

Energy and Environment Legal Institute

Via Email

October 2, 2019

Vanessa Countryman
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Supplement to Petition for Action Regarding Misleading Climate Disclosures

Dear Madam Secretary,

We are respectfully submitting this supplement to our August 13, 2019 [petition](#) to the U.S. Securities and Exchange Commission (the “Commission”) requesting that it take appropriate action to prevent and prohibit registrants from making materially false and misleading claims and statements related to global climate change.¹

This supplement provides another current example of how registrants are violating the full disclosure and anti-fraud provisions of the U.S. securities laws by making false and or misleading statements.

On September 19, 2019, Amazon.com, Inc. issued a press release entitled, “[Amazon Co-founds The Climate Pledge, Setting Goal to Meet the Paris Agreement 10 Years Early.](#)”² This announcement is false and misleading in a number of ways.

1. Amazon.com has nothing to do with the Paris Climate Agreement.

The first sentence of Amazon’s press release states:

Today, Amazon (NASDAQ: AMZN) and Global Optimism announced The Climate Pledge, a commitment to meet the Paris Agreement 10 years early.

First, the signatories to the [Paris Climate Agreement](#) are nations, not private companies.³ Amazon cannot ‘meet’ the Paris Climate Agreement because it is not a party to it.

Second, Amazon cannot possibly ‘meet’ the goals of the Paris Climate Agreement. The basic goal of the Paris Climate Agreement is to “[hold] the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre- industrial levels.”

Amazon's annual greenhouse gas emissions are approximately 44 MILLION tons CO₂e per year.⁴ But as pointed out in our August 13 petition, manmade emissions of CO₂e are about 53.5 BILLION tons, and growing with no end in sight, according to the United Nations. So Amazon's annual emissions are an insignificant 0.08% of global emissions. Amazon could stop emitting today and forever, and average global temperature would not be affected.

Third, Amazon's claimed time frame of "10 years early" (i.e., the year 2040) is misleading because the Paris Agreement does not mention the date 2050 nor rely on it for its goals. The goal of the Paris Climate Agreement is to limit anticipated average global temperature increase. There is no timeframe associated with the goal in the agreement. Amazon has falsely associated a timeframe with the Paris Climate Agreement.

2. Amazon cannot make a 'difference' to global climate.

Amazon's media release states:

We're done being in the middle of the herd on this issue—we've decided to use our size and scale to make a difference. [Emphasis added]

But as above, Amazon does not emit a significant amount of greenhouse gases and cannot possibly make any difference to average global temperature.

Moreover, regardless of Amazon's emissions, its business entirely depends on selling and shipping products that are manufactured and transported around the world via greenhouse gas emissions.

Our August 13 petition spotlighted the false and misleading nature of ExxonMobil's claim to be reducing its own emissions that omitted mention of the much larger amount of emissions from the burning of its oil and gas products. The only way ExxonMobil and Amazon can claim to be reducing the emissions they are actually associated with is to cease business activities. But even this would have no discernible effect on global climate.

3. Amazon misleads on electric vehicles.

Amazon's media release touts an investment in electric vehicles (EVs):

By joining The Climate Pledge and agreeing to decarbonize on a faster time horizon, signatories will play a critical role in stimulating investment in the development of low carbon products and services that will be required to help companies meet the pledge. Amazon's previously announced investment in Rivian is an example of this. Rivian is a producer of emissions-free electric vehicles with its headquarters in Plymouth, Michigan and a manufacturing plant in Normal, Illinois. The \$440 million investment will accelerate the production of electric vehicles critical to reducing emissions from transportation. To further advance this goal, Amazon today announced the order of 100,000 electric delivery vehicles from Rivian, the largest order ever of electric delivery vehicles, with vans starting to deliver packages to customers in 2021. Amazon plans to have 10,000 of the new electric vehicles on the road as early as 2022 and all 100,000 vehicles on the road by 2030 – saving 4 million metric tons of carbon per year by 2030.

When their entire lifecycle and charging sources are considered, it is not at all clear that EVs result in less emissions. EVs emit less while being driven, but their manufacturing is more CO₂-intensive than for conventional cars. If their batteries are charged via coal or natural gas plants or diesel generators, their emissions are merely displaced, not eliminated. Finally, as explained previously, reducing emissions by 4 million tons per year is trivial and will make no difference to climate.

4. Amazon pretends that renewable energy is a benefit.

Amazon touts its goals for renewable energy as follows:

80% Renewable Energy by 2024 and 100% Renewable Energy By 2030

Two years ago, Amazon made a long-term commitment to power its global infrastructure with 100% renewable energy. Amazon is now pledging to reach 80% renewable energy by 2024 and 100% renewable energy by 2030 on its path to net zero carbon by 2040. Major investments in renewable energy are a critical step to address its carbon footprint globally. To date, Amazon has launched 15 utility-scale wind and solar renewable energy projects that will generate over 1,300 MW of renewable capacity and deliver more than 3.8 million MWh of clean energy annually – enough to power 368,000 U.S. homes. Amazon has also installed more than 50 solar rooftops on fulfillment centers and sort centers around the globe that generate 98 MW of renewable capacity and deliver 130,000 MWh of clean energy annually.

As before, Amazon could vanish from the Earth – i.e., have zero emissions now and forever – and this would make no difference to global emissions, atmospheric greenhouse gas levels or to climate.

A recent [study](#) from the University of Chicago reported that state wind and solar mandates in the United States have reduced few CO₂ emissions at great cost.⁵ The reality is that Amazon's renewable energy policy is raising energy costs for the company without providing any sort of actual climate benefit. This is not disclosed anywhere.

5. The climate impact of planting trees is warming, not cooling.

Amazon touts a reforestation initiative as follows:

Investing \$100 million in Reforestation

Amazon is launching the Right Now Climate Fund, committing \$100 million to restore and protect forests, wetlands, and peatlands around the world in partnership with The Nature Conservancy. The Right Now Climate Fund will help remove millions of metric tons of carbon from the atmosphere over the lifetime of the project, and create economic opportunity for thousands of people.

But scientific [research](#) indicates that deforestation cools, rather than warms the planet.⁶ So reforestation would warm, rather than cool the planet. While Amazon touts its \$100 million donation to The Nature Conservancy, it is not at all clear than any, let alone

'millions of tons of carbon' will be removed from the atmosphere. In fact, millions of tons of carbon dioxide may very well be added to the atmosphere. In either event and as discussed previously, "millions of tons" is irrelevant to climate.

Summary

Amazon has made multiple false and misleading statements in an effort to polish its public image. A charitable term for this is "greenwashing." The Commission should move forward with guidance to registrants that would prohibit such false and misleading statements concerning climate.

Respectfully submitted,

Steve Milloy

Steve Milloy, MHS, JD, LLM
Director

¹ <https://www.sec.gov/rules/petitions/2019/petn4-751.pdf>

² <https://press.aboutamazon.com/news-releases/news-release-details/amazon-co-founds-climate-pledge-setting-goal-meet-paris>

³ <https://unfccc.int/resource/docs/2015/cop21/eng/l09r01.pdf>

⁴ <https://sustainability.aboutamazon.com/carbon-footprint>

⁵ <https://bfi.uchicago.edu/working-paper/do-renewable-portfolio-standards-deliver/>

⁶ <https://www.pnas.org/content/104/16/6550>