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# Fellowship Capstone | Policy Brief

# Too Many Cooks in the Kitchen: Climate Change and the Growing Need for Corporate Responsibility

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### I. EXECUTIVE SUMMARY

How policymakers handle corporate waste management in the next century will directly impact the severity of climate change in the next decade. This brief will analyze the current risks of corporate waste management policies and how best to address these risks with policy implementations.

#### II. Overview

Anthropogenic waste and emissions have transformed climate change from a natural process into a growing crisis, threatening more severe natural disasters, rising sea levels, and damage to ecosystems. Increasing consumer demands for a variety of goods have led to excess corporate waste. The production of waste is expected to grow from 2 billion tons in 2016 to over 3 billion tons in 2025<sup>[1]</sup>. Despite their hand in producing waste, corporations are uniquely positioned to be the spearheads for sustainable initiatives. Though efforts to increase corporate responsibility and transparency have led to significant progress in reducing the environmental impact of companies' (greenhouse gas) emissions, corporate GHG management still remains an underutilized method to mitigate the impact of climate change. This paper will analyze the various ways in which

policies may increase corporate responsibility and accountability regarding the management of corporate waste.

# A. Relevance

Presently, global warming and climate change have led to some of the world's worst disasters. Across the United States, major cities and states are experiencing weather disasters, from the 500 year flood in Houston to the California wildfires<sup>[3]</sup>. As the impacts of climate change are projected to worsen, it is imperative that businesses policymakers and alike comprehensive strategies to reduce the risk of climate disasters both in the United States and globally. For an issue of such magnitude, climate change has a staggeringly small number of main contributors. Since 1998, only one hundred companies have been responsible for 71% of global emissions<sup>[2]</sup>. This demonstrates the pressing need for corporate responsibility in all sectors by both consumers and policymakers alike.

#### III. HISTORY

### A. Current Stances

Anthropogenic activity continues to be the largest catalyst of climate change. Since the 1800s, the burning of fossil fuels has been the largest cause of emissions<sup>[4]</sup>. Though there have been significant advancements to reduce emissions of



harmful chemicals because of the Paris Agreement, emissions must still fall by 42% to reach the Intergovernmental Panel on Climate Change (IPPC) target of 1.5 degrees Celsius, suggesting that further work must be done to reduce emissions.

63% of adults living in the United States worry about the risks of climate change. Though the majority of adults agree that climate change is a risk, 51% of adults feel that climate change does not impact their daily life<sup>[5]</sup>. Despite this perception, according to the United Nations "3.3 to 3.6 billion people live in contexts that are highly vulnerable to climate change"[6]. Whilst climate change does not appear to have an immediate impact on the daily lives policymakers constituents, a large percentage of the global population lives in contexts that leave them vulnerable to natural disasters, rising sea levels, and other climate effects. These polls suggest that policymakers and corporations should work to address the issues of waste disposal and transition to more sustainable production models.

Furthermore. Americans see room corporations and the federal government to take further action to address climate change. A majority of Americans believe that corporations and elected officials are doing too little to address climate change, at 67% and 58% respectively<sup>[7]</sup>. Despite climate change being a lower priority for regular citizens, Americans clearly believe that their representatives and corporations should do more to reach the 1.5 degree target. Lawmakers are uniquely situated to address these challenges creating policies corporate and recommendations that target emissions

commercial sectors.

#### IV. POLICY PROBLEM

A. Stakeholders

Inherently, the primary stakeholders in corporate waste management are communities around large landfills, particularly low-income communities that are unable to relocate away from unsafe waste disposal near landfills due to monetary constraints. Thus, these communities are directly exposed to a variety of chemicals and, as a result, are vulnerable to contracting waterborne diseases, respiratory ailments, and neurological disorders<sup>[8]</sup>.

Additionally, business owners, particularly large corporations, which shall be defined as a business entity that operates on at least a national scale, stand to benefit economically from increased regulation of corporate waste management strategies. Despite this, these organizations continue to produce mass amounts of waste, which collect in overflowing landfills. Hence, it is vital that companies be more strongly regulated to do away with current waste disposal and product creation methods, shifting to more sustainable packaging.

# B. Risks of Indifference

Indifference to corporate waste management will lead to overfilled landfills, resulting in even poorer waste management. Due to a lack of resources for landfill management, waste in landfills is poorly handled. Improperly disposed waste may leach chemicals into the soil, degrading the surrounding ecosystems. Further, the improper disposal of waste seeps into human environments, posing a health risk to the



surrounding communities' well-being <sup>[9]</sup>. It is important that immediate policy action is taken to remedy these concerns and thus ensure the safety of these communities and ecosystems.

# C. Nonpartisan Reasoning

Given the large scope of stakeholders involved and the potential damage to environments, communities, and industries, there is a growing need for nonpartisan regulation. Some benefits of such intervention include:

1) Economic uncertainty and projected losses: Unfamiliarity with future climate outcomes disrupts corporate supply chains, resulting in great loss for companies. Due to uncertain future climate conditions, corporations are projected to experience a loss of at least one-fifth of their enterprise value [10]. This uncertainty also raises the risks for physical assets, as corporations cannot control climate events that may drastically shift, change, or destroy their supply chain. There are a plethora of examples and evidence to suggest that reduction and stricter waste waste production policies have a positive economic impact on companies. As stated by the BCSD (Business Council for Sustainable Development), companies experiencing positive are returns on investment when they take action to reduce waste. Moreover, based on a study presented at the Community Risk Reduction (CRR Conference), waste reduction could be a profitable endeavor for many companies[11]. Regardless, it remains clear that corporations have a distinct opportunity to pave the way for

- future sustainable development in many industries. Therefore, policymakers should take immediate action to protect their economy and industries.
- 2) Environmental degradation: There are far-reaching consequences to poor waste one of disposal, but the largest consequences is the release of harmful chemicals into the atmosphere. Over 30% of methane emissions globally are caused by improper corporate waste disposal [12]. If with we continue our current consumption patterns, we are expected to produce over 2.56 tonnes of waste by 2050 [13]. The United States specifically produces roughly 300 million tonnes of solid waste per year, and over half of that waste goes landfills<sup>[14]</sup>. MSW Landfills, unfortunately, remain poorly managed within the United States. What were once new solutions to our waste problem have underregulated hotspots become methane emissions, constituting the third largest source of human-related methane emissions in the United States [15]. This indicates immediate action is necessary to unburden current waste disposal facilities and reverse the effects of emissions and climate change. Despite such alarming trends in corporate accountability and current waste disposal solutions, there is still time policymakers corporations to work together to craft solutions that will propel us towards a safer, greener future.
- 3) Health and Safety of surrounding communities: In isolation, the environmental impacts of improper corporate waste disposal and management



damage soil and release emissions. In conjunction with these disposal sites' proximity to large communities, their impact can be fatal. As explained by a study by the NIH, residents who lived within 5 kilometers of a landfill were exposed to airborne contamination from the landfill linked to respiratory diseases [16]. The study also explores a link between these chemicals and lung cancer that has yet to be proven. Despite the uncertainty of some conditions being caused by MSW disposal sites, the evidence suggests that respiratory diseases are linked to emissions airborne chemicals from these landfills. Consequently, it is vital that policymakers take immediate action to protect their constituents from these safety risks.

#### V. TRIED POLICY

MSW policy reform has been a continued conversation in the federal government since 1980. The status quo of recycling and waste disposal in the United States is a great example of an amalgamation of policies that have had a positive impact on reducing emissions and creating greener waste disposal methods. As indicated in a study published by the Climate and Clean Air Coalition, if nothing had changed since our 1974 MSW disposal methods, GHG emissions would be around 60 MMTCE (million metric tonnes of a carbon equivalent) rather than today's 8 MMTCE [17]. The status quo is proof that when United States policymakers work to remedy the impacts of improper waste disposal, that it can have a profound impact on emissions and climate change.

Recently, California's SB253 requires companies to publicly disclose their emissions to the state board, and work with the state board to address any concerns in emissions trends. It also necessitates that corporations pay fees based on the magnitude of their emissions that will fund corporation enforcement mechanisms for those who violate the board's regulations [18].

Though the bill is a step in the right direction to influence corporate accountability, corporate accountability policy must be enforced on a national scale to make any meaningful impact on national emissions. The bill is also limited in its nature to direct emissions, which will not combat the issues discussed in this paper that are constrained to landfill overflow and mismanagement. As a result, corporate solid waste will still fill America's landfills unless concrete action is taken.

#### VI. POLICY OPTIONS

# Corporate Transparency

Unclear policy, a lack of resources to manage landfills, and a growing overconsumption problem necessitate immediate action by policymakers.

Hence, I propose enforcement of corporate reporting of emissions AND waste disposal methods to the EPA (Environmental Protection Agency), and that the agency create a board to enforce the requirements. Corporations require public and national accountability to address climate change, and



borrowing from California's SB253 to mandate reporting of a company's climate impacts creates a financial incentive to pursue more sustainable initiatives.

# **Environmental Impact Assessment**

Another method to encourage corporate accountability includes national a environmental impact assessment of corporate conjunction with increasing in The EPA already has the transparency. capacity and resources to conduct impact assessments for certain policies and acquisitions, therefore, it my recommendation that the EPA extend this enforcement to assess the environmental impact of a company's activities and waste disposal practices at the end of each fiscal year.

Additionally, the EPA should extend its assessment of wastewater disposal<sup>[19]</sup> to landfill sites, using the impact assessment to determine the environmental impact of its landfills. Then, the EPA should address these concerns with increased regulations, assistance, or resources for these landfills in accordance with the assessment.

# Polluter Pays Initiatives

Given that corporations are the ones with a profound impact on national and global emissions and waste production, it seems fitting that Polluter Pays initiatives would reduce waste at its source. The federal government should consider policy that imposes taxes based on corporations emissions and generated waste, and should provide monetary incentives (tax breaks) for businesses

to transition to cleaner materials. The most widely accepted version of a polluter pays initiative is the border-adjusted carbon tax, where a company would pay for the emissions caused by their imports and production within the United States [20]. I suggest that the tax be expanded to a corporation's output of solid waste. This solution incorporates the best aspects of corporate transparency, whilst also punishing pollution at its root. However, companies might unload the burden of the tax on its consumers absent rewards for transition to sustainable materials or practices, monetary incentives to sustainability are a key factor in maintaining the balance between regulations company and economical practices.

# Cap-and-Trade Emissions

In contrast to the prior solutions, a cap and trade emissions system may provide organizational accountability and transparency whilst being more flexible than other systems discussed. A cap-and-trade system involves the government providing companies number of permits for each ton of GHGs emitted, whilst allowing companies to buy and trade these permits to obtain more emissions yearly<sup>[20]</sup>. This system maintains the flexibility of each company's yearly emissions cap whilst also providing financial incentives to stay under the cap, lest the company need more than the allotted number of permits.

The EU has had a cap-and-trade emissions system for certain emissions intensive industries [21] since 2005, and the system has continued to thrive for 20 years. The system



could also be extended to introduce a quota on MSW production by corporations for each year to incentivize reduced solid waste production in the United States. Overall, this solution seems to give companies the greatest flexibility to adapt over a long period of time to more sustainable practices.

#### VII. Conclusions

This paper has explored the pressing need for corporate accountability regarding the disposal of MSW. As temperatures continue to rise and landfills continue to overflow, it is necessary to take immediate action to remedy the worst impacts of climate change. Despite these growing concerns, climate change can still be mitigated drastically in the United States by encouraging corporate accountability, punishing polluters, encouraging sustainable investment, and monitoring environmental indicators. Policymakers and corporations must act quickly before the impacts of climate change become impossible to regulate.

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