Corporate Greed and Opaque Climate Mitigation Policy: An Amazon Case Study

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Introduction

Amazon is an online marketplace most known for speedy deliveries and a wide selection of goods. The success of this company has allowed them to grow rapidly, dominating the market to span across international audiences as well as expanding into digital streaming and cloud computing. However, recent speculation has criticized Amazon for rapid and expansive growth while maintaining operational processes detrimental to the environment. In response, Amazon has released sustainability initiatives, working to reduce the carbon footprint of their company. This essay will provide an overview of these sustainability initiatives as well as an in-depth analysis of their transparency and progress.

Amazon's Sustainability Agenda

Amazon's sustainability plan prioritizes two main initiatives; achieving net zero emissions and their Climate Pledge Fund. These two categories are focused distinctly based on internal production measures and external investments. Their net-zero initiative focuses on Amazon's main production processes and is organized into the four following categories: Net-zero Carbon, Renewable Energy, Shipment Zero, and Electric Delivery Vehicles. Each of these categories target a different sector of their operations highlighting a specific objective and parameter of success. Their Net-Zero Carbon goal aims to reach net-zero carbon emissions "across their operations" by 2040. In order to make sure they are on track to achieve their ultimate goal, smaller goals are set along the way to be reached by a certain year. By 2025, Amazon hopes to power their operations with 100% renewable energy. By 2030, they aim for 50% of their shipments to be net-zero carbon emissions and to deploy 100,000 custom electric delivery vehicles (Amazon Sustainability). This collection of sustainability standards is ambitious, and considering the scope of Amazon's reach internationally, would require a large-scale emission-to-offset mechanism and the construction of the adequate energy infrastructure to support their renewable energy consumption needs. According to Amazon's self-reported progress on their sustainability site, they have already made substantial strides to this net-zero goal in ordering 100,000 custom electric delivery vehicles in 2019. The acquisition of these vehicles accelerated their progress to reaching 100% renewable energy from 2030 to their new goal of 2025. The website does an adequate job of illustrating the optimism in a future in which the company achieves their 'green' goals, but there is ultimately a missing level of transparency in their self-reported progress that would allow the public to hold them accountable to their sustainability standard. While they do emphasize their prioritization of these goals, they are broadly defined and lack specific measures of how these may be achieved.

The publication of their investments and progress to enact these changes is important for maintaining the transparency required to ensure that they are prioritizing their journey to net-zero emissions. After analyzing their 10-K form, there were no explicit statements of financing these initiatives. Additionally, throughout their sustainability websites, there are no clear indicators of progress in order to achieve these goals. Hiding this progress raises questions about if these are actually priorities for Amazon or merely statements to influence their customer base. The lack of transparency in terms of financing and progress of these goals is concerning as it is difficult to ensure if Amazon will really achieve these goals by their expressed deadlines.

A major source of the objective to reach net-zero emissions is dependent on the use of carbon offset investments. This is emphasized in their Climate Pledge, focusing on external investments of a wide variety of environmental and decarbonizing technologies. The Climate

Pledge aims to invest $2 billion USD to support rising decarbonization technologies and service developments. According to their website, there are 217 signatories on the Climate Pledge across 26 industries and 21 countries (Net Zero Carbon by 2040). Included in this list are major companies such as Verizon, Microsoft, Mercedes Benz, and many more. By signing the Climate Pledge agreement, these companies join Amazon's endeavor to achieve net-zero carbon emissions by 2040. The companies must agree to three principle areas of action: Regular Reporting, Carbon Elimination, and Credible Offsets. This mandates routine measuring and reporting of greenhouse gas emissions, decarbonization strategies through concrete business innovations, and all remaining emissions to be neutralized through quantifiable and socially-beneficial offsets. The agreement incorporates other major companies to keep themselves accountable alongside Amazon's mission of achieving these goals. The Climate Pledge includes a fund of initially $2 billion to contribute toward investing in companies aiming to facilitate the transition to a low-carbon economy. The Pledge website highlights the nine companies they have invested in across six different industries. They do not, however, state how much they have invested or what percentage of their budget has already been invested in achieving their goals. Overall, Amazon's Climate Pledge aims to both increase investments in low carbon technologies and hold other companies accountable for achieving net-zero emissions.

Included in the Climate Pledge is the Right Now Climate Fund which shifts the focus away from future emissions and focuses on climate impacts occurring now. They hope to achieve this by investing $100 million in reforestation projects and climate mitigation solutions. In 2020, Amazon committed €3.75 million to The Nature Conservancy's Urban Greening program. In 2021, they joined the Lowering Emissions by Accelerating Forest (LEAF) Coalition, a global effort aiming to raise $1 billion to protect the rainforests. Amazon has additionally committed to a product line of recycled and “bio-based” everyday essentials as well as certifying ‘Climate Pledge Friendly’ products that adhere to an undisclosed level of sustainability throughout their resourcing, manufacturing, and distributing processes. In addition to their global endeavors, there is also emphasis on domestic programs. In 2020, they committed $10 million to support the Nature Conservancy on programs focusing on sequestering carbon across the Blue Ridge to Boreal region of the eastern US. Amazon is the largest funder of these programs promoting climate resilient forests in the US, enabling a reduction of approximately 18.5 millions metric tons of carbon dioxide emissions from the atmosphere by 2031. Overall, this initiative focuses on investing in domestic climate resilience in order to reach net-zero emissions targets and achieve their broader goals.

The Climate Pledge Fund prioritizes investments in decarbonizing technologies and sustainability initiatives in order to offset their own emissions. Technocratic approaches to climate mitigation are, especially in this case, not always fit for implementation as quickly as they would need to be effective and are often years from being able to be administered on a large-scale. It is traditionally more effective to eliminate emissions and waste accumulation at the source rather than creating models to properly offset them and trying to out-geoengineer the earth. Although Amazon has invested a total of $2 billion in nine climate technology developmental firms, it is unclear what the timeline may look like for companies of their scale to have the product models and capacity to supply for a company as widespread as Amazon. Additional discrepancies include direct policy limitations in which “Amazon does not include emissions from third-party sellers that sell goods through Amazon’s platform” (Sarokin, 2022, p.56). Within Amazon's Climate Pledge model, they include company-wide conservation measures but fail to account for the carbon footprint of the larger supply-chain they depend on to acquire and transport their product to their customers: "Amazon draws its Scope 3 boundaries fairly narrowly, focusing on activities only a small step removed from company control" (Sarokin, 2022, p.56). This oversight, whether intentional or not, skews the perception around their cumulative success and is not representative of the true cost of their day-to-day business operations, leaving tonnes upon tonnes of carbon annually that does not get offset. Moreover, their sustainability agenda overlooks the resources needed to safely deliver all of their customer's parcels, and because it does not address plans to completely eradicate waste consumption, it can be assumed that this is another oversight of their Climate Pledge. The mass amount of paper, plastic, and foam used to package and ship over 1.6 million packages per day (Thomas, 2021) is not represented in their plan to conquer climate change, and consequently, externalizes the burden of this waste onto the consumer to properly dispose of the plastics and packaging materials, rather than utilizing biodegradable shipping products and limiting unnecessary materials in the first place. Consequently, the presence of large, corporate bodies that are substantially under-monitored and under-regulated forces people around the globe to adapt to the changes they have no power to prevent and pick up the pieces of a crippling planet.

While the catalyst for the creation and implementation of their climate agenda is never explicitly explained, it could be assumed that the plans were strategically released under a time of great public scrutiny for their role in exacerbating the climate crisis: "Sustainalytics ranks the company as an 'underperformer,' with an ESG score of 45, ten points below the average score of other retailers in Amazon's peer group. One critic in Forbes magazine went so far as to label

Amazon "'the least sustainable company in the world'" (Sarokin, 2022, p.45)." and overworking an underpaid and under-protected labor force: "Bezos is worth an estimated £102bn, a fortune he acquired against a backdrop of global reports of misery for Amazon's warehouse workers, exhausted by the demands made on them in return for the most basic of wages" (Chamberlain, 2018). Similar to the recent influx of Amazon propaganda advertisements that depict their workforce as being well-paid, well-equipped with ample resources to further their professional and educational careers, and being exuberantly grateful to Amazon for granting them a 'better quality of life,' the sustainability campaign could be perceived as a manipulated effort by the company to get back into the public's good graces, sparing a bit of profit here and there and doing the absolute bare minimum in order to protect their bottom line. Amazon's 'Worldwide Sustainability Officer' and Vice President, Kara Hurst, worked as the CEO of The Sustainability Consortium prior to her time with Amazon. Similarly, she spent eleven years as Vice President of the Business for Social Responsibility (BSR), a notoriously opportunistic and performative consulting firm, and played a crucial role in their global expansion initiatives. Essentially, Hurst's professional experience and expertise do not necessarily bode well for aggressive climate action that prioritizes people and the planet over profit. This is apparent in the ways in which stakeholders and investors are placed at the center of the sustainability agenda and seem to disproportionately benefit from their efforts to improve their public image. Meaning, the lack of transparency and financial visibility around their present and future climate actions allows investors to leverage their knowledge that the average customer would not have access to or be able to decipher. All things considered, the suspicious timing of the climate action plan's 2019 public release, the World Sustainability Officer's background in corporate environments, and the prioritization of stakeholder engagement all allude to it being more of a philanthropic ploy to enhance their reputation, brand value, and customer perception as a publicly-traded company rather than being of pure intentions to address a worsening climate problem.

Conclusion

Through this analysis of Amazon's sustainability goals, it is clear that they function under a standard economic framework as they ultimately prioritize financial growth and stability. The goals in Amazon's sustainability initiative focuses on the reduction of greenhouse gas emissions through both their own internal operations and external investments. While carbon emissions are a major contributor to climate change, this does not provide a holistic view of environmental impact. Externalities such as waste and pollution, such as from their packaging, are not included in their sustainability mission. And while Amazon has stated which initiatives they have contributed to, both globally and domestically, and publicize the partners who have signed commitments to the Climate Pledge, they do not provide a sufficient record of how much they have contributed to each company and their progress of investments thus far. While stating how much they plan on investing is a start, there should be some sort of milestone publicized to ensure that they are contributing impactful amounts. This absence of total transparency can be concerning especially when also examining their internal changes. As not much information is publicly available for both internal and external investments, it is hard to say how much progress has been made, if they will reach deadlines, and how much they are actively working toward sustainable operations.

Additionally, the lack of transparency incorporated into their publishing and financial forms also provides a cause for concern. If a company was truly committed to sustainability, they would prioritize transparency to indicate their progress and financial investments in making a difference. Their sustainability models continually toss around ambiguous, greenwashed terms including “net-zero,” “carbon-neutral,” “sustainable,” “organic,” “bio-based,” etc. that are not defined by standardized metrics and untraceable by the public and their prerequisites to their goals: “across their operations”, “report on a regular basis”, etc. are obscure and unclear. For these reasons, it seems that Amazon is continuing to operate under a standard economic model as financial growth is prioritized over greater impacts to sustainability. If Amazon aligned itself to an ecological economics model they would provide a more holistic account of their sustainability agenda, acknowledging the importance of monetary growth, but genuinely, prioritizing ecological system imbalances. This prioritization would be indicated through their financial forms and investments, rather than statements that these goals will happen in the near future. With “such a large portion of the economy funneled through a small number of retailers, the opportunities for promoting greater sustainability are enormous” (Sarokin, 2022, p.43) and the impact of an international corporation like Amazon becoming a leading force in climate action would be immense. It is time that we properly hold them accountable for their environmental footprint and socially responsible for their social and climate justice obligations. Although Amazon has provided this sustainability plan, more transparency and financial viability is necessary to show that they are genuinely motivated to create more sustainable practices rather than a simple ploy to maintain their customer base and stock profile. We, as an international community, deserve better.

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