

Environmental Justice: An Introduction for Retail



April 28, 2021

RETAIL COMPLIANCE CENTER

The Retail Compliance Center has a number of resources related to environmental compliance and sustainability that apply in retail including introductory information as well as detailed reviews of regulations and variations in state requirements.

www.rila.org/rcc



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Everyone is muted upon entry

- This reduces background noise during the webinar.

Recording

- The webinar is being recorded and will be housed on the RCC site for future views. The slide deck will also be posted to the RCC site.

Posing a question/commenting

- Please use the Q&A box to pose questions or comments.
- Questions and comments posed will go directly to the speakers and moderators.
- Questions will be answered after the conclusion of the speakers' presentation.

Webinar Feedback Survey

- Survey launched during Q&A as live poll

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- **Do not** discuss cost information such as production costs, operating costs, or wage and labor rates.
- **Do not** discuss profits or profit margins, including what is a "fair" profit margin.
- **Do not** discuss allocating markets, territories, or customers.
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SPEAKERS



Hilary Jacobs
Associate,
Beveridge & Diamond



Stacey Halliday
Independent Consultant,
Beveridge & Diamond



Donnel Baird
Founder,
BlocPower

Environmental Justice:

An Introduction for Retail

Retail Industry Leaders Association

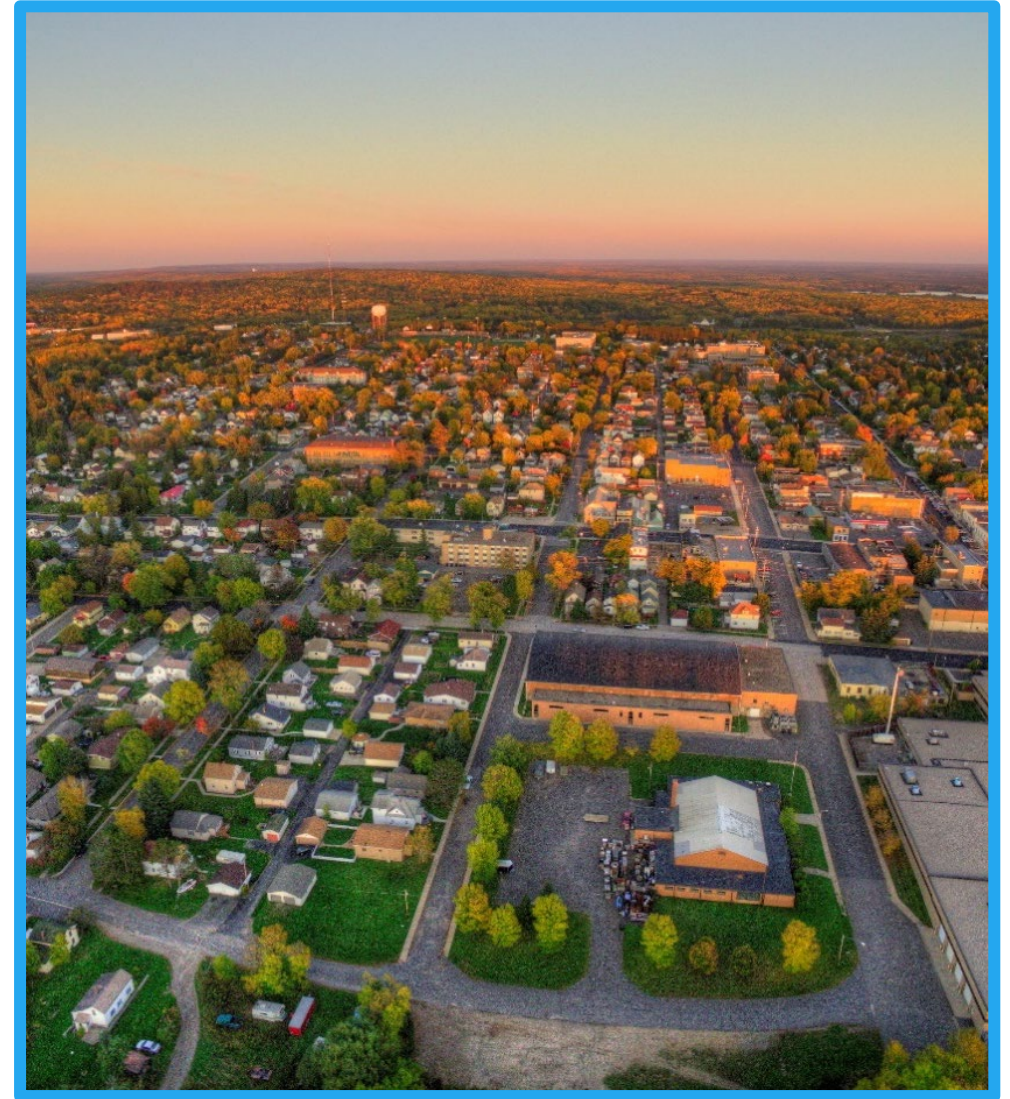
Stacey Sublett Halliday, Independent Consultant for Beveridge & Diamond
Hilary Jacobs, Associate, Beveridge & Diamond

Wednesday, April 28, 2021



Agenda

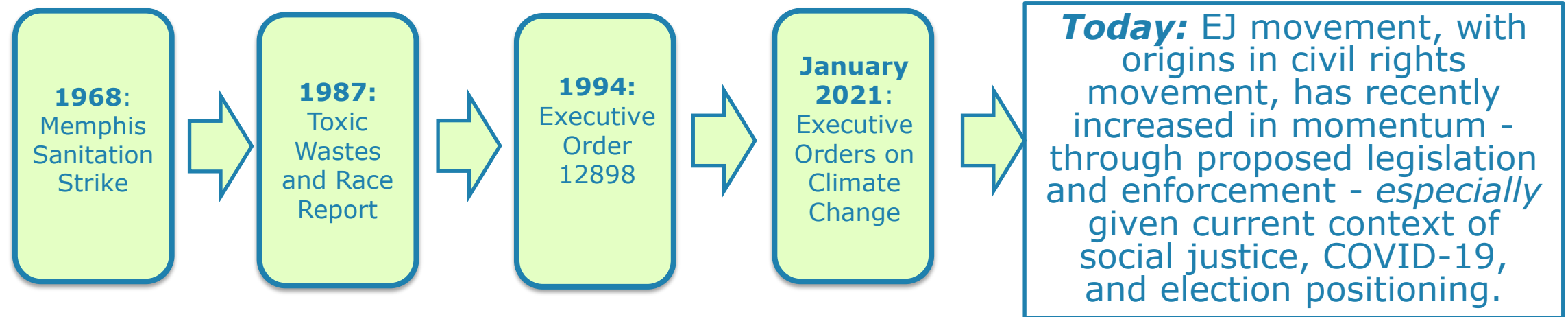
- Brief EJ Background
- Current EJ Law and Policy
- Happening Today
- Relevance to Retail
- Best Practices



What is Environmental Justice, and Where is the Movement Today?

“Environmental justice (EJ) is 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.”

- U.S. Environmental Protection Agency



Why is EJ important to retailers?

Biden Administration
“Whole-of-Government approach to environmental justice – opportunities (Justice 40 initiative) and risks (targeted enforcement)

State-level focus on EJ is on the rise, primarily impacting permitting and community engagement requirements

High-visibility sector and unprecedented focus by investors, customers, employees on social justice, environmental justice, human rights, and climate issues

Indirect impacts of EJ requirements and potential disruption of operations (ex. heightened permitting requirements for recyclers or suppliers)

How do we know if EJ is an issue?

→ Proximity to environmental justice or overburdened communities

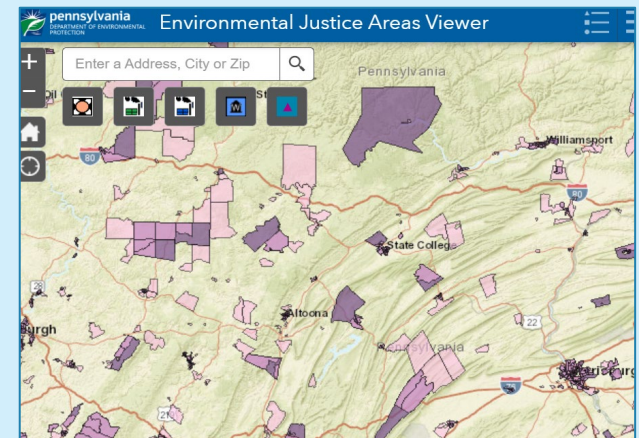
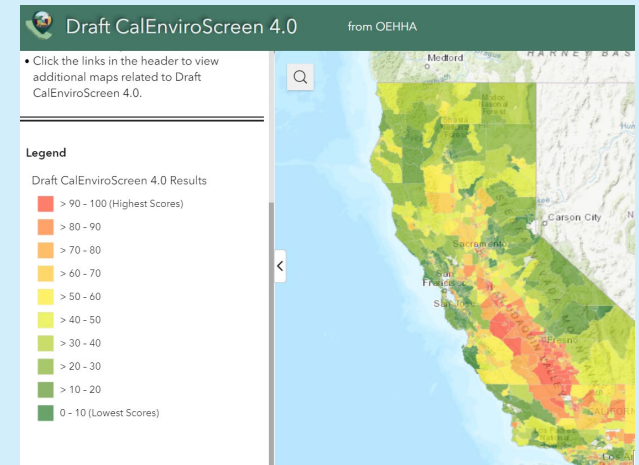
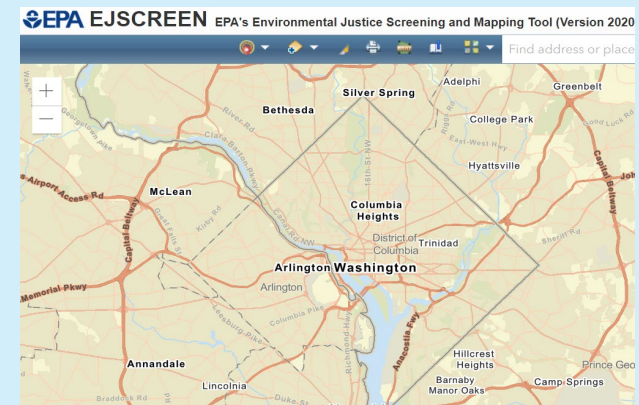
(1) **Define threshold** through demographic and/or environmental factors.

**U.S. EPA, EJ
2020
Glossary**

“Minority, low-income, tribal, or indigenous populations or geographic locations in the United States that potentially experience disproportionate environmental harms and risks.”

**N.J. Stat.
Ann. § 13:1D-
158**

A census block group in which a) at least 35% of households qualify as low-income households, b) at least 40% of the residents identify as minority, or c) at least 40% of households have limited English proficiency.



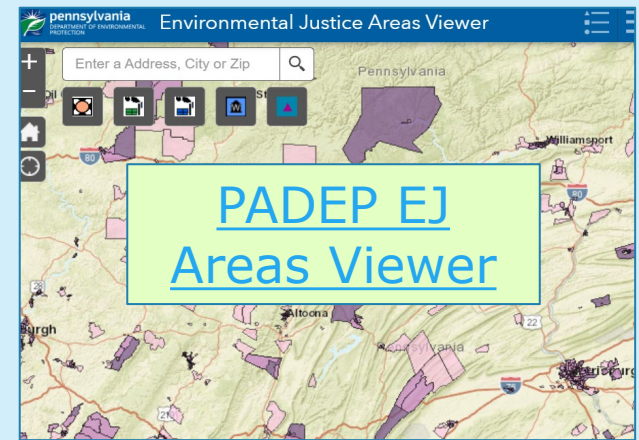
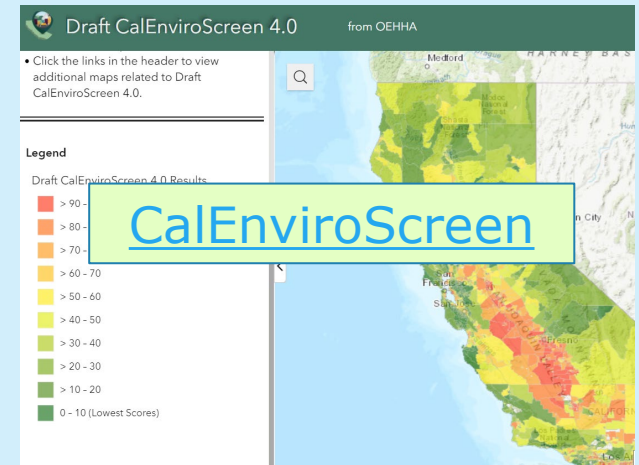
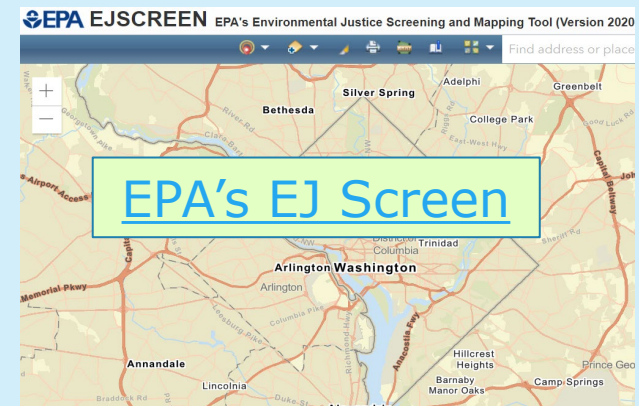
How do we know if EJ is an issue?

→ Proximity to environmental justice or overburdened communities

(2) Use reliable demographic and/or environmental data to measure the site against your chosen threshold.

Tip: See if your state has an EJ mapping tool!

(3) **Groundtruth** — or confirm quantitative data through qualitative review and research.



Current EJ Laws and Policies

While there is currently no single "environmental justice" law, existing environmental and civil rights authorities implicate EJ issues.

Federal

Executive Order 12898: Directs federal agencies to address EJ

National Environmental Policy Act: Requires federal government to consider environmental impacts for major federal actions

Civil Rights Laws: Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968 can be used to combat allegedly discriminatory federal actions

Executive Order on Tackling the Climate Crisis at Home and Abroad: Expands federal agencies' EJ obligations

State

→ The majority of states have laws or policies that address EJ issues, though the extent varies widely.

New Jersey S. 232 (2020): Empowers NJDEP to restrict or deny permits for certain facilities based on EJ impacts

Connecticut H.B. (2020): Requires towns with over 5 "affecting facilities" to work with new developers to lessen impacts

New York created a **permanent EJ advisory group** responsible for overseeing state agencies' implementation of EJ principles in 2019

A New Era of EJ

Early Biden Administration Executive Actions

Executive Order on Tackling the Climate Crisis at Home and Abroad (January 2021): Whole-of-government approach, enhanced agency accountability, emphasis on federal enforcement, improved access to data, targeted investments

EJ-Focused Appointees in Multiple Agencies

New and Re-introduced Federal Legislation

I.e., COVID-19 Stimulus: \$100 million in EJ funding; **EJ Mapping and Data Collection Act of 2021:** Improve existing EJ mapping tools

Increasing State EJ Requirements

Permitting Requirements: Injecting EJ considerations into certain environmental permitting actions

EJ-focused enforcement initiatives

EJ & Retail

What does EJ look like for the retail industry?

- Environmental (and socioeconomic) impacts of **brick-and-mortar stores, distribution/fulfillment centers, & manufacturing facilities**
- Impacts from **distribution methods & routes**
- **Waste management & reverse logistics** (disposal and storage of hazardous waste, use and disposal of plastics, selection and use of landfills)
- **Community benefits**, brownfield revitalization, zero-waste initiatives, local hiring, charitable giving



EJ & Retail

Risks & Opportunities – Direct Risks

Increased scrutiny for siting and permitting in EJ communities (retail stores, distribution centers, manufacturing facilities, data centers)



Ex. Environmental permitting applications requiring assessment of impacts on EJ communities

Ex. Permitting processes with more robust public involvement for facilities/sites in EJ communities

Increased enforcement for environmental violations in EJ communities – including storage, movement, and disposal of waste (including hazardous waste)



Ex. Applying an EJ lens into existing environmental compliance and targeting facilities in EJ communities

Trends in ***ESG reporting*** for human rights and environmental impacts



Ex. Changes to SEC annual reporting guidance on “S” in ESG

EJ & Retail

Risks & Opportunities – Indirect Risks

Siting and permitting challenges for partners along the supply chain
(raw material providers, energy providers, end-of-life partners)



Ex. Recyclers face increasing difficulty to renew, modify, or construct facilities given EJ permit requirements

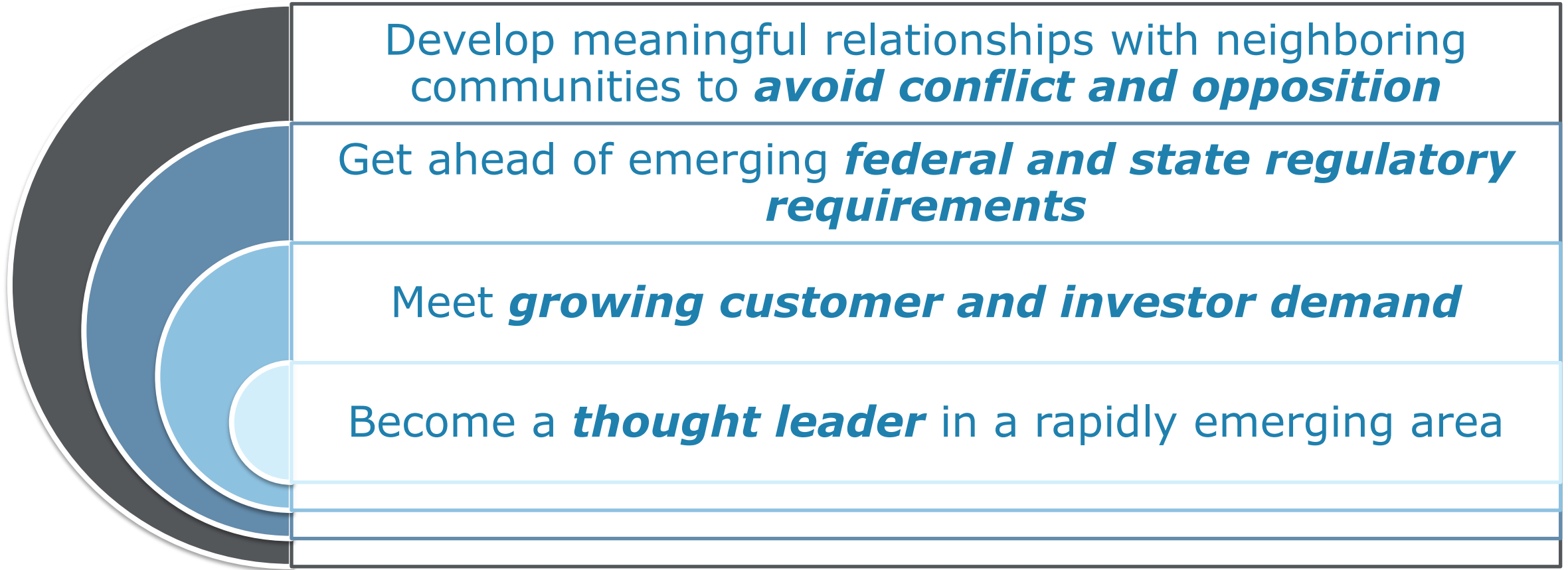
Raw material sourcing
(restrictions and pressures on domestic manufacturers and growers; import/export restrictions related to human rights)



Ex. Siting, permitting and enforcement challenges disrupt operations of supplier manufacturing sites

EJ & Retail

Opportunities



EJ Best Practices

For Retail

- ☐ **Know the law:** identify applicable laws to understand your EJ compliance requirements.
- ☐ **Know your footprint:** Assess environmental and other impacts that your operations (and supply chain) may have on your neighbors.
- ☐ **Know your neighbors:** Use available data, tools, and on-the-ground verification to determine whether your stores, main distribution routes, and facilities are located near EJ communities.
- ☐ **Consider developing an EJ policy and/or implementation plan:** Set measurable goals and assess operations (and suppliers) with EJ in mind.
- ☐ **Consider developing an EJ-focused community engagement strategy:** Engage early and often to build trust and understanding prior to any conflict.
- ☐ **Consider environmental justice education:** Include EJ concepts and principles in employee and management training to promote awareness and fluency.



Thank you!



Stacey Sublett Halliday

Independent Consultant for Beveridge & Diamond

shalliday@bdlaw.com

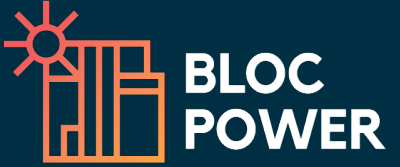


Hilary Jacobs

Associate, Beveridge & Diamond
Washington, DC

[hjacobson@bdlaw.com](mailto:hjacobs@bdlaw.com)

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Environmental Justice: Energy Retrofits and How Retailers Can Get Involved

Donnel Baird, CEO

04.28.2021



Today's Agenda

1. About BlocPower
2. Environmental Justice & Energy Retrofits - Why and How
3. Retail's Role - BlocPower and Corporate Partners
4. Other Paths to Address Environmental Justice



About BlocPower

- BlocPower is a Brooklyn-based energy company, founded in 2014, focused on rapidly greening residential, small commercial and community owned buildings.
- The company built a technology platform to speed up energy assessments and financing, lowering the cost of analyzing a building by over 50%, completing over 1100 energy retrofit and building electrification projects to date.
- The company is backed by the world's top investors, government offices and utilities.



ANDREESSEN
HOROWITZ

The Systemic Why: Environmental Justice and Buildings

Environmental Justice

Ensuring that communities already burdened by pollution are able to mitigate the worst impacts of climate change and benefit from a transition to clean energy.

Health Equity

The opportunity for everyone to be as healthy as possible. Long-standing systemic health and social inequities have put many underserved groups at increased risk of getting sick and dying from COVID-19.

(Building) Electrification

Converting fossil-fuel (oil, natural gas) burning buildings to a cleaner, renewables-powered electrical grid.

Cost Barriers

Access to capital remains the primary determinant as to whether a small business (ie, a supplier) can access the cost savings and health benefits of energy efficiency and renewables.

1. Clearing the Air: How Reforming the Commercial Waste Sector Can Address Air Quality Issues in Environmental Justice Communities. Transform Don't Trash NYC, 2016.

2. 2. Energy Efficiency and Renewable Energy Potential Study of New York State, Vol 1; Report # 14-19, by NYSEERDA, April 2014

Old building energy and ventilation systems waste energy and trap air pollution, sickening Bronx residents

- Buildings are 20% of U.S. energy consumption² (20 quadrillion Btu)
- 39% of building energy is wasted³
- Many Bronx buildings can't access capital
- \$1.2Tr to upgrade buildings to 100% clean energy



² National Association of Home Builders (2007) "Housing Facts, Figures and Trends and Single-Family Square Footage By Location."

³ Wasteful energy include heating and cooling of unoccupied homes and rooms, inefficient appliances, thermostat oversetting, and standby power loss.

COVID-19 Is Impacting Vulnerable Bronx Populations at a Very High Rate



Many of NYC's essential workers live in The Bronx

Most Impoverished Congressional District in the US: \$30,483 median income

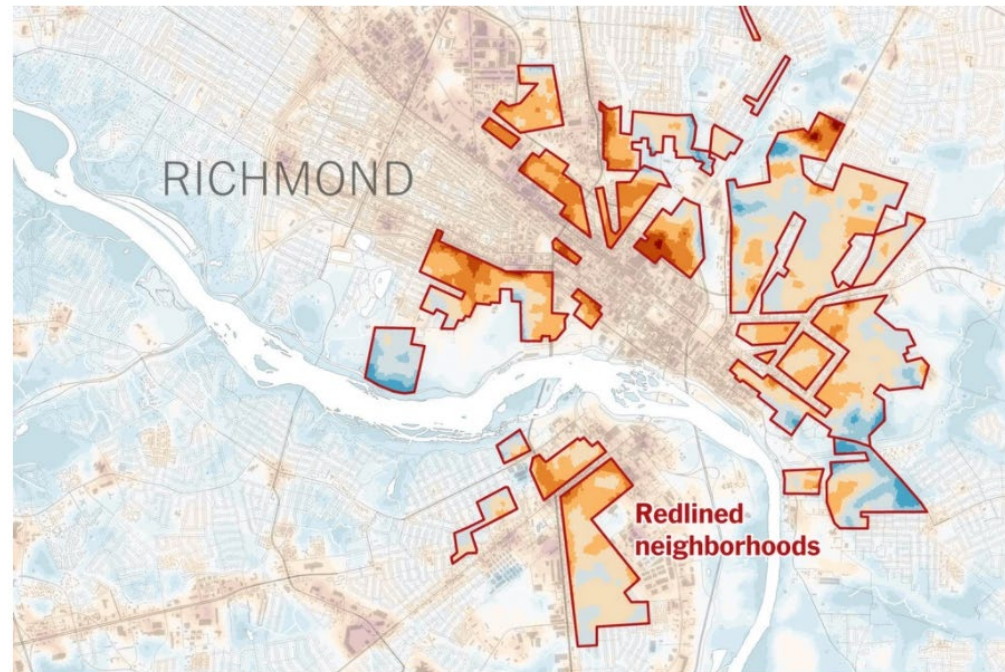
Highest Rates of Per Capita COVID-19 Infections in NYC

High Rates of Asthma, Diabetes, and Hypertension

Environmental Justice, Health Equity, Cost Barriers

CLIMATE FWD:

How Racist Urban Planning Left Some Neighborhoods to Swelter



By Brad Plumer and Nadja Popovich

**The Granular Why:
Retrofitting
Buildings is
Essential and Hard**



US building energy infrastructure is outdated, unhealthy and in desperate need of upgrades.

High Energy Waste

HIGH ENERGY BILLS

Can cost 30% of total SME budget

DISCONNECTED, INEFFICIENT, DUMB BUILDINGS

50%+ energy waste

Health Hazards

COVID-19 Spread

Building air + energy systems circulate COVID

LEAD, ASBESTOS, IAQ

Buildings circulate deadly toxins

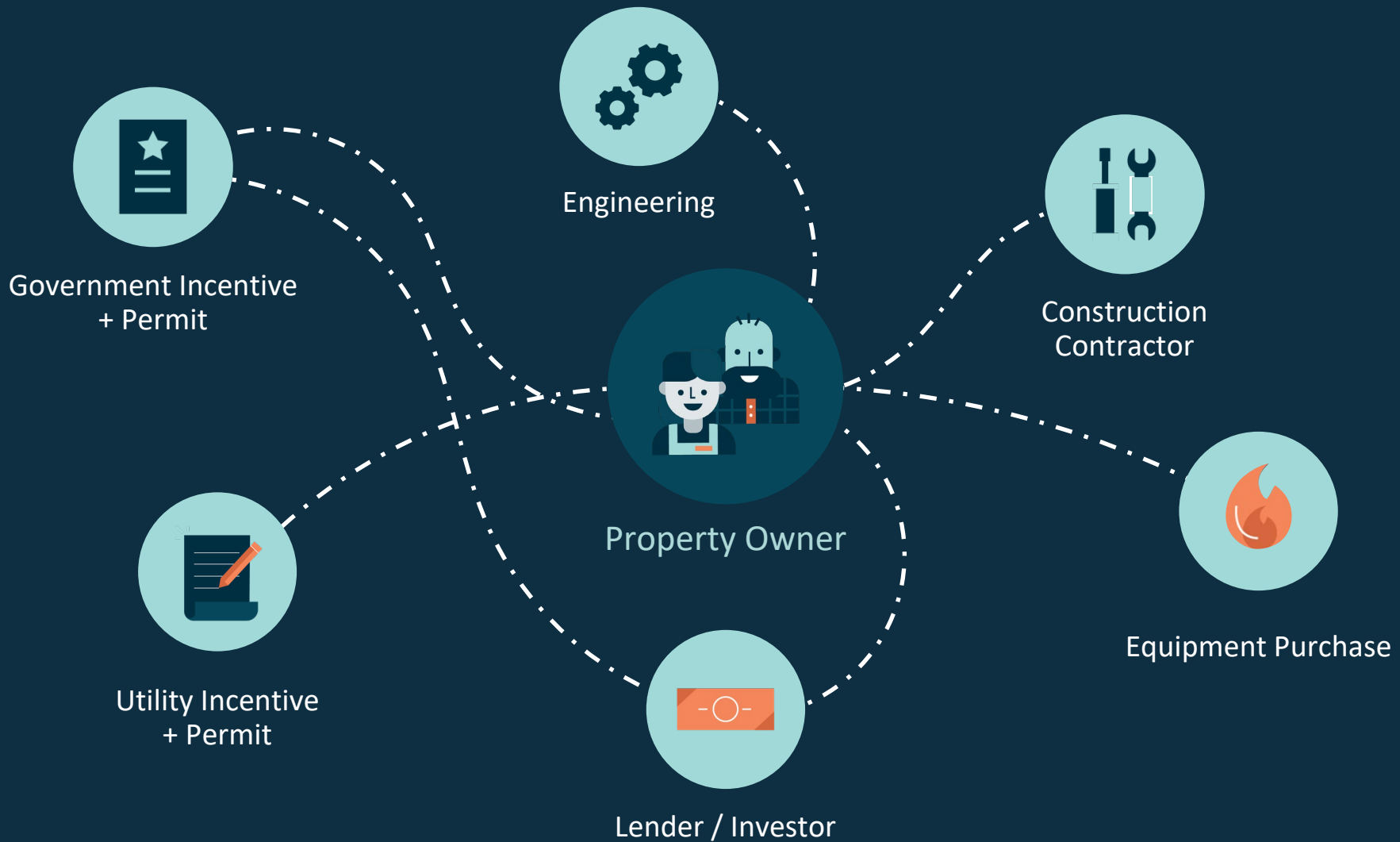
7% US GHG Emissions

SME BUILDINGS

No Software. 80,000+ data points per energy system

EXPENSIVE AND COMPLEX

Can't afford to retrofit buildings with smart electric equipment.



Too complex, manual, and expensive!



The What and the How: Greener, Healthier, Smarter Buildings for All

Electrified HVAC address both health equity and environmental justice



**HEPA Filters &
UVC Lights**

Smart Electric ASHP heating & cooling equipment (HVAC) that uses HEPA filters and UVC lights. Mini-split heating systems are the only systems that treat contaminated and unhealthy air before circulating.



**Proper Air
Ventilation**

Proper ventilation is key to reducing the spread of Covid-19 + Chronic Asthma. Mini-split heating systems use low velocity air circulation, allowing air to be cleansed without blowing infected air at others.



**No Money
Down**

BlocPower offers energy equipment as-a-service. Full installation and maintenance of smart, money-saving, healthy equipment. These projects are generally cash-flow positive from day one.

**We built a unified platform to
analyze, finance, and upgrade
green buildings**



What We Do:

Healthier, Greener, Smarter Buildings From Start to Finish

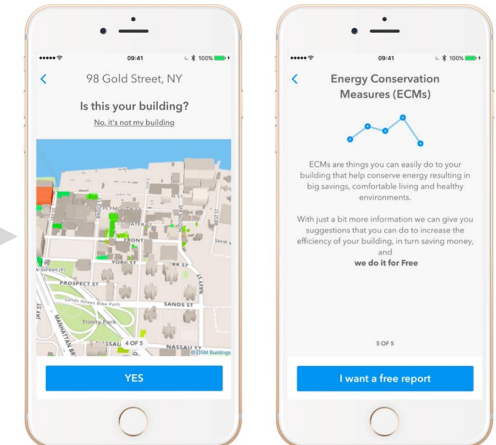
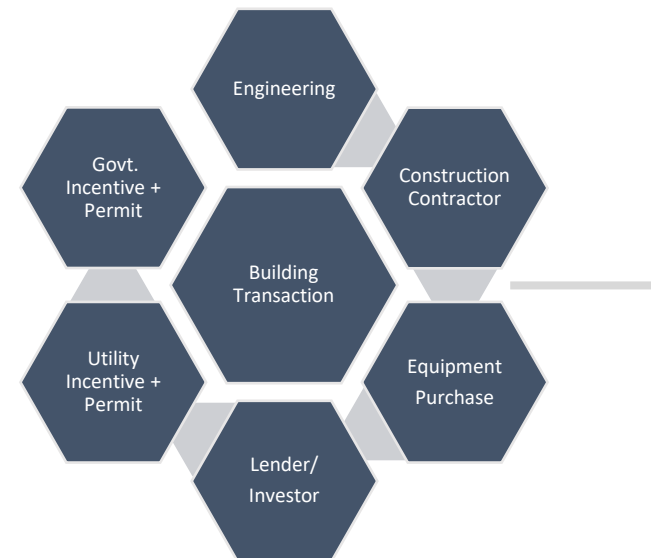
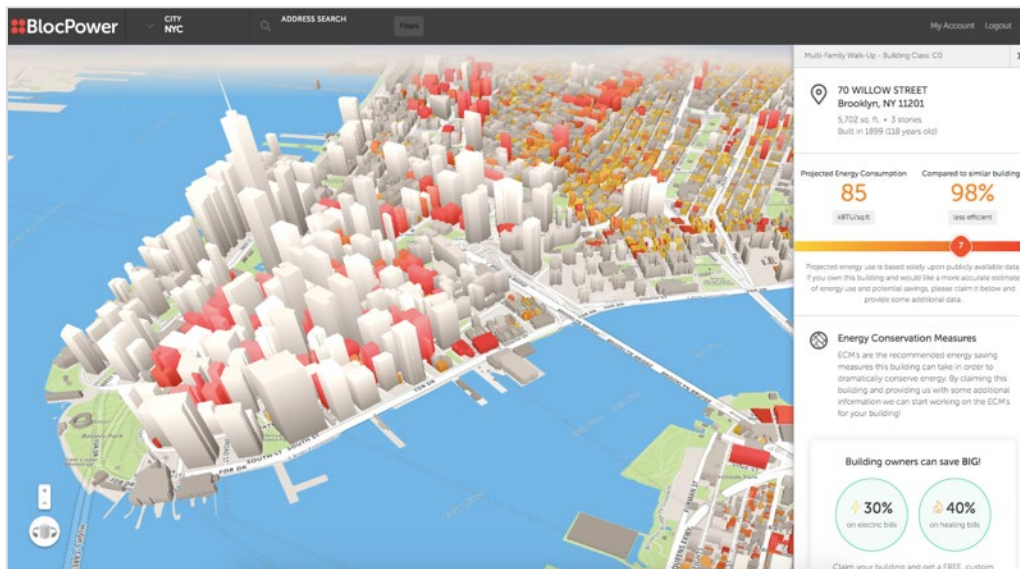
Acquisition

Analysis

Finance

Installation

Performance



Our platform uses cloud, machine learning, mobile, IOT to reduce transaction costs

Retail's Role:

Supply Chain

Employees

Customers

Community



“...with consumer consciousness growing greener by the day and regulations getting tighter, an environmental, social and corporate governance (ESG) approach to business can actually **improve the financial performance** of a company – while also benefiting society.”

Retailers: BlocPower Case Studies



Supply Chain -

BlocPower working to help a US manufacturer supplying a F500 durable goods company with a \$0 down lease to install air source heat pumps with the following outcomes:

- 1) improve the indoor air quality for their workers
- 2) save the factory operating costs
- 3) reduce GHG emissions in the parent company's supply chain



Customers & Employees -

A F500 food service company will host BlocPower and manufacturing partners to use their retail space during off-hours as training centers for staff and customers who want to work in the clean energy industry. The benefits include:

- 1) workforce development
- 2) community engagement



Surrounding Communities -

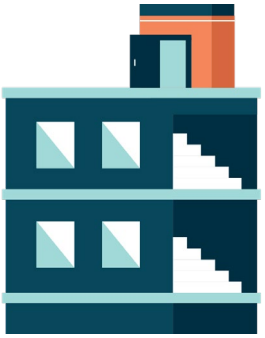
F50 consumer electronics & ecommerce companies working with BlocPower to retrofit LMI buildings in key operating communities. Beneficial outcomes:

- 1) improving building and community health through electrification
- 2) creating verified Carbon Credits for parent company purchase

We know many suppliers who operate in Environmental Justice communities are interested in energy efficiency/clean energy/low-carbon solutions but lack the capital, business motivation, and expertise to implement energy management programs at scale.



Strengthen Your GHG Goals By Helping Your Suppliers: Using Clean Energy Solutions



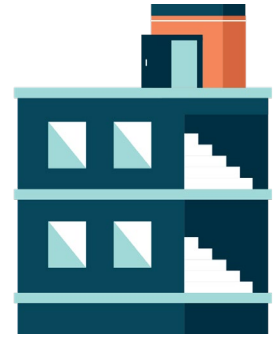
Generate **Carbon Offsets** from greening supplier offices/buildings/equipment OR financial returns from facilitating project development OR project finance investments in renewable energy projects



Generate **Carbon Insets** from greening supplier supply chains



Train woman, minority, veteran owned construction suppliers in **green construction** of cutting edge clean energy and building electrification technologies



Sponsor **Wi-Fi hubs** in Partnership for underserved communities.



Thank you!

Donnel@blocpower.io

Ariel@blocpower.io

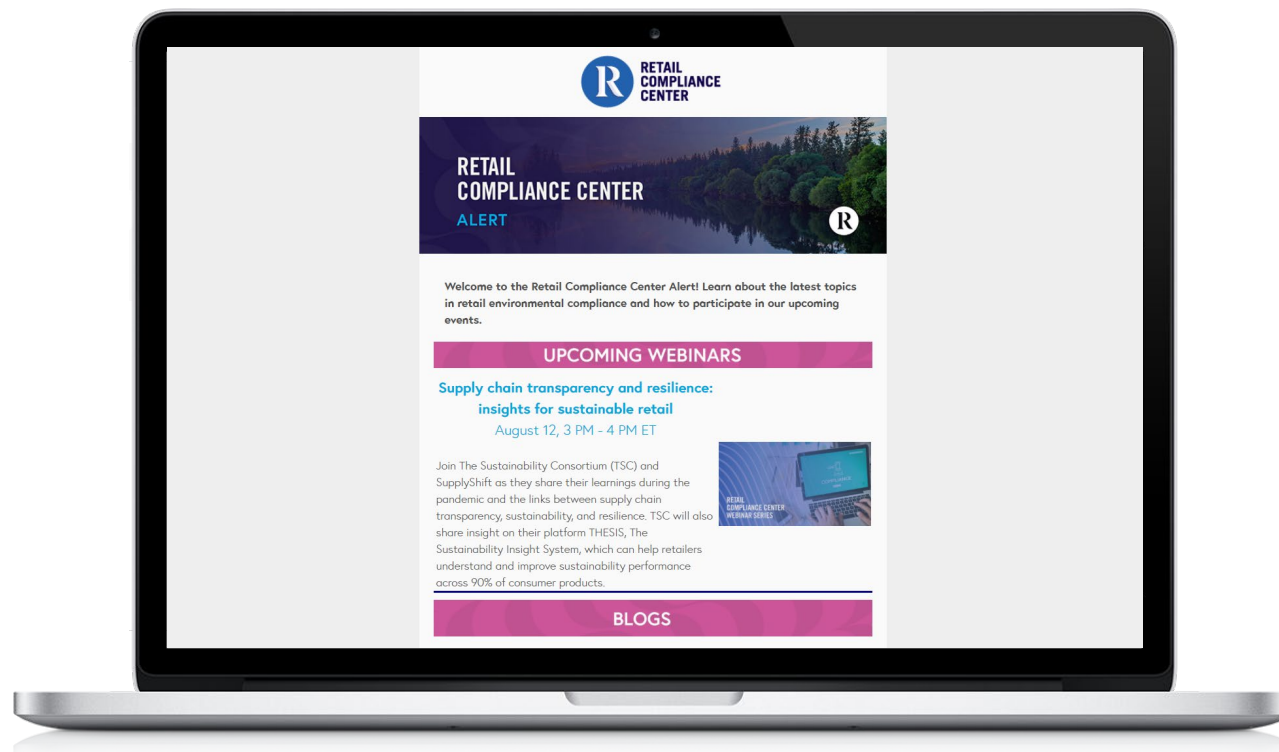
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QUESTIONS?

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For more information on retail environmental compliance and sustainability, visit the RCC website at <https://www.rila.org/retail-compliance-center>.



Tiffin Shewmake

Vice President, RILA and Executive
Director, Retail Compliance Center

Tiffin.Shewmake@rila.org



Kaela Martins

Manager, Environmental Programs
& Retail Compliance Center

Kaela.Martins@rila.org



Molly Auten

Coordinator, Environmental Programs
& Retail Compliance Center

Molly.Auten@rila.org

RETAIL COMPLIANCE CENTER – CONTACT US

THANK YOU