Environmental Justice

Another public policy driver for corporate sustainability efforts is the growing global movement for greater environmental justice. This movement acknowledges that communities of color and socio-economically disadvantaged areas in the developed world and large portions of developing countries have suffered disproportionate environmental harm to benefit wealthier economies in the developed world.

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One definition of environmental justice (EJ) is as the "fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations and policies." A corollary concept is the notion of climate justice, which responds to the concern that many nations and communities that are least responsible for the causes of climate change are often most vulnerable to its effects.

The ideal of fair treatment for all dictates that no group of people should bear a disproportionate share of the negative environmental consequences that result from commercial or governmental actions or policies. In addition, all communities should have access to the wealth of ecological services that arise from proper environmental management – such as green spaces and clean air and water—as well as the numerous ways that businesses often help develop healthy, thriving communities.

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The complex history of discrimination and racism that has caused communities of color and the poor to be disproportionately affected by pollution may lie far outside a company's direct sphere of influence. However, companies are facing increasing pressure from investors, employees, customers, and the communities in which they are located to align business strategies with efforts that promote environmental justice. This pressure may create opportunities for companies to look beyond the immediate impacts from their operations and advance EJ objectives throughout their value chain.

Click below (or scroll on mobile devices) to view some key questions and issues to consider in relation to environmental justice:

How does environmental justice affect my work? +

What are some of the key risks to companies arising from the environmental justice movement? +

How can I consider environmental justice when siting new projects? +

What opportunities exist to engage with EJ issues in communities in which my company already operates? +

What about EJ impacts occurring elsewhere in my company's value chain? +

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How does environmental justice affect my work?

Decades of scholarship has shown that racial minorities and low-income communities bear a disproportionate share of environmental burdens.

By engaging stakeholders in a robust manner, companies can promote a more just and equitable world while also gaining a competitive advantage. Companies that engage in regular dialogue with a wide variety of stakeholders are better positioned to anticipate and respond deftly to changes in the economic, social, environmental, and regulatory landscape. Active engagement in EJ issues can also help companies attract and retain talent, as employees increasingly demand that their employers consider the social and environmental impacts of their operations. Indeed, businesses that are actively engaged in EJ issues can create shared value, achieving economic gains by addressing social issues that are core to their business.

On the other hand, choosing to ignore EJ issues can erode trust between industry and local communities, cause permitting delays or denials, and result in significant reputational harm. Public understanding of the connections between industrial activities, public health, and disparate health outcomes—and the ways in which these factors can exacerbate each other—has been driven home by the confluence of events around the global pandemic and the national dialogue in the United States over racial injustice as we continue to understand the impact of COVID-19 on various communities.

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What are some of the key risks to companies arising from the environmental justice movement?

Environmental justice disputes can result in litigation, public demonstrations, and project cancellations.

- State attorneys general have brought enforcement actions against polluters for alleged violations of the principles of the environmental justice movement. In 2018 and 2019, New Jersey brought 14 enforcement actions that the Department of Environmental Protection identified as environmental justice suits because the alleged violations of state environmental laws occurred in minority and low-income communities. The violations identified in these suits included refusing to clean up releases of hazardous and toxic substances into soil and water and improperly disposing of waste in a residential neighborhood.

- Demonstrations from Los Angeles to New Jersey have attracted hundreds of protesters concerned about the environmental and health impacts of industrial facility operations and disposal of contaminated waste in marginalized communities.

- After years of delays, plans to build the Atlantic Coast Pipeline were canceled this year amid environmental justice concerns, permitting opposition, and budgetary issues. Before the energy companies abandoned the joint venture, the 4th Circuit determined that Virginia's Air Pollution Control Board failed to consider the disproportionate impact that building a compressor station would have on residents closest to the proposed site. In the opinion, Judge Stephanie Thacker stated: "environmental justice is not merely a box to be checked."

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How can I consider environmental justice when siting new projects?

Several of the [major protests and studies](#) that first gave rise to the modern EJ movement in the 1960s focused on the siting of industrial facilities in traditionally marginalized communities. Concerns about where pollutants are emitted and their impacts on communities remain highly relevant today. When companies identify appropriate locations for facilities or projects that could impact the environment or human health, they should actively engage a diverse set of community members in the design, planning, and implementation of the project.

- Companies should seek the input of local leaders, community organizations, educational institutions, individual residents, and other stakeholders to understand the potential impacts of their decision to enter a community and develop appropriate strategies to ensure fairness and mutual benefit.

- Meaningful engagement requires careful efforts to elevate the voices of communities and their most vulnerable members. To do this effectively, organizations should be responsive to community needs, which may include providing translation services, hosting meetings at times and in locations that facilitate community involvement, and altering approaches to respect the diverse cultures of impacted communities.

- As companies develop relationships with community members and build trust, they should seek to gain a deep understanding of the community's desires and interests and seek out win-win opportunities to meet community needs and fulfill business objectives with a focus on equity.

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Many companies find value in developing stakeholder engagement plans to ensure that they are thorough and thoughtful in their efforts to understand the nuances of the communities they seek to join.

Covington has developed community engagement strategies that have helped both companies and communities achieve their goals.

The plans and implementation strategies place an emphasis on promoting equity in the implementation of proposed projects and enhancing understanding of the disparate impacts of past activities on marginalized communities.

The plans build political and public support by ensuring that all voices are heard and all issues are thoroughly addressed.

In some cases, Covington has identified respected political and cultural leaders to convene intensive dialogues to help craft solutions that respect cultural and religious interests.

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What opportunities exist to engage with EJ issues in communities in which my company already operates?

- Companies can establish a sustained dialogue with the communities in which they operate. Daily decisions and long-term strategic plans can impact the health and environment of a community long after an industrial facility obtains necessary permits to operate.

- Organizations can develop firmwide EJ policies and train employees in various roles to recognize, elevate, and appropriately address concerns raised by community members.

- Corporate leaders can take actions to help build and maintain healthy and resilient communities. This often involves actively seeking out opportunities to improve the wellbeing of employees and local communities, which can serve as the backbone of companies' financial success.

- Companies can incorporate EJ principles into their public policy advocacy and advance policies that support the development of healthy and sustainable communities.

- Organizations can work to promote diversity, equity, and inclusion in all aspects of their operations. Research has shown that diverse perspectives can help generate better ideas, which could improve approaches to not only EJ matters but also the many opportunities and challenges companies regularly encounter.

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What about EJ impacts occurring elsewhere in my company's value chain?

- It might not be enough just to be a good neighbor to those communities in which a company has a physical campus or operations. Companies might also consider how their operations may contribute to disproportionate impacts elsewhere within their value chain.

- For example, a company producing consumer goods might consider the impacts from shipment of its products along heavy freight and transportation corridors, which often run through communities of color disproportionately impacted by air pollution.

- Assessing those impacts and considering how they might be minimized in partnership with vendors and suppliers—for example, by assisting trucking companies in accelerating the electrification of their fleets—may create opportunities to enhance the company's engagement with EJ communities and improve public health within them.

Sustainability Toolkit

Explore the topics	Defining Sustainability	Public Policy: Climate Change	Public Policy: COVID-19	Public Policy: Environmental Justice	Public Policy: UN Sustainable Development Goals
Engaging and Advising BODs	Investor Expectations	Corporate Disclosure: The Basics	Corporate Disclosure: Standards and Initiatives	Setting Corporate Goals	M&A and JV Transactions
Green Bonds and SLLs	Carbon Markets	Marketing Claims	Crisis Management	Insurance Implications	Sustainability NGOs

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