

Committee: Legal Committee (GA6)

Issue: Reevaluating legislative measures regarding Environmental Corporate Accountability

Student Officer: Mariza Michalaki

Position: Co-Chair

PERSONAL INTRODUCTION

Dear Delegates,

My name is Mariza Michalaki, and I am a 10th grade student at HAEF-Athens College. This year, I have the utmost honor of serving as a Co-Chair in the Legal Committee at ACGMUN, marking my 10th MUN conference and my 3rd time serving as a student officer. I am delighted to share this experience with you!

First of all, I would like to welcome you to the 7th ACGMUN conference and congratulate you on your decision to participate in it. Through participating in MUN conferences, I have broadened my horizons, become more globally aware, and have made long-lasting friendships. I hope that this conference will be an eye-opening opportunity for you and that you will be able to enjoy it to its fullest. In this study guide, the second topic of the committee's agenda will be explained and addressed in detail. However, I highly encourage you to conduct your own research in order for you to fully comprehend your nation's policy. If you have any questions regarding this study guide do not hesitate to contact me via email: mmichalaki@athenscollege.edu.gr!

I sincerely look forward to meeting you all this April!

Best Regards,

Mariza Michalaki

TOPIC INTRODUCTION

Our planet is suffering. Floods, droughts, wildfires, hurricanes, air pollution, and water contamination are just some of the horrific impacts of climate change which have been primarily caused by greenhouse gas emissions.¹ Since 1988, just 100 companies have been responsible for 71% of the whole world's greenhouse gas emissions.² Only 22% of the world's 500 biggest companies, determined by market value, have policies that are adjusted to comply with the Paris Agreement, which aims to minimize the global temperature by 1.5 degrees Celsius, as it was before the industrial revolution.³

What is Environmental Corporate Accountability (ECA)? ECA is the responsibility that companies have in order to measure the environmental impact that their operations have, be transparent and open about it, but also take sufficient steps to reduce it. Through this, companies are expected to adhere to environmental laws and regulations relevant to their operations while setting environmental goals and targets in order to reduce their environmental footprint.

In the era that we live in, the era of biodiversity loss, natural disasters, and pollution, the need for companies to reduce their greenhouse gas emissions is more urgent than ever. Due to the evolution of environmental challenges, and the fact that we are constantly presented with new data, the evaluation of legislation and its improvement is required. Such legislative changes can may encourage corporations to alter their environmental behavior, reduce carbon emissions, and contribute to global efforts towards a more sustainable planet.

Many efforts have been made by the European Parliament, the United Nations, and other organizations in order to compose environmental legislation, which aims to hold companies accountable for their non-ecological behavior. But, due to the stagnant status of the given situation, those measures need to be reevaluated and new legal frameworks should be created in order to reach net-zero.

¹ Chandler, David. "Greenhouse Gases." *MIT Climate Portal*, 30 Sept. 2020, climate.mit.edu/explainers/greenhouse-gases.

² Riley, Tess. "Just 100 Companies Responsible for 71% of Global Emissions, Study Says." *The Guardian*, 10 July 2017, www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change.

³ Ziady, Hanna. "The World's Biggest Companies Have Made Almost No Progress on Limiting Global Warming since 2018 | CNN Business." *CNN*, 8 June 2023, edition.cnn.com/2023/06/08/energy/companies-greenhouse-gas-emissions-targets/index.html.

DEFINITION OF KEY TERMS

Environmental Corporate Accountability (ECA)

ECA is the idea that businesses should be held responsible and accountable for the impact of their actions on the environment and society, but also that they should be transparent regarding their greenhouse gas emissions.⁴

Environmental Imprint

The environmental imprint of a company, organization, nation, or a person is the impact and the effect that they have on the environment.⁵

Environmental Sustainability

Environmental sustainability is the ability to maintain an ecological balance in our planet's natural environment and conserve natural resources. It aims to improve the quality of life of individuals but without harming the environment in the process.⁶

Greenhouse Effect

The greenhouse effect is “the trapping of the sun's warmth in a planet's lower atmosphere, due to the greater transparency of the atmosphere to visible radiation from the sun than to infrared radiation emitted from the planet's surface.”⁷

Greenhouse Gas Emissions

Greenhouse gas emissions are the release of certain gasses into the Earth's atmosphere that can trap heat and contribute to the greenhouse effect. Some greenhouse gasses are carbon dioxide, methane, nitrous oxide, and fluorinated gasses.⁸

Greenwashing

“Greenwashing is the process of conveying a false impression or misleading information about how a company's products are environmentally sound.” It involves

⁴ Chen, James. “Corporate Accountability.” *Investopedia*, 2019, www.investopedia.com/terms/c/corporate-accountability.asp.

⁵ “What Is an Environmental Foot Print? (Ecological Footprint) – Livestock and Poultry Environmental Learning Community.” *Lpelc.org*, lpelc.org/what-is-an-environmental-foot-print-ecological-footprint/.

⁶ Microsoft. “What Is Environmental Sustainability? | Microsoft Sustainability.” *Www.microsoft.com*, 2023, www.microsoft.com/en-us/sustainability/learn/environmental-sustainability.

⁷ Oxford Languages. “Oxford Dictionaries.” *Oxford Dictionaries*, Oxford University Press, 2023, languages.oup.com/.

⁸ Anonymous. “What Are Greenhouse Gas Emissions?” *CLEAR Center*, 20 Sept. 2019, clear.ucdavis.edu/news/what-are-greenhouse-gas-emissions.

making up incorrect information in order to drive customers into buying their products due to their believing that those products are environmentally friendly.⁹

Net-Zero Status

Net-zero status refers to a situation where global greenhouse gas emissions that come from human activity are in balance with all the emissions reductions from the atmosphere.¹⁰

Supply Chain

“The sequence of processes involved in the production and distribution of a commodity.”¹¹

BACKGROUND INFORMATION

Historical Background

Historically, industrialization and economic development were often pursued without much consideration for their environmental consequences. The concept of ECA was established in the modern world, but the need for its establishment dates to the Industrial Revolution. In the 18th and 19th centuries, the concept of mass production was first introduced, and manufacturing first started having an environmental impact.¹² Due to the highly increased amount of production during that period, environmental degradation, deforestation, and pollution in general led to resource depletion and the first growing concerns for the impact that corporations hold on the environment. But during that period no awareness was raised for the devastating long-term consequences that industrial activities can have on the environment.¹³

However, concerns regarding the effect of corporations on the environment were made public in the mid 20th century for the first time. The announcement of such concerns coincided with the rise of the environmental movement that took place, due

⁹ Hayes, Adam. “What Is Greenwashing? How It Works, Examples, and Statistics.” *Investopedia*, 31 Mar. 2023, www.investopedia.com/terms/g/greenwashing.asp.

¹⁰ Wood, Johnny. “What Does Net Zero Emissions Mean and How Can We Get There?” *World Economic Forum*, 9 Nov. 2021, www.weforum.org/agenda/2021/11/net-zero-emissions-cop26-climate-change/.

¹¹ “Oxford Dictionaries.” *Oxford Dictionaries*, Oxford University Press, 2023, languages.oup.com/.

¹² Britannica. “Industrial Revolution | Definition, History, Dates, Summary, & Facts | Britannica Money.” *www.britannica.com*, 8 June 2023, www.britannica.com/money/topic/Industrial-Revolution.

¹³ Anderson, Kara. “What Was the Industrial Revolution’s Environmental Impact?” *Greenly.earth*, 10 Mar. 2023, greenly.earth/en-us/blog/ecology-news/what-was-the-industrial-revolutions-environmental-impact.

to the unignorable impact of industrialization on the global environment.¹⁴ Environmental activism commenced during that period, also marking the first time that corporations were held accountable for their impact on the environment by the public. Another key example of such activism is the publication of the book *Silent Spring* on September 27th, 1962, by Rachel Carson. This book became a *New York Times* best seller due to the fact that, for the first time, organizations and, more specifically, the chemical industry were held accountable for the negative impact that they have on the environment.¹⁵

In the 1970s and the 1980s, governments of various states began acknowledging the environmental concerns of the public, and the significant effects of industrialization. This phenomenon was addressed by introducing various legislations, regulations, and frameworks. This was the first time that nations acted against that phenomenon and introduced concrete measures in order to reduce it drastically. Those include the Environmental Protection Agency, established by the United States of America (USA), and also several acts such as the Clean Water Act and the Clean Air Act.¹⁶

Again, in the 1990s and the early 2000s, the concept of environmental social responsibility (ESR) gained prominence and recognition by companies and governments. And even though it was introduced in 1953, this was the first time that it was implemented. During that period, companies were encouraged to consider their environmental and social activities. Some of them made environmental accounting and sustainability reporting one of their priorities. In the beginning of the 21st century, the focus on the sustainability of corporate practices by companies severely increased and was globalized. Furthermore, several environmental international standards were developed, such as the ISO 14001, which sets out the criteria for an environmental management system that can be certified and maps out a framework that a company or organization can follow to set up an effective environmental management system highlighting the importance of environmental corporate accountability.¹⁷

¹⁴ Geary, Daniel. "Environmental Movement | Encyclopedia.com." *Encyclopedia.com*, 2012, www.encyclopedia.com/earth-and-environment/ecology-and-environmentalism/environmental-studies/environmental-movement.

¹⁵ Boslaugh, Sarah E. "Silent Spring | Work by Carson." *Encyclopædia Britannica*, 16 Sept. 2016, www.britannica.com/topic/Silent-Spring.

¹⁶ Elliott, Lorraine. "Environmentalism - History of the Environmental Movement." *Encyclopædia Britannica*, 2019, www.britannica.com/topic/environmentalism/History-of-the-environmental-movement.

¹⁷ Belal, Aatur Rahman, et al. "Corporate Environmental Responsibility and Accountability: What Chance in Vulnerable Bangladesh?" *Critical Perspectives on Accounting*, vol. 33, Dec. 2015, pp. 44–58, www.sciencedirect.com/science/article/pii/S1045235415000167, <https://doi.org/10.1016/j.cpa.2015.01.005>.

Finally, in the 2010s and after the intensification of public concerns regarding climate change, biodiversity loss, and resource scarcity, the need for environmental corporate accountability was further emphasized. Governments started passing and implementing stricter legislations and frameworks that aimed at addressing the impact of corporations on the environment.

The Operation of Companies before ECA

Before the existence of ECA, regulations and policies regarding the effect of corporations on the environment were either lenient or non-existent in certain regions. Companies were not bound by legislation to mitigate their environmental damages. Because of the high cost of the changes that had to be made in order for an operation to become more environmentally friendly, companies chose to focus on profit rather than sustainability. Also due to the limited amount of existing legislation, companies often disposed of waste without any regard for the environment. They also heavily exploited natural resources in an environmentally damaging manner. Companies had “loose” control over their supply chain and were ignorant of the environmental damages that occur throughout the lifespan of products.¹⁸

Non-governmental organizations, whose aim was to protect the environment, were non-existent or not actively involved in holding corporations accountable for their non-environmentally friendly behavior. Companies did not pursue innovation in eco-friendly technologies and were slow to adopt environmentally friendly practices and technologies, due to the absence of regulatory pressure and market incentives. And while companies only responded to environmental issues when faced with public outcry, legal action, or public relations crises, they did not establish sustainable practices for their development after such occurrences. Companies were not held legally and publicly accountable for their non-environmentally friendly behavior nor were they transparent regarding their environmental footprint.¹⁹

Emergence of ECA

The concept of ECA originated in 1992 when the massive environmental imprint that companies perpetuated became globally apparent. The United Nations Environment Program (UNEP) issued its Statement of Commitment by Financial Institutions on Sustainable Development, which led to the Rio Earth Summit in 1992. The UNEP Finance Initiative was established through this summit, in which financial

¹⁸ Wang, Mengxin, et al. “The Relationship between Environmental Regulation, Pollution and Corporate Environmental Responsibility.” *International Journal of Environmental Research and Public Health*, vol. 18, no. 15, 29 July 2021, p. 8018, <https://doi.org/10.3390/ijerph18158018>.

¹⁹ Hu, Jun, et al. “Environmental Regulation, Market Forces, and Corporate Environmental Responsibility: Evidence from the Implementation of Cleaner Production Standards in China.” *Journal of Business Research*, vol. 150, Nov. 2022, pp. 606–622, <https://doi.org/10.1016/j.jbusres.2022.06.049>. Accessed 1 Sept. 2022.

institutions openly recognized the role of the financial services sector in making the global economy sustainable. Also, it commenced its commitment to integrating environmental and social considerations into all aspects of its operations.²⁰

Breakdown of ECA

Environmental Management Systems (EMS)

The environmental management system allows corporations to manage their environmental impacts and improve their efficiency. It has three key aspects, which include identifying severe environmental aspects and impacts, thus determining the priorities of environmental management. It also ensures that corporations follow legal requirements and that employees abide by environmental regulations and can deliver tasks in an environmentally friendly manner. Additionally, it includes the provision of eco-friendly infrastructure and clear communication among companies and governments regarding legislation and frameworks. It also monitors companies' abiding by environmental regulations and being transparent and accountable for any environmental violations. Finally, it conducts regular internal audits to assess its effectiveness and identify its areas of improvement. Such systems are developed with the ISO 14001 standards and are responsible for managing and improving an organization's environmental performance through the above-mentioned actions.²¹

Sustainability Reporting

Sustainability reporting includes the disclosure of an organization's Environment, Social and Governance (ESG) performance. The environmental aspect of this concept focuses on the ecological performance of a company and the efforts that it gathers to minimize its environmental impact. There is no specific method through which sustainability reporting should be conducted since several frameworks have been created to cater to companies' needs. Some of these frameworks include the Global Reporting Initiative, the International Integrated Reporting Committee, The Dow Jones Sustainability Index, and the Carbon Disclosure Project, which provide structured guidelines

²⁰ ESG – a Brief History of Its Development – Part 1 – CarbonView. carbon-view.com/esg-a-brief-history-of-its-development-part-1/#:~:text=The%20genesis%20of%20ESG%20lies%20in%20the%20early. Accessed 8 Nov. 2023.

²¹ ASQ. "What Is an Environmental Management System? | ASQ." *Asq.org*, 2015, asq.org/quality-resources/environmental-management-system.

for sustainability reporting while also setting criteria for the sustainable operation of companies and goals for future operation.²²

Regulatory Compliance

Regulatory compliance in ECA involves companies' abidance by laws and relevant frameworks crafted by governments to ensure their environmentally friendly operation. Establishing legislation plays a crucial role in preserving the concept of ECA and its smooth operation. Companies must follow such laws and be transparent about their activities for them to be able to be held accountable by stakeholders for their wrongful behavior. Many laws for environmental reporting and the transparency of companies have been passed, especially by the European Union and the United Nations, and several organizations are responsible for holding companies accountable.²³

CORPORATE ENVIRONMENTAL RESPONSIBILITY

5 BASIS OF CSR

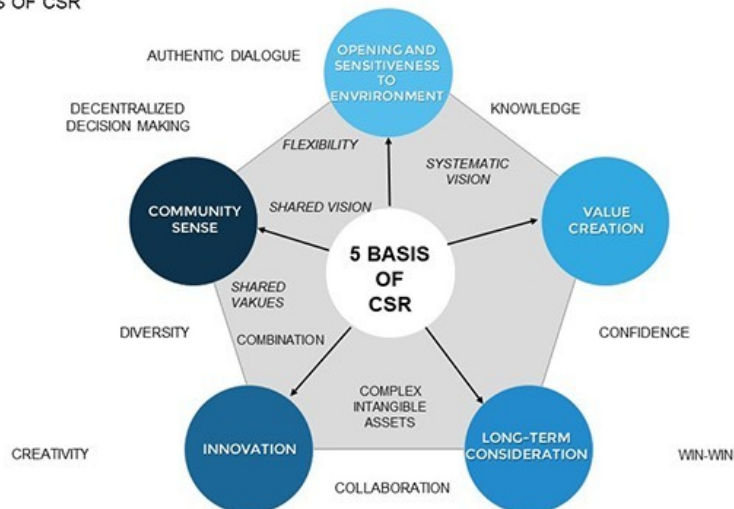


Figure 1: Key Principles of Environmental Corporate Responsibility²⁴

Case Studies

Apple

Apple is one of the corporations that has successfully pledged to ECA. It has made multiple efforts to make its manufacturing operations and its products sustainable. In 2020, Apple promised to bring its entire carbon

²² Delubac, Arnaud. "What Is Sustainability Reporting and Why Is It Important?" *Greenly.earth*, 24 Jan. 2023, greenly.earth/en-us/blog/company-guide/what-is-sustainability-reporting-and-why-is-it-important.

²³ *ENVIRONMENTAL COMPLIANCE ASSURANCE: TRENDS and GOOD PRACTICES Conference Report*. 2008.

²⁴ "Corporate Environmental Responsibility Keynote Chart." *ImagineLayout*, imaginelayout.com/keynote_charts-template-11561/. Accessed 30 Oct. 2023.

footprint to zero by 2030, while also ensuring all their devices have a net-zero impact on the environment.²⁵ It is in the process of eliminating all plastic from its packaging by the end of 2024, while also using 100% recycled aluminum in the enclosures of all its devices. All of its facilities operate on 100% clean energy that comes from renewable sources and all of its offices are carbon neutral.²⁶ Additionally, 300 of its suppliers operate on 100% renewable energy, thus ensuring a sustainable supply chain. They also ship most of their products in the ocean rather than air, which reduces transportation emissions by 95%.²⁷ Through investing in several projects that bring benefit to the environment, reducing their water usage by 63 billion gallons,²⁸ Apple has shown its commitment to the environment. Finally, due to its aim to remove all carbon from the atmosphere, Apple has introduced its first carbon-neutral product and has pledged to have all Apple devices have a net zero impact on the environment by 2030.²⁹

McKinsey

McKinsey is another corporation that has recognized the importance of reaching net-zero emissions and because of that, it has committed to achieving net-zero status by 2030. It has set science-based targets to limit the greenhouse gas emissions that it produces and has prioritized the mitigation of its carbon footprint. Additionally, 97% of its electricity comes from renewable sources, and it aims to transition to them fully by 2025.³⁰ It has assembled 120 Green Teams, which aim to eliminate single-use plastic and improve water efficiency, educate colleagues about sustainable travel options, build awareness, mobilize local efforts, and reduce the firm's environmental footprint.³¹ It also strives towards finding solutions to tackle climate change through investing in nature and technology. That includes forest protection and reforestation, the development of permanent carbon removal technologies, and expanding global supply and accessibility.³² Finally, McKinsey collaborates with several organizations that are responsible for

²⁵ "Environment - Mother Nature." *Apple*, www.apple.com/environment/mother-nature/.

²⁶ "Environment - Mother Nature." *Apple*, www.apple.com/environment/mother-nature/.

²⁷ "Environment - Mother Nature." *Apple*, www.apple.com/environment/mother-nature/.

²⁸ "Environment - Mother Nature." *Apple*, www.apple.com/environment/mother-nature/.

²⁹ "Environment - Mother Nature." *Apple*, www.apple.com/environment/mother-nature/.

³⁰ "Environmental Sustainability." *McKinsey & Company*, 2017, www.mckinsey.com/about-us/environmental-sustainability.

³¹ "Environmental Sustainability." *McKinsey & Company*, 2017, www.mckinsey.com/about-us/environmental-sustainability.

³² "Environmental Sustainability." *McKinsey & Company*, 2017, www.mckinsey.com/about-us/environmental-sustainability.

monitoring and reporting environmental activities, and also has committed to several international treaties regarding the achievement of net zero emissions.

MAJOR COUNTRIES AND ORGANIZATIONS INVOLVED

Brazil

Brazil, as a nation which possesses vast natural resources has faced and is still facing exploitation by corporations that utilize its natural resources for energy purposes. It has gathered multiple efforts to apply the concept of ECA while encouraging transparency and the displacement of activities regarding the environment by companies. It has also set frameworks to mitigate climate change, especially by corporations, such as the National Policy on Climate Change. It has implemented the Brazilian Environmental Crimes Law, which holds companies and stakeholders legally accountable for their non-environmentally friendly actions and outlines penalties for each violation for legal accountability.³³

People's Republic of China (PRC)

China, one of the world's largest economies and one of the largest contributors to greenhouse gas emissions, has many corporations that produce greenhouse gas emissions, hence having a significant role in addressing the impact of corporations on the environment. It has implemented various legislative measures to tackle this issue. One notable example is the Environmental Protection Law (EPL) of the PRC, which was amended and strengthened in 2015. It sets stricter punishments for environmental violations and promotes corporate responsibility by holding companies and stakeholders accountable for their negative impact on the environment. Additionally, China has implemented a corporate social credit system that considers environmental performance and compliance with laws as one of its criteria for assessing companies. The system aims to encourage sustainable practices in companies by rewarding environmentally responsible behavior and penalizing non-compliance with such laws.³⁴

United States of America (USA)

Over the years, the USA has made several significant attempts to address the environmental damage that is being generated by corporations by establishing several legal frameworks, treaties, and other efforts to minimize the effect of corporations on

³³ Group, Global Legal. "International Comparative Legal Guides." *International Comparative Legal Guides International Business Reports*, [iclg.com/practice-areas/environmental-social-and-governance-law/brazil](https://www.iclg.com/practice-areas/environmental-social-and-governance-law/brazil).

³⁴ ---. "International Comparative Legal Guides." *International Comparative Legal Guides International Business Reports*, [iclg.com/practice-areas/environmental-social-and-governance-law/china](https://www.iclg.com/practice-areas/environmental-social-and-governance-law/china).

the environment. Such efforts commenced on January 1st, 1970, when the National Environmental Policy Act (NEPA) was enacted. This act requires federal agencies to evaluate the environmental impact of their actions before conducting them. These federal agencies have a huge effect on private and public corporations since they are governmental in nature and highly affect a corporation's fiscal value and activities.³⁵ Its efforts continued through the Resource Conservation and Recovery Act (RCRA). It is a public legal framework that established regulations for the disposal of hazardous and non-hazardous waste in the environment by corporations. It methodizes the generation, transportation, treatment, storage, and disposal of such waste.³⁶ Another notable example of legislation that the USA has adopted is the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).³⁷ This act, which was passed in 1980 and amended in 1986, refers to the release of hazardous substances into the environment and holds companies and other parties accountable for their misuse of such substances and their non-friendly treatment of the environment.³⁸

Carbon Disclosure Project (CDP)

The Carbon Disclosure Project is a global non-profit organization, which aims to facilitate transparency in corporate environmental reporting. It helps investors and organizations evaluate and act on environmental risks and opportunities but also make informed decisions. It has the most comprehensive database on environmental reporting worldwide. It also aims to build a sustainable economy by measuring and acting on its environmental impact. It began operating in 2000. Companies can disclose their data and be transparent in order for CDP to suggest proposals and solutions reducing their carbon footprint.³⁹

European Union (EU)

The EU has implemented a comprehensive framework of environmental regulations, which aim to promote ECA. It is a leader and an innovator in promoting sustainable finance and green investments. Some of its legislations, acts, and policies

³⁵ United States Environmental Protection Agency. "What Is the National Environmental Policy Act?" *US EPA*, 31 July 2013, www.epa.gov/nepa/what-national-environmental-policy-act.

³⁶ US EPA, OLEM. "Resource Conservation and Recovery Act (RCRA) Laws and Regulations." *US EPA*, 19 June 2015, www.epa.gov/rcra#:~:text=The%20Resource%20Conservation%20and%20Recovery%20Act%20%28RCRA%29%20is.

³⁷ "Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and Federal Facilities." *US EPA*, 20 Aug. 2013, www.epa.gov/enforcement/comprehensive-environmental-response-compensation-and-liability-act-cercla-and-federal.

³⁸ US EPA, OECA. "Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and Federal Facilities." *US EPA*, 20 Aug. 2013, www.epa.gov/enforcement/comprehensive-environmental-response-compensation-and-liability-act-cercla-and-federal.

³⁹ CDP. "About Us - CDP." *Www.cdp.net*, 2022, www.cdp.net/en/info/about-us.

include the Non-Financial Reporting Directive, which requires companies to disclose their activities including the ones that harm the environment.⁴⁰ The European Green Deal is another legislative framework aiming to shape a sustainable EU economy, including the environmentally friendly operation of companies.⁴¹ Furthermore, the EU Emissions Trading System is also a legislation that aligns with ECA, as it taxes carbon used by corporations. Therefore, it aims to reduce the usage of harmful energy sources, while also encouraging strategies towards the operation of carbon-neutral corporations.⁴² Those frameworks and many others have been implemented by the European Commission.

TIMELINE OF EVENTS

Date	Description of event
1953	The concept of ESR was first introduced.
1953	The Environmental Impact Assessment (EIA) Laws are implemented by the EU.
27 September 1962	The book Silent Spring by Rachel Carson is published, marking the commencement of environmental activism due to corporate-produced pollution.
1 January 1970	The NEPA is enacted by the USA.
3-14 June 1992	The Rio Earth Summit takes place.
8 December 2012	The Kyoto Protocol is established by the UN.
12 December 2015	The Paris Agreement is signed.
2015	The United Nations Sustainable Development Goals are adopted.

⁴⁰ "Commission Guidelines on Non-Financial Reporting." *Finance.ec.europa.eu*, [finance.ec.europa.eu/publications/commission-guidelines-non-financial-reporting_en#:~:text=The%20non-financial%20reporting%20Directive%20%282014%2F95%2FEU%29%20requires%20large%20public](https://finance.ec.europa.eu/publications/commission-guidelines-non-financial-reporting_en#:~:text=The%20non-financial%20reporting%20Directive%20%282014%2F95%2FEU%29%20requires%20large%20public.). Accessed 22 Nov. 2023.

⁴¹ European Commission. "A European Green Deal." *European Commission*, 2023, commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en.

⁴² "EU Emissions Trading System (EU ETS)." *European Commission*, 2023, climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets_en.

December 2018	The United Nations Global Compact is implemented.
September 2019	The United Nations Principles for Responsible Banking are put into action.
31 October – 13 November 2021	The Climate Change Conference (COP 26) Summit takes place in Glasgow.
1 June 2023	The European Union Supply Chain Laws are implemented, obliging the more sustainable operation of the supply chains of various companies.

RELEVANT UN RESOLUTIONS, TREATIES AND EVENTS

- The Paris Agreement, 12 December 2015⁴³
- United Nations Sustainable Development Goals (SDGs), 2015⁴⁴
- Resolution on the Responsibility of State and Private owned Corporations to respect Human Rights, 6 July 2011, **(A/HRC/RES/17/4)**⁴⁵
- The United Nations Global Compact, December 2018⁴⁶
- The Kyoto Protocol, 8 December 2012⁴⁷
- United Nations Principles for Responsible Banking, September 2019⁴⁸
- United Nations Guiding Principles on Businesses and Human Rights, 1 January 2012⁴⁹

⁴³ *Unfccc.int*, 2023, unfccc.int/process-and-meetings/the-paris-agreement#What%20is%20The%20Paris%20Agreement?

⁴⁴ United Nations. "The 17 Sustainable Development Goals." *United Nations*, United Nations, sdgs.un.org/goals.

⁴⁵ "ODS HOME PAGE." *Documents-Dds-Ny.un.org*, documents-dds-ny.un.org/doc/RESOLUTION/GEN/G11/144/71/PDF/G1114471.pdf?OpenElement.

⁴⁶ "Environment | UN Global Compact." *Unglobalcompact.org*, unglobalcompact.org/what-is-gc/our-work/environment.

⁴⁷ ---. "What Is the Kyoto Protocol? ." *UNFCCC*, UNFCCC, 2019, unfccc.int/kyoto_protocol.

⁴⁸ UNEPFI. "Principles for Responsible Banking – United Nations Environment – Finance Initiative." *Unepfi.org*, 2019, www.unepfi.org/banking/bankingprinciples/.

⁴⁹ "OHCHR | Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework." *OHCHR*, www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights.

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

Environmental Impact Assessment (EIA) Laws

The EIA Laws were implemented by the EU in 1953 and were amended in 2011. These laws declare that every major building or development project that takes place in the EU must first be assessed by various stakeholders, regarding its impact on the environment. That impact includes the effect that each project has on factors including but not limited to population, human health, biodiversity, land, soil, water, air, climate, landscape, material assets, and cultural heritage. Through this legislation, corporations that shape such projects must provide a thorough report, which will describe the project based on its location, design, and size, and then outline the possible effects and impacts that it could have on the environment, while proposing several alternatives. They should also present various features of the project and measures that corporations should avoid while aiming to significantly reduce their impact on the environment. These laws, even though efficient, only address the issues that a project can have on an already set outline and do not address projects as a whole, posing several issues.⁵⁰

European Union Supply Chain Law

The EU Supply Chain Law was implemented on June 1st, 2023. It tightened the already existing legislative measures that were shaped to oblige corporations to operate in a fair and sustainable manner. It requires corporations to consider the operation and environmental impact of their supply chains, while also ensuring that their business operations are sustainable. This law is applied to companies with more than 250 employees that possess an annual turnover of more than 40 million United States Dollars (USD) worldwide.⁵¹ These companies are given a transition period of 5 years to adapt to the legislation,⁵² which aims to promote a fair and more sustainable economy as well as more responsible and environmentally friendly corporate governance. Its applicability to companies of a certain size reduces its mitigation of the environmental imprint.⁵³

⁵⁰ "Environmental Impact Assessment." *Environment.ec.europa.eu*, environment.ec.europa.eu/law-and-governance/environmental-assessments/environmental-impact-assessment_en#:~:text=Under%20the%20EU%E2%80%99s%20Environmental%20Impact%20Assessment%20%28EIA%29%20Directive. Accessed 23 Nov. 2023.

⁵¹ "The EU'S New Supply Chain Law – What You Should Know." *Www.aeb.com*, www.aeb.com/en/magazine/articles/eu-supply-chain-law.php. Accessed 7 Dec. 2023.

⁵² "EU Supply Chain Law Obliges Companies to Operate in a Fair and Sustainable Manner." *EQS Group*, www.egs.com/compliance-blog/eu-supply-chain-law/.

⁵³ "EU Supply Chain Law Obliges Companies to Operate in a Fair and Sustainable Manner." *EQS Group*, www.egs.com/compliance-blog/eu-supply-chain-law/.

Extended Producer Responsibility (EPR) Laws

The EPR Laws were created in 2002 by the Environmental Council of the States (ECOS) and are implemented by several governments around the world based on the concept of extended producer responsibility.⁵⁴ This is an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle. Such laws are designed in order to reduce the environmental impact of waste materials, while also improving and maximizing recycling rates. Through these laws, companies are required to be responsible for proper and effective recovery, but also the recycling of their products after they have been sold to consumers and used. It also encourages the creation of sustainable and biodegradable packaging that does not harm the environment. The EPR Laws, despite their prospect of success through proper implementation, do not cover all aspects of ECA and are not easily implemented by companies.⁵⁵

POSSIBLE SOLUTIONS

Globalization of Sustainable Supply Chain Regulations

One of the main issues that companies face in the process of becoming environmentally sustainable is the fact that certain parts of their supply chains are not eco-friendly. For a company to encompass ECA in its entirety, it is of utmost importance for them to ensure that their product is environmentally friendly throughout its entire lifespan. The EU, as mentioned above, has implemented various strict and strong regulations based on transparency and the sustainable operation of a supply chain, which have only been applied in EU member states. Therefore, the creation of a global framework regarding the sustainability of an entire supply chain, which can take inspiration from the EU legal framework, would be a highly effective way of minimizing the non-eco-friendly steps in supply chains. This framework would set guidelines and define what a sustainable supply chain is. Penalization of corporations that do not abide by it should be a consideration made by delegates. Of course, ensuring a sustainable supply chain as a whole does not ensure the full pledge of companies to ECA, but it is a step of utmost importance towards their collective sustainable operation and the reaching of net zero emissions.

⁵⁴ Nash, Jennifer, and Christopher Bosso. *M-RCBG Associate Working Paper Series | No. 10 Extended Producer Responsibility in the United States: Full Speed Ahead?* 2013.

⁵⁵ OECD. "Extended Producer Responsibility - OECD." *Www.oecd.org*, 2022, www.oecd.org/environment/extended-producer-responsibility.htm.

Implementing a Global ECA Legal Framework

ECA is a concept, not a legally binding document. Of course, several laws have been implemented that circle around the concept, but they do not collectively address ECA. This leaves ambiguities open for companies and enables them to not fully abide by this concept. The combination of the strongest and already existing legislative measures in a vast legal framework, which will be implemented under the aegis of the United Nations, and more specifically UNEP, is a sufficient solution to covering all significant aspects of the issue. Measures include but are not limited to monitoring and reporting the activities of corporations that are related to the environment, the sustainable packaging of products, the sustainable operation of the offices of companies, companies' usage of renewable sources, but also their overall stance toward the environment.

Mandatory Sustainability Monitoring and Reporting in Corporations

A crucial part of the successful operation of ECA is companies' transparency regarding their environmental footprint for them to be able to be held accountable for their non-environmentally friendly activities. However, some of them choose to not disclose such information and even resort to unethical practices such as greenwashing. For companies to be held accountable for their actions and for the prevention of the phenomenon of greenwashing, establishing a monitoring and reporting mechanism is imperative, whether under a non-governmental or governmental organization. Such sustainability reports could include greenhouse gas emissions that a corporation produces, the sustainability of its supply chain and its facilities, but also the efforts that they have gathered, or not gathered, in order to abide by ECA. Such information should be available, but who it is available to depends on each delegation's policy.

Greenhouse Gas Emissions Regulations for Corporations

Greenhouse gas emissions are the main cause of climate change, which is currently the most pressing environmental issue. Companies greatly contribute to emitting greenhouse gasses; consequently, they are large contributors to climate change. Limiting greenhouse gas emissions could be set out through a framework that would set a specific number of emissions that could be produced by each corporation, while taking into account several factors, such as its size, the demand for its product, the workforce that it has employed, and its other activities that benefit the environment. This would be an effective measure in order to aid and guide companies to pledge to ECA since the limitation of greenhouse gas emissions is inherently linked to the concept.

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