# American businesses come round, slowly, on climate

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American business attitudes to climate change were long a mix of resistance and denial, but the US corporate world is beginning to face up to the challenge.

In a sign of the new awakening, last week chief executives of top companies joined President Barack Obama at the White House to launch the "American Business Act on Climate Pledge."

Some 80 firms pledged an "ongoing commitment to climate action" and support for a "strong" outcome at the global summit on climate change in Paris in December.

Signatories include giants like Bank of America, Berkshire Hathaway, Intel, McDonald's, Unilever, Coca-Cola, and Walt Disney Corp.

The pictures of Obama and top executives discussing the need to fight global warming were mostly symbolic.

But it illustrated the slow conversion of US businesses to a cause they have long ignored—if not actively combated.

"Things have dramatically changed over the last 5-10 years," said Anne Kelly of the environmental group Ceres. "Increasingly companies are understanding the economic impact of climate change on their businesses."

The pledges included commitments by each company to cut their contributions to carbon emissions.

Coca-Cola and General Electric have agreed to reduce their carbon footprints by 25 percent and 20 percent, respectively, between now at 2020.

IPhone maker Apple is aiming to use 100-percent renewable energy to power its US activities.

Biotechnology giant Monsanto said it was necessary to adapt to climate change, which a spokesman called "one of the most daunting problems facing our society today."

General Motors spokeswoman Sharon Basel told AFP there are good business reasons for such moves.

US President Barack Obama speaks following a roundtable discussion with CEO's on mitigating climate change, at the White House in Washington, DC, on October 19, 2015

"We believe and we continue to prove that there is economic opportunity in sustainability actions such as energy improvements that lower our carbon emissions of our operations and investments in renewable energy," she said.

## Change of tone

The change of tone is undoubtedly partly driven by public relations. But it marks a break with the time when the United States, the world's second polluter after China, was accused of dragging its feet in world climate negotiations under the pressure of big business.

"The private sector has often been seen as a stumbling block to an international agreement in the past, particularly US companies," said Kevin Moss of the World Resources Institute.

Resistance from large companies forced the Obama administration in 2010 to abandon its plan for a carbon emissions cap-and-trade plan like Europe's.

Since then, though, investors have turned away from fossil fuels and businesses everywhere are under pressure to adapt their growth models to a world of lower carbon emissions.

The conversion is not complete. The United States remains the only industrialized country not to have ratified the Kyoto Protocol on the reduction of greenhouse gas emissions.

Obama acknowledged the work still ahead as he hosted business chiefs last week.

"The perception is that this is an environmental issue, it's for treehuggers, and hardheaded business people either don't care about it, or see it as a conflict with their bottom lines," he said.


Coca-Cola has agreed to reduce its carbon footprint by 25% between now at 2020

## More to lose

Big oil firms remained conspicuously absent from the White House gathering. They have more to lose from international climate initiatives like attempts to place a cost, such as a tax, on carbon emissions.

"Market-driven, private-sector leadership can achieve public policy goals more quickly and more efficiently than government programs and mandates," argued Eric Wohlschlegel of the industry lobby, the American Petroleum Institute, criticizing the "overheated rhetoric of anti-fossil fuel groups."

Chevron said it shares the concerns of the international community on climate—but warned against putting the brakes on growth.

"We must create practical, cost-effective solutions that achieve environmental objectives without undermining the growth of the global economy," said spokesman Kurt Glaubitz.


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Chevron's rival ExxonMobil argues for an approach "that ensures a uniform and predictable cost of carbon, allows market prices to drive solutions, maximizes transparency to stakeholders, reduces administrative complexity."

The oil companies can afford to hold back, as they still enjoy strong political support from Republican politicians in Congress, many of whom deny the reality of manmade global warming.

But Big Oil's support for the Paris talks is essential, notably for attaining the objective of $100 billion a year to be put toward fixing the climate.

"We need all players, including those with serious interests at stake, to come to the table to work toward solutions," said Moss.