the environment.

Concern about the environment is not usually viewed by businesses as in the best interests of shareholders, because it is assumed not to be profitable. However, it is possible to make huge profits while having an environmental conscience. In fact, it is more profitable over the long term and therefore in the shareholders best interests, to act "environmentally friendly". Our economic system often rewards innovation in this way.

DuPont de Nemours is one company that has changed from being one of the worst polluters to being a leader in progressive environmental thinking. DuPont started up over 200 years ago and has been one of the largest chemical developers ever since. It has created many products which most people use in their everyday lives. Some of its most famous creations are nylon, Teflon, Kevlar and Chlorofluorocarbons. CFC's, which were revolutionary when they were developed in the 1930's, were used in air conditioners and refrigerators, but they turned out to be extremely destructive to the ozone layer, with long-lasting and persistent effects on the entire planet.

DuPont is taking a radical approach compared to its competitors. One of its business goals is to create sustainable growth, that is, economic growth that attempts to balance both the future and present needs of a company. DuPont is reviving its tarnished image by reducing greenhouse gas emissions by 65 percent of their 1990 levels by the year 2010. The company has already exceeded that goal by reducing emissions by 68 percent. Also, DuPont intends to hold its energy use flat at the 1990 baseline level.

DuPont has displayed progressive thinking in part to amend for past misdeeds. It reached many of its environmental goals rapidly because, having polluted so horrendously for so many years, it was forced to pay enormous legal fees and heavy fines for environmental cleanup efforts. The company realized that it would be much cheaper over time to spend money to reduce pollution than to pay for the resulting lawsuits, inevitable penalties and cleanup projects. Chad Holiday, Chairman and CEO of DuPont, estimates that "In working to reduce greenhouse gas emissions, we achieved more than \$2 billion in avoided costs due to energy conservation activities". Obviously it makes business sense to be environmentally responsible.

DuPont is not alone in its efforts to reduce greenhouse gas emissions. General Electric, the second biggest company in the world, has also pledged to reduce

greenhouse gas emissions. BP, Boeing, Lockheed Martin, IBM and many other major corporations have pledged to reduce greenhouse emissions. However, compared to DuPont, other companies' efforts, while vital, are less impressive.

With a net income of \$1.89 billion in 2005, DuPont has proven that large profits and environmental responsibility are not mutually exclusive, and that 'top down' change is possible in our capitalistic economy.

Improving the environmental practices of one large, multi-billion dollar corporation has direct benefits worldwide. And when DuPont adopts sustainable growth principles that encourages other companies to follow its example.

All large corporations will need to change their business policies and practices in order to solve many of serious environmental problems facing our country and the world, but they are not going to do this without outside pressure. The efforts of individuals and grassroots campaigns to reform corporations should never be underestimated. If it were not for the work of watchdog groups, DuPont would never have cleaned up its act, because no one would be demanding that they do it. Citizens, through their governments and non-profit organizations, have to take the initiative to make sure this happens.

The example set by DuPont may be hard for smaller companies to follow. DuPont is well-established and has the luxury of thinking long term, because it knows that it will be around to reap the benefits from making the many changes involved in transitioning to being a sustainable company. Their dramatic turnaround in a short time span makes them a tough act to follow.

Currently no enforcement or regulatory body requires businesses to meet most environmental goals. Until we have such regulation, companies could just espouse lofty goals with little intention of meeting them. We not only need carrots, we also need sticks.

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