

Climate Change Partnerships - A Case Study

Refrigerants, Naturally



NGO supporters: Greenpeace, United Nations Environment Program (UNEP)
Business partners: Coca-Cola, McDonalds, Unilever.
Later joined by Pepsico, Ikea, Carlsberg

There is a change in the climate - the professional climate. As greenhouse gasses have heated up the planet, the awareness has served to melt the frigid relationships between non-government organisations (NGOs) and businesses. The result is a decisive shift from the adversarial relations of previous decades. NGOs have become serious partners with businesses in the climate change arena. Climate change has emerged as a forum of engagement between companies and civic groups, particularly NGOs, who serve as an important bridge to public opinion. NGO partners participated in more than a quarter (26%) of the climate change partnerships under review in the Climate Change Stakeholder Report.

That is not to say that NGO pressure and reputational risk are not continuing to drive partnership formation in the corporate climate change agenda. For example, the Refrigerants, Naturally Initiative was created in response to campaigns around the 2000 Sydney Olympic Games and a 2004 dialogue between Greenpeace, the Coca-Cola company, McDonalds, and Unilever. The result was a multi-stakeholder partnership *Refrigerants, Naturally*; formed with the support of Greenpeace and United Nations Environment Programme, the initiative focused on creating a hydrofluorocarbon (HFC) -free refrigeration alternative for point-of-sale cooling technology. As an initiative involving food, beverage, and household goods, Refrigerants, Naturally signifies the involvement of an increasing number of industries in climate change activities beyond the more emissions-intensive sectors.

Similar multi-brand partnerships have contributed to bringing down costs of climate change-friendly technologies. In the case of Refrigerants, Naturally, one of the greatest challenges to the HCF-free refrigeration is the high cost of alternative technologies like CO2 cooling. The founding companies have set a precedent for strategic use of partnerships to build their reputation and develop new commercial opportunities. This trend has been followed by the likes of Pepsico, Ikea and Carlsberg,

whose participation has contributed to lowering the costs of the technology and likelihood of large-scale implementation.

Commenting on the role of companies in addressing climate change, Salvatore Gabola, Coca Cola Global Stakeholder Manager, said "It is best for a company to understand NGOs, then you see a lot of progress."

Need for Scale Makes Friends of Foes

Due to the relatively low number of NGO partners with the right organisational match of expertise and credibility, early-movers in climate change partnerships have benefited from working with the most powerful NGO partners. The result is that climate change partnerships with NGO partners are transforming historically adversarial relationships into solid partnerships, providing reputational benefits for companies as well as contributing to real emissions reductions.

In the case of Refrigerants, Naturally, Greenpeace has been instrumental in providing valuable expertise and credibility to companies trying to implement a technology shift. Both Greenpeace and UNEP have been influential in providing a networking context for corporate cooperation. Many companies have benefited from NGO expertise in emissions assessment and reduction, as well as access to consumer and public stakeholder groups.

Partnerships between business and NGO partners are part of a larger trend in corporate social responsibility (CSR), where companies are seeking to make links between financial bottom line and their role as corporate citizens.