

Integrating Environmental Justice into Corporate Strategy:

EJ Audits as a tool for a Just Transition

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Pedro Glatz,

Associate Director, Climate Change & Environmental Justice

About ICCR

- ICCR is a 52 year-old coalition of more than 300 faith- and values-based institutional investors currently representing more than \$4 trillion in managed assets. ICCR members view shareholder engagement with corporations as a powerful catalyst for change. Our statement, “inspired by faith, committed to action” sets forth our pledge to be active owners, and to engage meaningfully with the companies in our portfolios through the process of shareholder engagement that we pioneered more than 50 years ago.

Environmental Justice Audits

- EJ considerations at the forefront of regulatory and policy making.
- No procedures or generally-accepted criteria exist.
- Companies are facing increasing pressure from stakeholders to act swiftly and proactively on EJ matters.



Looking at one EJ engagement: Southern Company



- **Engagement Goals:**
 - Ensure Southern is reducing emissions aligned with a 1.5° C future:
 - Developing and implementing a Just Transition plan.
 - Push Southern to conduct robust human rights due diligence on EJ impacts.
 - Prioritizing efforts to prevent and mitigate impacts to the communities most affected by climate change, EJ and resource extraction.

Looking at one EJ engagement: Southern Company



- Shareholders request Southern Company (Southern) **issue a report on environmental justice**, updated annually, describing its efforts, above and beyond legal and regulatory matters, to identify and reduce heightened environmental and health impacts from its operations on communities of color and low-income communities. Such a report should consider:
 - Past, present, and potential future disparate environmental and health impacts from its operations;
 - How responsibilities are allocated within the company regarding governance and management of EJ issues;
 - Types and extent of stakeholder consultation with impacted communities;
 - Quantitative and qualitative metrics on how environmental justice impacts inform business decisions;
 - Whether and how Southern intends to improve its policies and practices in the future.

The Result



December 2023



Environmental Justice Summary for Southern Company's Largest Power Generating Facilities



Bowen Steam Plant (Plant Bowen):

- **Location:** 317 Covered Bridge Rd, Cartersville, GA, 30120, USA
- **Total Nameplate Capacity:** 3,160 MW
- **Number of Units:** 4
- **Fuel Type:** Coal
- **Commercial Operation:** Unit 1 – 1971, Unit 2 – 1972,
Unit 3 – 1974, Unit 4 - 1975



Environmental Justice Screening Tools

Environmental Justice Screening and Mapping Tool (EJSCREEN) report (PDF) as of 11/10/2023:

- ▶ [Plant Bowen - EJScreen Community Report 11.10.2023](#)

Climate and Economic Justice Screening Tool (CEJST) Data Summaries as of 11/10/2023:

- ▶ [Plant Bowen - CEJST Graphic](#)
- ▶ [Plant Bowen - CEJST Table](#)

What did the Report say?

- Positive:
 - An important step.
 - Included quantitative EJ data.
 - Gives an overview of due diligence at the facility level.
 - Sets precedent for the utility sector to start disclosing on EJ.
- Shortcomings:
 - Limited Scope.
 - Gaps in data hinder a comprehensive understanding of Southern's broader EJ impact.
 - Some topics were not addressed.

Conclusions

- EJ Reports have the potential to be a powerful tool in the shareholder engagement process.
- We need to expand their use across the energy sector.
- It is essential to develop stronger benchmarks and standards for Environmental Justice analysis and planning within companies.