

What the Trump Administration Means for Sustainability Efforts

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The operating landscape for environmental, social, and governance issues in the U.S. just changed dramatically. Corporate leaders need to understand the potential impacts and risks ahead.

A new (or is it old?) administration is back in power in the U.S. After a four-year Biden administration, one that passed the largest climate bill in history (called, in Washington-speak, the [Inflation Reduction Act, or IRA](#)), the country has elected a president who has expressed hostility to sustainability — and within hours of being sworn in started acting on it. For corporate leaders, the changes will continue to be head spinning: The operating landscape for all things environmental and social is changing dramatically.

Here is how I see what might come next and how companies that want progress on sustainability should prepare and react.

Changes on the Horizon

Trump's second term will resurface earlier policies and likely build on them, based on both his campaign promises and plans outlined in Project 2025. The list already includes [deportations](#) of undocumented immigrants; the [slashing of many federal government](#) programs; and [anti-climate policies](#) such as repealing and slowing clean economy initiatives (including a call for “[no more windmills](#)”). And, of course, tariffs — the new administration announced it

will put in place 25% tariffs on products from Canada and Mexico and 10% tariffs on products from China [beginning on Feb. 1](#).

First, let's walk through likely top-line actions and outcomes regarding ESG.

On the environmental agenda, I expect, among other things, blanket support for fossil fuels (given the [oil and gas advocates](#) in senior roles throughout in the administration), a shift in incentives away from clean tech like the [end of tax breaks for electric vehicles](#), high tariffs on Chinese parts going into clean tech, elimination of government reporting on climate impacts, and even the slashing of budgets for [tracking the weather](#).

The social agenda will be volatile, with a drumbeat of threats of ever-larger mass deportations and aggressive anti-diversity rhetoric. Companies may feel intensified pressure to abandon ESG investing, stop marketing to LGBTQ+ customers, and generally drop DEI programs — retailer [Target just scaled back its program](#), which the AP called a response to “a strong DEI opponent occupying the White House.”