

## The Paradox of Environmental Social Governance (ESG) in Addressing Environmental Justice

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**Abstract :** Environmental Justice (EJ) and Environmental Social Governance (ESG) are trending terms used to address the impacts of corporate actions and environmental and social regulations on the people and the planet. ESG is a private governance invention (though increasingly required by public law) that aims to disclose environmental and social criteria while fostering value for businesses. On the other hand, EJ was borne as a social movement that evolved into a regulatory tool employed by EJ advocates and governmental agencies to assess inequalities in environmental impacts and regulations. However, EJ usage is expanding, and private environmental governance in the form of ESG disclosure frameworks is incorporating EJ criteria, indexes, and tools as part of its metric-driven approach. There is an existing tension between (1) the notion of social justice at the heart of the environmental justice movement and (2) the nature of for-profit corporations which generate value by externalizing costs, translated to environmental injustices. This study aims to explore the paradoxical relation of ESG, including EJ criteria, despite their opposing notions, in response to the need for innovative mechanisms to address today's pressing social and environmental challenges. To that end, this study will evaluate and critically assess the inclusion of EJ in ESG reporting. Furthermore, it identifies gaps in ESG frameworks and proposes the integration of EJ tools to address these deficiencies. This work is intended to help both businesses looking to expand their ESG frameworks and include EJ criteria to inform corporate decisions and assure long-term corporate viability, as well as EJ supporters in understanding the complex dynamic of ESG disclosure for the pursuit of EJ objectives.

**Keywords :** environmental justice, ESG, sustainability reporting, corporate law, environmental law, social justice

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