

Building a sustainable and equal world for all

A primer for companies seeking to engage with and support climate justice



WOMEN'S FORUM
FOR THE ECONOMY & SOCIETY

EXECUTIVE SUMMARY

Climate justice helps us to understand that climate change is a social issue as much as an environmental one. It helps businesses understand the true transformative impact that they can have and see the potential they can unlock by tackling the climate crisis through a human centred approach.

Why climate justice matters to business?

It's not just the planet that is warming: business leaders across the world are feeling the heat. The battle for our climate has moved from protest placards to the top of board-room agendas, as calls for just and inclusive climate action steadily surge in volume. Shareholders and investors are demanding companies commit to sustainability goals and put people at the centre of climate action; regulators are introducing mandatory disclosures of corporate environmental and social impacts; consumers are voting with their wallets.

Businesses that fail to address climate change and its unequal, human impacts, will simply not survive. The risks are substantive and immediate. Companies are not only vulnerable to the environmental disruption wrought by climate change. Even more so, they are vulnerable to the social and economic implications of the climate crisis and their disproportionate effects on marginalised communities and groups. Businesses that fail to recognise the importance of seeing climate change as a human issue risk being left behind as competitors transition to not only greener, more sustainable supply chains, but more equitable and socially just ways of operating and participating in society. They will face litigation and growing reputational risk, and find themselves operating in an increasingly unstable context.

Leading with a climate justice approach and including the voices and needs of diverse stakeholders in decision making is the future: their lived experience, innovative problem solving and resilience are the key to accelerating action and addressing the climate crisis in a truly transformative way. Their security in the face of climate change is essential to societies' ability to withstand the shocks that we will face as a result of our already warming world. Businesses that recognise the disparities in different groups' ability to participate in mitigation and adaptation, and help to close those gaps, will be the best place to grasp the \$12 trillion opportunity of achieving the UN Sustainable Development Goals.

What can companies do?

To adopt a climate justice led approach, **business leaders need first to understand and address institutional barriers** that might be present in their organisations. They can do this by educating leaders and workforces on the social and economic implications of climate change, by removing silos within their organisations that create artificial separations between connected social and

environmental issues, and by increasing the diversity of voices and perspectives involved in decision making.

Second, companies should **adopt inclusive principles and practices** that embed climate justice in all aspects of decision-making related to a companies sustainability strategy and goals. By aligning with international human rights standards and climate commitments, and using disaggregated data to guide decision making, companies can ensure that the actions they take consistently promote both environmental and social goods. By committing to engaging with communities and stakeholders in participatory processes and dialogues companies can discover new perspectives to learn from that highlight climate justice issues, find new talent that they can work with to address those issues, and uncover new markets that they can meet the needs of.

Third, businesses can **invest in and support specific solutions and activities that promote climate justice**, in collaboration with governments, investors and not-for-profits. These can include adopting business models that promote equitable access to solutions and developing products and services based on the needs of climate justice communities, for example. Businesses can also directly support capacity building in frontline communities, whilst deploying innovative funding models and targets that are both accessible and flexible according to the needs of specific stakeholders. New and innovative forms of investment will be needed to go beyond simple “do no harm” principles to promote true transformation and justice.

This report is just a start for businesses that are convinced and committed to climate justice. Fortunately, there is a growing body of best practice that can help inform new initiatives. To ensure your company isn't left behind as the green transition to climate justice gathers pace, learn more about this topic, get in touch with the Women's Forum, and engage with your stakeholders and communities to understand the role you can play in jointly creating a more sustainable and more equal future.

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INTRODUCTION: CLIMATE CHANGE IS A HUMAN CHALLENGE

Even for some doubters, 2021 has delivered a wake-up call that climate change is not an abstract or distant problem. It is here now, and it is wreaking havoc in every corner of the globe. Its effects will also inevitably worsen. The Intergovernmental Panel on Climate Change's (IPCC) latest report on climate change paints a dire picture of the extent to which it's already "locked-in" to our future and of the catastrophic impacts that we will face imminently if we fail to transform our economies and societies to reach net zero. No one can deny that climate change is an immediate and fundamental risk to business, and we can no longer use the future tense to promise action: we are out of time. This year must be the year in which the world's governments, businesses, and other actors dramatically step up their efforts to address climate change.

But simply reducing carbon emissions and increasing carbon sequestration is not enough. We must also engage with the human face of the climate crisis, moving away from the historically dominant approach that frames it as an environmental and scientific issue and which has failed to galvanise effective, inclusive and transformative action.

The effects of climate change are not distributed evenly. As the coronavirus pandemic has reminded us, crises impact the socially and economically disadvantaged first and the most. This holds true as we look across the world to the plight of the world's poorest countries, and to the disadvantaged within our societies – those with less economic means, and those from marginalised backgrounds and groups bearing the brunt of the crisis. To avert the true threat that climate change poses to people, we must also address the intersections between environmental, social and economic challenges we face.

Doing so carries great opportunity, failing to do so creates extreme risk. Adopting a climate justice led approach can help companies to unlock the full potential of humanity to address the climate crisis, whilst at the same time addressing issues of social justice. It will help them to meet the expectations of consumers, secure the resilience of their own organisations and supply chains and help them to grasp the \$12 trillion opportunity of achieving the UN Sustainable Development Goals. At the same time, If justice and equity are not deeply embedded within businesses and governments' response to climate change, the stability and ability of our societies to thrive will remain at risk.

For the past four years, the [Women4ClimateAction Daring Circle](#) has worked to highlight the ways in which gender intersects with climate change, and in particular, make the case for corporate action on the gender-climate nexus. We have drawn attention to the disproportionate impacts of climate change on women and, crucially, the role that women can play in accelerating more just and inclusive climate action. But gender is only one lens through which to view the climate crisis, and one factor determining how impacts are felt and the ways in which groups can participate in action;

economic disadvantage, race, age, indigeneity, and disability are other facets to consider. The Women's Forum knows that calls for gender equality are just one component of a wider fight for social and economic justice. This is as true in the context of climate action as it is in any other context.

To support this need, and to help grasp this opportunity to transform our societies for the better, this report provides an overview of what climate justice means for businesses and other institutions in the context of their own actions and investments. Based on a review of existing literature; examples of businesses and other organisations adopting a climate justice approach; as well as interviews with a wide range of experts from the private sector, civil society, international institutions, academia, and government, the Women's Forum aims to help more businesses understand the opportunities associated with and means by which they can embed climate justice in their own activity programmes. This report provides a foundation from which we hope and expect further action can be built.

WHAT IS CLIMATE JUSTICE?

Core to understanding climate justice is the notion that climate change and associated mitigation and adaptation efforts touch people in every country and region of the world. They therefore intersect and interact with all other social, economic, and cultural challenges that we face.

Whilst there is no single definition of climate justice, most describe climate justice as an approach to climate action that incorporates a human rights or social justice perspective. Through this lens, pursuing climate justice means trying to ensure that the costs, benefits and impacts of climate mitigation and adaptation are distributed fairly. It means recognising that the pursuit of human rights and equality depends on a stable climate, and that different groups have different needs in order to attain equality.

“The impacts of climate change will not be borne equally or fairly, between rich and poor, women and men, and older and younger generations... climate justice looks at the climate crisis through a human rights lens and presents the belief that by working together we can create a better future for present and future generations.”

United Nations, 2019

“Essentially, climate justice means trying to ensure that people and the planet are treated fairly in the ways in which we: a) try to reduce further climate changes and b) adapt to the changes we have brought about in the climate”


Mary Robinson Foundation, 2008



KEY DYNAMICS OF CLIMATE JUSTICE - WHO IS IMPACTED AND WHERE?

The dynamics of climate justice are best considered at multiple scales and from multiple angles. At a global scale, the impacts of climate change will be felt in different ways in different regions and biomes across the world. Within our societies, groups that are marginalised for a range of social and economic reasons also experience the effects of climate change and engage in climate action differently to the advantaged.

To illustrate the dynamics of climate justice, this section outlines a number of factors that influence climate justice, though this is by no means an exhaustive list. **The interactions between different social and economic influences on outcomes and agency in the context of climate change is essential to private-sector decision-making and frameworks that properly consider climate justice.** These dynamics should be considered as driven by overlapping and connected issues.



"Climate is a multiplier of any cracks, imbalances or injustices that are present in current society. It amplifies them."

Katharine Wilkinson, Project Drawdown.

International disparities

It is important to understand the geographies of climate justice and the unequal distribution of the causes and effects of climate change. Some regions in the global South for example, will be some of the worst impacted, despite playing the smallest role in contributing towards the rise in net global greenhouse gas emissions and the associated destruction of natural ecosystems. For some small island nations, climate change may threaten their very existence and, in many more cases, more frequent droughts and other extreme weather events could have devastating, destabilising effects¹.

In the context of climate solutions, too, there are international disparities. Nature-based mitigation solutions such as tree planting and forest conservation are predominantly planned in the global South and have been critiqued as a mechanism through which multinational corporations and rich countries can pay to displace their climate responsibilities while continuing to emit carbon, at the same time demanding that poorer regions adopt low-carbon solutions as part of their development efforts². What's more, two thirds of current international climate finance are loans, not grants, creating a debt trap for many nano-emitting nations seeking to invest in adaptation to protect their populations from climate change they did not cause.

“It is the countries that have the smallest contribution to cumulative energy emissions that are facing the highest impacts and have the highest adaptation needs.”

Kanika Chawla, Programme Manager - UN Energy, Sustainable Energy for All (SE4ALL)



¹ Van Schaik, L., Sarris, S., & von Lossow, T. (2018). Fighting an existential threat: Small island states bringing climate change to the UN Security Council. Planetary Security Initiative.

² Oxfam. 2021. Tightening the net: Net zero climate targets – implications for land and food equity. Accessed [here](#).

Whilst governments and international political institutions bear significant responsibility for climate justice, companies too should play their part in reducing international disparities in climate impact and cost. This can be through actions in their supply chains, through the delivery of core business offerings, support of development and resilience programmes, and by giving careful consideration to the social impacts of supporting carbon reduction projects, for example. It is worth noting that businesses adopting offsetting programmes for climate mitigation purposes should do so only as a last resort in circumstances where it's absolutely necessary; this should not serve as an alternative to taking concrete actions to reduce emissions (see the offsetting box out on page 7 for more information). For businesses, promoting climate justice might also mean calling on richer nations to pay their fair share of the costs of climate action.

Economic disadvantage

As is the case internationally, at an individual level, too, the responsibility for climate change – and vulnerability to its effects – are not equally shared. The richest 10% of the world's population is responsible for over 50% of the world's individual-consumption-based fossil fuel emissions, whilst the poorest 50% are responsible for only 7% of cumulative emissions.³ At the same time, trends such as “climate gentrification”, where areas of land and housing that are less vulnerable to events like sea level rise, illustrate that well-off individuals are better able to protect themselves from climate disruption and to live in areas with stricter environmental enforcement, or more infrastructure investment.⁴ Individuals and families with less money are less able to invest in resilience against climate change, and less likely to benefit economically from green growth.

Economic disadvantage also intersects with other issues, such as gender, race, and class. Investment in adaptive technology, insurance, and healthcare are just a few of the mitigating efforts that are out of reach for many.⁵ Companies have a vital role to play in finding innovative and affordable solutions to climate change and to share the benefits with communities that have done the least to cause this challenge, and stand to lose the most through climate change's impacts.

Race

Some racial communities are disproportionately impacted by the climate crisis, both on an international and national level. The destructive impacts of climate change interact with social factors in multiple, overlapping forms: the pollution of marginalised areas, increased exposure to extreme weather events, and health implications.⁶ These problems are reinforced by structural inequalities, hindering communities' capacity to prepare and recover from disasters, for example. Further, in many countries, racial minority groups are underrepresented in both public and private spheres, limiting their influence on decision-making related to climate change and other issues.

³ Oxfam. 2021. Confronting Carbon Inequality: Putting climate justice at the heart of the COVID-19 recovery. Accessed [here](#).

⁴ Santiago, Elizabeth. (2020). Weathering the Storm: Climate Gentrification in Miami's Little Haiti. Accessed [here](#).

⁵ Paul, Harpreet Kaur. (2020) Climate change affects rich and poor unequally. Climate justice redresses the balance. Accessed [here](#).


⁶ Cullors, P., Nguvu N. (2017). From Africa to the US to Haiti, climate change is a racial issue. Accessed [here](#).

The global movement following the murder of George Floyd in the summer of 2020 prompted many corporations to vocalise their opposition to racial discrimination and pledge action to combat systemic racism. This movement revealed the many ways in which companies should be taking action. Community investment and representation in decision-making, inclusive hiring and workplace practices, and taking measures to amplify marginalised voices are all powerful tools businesses can use to ensure that our journey towards a sustainable future includes everyone. At a systemic level, businesses must also play their part in calling for wider reforms and actions that eliminate racial inequality from policies and institutions.

Gender

As with race, gender inequality is amplified by the environmental, economic and political strains brought on by climate change. Due to systemic disadvantages, women are 14 times more likely to die during an extreme weather event,⁷ and around 80% of climate refugees are women.⁸ When women are forced into displacement and instability, they are more vulnerable to sexual violence and exploitation. These risks are growing daily. In 2019, 24.9 million people were displaced by disasters such as landslides, hurricanes and drought, three times the number of displacements caused by conflict and violence.⁹ Without further action to address gender inequality, women will continue to bear the brunt of climate impacts.

At the same time, women's leadership is too often absent from private-sector and political decision-making on climate change, despite the huge role leading women played in forging the Paris Accord. In agriculture, whilst studies suggest women have a greater interest in sustainable and climate resilient practices, lack of access to resources such as finance mean that they are prevented from taking them up.¹⁰ Through these inequalities and absence of representation in key conversations, women are both unable to contribute fully to climate action, and cannot provide their perspectives and experiences which could aid the design of more inclusive and effective solutions.



“We need to centre women and girls in the climate context – women need to be included at the table. The UK promised the most inclusive COP, but it is not. The Covid crisis has exacerbated and cemented gender inequality, and we need to build on the [UNFCCC] gender action plan.”

Mary Robinson, Former UN High Commissioner for Human rights, Former President of Ireland and Chair for the Elders Groups.

Indigenous communities

Indigenous peoples' relationship to the climate crisis is deeply intertwined with their stewardship of specific ecosystems, and climate change poses a particular threat to their lives and livelihoods. Resource extraction and environmental degradation have already caused the displacement of indigenous peoples around the world, including from sacrifice zones in the Amazon rainforest and the Arctic region.¹¹ And as climate change progresses, these places and ways of life will become even more threatened.

At the same time, indigenous voices are regularly excluded from international and national discussions about how to manage our ecosystems and climate. Indigenous communities have lived in balance with nature for millennia and have much to offer the rest of the world in terms of lessons for the future. They have also been leading calls to address climate change and environmental degradation for decades despite facing threats and attacks for doing so. Until now, the world has failed in its collective responsibility and opportunity to listen to and learn from indigenous communities as we seek to define a better relationship between our societies and our planet.

Future generations

Climate justice also considers intergenerational justice, which takes into account the conflict between immediate benefits and the rights of future generations.¹² A recent study has shown that a child born today will experience seven times more heatwaves during their lifetime than someone born in the 1960s. They will also grow up to experience twice as many droughts and wildfires and three times more river floods and crop failures than someone who is 60 years old today.¹³ All of these impacts will also increase the social and economic instability experienced by future generations.

Equipping future generations with the tools to cope with climate change is imperative. Many companies have begun to do so by investing in education, considering the impacts of their products and services, and monitoring supply chains to protect children globally, but businesses must do more to consider the long-term impacts of their decisions and products.

Disability

Climate justice also considers the voices and needs of disabled people in plans for a sustainable future. As an underrepresented group, the perspectives of disabled people are often side-lined in policy, business and culture; this reinforces pre-existing challenges to mobility, health, and employment among other factors. Today, 15% of the world's population are disabled, which is likely to increase as a result of climate-related injury or illness.¹⁴

¹¹ United Nations Department for Economic and Social Affairs. Indigenous Peoples and Climate Change. Accessed [here](#).

¹² UNICEF (2012). Climate Change and Intergenerational Justice. Accessed [here](#).

¹³ Thiery W. et al. 2021. Intergenerational inequities in exposure to climate extremes. *Science*. Accessed [here](#).

¹⁴ Chertock, M. 2020. The Future is Disabled: Planning for Climate Change Must Include People with Disabilities. Accessed [here](#).

Climate solutions need to consider the needs of the disabled. With the increasing frequency and severity of extreme weather events, inaccessible infrastructure and disaster plans pose a serious threat to close to 1 billion people globally.¹⁵ Many companies display their commitment to inclusivity through disability-inclusive policies, but may be at risk of implementing generalized solutions that do not meet the needs of disabled people. Ensuring that a range of disabled voices are included in the development of sustainable solutions is a key component of climate justice.

Is offsetting a just solution?

Questions of climate justice also require us to consider the kinds of solutions that we use to address the climate crisis. Some sectors, and indeed individual companies, are focusing their climate actions on offset models. However, there is increasing evidence that offsetting is being used to avoid real change and to present acceptable narratives. For companies to contribute to a just transition, they need to prioritise setting reduction strategies to mitigate their climate impact in line with the IPCC's targets.

Organisations such as Greenpeace, the environmental lobbying organisation, have criticised the aviation and oil industry for using carbon offsetting as a way of avoiding climate responsibilities. One issue is that of time. "A newly-planted tree can take as many as 20 years to capture the amount of CO₂ that a carbon-offset scheme promises," they argue. In other cases, the accounting and calculations related to already achieved carbon reductions have been questioned by auditors and NGOs.

Another issue is of social and economic justice. Since buying up land on which to plant trees is much cheaper in the global south, local communities and indigenous peoples' rights can be adversely affected by offset projects. For example, Amnesty International reports that the Sengwer people of Embobut forest in Kenya were violently forced from their homes and dispossessed of their ancestral lands as part of a government plan to reduce deforestation.¹⁶ Because of malpractices by some actors in the market, companies need to find the right partners to ensure the quality and diligence of the projects they support.

Other critics point out that offsetting through forest conservation is one of the cheapest ways to offset emissions (though prices have risen rapidly in recent years¹⁷), and that developing countries will necessarily emit more carbon as they seek to provide a better quality of life for their citizens. On this basis, it can be argued that these opportunities should be most accessible to the countries in which these forests are based, rather than sold off to developed nations and global corporations that have not made sufficient commitments to direct emissions reductions.

¹⁵ Yale Climate Connections (2021). Wildfires are especially dangerous for people with disabilities. Accessed [here](#).

¹⁶ Amnesty International. Kenya: Evicting the forest guardians. Accessed [here](#).

¹⁷ Donofrio, S., Maguire, P., Zwick, S., & Merry, W. (2020) State of the Voluntary Carbon Markets 2020. Accessed [here](#).

Natural climate solutions are a vital part of how the world can achieve its climate goals, and offsetting does have a part to play for hard-to-abate emissions. Nature-based solutions have the potential to provide up to 37% of the emission reduction required in the next decade to keep global temperature increases below 2°C¹⁸. However, a climate justice lens highlights that offsetting should be a last resort and cannot replace or delay true emissions reductions. **When applying a climate justice lens in this context, it's paramount that companies conduct sufficient due diligence on the social implications of the projects they choose to support.**

HOW CLIMATE JUSTICE FITS IN A WIDER CONTEXT

Climate justice is often used interchangeably or in combination with other terms, notably “Environmental Justice” and the “Just Transition”. As with climate justice, multiple definitions of these concepts exist with varying degrees of overlap between them. Definitions are often influenced by historical preference and context, or the specific focus of the originating organisation. The definitions below are not definitive but help to illustrate the nuances of each of these terms. It is vital that companies and other actors understand the connections and shared issues between these definitions in order to form a cohesive shared narrative for action - a key precondition of successful systemic change.¹⁹

Environmental justice

The term “environmental justice” is generally agreed to have its roots in 1970s America with an investigation into Houston, Texas city planners’ decision to site a solid waste facility in a predominantly black neighbourhood. Sociologist Robert Bullard discovered that 14 of the city’s 17 industrial waste facilities (accounting for 80% of the city’s waste) were sited in black neighbourhoods, even though only 25% of Houston’s citizens were black. In subsequent research, activists and academics found that the best predictor of whether you lived near a toxic waste site in the US was race. Still today, environmental justice in America is deeply entwined with the racial justice movement.

Jacqui Patterson, founder and executive director of The Chisholm Legacy Project, writes: *“Wherever you look – incidence of premature births, poor air quality, premature deaths – black communities suffer more than their white counterparts. Moreover, there is an inverse proportionality in exposure to risks and contribution to risks. While white people pollute more, contribute more waste and consume more of the earth’s finite resources, Black, Indigenous, and People of Color (BIPOC) communities suffer the ill effects of these harms in far greater numbers.”*

In general, environmental justice is tied more closely to homes and communities – often, communities that are impacted by environmental ills are referred to as “environmental justice communities”.

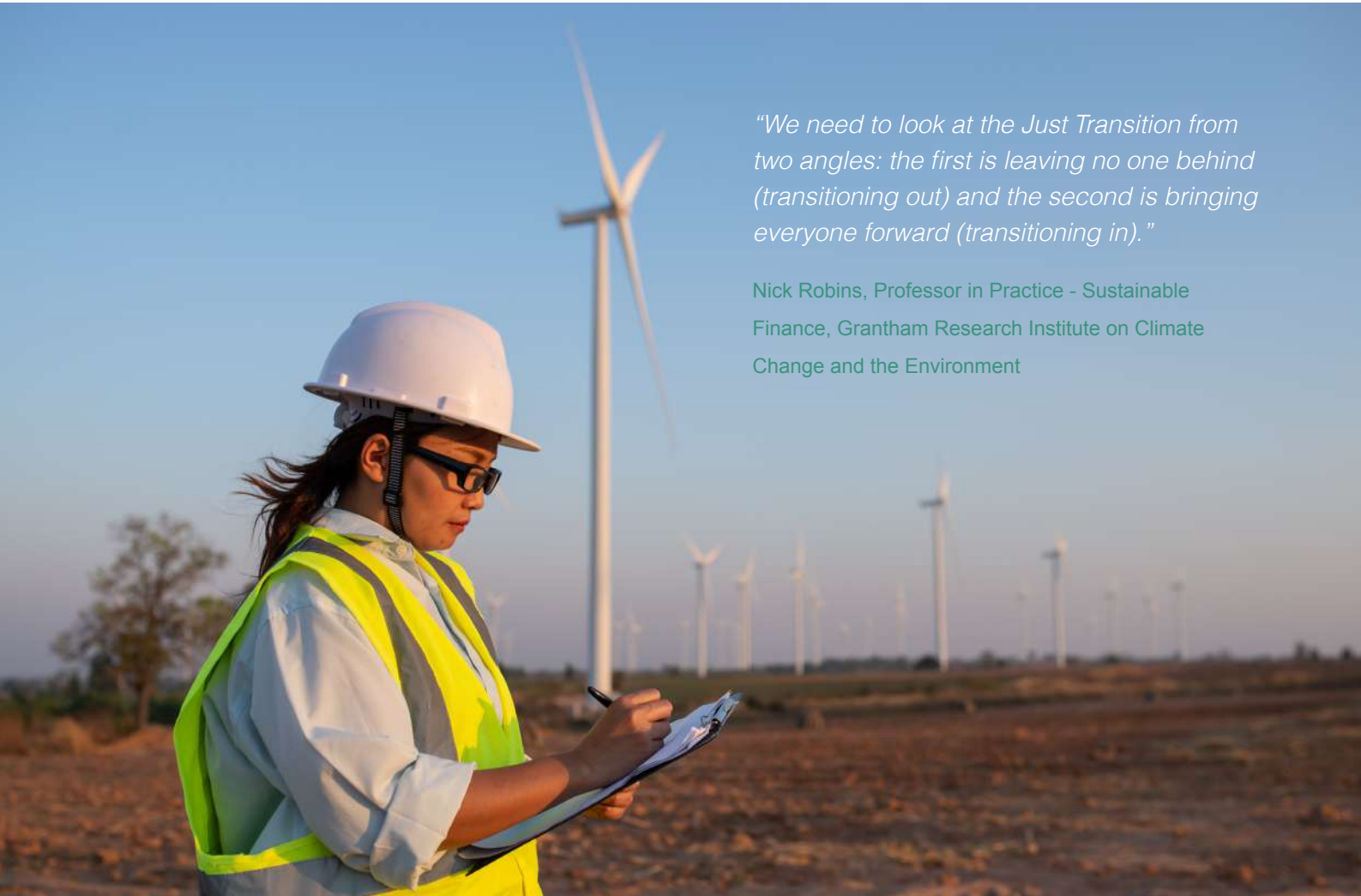
¹⁸ The Nature Conservancy. Natural Climate Solutions. Accessed [here](#)

¹⁹ Besharov, M., Joshi, R., Vaara, E., & West, D. (2021). The Decisive Decade: Organising Climate Action – Catalytic Collaboration for Systems Change. Saïd Business School, University of Oxford and the Mission 2020 Campaign.

Environmental justice also incorporates a wider range of environmental impacts than just those directly associated with climate change. It also includes impacts stemming from waste management, pollution, biodiversity loss and other related issues. Whilst environmental justice in the North American context is most often associated with racial justice, in other parts of the world, the term is also used to discuss issues associated with indigenous groups and socio-economic status.

Just Transition

In most definitions, a “Just Transition” refers to the pursuit of social justice, equity, and fairness in the context of humanity’s transition away from a carbon-emitting economy; i.e. the term is largely focused on climate mitigation over adaptation. This means developing strategies that ensure that people who are likely to lose out from the transition away from fossil fuels, single-use plastics, and take-make-dispose models of production to circular manufacturing for example – are taken along with the transition. Organisations can promote a just transition by supporting the development of new jobs and industries in areas such as coal-mining regions, which are grounded in extractive economic models, or by investing in re-skilling and re-training programmes for individuals formerly working in carbon-intensive sectors.



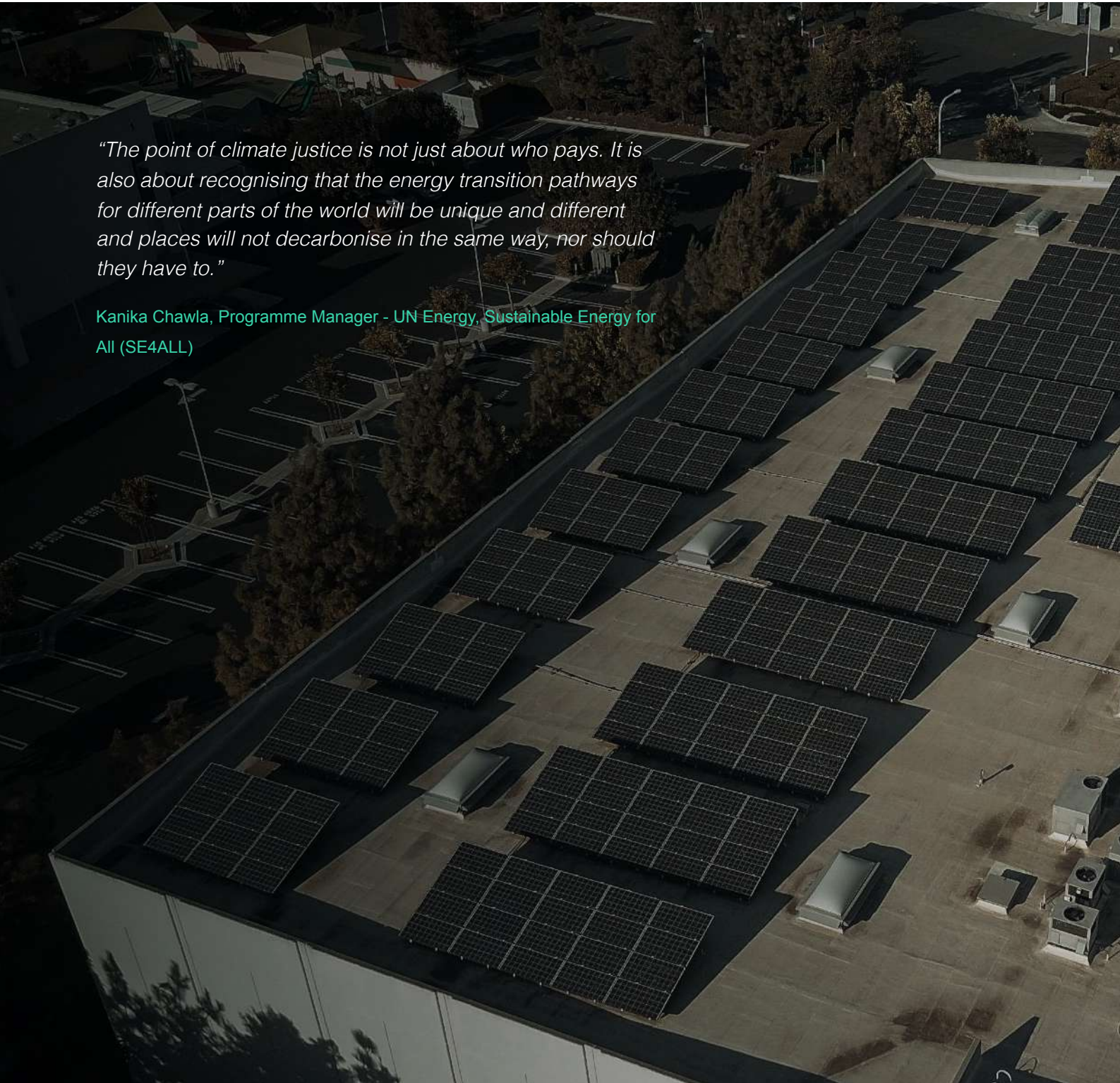
“We need to look at the Just Transition from two angles: the first is leaving no one behind (transitioning out) and the second is bringing everyone forward (transitioning in).”

Nick Robins, Professor in Practice - Sustainable Finance, Grantham Research Institute on Climate Change and the Environment

A just transition also recognises the benefits of closing the gap between the richest nations and the poorest through more equitable production and trading arrangements. For example, the transition away from fossil fuels offers an opportunity to do away with the economic imbalances between countries with large oil & gas reserves and those without, and the extraction of one country's energy wealth by another. A just transition calls for a future where nations and local communities own and benefit from renewable energy infrastructure on their soil (or in their waters).

“The point of climate justice is not just about who pays. It is also about recognising that the energy transition pathways for different parts of the world will be unique and different and places will not decarbonise in the same way, nor should they have to.”

Kanika Chawla, Programme Manager - UN Energy, Sustainable Energy for All (SE4ALL)



The term 'just transition' has been criticised in recent years. Some groups, for example, express their concern over the 'just transition' narrative and its failure to acknowledge past harms. The narrative, it is argued, places insufficient emphasis on the need to redress past wrongs and critique the old economic models. Instead, there are calls for a “just transformation” towards an economy that is built around principles of care, regeneration and deep democracy, and that past injustices are redressed as part of this process.



“We need to think about what we’re transitioning from. We need to think about what we’re going to be transitioning to from this point going forwards. But there’s a bucket we’ve left behind - and that is redressing past wrongs.”

Sharron McPherson; Co-founder and former CEO - Women in Infrastructure, Development and Energy

Case Study: World Benchmarking Alliance Just Transition Benchmark

Social and equity related metrics are increasingly being incorporated in measures of corporate sustainability performance. The World Benchmarking Alliance (WBA), for example, has recently released its Just Transition benchmark for high emissions industries, assessing what they are doing to respect the rights of workers, communities and the most vulnerable as they work towards low-carbon goals. Their scoring methodology includes:

- 1 – Social dialogue and stakeholder engagement
- 2 – Just transition planning
- 3 - Creating and providing or supporting access to green and decent jobs
- 4 - Retaining and re- and/or upskilling
- 5 - Social protection and social impact management
- 6 - Advocacy for policies and regulation

In addition to its Just Transition benchmark, from 2022, the World Benchmarking Alliance has committed to integrating social criteria into all of its benchmarks to ensure they represent transformations which 'leave no one behind'. This represents part of a broader trend of ESG related reporting and scoring which combines both social and environmental aspects, for which businesses should prepare. [Read more here.](#)

Making sense of climate justice and related issues

Climate justice, environmental justice and the just transition are all closely related to one another. The use of a specific term will often depend upon the focus or goals of a particular organisation; environmental justice is often used in discussions of impacts on communities, just transition in discussions concerning implications for workforces, and climate justice typically in the context of the responsibilities and costs associated with adaptation and mitigation efforts more broadly.

The various components of climate justice are also interlinked and interdependent, too. The inequities experienced by different groups overlap and compound one another. A young girl from a marginalised background, born in a poor country facing extreme environmental change because of climate change, will face multiple, overlapping challenges. Consideration of these intersections and interactions is vital.

Globally, engagement and policy responses to all three of these terms are growing rapidly. The United States government, through its Justice40 policy has set the target that 40% of the benefits of energy investments go to frontline communities, and has also mandated all government departments to identify the justice dynamics of their investment and policy decisions. The ITUC has also issued strong calls for businesses to adopt policies to ensure a just transition. In civil society, activist groups and campaigning organisations continue to call for the treatment of climate change as a social issue.

However, globally it is clear that our approach to climate action does not systematically consider climate justice. Large gaps remain between the commitments of the Global North to support the Global South in adapting to climate change and the fulfilment of these in action, for example. Very few governments have articulated or legislated for approaches to climate action grounded in climate justice. Without a far deeper commitment to address the inequalities that determine individuals' experiences of climate change, these impacts and all of their implications will remain.

"If you look at what motivates action on climate change, it is climate justice... because of the potential of harm to people now and in the future."

Nick Robins, Professor in Practice - Sustainable Finance, Grantham Research Institute on Climate Change and the Environment



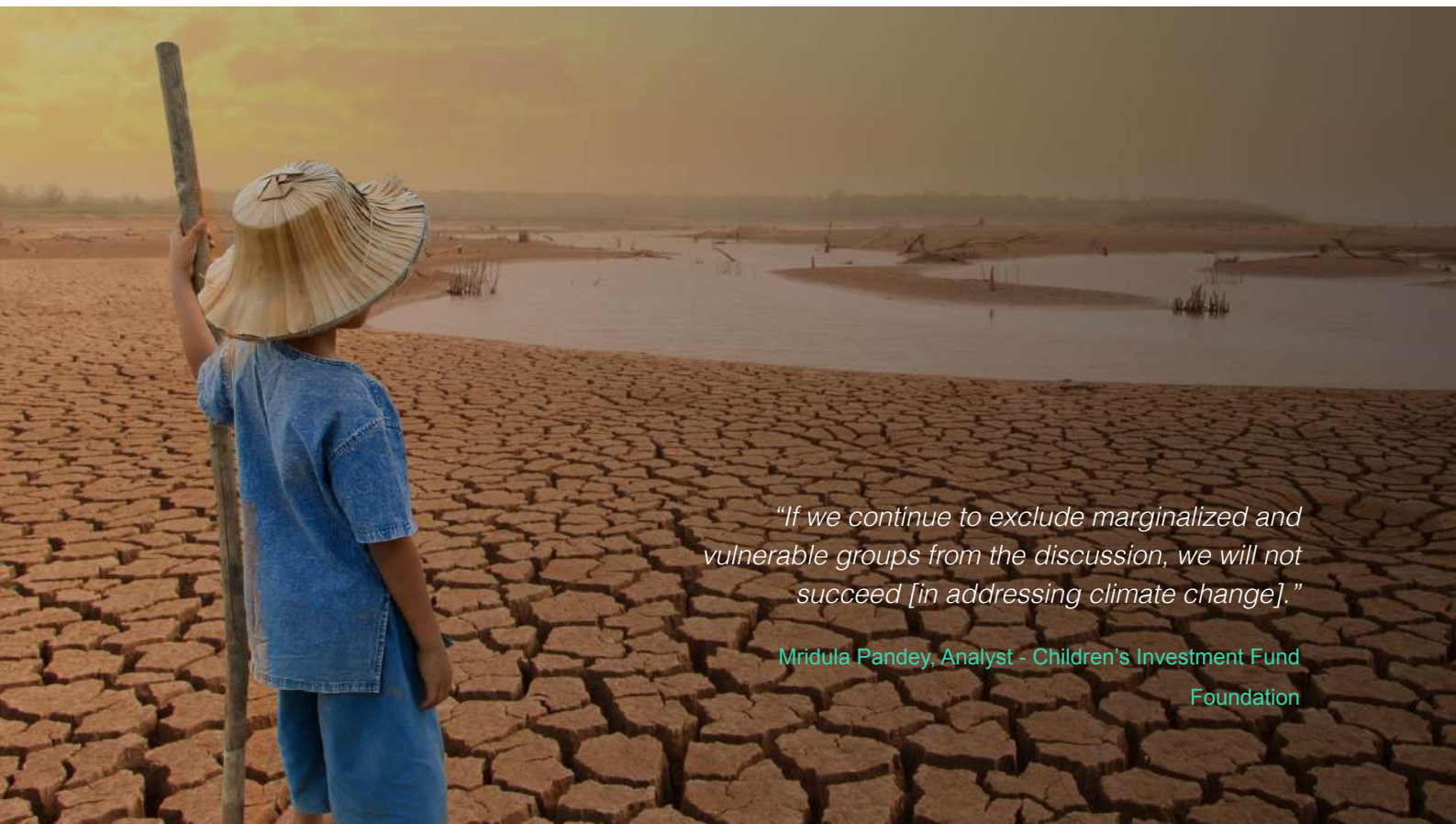
WHAT CONCERN OF BUSINESS IS CLIMATE JUSTICE?

Companies are increasingly involved in an enormous transformation at each level of their business to decouple their financial success from carbon emissions and other harms to our environment. Adding complexity to this already enormous task can be daunting, but there are vitally important reasons for doing so; for businesses and for our societies.

FOR BUSINESS

To accelerate climate action through greater performance and innovation

As for society more broadly, involving individuals and communities in climate action solutions can increase organisation's capacity for change, both in speed and scale. Further, numerous studies in business management also demonstrate that diverse teams are more innovative and perform better than homogenous groups.²⁰ Adopting an approach grounded in climate justice offers companies the opportunity to harness the full range of human potential and experience in the fight to combat climate change, bringing better solutions to the surface which benefit both business and society. By involving the perspectives of diverse groups, new ideas and solutions flourish.



“If we continue to exclude marginalized and vulnerable groups from the discussion, we will not succeed [in addressing climate change].”

Mridula Pandey, Analyst - Children's Investment Fund
Foundation

²⁰ Harvard Business Review. 2016. Why Diverse Teams are Smarter. Accessed [here](#).

To reap the rewards of sustainable and equitable development

Sustainable development offers a financial opportunity to business and to those groups that are currently marginalised and excluded from our economies. Closing the gap in participation in entrepreneurship between women and men, for example, could increase global GDP by approximately 3% to 6%, boosting the global economy by \$2.5 trillion to \$5 trillion²¹. A study by the Business and Sustainable Development Commission, found that realising the Sustainable Development Goals constituted an \$12 trillion opportunity for business²². Climate action is the largest business opportunity of our time, and all the more so when done sustainably and with a human-centred approach.

To promote the resilience and continuity of key stakeholders and communities

Incorporating a climate justice lens can enhance the resilience of key stakeholder groups such as supply chain actors. In agricultural supply chains, for example, supporting climate justice through activities such as providing low-cost green finance dedicated to climate-related practices (such as regenerative agriculture) can increase the climate resilience of farmers by increasing the uptake of climate-smart practices. As the pandemic has shown, narrow and linear supply chains are exceptionally vulnerable: diversifying supply chains to include wider groups of the economically disadvantaged is a good for all.

To reduce reputational risk and respond to consumer expectations

Failing to adopt a climate justice lens can pose significant reputational risks for businesses, particularly for large multinational corporations considered to be leaders in their respective fields. If these organisations are to continue to be recognised as such, they must be sure to understand what good leadership looks like in the context of supporting climate justice, not just climate action.

Consumers are increasingly aware of the need for climate action and are voting with their wallets: nearly 60% of consumers are willing to change their shopping habits to reduce environmental impacts²³. Numerous studies and surveys demonstrate that this trend is rapidly growing and set to continue. However, the expectation that businesses should act morally does not stop with the environment; human rights and dignity are also important.

Modern consumers will not accept “environmentally sustainable” fashion if it is made by marginalised people working in poor conditions for little money, or if the “sustainable” materials used are sourced from land from which indigenous people have been cleared, for example. To meet these expectations, businesses need to incorporate a climate justice lens into their sustainability strategies, as legislation to mandate transparent reporting of companies’ environmental, social and governance performance comes into force in many jurisdictions around the world.

²¹ Shalini Unnikrishnan & Cherie Blair. 2019. Want to Boost the Global Economy by \$5 Trillion? Support Women as Entrepreneurs. Boston Consulting Group. Accessed [here](#).

²² Better Business, Better World. (2017) Business & Sustainable Development Commission. Accessed [here](#).

²³ IBM, 2020. Meet the Consumers Driving Change. Accessed [here](#).

To reduce the risk of litigation and prepare for future changes in legislation

Increasingly, businesses and governments are facing legal challenges related to climate and environmental justice and ecocide. These range from well-publicised court decisions compelling businesses to reduce their emissions, such as the notable Dutch court decision against Shell in 2021, to other cases seeking reparations for specific communities suffering the negative environmental impacts of decisions made by corporations.

More broadly, should prepare for inevitable changes in regulation and legislation from local, national and international governments in years to come. Already, the UK government for example is in the process of developing its own green taxonomy, whilst the EU has already released its climate taxonomy. These institutions have already signalled that stricter policies and regulations related to social issues including climate justice are on the horizon.

FOR SOCIETY

To accelerate global efforts to combat climate change

Climate justice seeks not only to protect the world's vulnerable and marginalised from disproportionate suffering in the face of climate change, but also to enhance the ability of these groups to define solutions and participate in efforts to mitigate and adapt to climate change. By supporting climate justice and giving people from all walks of life the means to engage in climate adaptation and mitigation, we can accelerate global efforts to combat climate change.

To fulfil the promise of sustainable development and equality

The ability of governments and our global institutions to pursue sustainable development and the strengthening of human rights depends upon the stability of our planet. This is true of businesses, too. Thousands of companies have committed to support the United Nations Sustainable Development Goals and Guiding Principles on Business and Human Rights. Upholding those principles and pursuing equality and human rights is not possible without considering and addressing climate change and justice in this context.

To rebuild trust in institutions


Rising inequality is a driver of mistrust of both political and private institutions²⁴. Achieving a just transition and climate justice more broadly is therefore essential to maintaining and rebuilding trust between communities and business, to ensure that the new green economy does not sit on unequal foundations that could breed further division amongst and between our societies.

To ensure global stability

A climate justice lens is essential to recognising the disparate needs of individuals and communities living in different parts of the world. If the world's collective efforts, and particularly those of

²⁴ Edelman. 2021. Edelman Trust Barometer Global Report. Accessed [here](#).

developed and well-off nations do not support those most vulnerable to the effects of climate change, the consequences will be dire for those people, and potentially destabilising for the whole world. According to a report by the Institute for Economics and Peace (IEP), a thinktank that produces annual global terrorism and peace indexes, up to 1.2 billion people could be displaced by climate change by 2050, dwarfing the levels of migration that had a seismic effect on politics in the West in recent decades²⁵.



“This (promoting climate justice) is something that the private sector cannot do alone, but they should definitely be driving this and be very vocal about what forms of partnership and collaboration will make this work.”

Vicky Sins, Lead Decarbonisation & Energy Transformation -
World Benchmarking Alliance

²⁵ Institute for Economics and Peace. 2020. Ecological Threat Register: Understanding ecological threat, resilience, and peace. Accessed [here](#)

WHAT CAN BUSINESSES DO TO DRIVE CLIMATE JUSTICE?

Companies cannot create a just and sustainable future alone. Governments have a central role to play – both in terms of working towards an international consensus and ensuring fairness in decision-making at the global level, and in terms of ensuring that marginalised groups and communities are actively considered and engaged in the design of solutions at the country level.

Despite this, and whilst governments can take the lead in setting policy goals, businesses are the single largest contributor to climate change. They must therefore lead the way in reducing emissions, supporting the vulnerable throughout their communities, supply chains and wider society.

To promote climate justice, there are three areas of activity that businesses should consider:

1. Understanding and addressing institutional barriers to a climate justice approach.
2. Adopting principles and practices that embed justice in decision-making.
3. Investing in and supporting specific solutions and activities that promote climate justice.

1. UNDERSTAND AND OVERCOME BARRIERS TO ACTION

A first step for any business is to understand obstacles to the adoption of a climate justice approach that are present in their organisation, and establish a plan to overcome them²⁶. Barriers can include:

Lack of understanding

The journey towards climate justice starts with an understanding of the deep interrelationships between climate action and issues of equality, whether that be within a developed country or across international supply chains. By seeing suppliers as partners in a common enterprise, companies can gain beneficial insights that can unlock new sources of value, while contributing to climate justice. Educating workforces and leaders about the intersections between climate change and equity can also ensure that the solutions they develop promote climate justice.

Lack of accountability

Companies historically have been able to turn a blind eye on human rights violations at the end of a supply chain because of a lack of accountability. But global standards governing how a company does business, and metrics for reporting it, including its suppliers, are accelerating. Legal and regulatory repercussions are growing, and employee, consumer as well as shareholder activism are also amplifying pressure. Multiple tools and frameworks now exist that can help companies to track and report on sustainability and human rights issues, and to map a path forward.

²⁶ B Lab, the COP26 Climate Champions Team, Provoc, and the Skoll Centre for Social Entrepreneurship. 2021. The Climate Justice Playbook for Business: How to Centre Climate Action in Climate Justice. Accessed [here](#).

Entrenched business behaviours and paternalistic mindsets

Colonialist and legacy ways of thinking and operating, in which the global South provides both natural and human resources to be plundered, have led to unsustainable business models. For centuries companies have dug finite resources out of others' land, used poverty as a lever for cheap labour, and abused their economic power in trading relationships. Companies have a great opportunity now to reset their supply chains and to apply the principles of climate justice (for example, using ESG factors) to select who they work with and how they conduct those business relationships.

Lack of diverse voices

Senior management within the world's largest companies has for over a century been narrowly focused on the 'male, pale and stale'. Too many leadership teams are in danger of groupthink, and this gets in the way of adopting a more intersectional approach to sustainability challenges. Increasing diversity at the top has proven business advantages, but listening to diverse voices isn't just about leadership diversity. It is also about creating the conditions for the broadest possible range of communities that the business touches to have a voice, and to listen to those voices.

"Diverse teams are stronger in advancing climate action"

Callie Strickland; Cause Strategist -
Gender and Diversity, B Team



Siloed approaches

In many organisations, responsibility for sustainability and social impact or human rights are separated and siloed. This separation prevents intersectional initiatives that adequately address both components, and can result in a lack of alignment between climate action and other corporate responsibility initiatives. Companies can review and remove structural barriers to more holistic programmes while also ensuring that efforts focused on either the environment or social progress always take the other dimension into account.

Insufficient resources

Many companies are focused on recovery and what can be seen as philanthropic programmes can struggle to attract budget. But investment in climate justice as part of adaptation efforts, for example, is shown to deliver the bottom line, in time - both in terms of avoided cost and positive economic gains²⁷. By collaborating and spreading investment among several players in an ecosystem through partnerships, it is possible to launch ambitious climate-justice projects that will deliver financial and social returns to all involved. Investing in learning more about climate justice and the benefits of a collaborative approach can help decision-makers to recognise the business case for action.

Shortage of models

While climate justice isn't a new concept, it is relatively new as a corporate issue. We are used to seeing climate justice as a subset of rights, and belonging more to the sphere of public administration than business. As a result, there's a perception that there are no business models to learn from. This isn't quite true, however. As illustrated in this report, some companies in the vanguard of action on climate justice offer excellent models to learn from, both in terms of how they engage with climate justice communities to create new economic opportunities and enhancing resilience and in how they deliver their products and services with climate justice as an explicit goal, for example through the production of innovative but affordable materials that increase insulation and temperature control.

Business risk

Climate justice is, to an extent, a political issue and as such may be off-putting to companies who would rather not enter the political fray, either because they fear negative feedback or because they feel it's not a legitimate field of corporate endeavour. However, as the recent Edelman Trust Barometer demonstrates, society increasingly looks to business to solve large, complex problems²⁸. It is the only institution considered both ethical and competent: 86% of respondents expect CEOs to lead on societal issues and 68% expect companies to step in when governments fail to fix societal problems.

²⁷ US Government. 2018. Fourth national climate assessment. Accessed [here](#).

²⁸ Edelman. 2021. 2021 Trust Barometer. Accessed [here](#)

2. EMBED JUSTICE IN CLIMATE ACTION

Core to any climate justice approach is the establishment of guiding principles that ensure that all decisions regarding climate action and sustainability also consider social justice and human rights.

There are already numerous high-level principles that businesses should engage with. To begin with, businesses can commit to uphold the UN Guiding Principles on Business and Human Rights and to promote the UN Sustainable Development Goals by joining the UN Global Compact – two high-level frameworks that articulate the responsibility of businesses to all humans as individuals and to our societies. Businesses should also consider committing to other more focused global frameworks, such as the UN Women’s Empowerment Principles (WEPs) or the UNFCCC Gender Action Plan.

There are further principles that are specifically focused on climate change and climate justice. The Mary Robinson Foundation, for example, sets out seven distinct principles of climate justice that can be used to guide corporate decision-making and responses to events²⁹:

- 1) Respect and protect human rights,
- 2) Support the right to development,
- 3) Share benefits and burdens equitably,
- 4) Ensure that decisions on climate change are participatory, transparent and accountable,
- 5) Highlight gender equality and equity,
- 6) Harness the transformative power of education for climate stewardship,
- 7) Use effective partnerships to secure climate justice.

It is essential that companies develop credible 5-year climate action plans that span all areas of their business, including those such as employee compensation, accounting plans and investments, etc. As well as aligning themselves with principles such as those discussed here, companies should integrate climate justice directly into the principles and planned activities in these action plans.

²⁹ Mary Robinson Foundation. 2015. Principles of Climate Justice. Accessed [here](#).

What are governments doing to promote climate justice?

Reflecting the international inequity of the climate crisis, global government action on climate justice is similarly imbalanced. While governments in the Global South have made continuous pleas for international action to address the unequal cost and effects of climate change, governments in the Global North have generally been slow to answer calls for human centred approaches to the crisis or to provide the funds they had promised to help address these challenges³⁰.

There are challenges with existing frameworks for allocating climate finance to developing countries and communities, too. The frameworks that guide decision-making often include systemic biases and procedural barriers that make it harder for those most in need to access capital, leading donors to veer towards giving money to wealthier communities and governments³¹. This same dynamic also plays out within countries as it does internationally³².

Instances of successful governmental initiatives are often community-led³³. For example, the New York state's 2019 Climate Leadership and Community Protection Act³⁴ was brought to life by environmental organisations, activists, and labour unions who advocated for an equity screen to block policies that threaten environmental justice communities and mandated state investments to be directed to underserved communities. Pressure from other groups, in the private sector and internationally, can help to accelerate governments' adoption of climate justice led approaches.

There are some signals that climate justice will receive further attention from governments in years to come. The United Nations Human Rights Council recently adopted a resolution recognising access to a clean and healthy environment as a human right. This puts added pressure on governments to respect and promote climate and environmental justice as part of their broader human rights commitments, and opens new avenues to citizens to attain justice through human rights litigation. Climate Justice will also feature heavily in discussions at COP26, thanks to growing awareness of the issue and continued pressure from civil society groups and communities.

In addition to high-level frameworks that ground a corporation's approach, further principles and commitments can ensure that climate justice is deeply embedded across an organisation's operations and practices.

³⁰ Harvey, E. 2021. Climate finance for poor countries to hit \$100bn target by 2023, says report. The Guardian. Accessed [here](#).

³¹ Coger T., Dinshaw A., Krishnan N. and Pyte B.I. 2021. Is Climate Finance Supporting Frontline Communities? Most Governments Don't Know. World Resources Institute. Accessed [here](#).

³² Barret, Sam, 2014. Subnational Climate Justice? Adaptation Finance Distribution and Climate Vulnerability. Accessed [here](#).


³³ Colenbrander S, Dodman D, Mitlin D 2017. Using climate finance to advance climate justice: the politics and practice of channelling resources to the local level. Accessed [here](#).

³⁴ Ricketts S, Clifton R, Oduyeru L, Holland B, 2020. States Are Laying a Road Map for Climate Leadership. Accessed [here](#).

Assess the impact of climate change on your communities and commitments

Undertaking a thorough assessment of how climate change interacts with your organisation's communities and stakeholders is an important first step to being able to identify specific actions or policies that are needed. These exercises should not only include an assessment of the risks that climate change might bring in terms of impacting human rights or threatening past gains in development and empowerment. They should also go beyond risk mitigation and include opportunity mapping to understand what stakeholders stand to gain from the climate action the organisation will undertake, so that the distribution of these benefits can be considered and, if needed, redistributed.

Increasingly, these services are available from sustainability consultants and other experts. A number of large corporations, such as Starbucks, have begun work with experts and partners to identify areas across their business in order to incorporate a climate justice lens, including how they procure renewable energy and build infrastructure³⁵. The need to conduct such assessments is also growing: benchmarking and monitoring organisations are increasingly including social and economic measures in their assessment frameworks. This momentum is likely to grow with major political developments like The European Climate Risk Typology, which has a stated ambition to incorporate further justice and human rights metrics and definitions.



“Climate action does not all have to, and cannot, look the same... Equity is about how we even out the scale and start to recognise different starting points.”

Kanika Chawla, Programme Manager -
UN Energy, Sustainable Energy for All (SE4ALL)

³⁵ Starbucks. 2020. Reaffirming Starbucks' commitment to a resource positive future. Accessed [here](#).

Use disaggregated data to guide your decision-making and investments

A key foundation for any business to be able to take action is to make sure that data on social factors becomes part of routine climate and sustainability decision-making and disclosure³⁶. To enable this, businesses will need to mandate their organisation, their suppliers and their partners to collect disaggregated data that captures demographic factors that may influence the climate-related outcomes and experiences of individuals and communities, or to work with organisations with access to this data in the communities in which they operate. Strong policies and training are needed to support these activities, to ensure that data are collected and used in ways that are respectful and in accordance with people's right to privacy and consent.

Collecting disaggregated data can help organisations to track and respond to disparities in the experiences of different groups. For example, organisations may discover that women farmers are participating in a training on climate-smart agricultural practices at a far lower rate than men, despite making up a near equal proportion of the farmer population. On this basis, new strategies can be developed to increase their participation, as well as measure and report on outcomes related to both gender and climate-related targets. Already, major companies like Kellogg's and L'Oréal are employing these exercises to support communities in their supply chains.

Employing disaggregated data is also important outside of supply chains, in actions such as selecting the location of offices or considering the social impact of your business in a specific community. There are tools that businesses and other institutions can use to support these decisions. For example, Metropolis supports intersectionality driven decision making for metropolitan communities, using 38 indicators to assess and elevate the impacts of urban growth according to issues like gender equality, environmental sustainability, quality of life, social cohesion, economic development and governance³⁷.

Engage in participatory processes and dialogues

Whilst global principles such as these are an important foundation, what is needed to promote climate justice varies according to the context and needs of specific communities and places. No individual or organisation – no matter how intelligent or varied in experience – has the monopoly on best practices.

Actively engaging with a wide variety of stakeholder groups and listening to their lived experiences is vital to understanding intersections and interactions between climate action and people, and taking action that safeguards both. Companies should look to create formalised consultation processes with communities and stakeholder groups with which they regularly interact. This can include establishing climate justice advisory boards and committees. Crucially, organisations should pay these individuals for their time and dedicate sufficient time to building proper relationships, moving away from a

³⁶ Robins N, Muller S and Szwarc K. 2021. From the grand to the granular: translating just transition ambitions into investor action. London: Grantham Research Institute on Climate Change and the Environment and Centre for Climate Change Economics and Policy, London School of Economics and Political Science.

³⁷ Metropolis. Metropolitan indicators. Access [here](#).

“transactional” mindset towards one that involves collaborative decision-making and engaging with people from affected communities at every stage of a given project. These dialogues and groups can help to uncover climate justice issues, as well as to build shared ownership of solutions to address them.

Importantly, these dialogues should include people from different generations, as well as different communities and backgrounds. They need to be provided a real opportunity to influence decision-making and meetings should be attended by senior stakeholders in the business. For this influence to be possible, multiple dialogues will be required; both in bilateral and multi stakeholder formats. Trained, neutral facilitators can play an important role in creating a space in which power dynamics are minimised and open exchange is possible. Timing is also key: conversations with communities where high-emitting industrial operations may need to be closed down should start years in advance, for example, and continue throughout the exit process.



“Businesses should look to the principles that have been developed by the communities that are on the front lines of these challenges and establish what those principles mean for their own practices and operations.”

Jacqueline Patterson, Founder and Executive Director of The Chisholm Legacy Project.

Case Study: Participatory processes between business and communities

Studies show that, globally, indigenous people exceed in protecting their territories and that these indigenous territories represent over a quarter of terrestrial habitats and overlap with about 40% of the world's protected natural areas³⁸. Further, a World Bank report estimates that 80% of the world's biodiversity resides inside traditional indigenous territories³⁹. Too often, however, indigenous peoples are excluded from conversations about how best to protect and restore lands. Sometimes, the peoples who have protected their lands for centuries are even evicted from them by international institutions or national governments seeking to create formalised environmental protections.

Though much progress is still to be made in many areas like securing land rights, there are a growing number of examples of initiatives that bring together indigeneous peoples, the private sector and other actors like governments to develop shared action plans for sustainable development in forested regions. Through facilitated dialogues that help to minimise power dynamics between groups, the action plans developed via these platforms create a shared vision from which these groups can work towards common goals and in which the perspectives and needs of indigenous communities are better recognised. These dialogues have been supported by the United Nations Development Programme (UNDP) in countries including Brazil, Peru and Paraguay, for example. Private sector participation in these platforms is an essential way through which they can hear and incorporate indigenous perspectives into their support of sustainable development and conservation.

Educate workforces on the social and economic implications of climate change

Climate literacy at all levels of organisations is an essential precondition to a company's ability to understand and react to the climate crisis. As part of learning and development activities that are increasingly being undertaken by companies (see Deloitte's recent pledge to educate all 300,000 of its staff about climate change), the social and economic implications of climate change – both in terms of impacts and – should be given strong emphasis.

Doing so can help work forces to account for these dynamics whilst doing what they do best: innovating to solve challenges and create new opportunities. It can also help to motivate individuals to engage with climate action in the context of their work by illustrating the connections between climate change and other issues that are important to them.

³⁸ Garnett, et al., 2018. A spatial overview of the global importance of Indigenous lands for conservation. *Nature Sustainability*, 1(7), pp.369-374.

³⁹ Sobrevilla, C. 2008. The Role of Indigenous Peoples in Biodiversity Conservation The Natural but Often Forgotten Partners. World Bank Group

“If people can’t envision their role in a changed future, then they won’t work to change.”

Vicky Sins, Lead Decarbonisation & Energy Transformation -
World Benchmarking Alliance



“It is really important that companies across various sectors signal that they are doing this; others will see that their peers are establishing best practices and follow.”

Charlotte Hugman, Research Lead Climate and Energy
Benchmark - World Benchmarking

Call for climate justice in political advocacy

Whilst the climate justice movement globally is large and growing, for the most part, businesses remain absent from the conversation. Some are already implementing an approach to climate action that is grounded in social justice, but may not have adopted the narrative of climate justice. Using the language of climate justice and sharing your organisation's platform with marginalised voices can help the movement to grow more quickly and increase political support for responsive approaches.

Case study: Patagonia's community engagement

Patagonia's climate justice action is centred around **collaboration** and **advocacy**, working closely with frontline groups to advance climate goals. Patagonia is a corporate ally to the **Gwich'in Steering Committee**, who fight to protect the Arctic National Wildlife Refuge from oil extraction. Starting with funding and investment, the partnership evolved to include innovative means of support, including **documentary filmmaking** to elevate their platform for activism, and supporting legislation. Vincent Stanley, Patagonia's Director of Philosophy encapsulates this evolution: *'We used to help and support activists; now we're much more in the trenches with them.'* A **company philosopher** ensures that ethical implications are considered in conjunction with business interests. Beyond this, Patagonia convenes leading firms to discuss specific sustainability initiatives and share its ideas to encourage **industry-wide change**. By seeing themselves as on a **journey of learning and discovery**, Patagonia is able to form **intersectional** partnerships which can develop and deepen, ensuring that their climate justice action is inclusive, appropriate and effective."

3. SUPPORT ACTIONS AND SOLUTIONS THAT ADVANCE CLIMATE JUSTICE

Using climate justice principles can ensure that businesses embed these perspectives in all their decision-making around climate. At the same time, there are specific solutions and innovation models that can directly support climate justice. For investors and corporate foundations in particular, these are areas that businesses actively seeking to promote climate justice should prioritise.

Ensure access to solutions

Often, solutions to address climate justice-related issues are not unique to a climate justice context. They are the same solutions that all the world will need to fight and adapt to climate change, like climate resilient foods, clean energy and other infrastructure. Today, many of these solutions are out of reach of those that need them most because of high costs and limited availability. One of the central ways that businesses can support climate justice is therefore to consider questions of accessibility and ownership when developing and otherwise supporting climate action and related interventions; whether through investment and financing or by deploying solutions in their own communities and supply chains.

These challenges are present in both the developing and developed world. For example, of the 600,000 people that live in public housing in New York City, less than half have an air conditioning unit⁴⁰. The same poorer neighbourhoods where public housing is predominantly based have also been found to be much hotter during periods of extreme heat due to a lack of green space and shade⁴¹. The solution to this challenge is not a new technology; it is access to affordable and clean cooling systems, and investment in solutions that reduce heat retention. In agricultural communities in

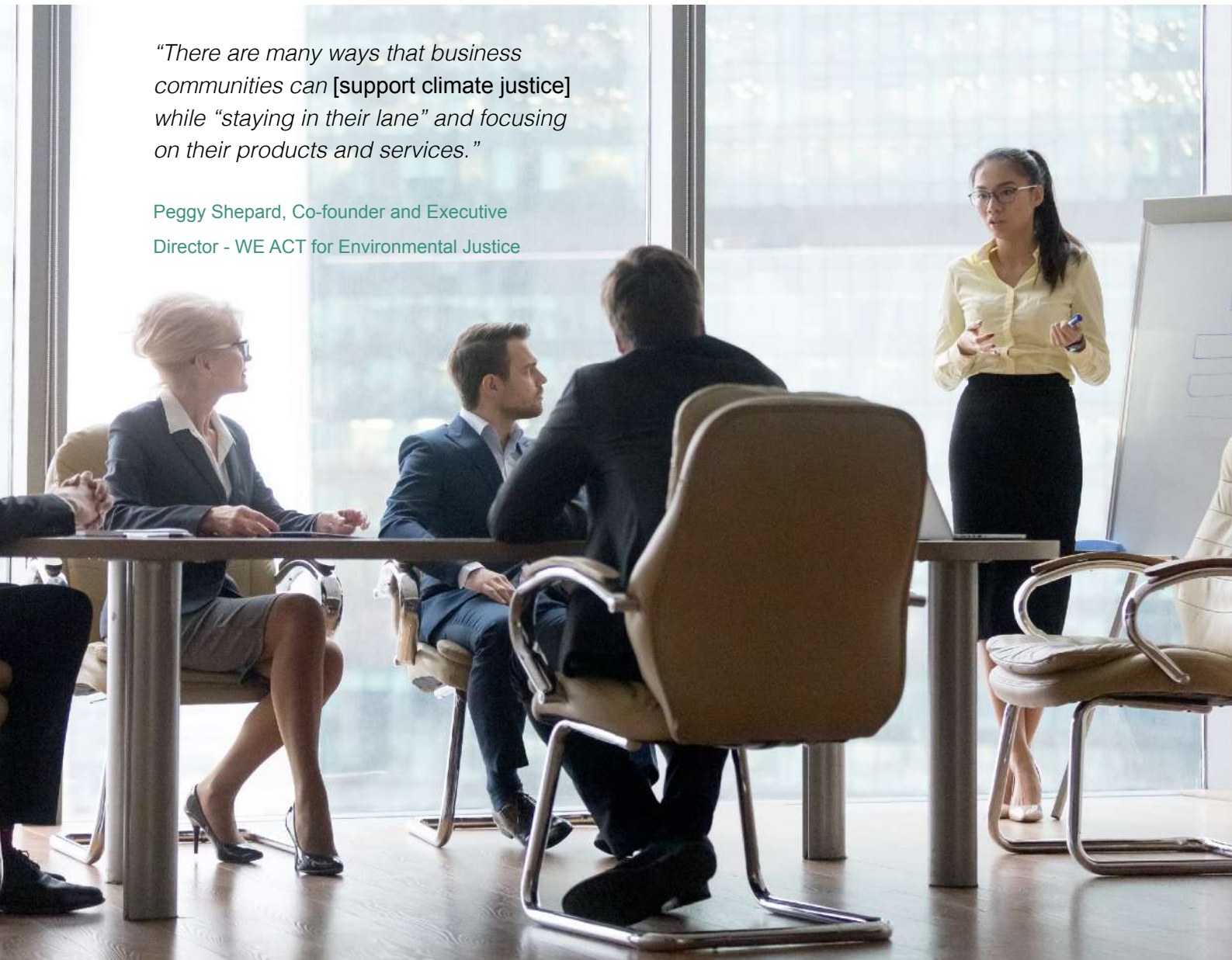
⁴⁰ WNYC News. 2016. Without AC, Public Housing Residents Swelter Through the Summer. Accessed [here](#).

⁴¹ The New York Times. 2020. Why Decades of Racist Housing Policy Left Neighbourhoods Sweltering. Accessed [here](#).

the global South, women and marginalised ethnic groups have less access to the financing and resources that would enable them to enhance the climate resilience of their crops⁴².

“There are many ways that business communities can [support climate justice] while “staying in their lane” and focusing on their products and services.”

Peggy Shepard, Co-founder and Executive Director - WE ACT for Environmental Justice



Ownership is another critical issue, particularly as it relates to the distribution of benefits from climate solutions. Richer individuals or organisations may be able to purchase a solar panel system outright, thereby benefiting from the financial gains made from selling off excess power to the grid. In poorer communities, however, it may only be possible to enter into arrangements with companies that will install the panels but retain the rights to the proceeds. Businesses and investors can help communities at the forefront of climate justice issues to establish new sources of opportunity and income when they not only promote access, but also ownership of solutions.

⁴² FAO. 2011. Women in agriculture: Closing the gender gap for development. Accessed [here](#).

Case study: General Motors' Climate Equity Fund

As General Motors invests in the future of zero-emissions vehicles, it is taking steps to ensure that this future is inclusive. In addition to their \$35 billion investment in electric transport solutions, they have created a \$25 million Climate Equity Fund to reduce disparities in the transition. Focusing on 4 key areas (their workforce; accessible pricing; infrastructure equity; and climate equity) GM are taking steps to consider the wider implications of the energy transition, as Chair and CEO Mary Barra explains: 'As we move to an all-electric, zero-emissions future, it is on us to lead positive change and implement inclusive solutions that bring everyone along, especially our employees and communities.'

GM's fund is intended to supplement broader changes in business operations, programme implementation and governmental policies. GM leads sustainability at the enterprise level with a Sustainability Office and teams which focus on both environmental and social activities, to encourage holistic solutions and set enterprise goals. This includes training and education programs for employees; more diverse and inclusive hiring in green jobs; and creating end markets for by-products and waste materials.

Promote granular technologies

Granular technologies are small in size, low in cost, many in number, and distributed in application. A recent study published in *Science* showed that granularity is associated with faster diffusion, lower investment risk, faster learning, shorter lifetimes, lower complexity, larger efficiency potentials, more equitable access, more job creation, and higher returns on innovation investment⁴³. Examples can include small-scale renewable energy technologies like solar panels, crop monitoring equipment, electricity storage batteries, heat pumps, smart thermostats, electric bikes, and shared taxis or 'taxi-buses'.

The nature of these technologies means that they are conducive to both access and ownership by climate justice communities, as well as holding the potential to increase these communities' climate resilience and capacity for mitigation. Not only do these technologies provide more equitable access, the same study also finds they offer a more rapid pathway to emissions reductions than large-scale infrastructure like nuclear power that involve long lead times.

Whilst supporting and investing in such technologies is a start, equal attention needs to be paid to the distribution of these products and services to the communities that need them most. Lessons can be learned from the Covid-19 pandemic, for example. Whilst the Astra-Zeneca vaccine was developed with the explicit aim of being a low-cost vaccine that could be easily transported to poorer

⁴³ Wilson, C., Grubler, A., Bento, N., Healey, S., De Stercke, S. and Zimm, C., 2020. Granular technologies to accelerate decarbonization. *Science*, 368(6486), pp.36-39.

nations and hard-to-reach places, richer countries have hoarded supplies and fallen short on their promises to the developing world even now, over 18 months into the pandemic⁴⁴. Failing to vaccinate large swathes of the global population presents a risk, not just to those communities, but to all of us. Businesses must both commit to providing affordable access to those that need their products most, and to establish the right operations and partnerships to realise those commitments.

Build the capacity of frontline communities

We need to build capacity by educating, informing, and helping marginalised communities to combat future injustices and future climate change. This can include ensuring access to green jobs for specific groups, as well as including climate literacy in broader education so that communities are well-prepared for the future.

Ultimately, any investment that delivers positive outcomes and increases equity for marginalised groups and communities will help to mitigate the disproportionate impacts of climate change that they might otherwise suffer. Whilst indirect, any intervention or action that supports equity can also, by transfer, support climate justice by eliminating underlying inequalities.

Building the capacity of frontline communities is closely tied to the need for businesses to engage in participatory processes and dialogues in the pursuit of climate justice. Involving frontline communities in private-sector conversations creates better outcomes for all parties; not only can businesses learn from the lived experience of these communities, but the communities can also build their own expertise in developing climate solutions in tandem with different groups of stakeholders. Additional tangible means by which companies might seek to engage frontline communities include sponsoring community members to attend industry events and conferences, directing their investments in infrastructure like offices and other facilities towards those communities, and involving those communities directly in design and testing processes for new products and services.

Case study: Mars' Sustainable in a Generation Plan

Mars, through their 'Sustainable in a Generation' (SiG) Plan, takes a human centred approach to climate action. Mars has set bold GHG reduction targets across their value chains, to reduce waste, improve water use and agricultural practices and, through their CARE Framework, are also committed to protecting human rights. Senior leadership at the company have articulated their intentions to better integrate these commitments and have begun new processes for achieving this. For example, in consultation with third-party experts and civil society groups, Mars has established a Human Rights Steering Committee and a Global Health, Safety and Environment Leadership team in order to address intersectional challenges in their supply chains. They have also created processes to facilitate collaboration with communities, non-profits, other companies, and governments.

⁴⁴ BBC. 2020. Rich Countries Hoarding Covid Vaccines, Says People's Vaccine Alliance. Accessed [here](#).

Support upfront investment and access to capital

Access to capital in the context of the green transition is more important because the upfront costs of many technologies such as renewable energy are very high. Innovative financial models that help communities to come together in collectives, can enable those communities to invest in themselves and create new green jobs, or to enhance their resilience to the impacts of climate change.

These same obstacles to access to capital can be seen at larger scales. Forest frontier communities or indigenous groups, for example, are seeing land around them purchased by prospectors intending to sell carbon credits to Western companies. With support to organise and to gain access to capital, local communities could own the land they live on, and receive the benefits of their stewardship.

Develop and deploy innovative forms of funding

Today, an increasing number of financial institutions are integrating extra-financial KPIs like Environmental, Social and Governance (ESG) indicators into their finance models. It's important that financial institutions continue to place emphasis on these metrics to guide their decision making, support and develop sustainable finance products such as green loans, green bonds and social bonds, as well as offer lower interest rates or lower access costs for companies and individuals who realise positive climate impacts. Some funds and banks are already doing this, and support for sustainable finance is growing rapidly. In one 2019 study for example, 67% of the European Asset Owners surveyed (and who were aware of the SDGs) stated that the SDGs guide their investment strategy⁴⁵. These shifts indicate potential for finance to support climate justice.

However, whilst ESG can take us some way there, supporting climate justice through investment is a nascent field, groups like GenderSmart are excellent sources of leading case studies and advice. What is clear is that businesses and investors will need to rethink traditional forms of funding well beyond simply applying ESG criteria, which often fall short of the incentivising the scale of social change required by climate justice advocates and remain unstandardised.

Beyond limitations in measurement, conventional asset classes often constrict the ways that organisations think about supporting climate action and climate justice and are misaligned with the kinds of transformational changes that finance needs to fuel. Microfinance, too, whilst essential to supporting individuals at the bottom of the pyramid to build small businesses, consigns people to a category outside of traditional finance; preventing them from scaling up and excluding them from the considerations of many mainstream investors and other sources of funding.

With the need for transformation comes the need for different levels of risk appetite from investors and a willingness to take a chance on new business models that they are unfamiliar with. Diversifying the people and perspectives that drive financial decision-making and that dominate the finance industry can help to accelerate this transformation.

⁴⁵ Novethic. (2019). The Sustainable Development Goals. A New Guide for European Asset Owners. Accessed [here](#).



"We need to stop using old school financial services approaches in a new economic paradigm"

Sharron McPherson; Co-founder and former CEO - Women in Infrastructure, Development and Energy

CONCLUSION: NOW IS THE MOMENT TO BUILD A JUST AND SUSTAINABLE FUTURE

It is abundantly clear that rapid and transformative changes are needed to prevent climate disaster. Even as we move collectively at this unprecedented pace, we cannot lose sight of the reason we are doing so; to protect people as well as the planet.

Climate justice helps us to understand that climate change is a social issue as much as an environmental one, and helps businesses understand the true transformative impact that they can have by tackling the climate crisis. How we mitigate and adapt to climate change can either exacerbate or help to redress the inequalities and injustices present in our current societies. Done in the right way, climate action can create new thriving economies and societies in which business can thrive, as well as protect the planet. The role of this document is to help businesses understand and grasp that opportunity.

As key actors in achieving a green transition and meeting the goals of the Paris Accord, and as vital components of global society, climate justice cannot be achieved without the commitment of global businesses. This commitment is a business imperative. By integrating a climate justice approach, businesses will build genuine sources of sustainable value and help to build the resilience of global communities, including their own supply chains and customers, to ensuing climate shocks. They will be able to harness the innovative potential and full capacity of all people towards addressing climate change, be a force for progress in every community they touch, and reap the rewards of sustainability and long-term value.

Nothing can substitute or lessen the need to rapidly and dramatically reduce the amount of carbon and other greenhouse gases that are emitted into the atmosphere each day. Every fraction of a degree of global warming that can be prevented will mean less extreme weather events and disasters that in turn raise the economic burden of climate change and deepen social and economic inequalities. By matching this ambition with a commitment to climate justice, businesses can turn this current challenge into more than a crisis averted and into a true transformation towards a more just and sustainable world.

The recommendations and actions presented in this report provide a foundation for leaders and businesses to start implementing a climate justice and human focused approach to climate action. It will be vital that businesses share their lessons learned and use their experience and influence to support other organisations to do the same. The Women's Forum is committed to playing its role, to sharing best practices and supporting its partners and other organisations as they continue on this journey, for people and the planet.

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About the Women's Forum and the Women4ClimateAction Daring Circle

The Women's Forum for the Economy & Society is the leading international platform for action highlighting women's voices and vision and creating a more inclusive future for all.

- We build an active community of more than 30,000 engaged ambassadors, including business and political leaders, along with international organisations, experts, and civil society.
- We provide unparalleled opportunities for them to develop inclusive solutions to the most pressing challenges facing humanity as a whole – not only gender - such as economic empowerment, access to health, climate action and technology for good.

- ! We are committed to accelerating the transformation of the world by pioneering in promoting the increasing role of women in the economy and society at all levels.
- ! We develop international multi-stakeholder dialogues, launching calls to action and encouraging decision makers in both private and public sectors to engage for impact and implement concrete initiatives. Our policy proposals aim also to enrich the agenda of high-level negotiating tables and summits, such as the G7 and the G20.
- ! We gather leaders, change-makers, both women and men to amplify our commitments and actions. Our Meetings, which span across all continents around the globe, leading up to our flagship Global Meeting in Paris, have become an unmissable and unparalleled date on the international conference calendar – a place to be and to be heard.
- ! We envision a world where women are equal leaders in business and policy decision-making, driving inclusive solutions not only for women disproportionately impacted by socio-economic and environmental issues, but also to build thriving economies and societies.

The **Women4ClimateAction Daring Circle** promotes initiatives and solutions empowering women to lead actions against climate change and accelerate the transition to a greener economy, whilst raising awareness about the ways in which gender and climate intersect.

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