

FACTSHEET

INVOLVING DIVERSE STAKEHOLDERS FOR A JUST TRANSITION

This factsheet outlines why businesses must involve diverse stakeholders to design and deliver climate action for a fair and inclusive transition to a net-zero, resilient future where people and nature can thrive.

Introduction

The two greatest challenges of our time – climate change and inequality – are inextricably linked.ⁱ Energy and food costs are rising, and supply is at risk through climate change and conflict. Inequalities in health and wealth are growing and there is increasing recognition that our children's lives will not be the same as ours.ⁱⁱ

Both businesses and the public believe that within our current system, the risks and benefits of climate change will not be fairly distributed.ⁱⁱⁱ The people and organisations that are already most vulnerable stand to lose even more. This is not inevitable. The decisions governments and businesses make now will determine whether our response to the climate crisis will create a more equitable society or a more unequal one.

3.1%

of environment professionals identify as ethnic minorities^{iv}

To maintain their license to operate, attract talent and access new business opportunities, every UK company must work towards net zero and climate resilience. They must rethink business models, reassess what they reward and redefine value. Many companies now recognise the

importance of climate action. While 62% of Business in the Community (BITC) members are now committed to climate action, only 21% of the world's largest corporations have net-zero targets. This must change rapidly to enable our economy to transition in time to avoid catastrophic climate impacts.

WHAT DO WE KNOW FROM OUR RESEARCH?

- Three in five people are worried about what climate change will mean for their community and more than two in five are worried about impacts on the UK.
- Just one in four people and two in five businesses think the social benefits of the transition will be shared equally.
- Only 14% of people and 27% of businesses think the negative impacts will be shared equally.^v

This transition has huge potential to reduce inequalities across employment, race, gender, age, health, and wellbeing. Not only this, but tackling inequality gives us the best chance we have of creating lasting solutions to the climate crisis.



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Diversity, inclusion, and wellbeing – across workplaces and communities – produce the innovation, productivity and momentum business and society needs to address the climate crisis.

Businesses must design a fair and inclusive future with diverse stakeholders to achieve these benefits. Creating economic opportunities, equipping people to access them and actively regenerating communities and nature are essential considerations for businesses in the future.

TAKING ACTION ON CLIMATE CHANGE IS NOW CRITICAL...JUST AS IMPORTANT, A DIVERSE RANGE OF PEOPLE SPEAKING OUT ON CLIMATE CHANGE WILL RESULT IN RICHER CONVERSATIONS AND OFFER SOLUTIONS BASED ON WIDER EXPERIENCE^{vi}

Francisca Rockey, Campaigner

What do we mean by diverse stakeholders?

Everyone in society has a stake in the changes we need to make to avoid the worst impacts of climate change. Many people in the UK and across the globe are already facing impacts that will only intensify for future generations, even if we manage to keep global temperatures below the 1.5-degree threshold that the International Panel on Climate Change (IPCC) has agreed will be safe for humanity.^{vii}

BITC is challenging businesses to not only recognise the impact of their business strategy and climate action plans on all stakeholders but to identify and prioritise the most vulnerable stakeholders within their employees, customers, supply chains communities and nature.

Stakeholders for business to consider

Companies must define and map their own stakeholders; however, these are some of the groups that would commonly be covered:

- employees
- partners
- regulators

- suppliers
- investors and shareholders
- nature
- competitors
- communities
- activists
- media
- education and training providers
- future generations.

What do public want businesses to do?

Employees, customers and the public want to see businesses leading a just transition. With the concept of a just transition explained, our YouGov survey^{viii} showed that people prioritised the following actions:

- reskilling workers whose jobs might be at risk (53%)
- guaranteeing fair and good work for any jobs they might create (39%)
- helping communities globally who will suffer most to take action to minimise harm from climate change (37%)
- listen to the concerns of their local communities and work out how the business can help tackle them (29%).

Identifying diverse and priority stakeholders within these groups

Even when businesses do engage with their stakeholders, often the most vulnerable or marginalised voices are not heard, either because they are not represented or not prioritised in discussions. This means they miss out on the diversity of thought that could be key to solving the challenges they collectively face.^{ix}

We suggest companies consider the following diverse voices within their stakeholder groups:

- **People with protected characteristics** as recognised in the [Equality Act](#) including age, disability (including mental health and long-term conditions), neurodiversity, gender

reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

- **People with diverse life experiences** that are likely to put them at a disadvantage, such as people who have been in care, carers, people who have experienced homelessness, refugees and asylum seekers, people with criminal convictions and people who have served in the armed forces.
- **People with diverse professional and educational experience** including academics, public, voluntary, and private sector professionals as well as people who are self-employed or running SMEs, unemployed, young people not in education, employment, or training (NEET), students or volunteers.
- **Nature** itself is one of the most important stakeholders but without a voice, so whether it concerns individual products and services, supply chains or overall business models, corporations should identify the natural stakeholders that would be significantly impacted, involved in, or integral to the success of its operations and engage NGOs representing the interests of nature in their planning.^x
- **Indigenous people** and marginalised communities who may not be direct consumers of products and services but are part of supply chains in which companies operate, which is of particular importance when companies thinking about the impact of scope 3 emissions. Whilst the UK does not have a marginalised indigenous community, this should be a consideration for global companies with supply chains or operations in the Americas or Oceania.
- **Employees** – with a lack of diversity in those currently employed to deliver companies climate plans, ensuring that a focus on increasing diverse representation within your workforce will lead to more robust and inclusive action.
- **Activists** – who can provide a frank and critical view of plans and commitments to challenge

you to be ambitious and help you make sure that your communications are clear and transparent.

Why involve diverse stakeholders in your climate plans?

If everyone is a stakeholder and we are in a climate emergency, companies may question whether more engagement will just hold up the process, further impacting on those most disproportionately affected.

BITC encourages all companies to set a commitment and create a climate action plan, even if these are imperfect. It is up to individual companies to decide when and how they involve stakeholders, but stakeholder involvement is essential to ensure that plans are designed and delivered in ways that create benefits for people and nature.

From the recent rejection by shareholders of several major UK banks' climate action plans^{xi}, to the Advertising Standards Agency using new powers to crack down on misleading climate claims in advertising^{xii}, BITC believes it is a greater risk to the success of company's climate actions, not to engage diverse stakeholders in designing and delivering transition plans.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION ARE INCREASINGLY CENTRAL TO EFFECTIVE MANAGEMENT OF CLIMATE RISKS YET ARE STILL COMMONLY PERCEIVED AS 'OPTIONAL EXTRAS' OR 'BOLT-ONS.' IN SOME CASES, AFTER SPENDING CONSIDERABLE TIME AND RESOURCES DEVELOPING STRATEGIES AND SOLUTIONS FOR CLIMATE CHANGE, BUSINESSES THEN COMMUNICATE THEM POORLY TO THEIR STAKEHOLDERS^{xiii}

Richard Westaway, IMS Consulting

Focusing on diverse communities has the potential for business prosperity as well as contributing to a 'levelling up' across society. Research from the Resolution Foundation highlights that a focus on 'green innovation and technology' and doubling down on net zero capabilities in the UK as part of a coordinated growth policy, could be consistent with both driving growth and addressing regional disparities in economic activity.^{xiv}

WHAT'S NEXT?

If we can get this right for those often unheard voices then we stand a chance of getting it right for everyone, without slowing up progress.

BITC is asking businesses to:

- Map their stakeholders to ensure they know who they are and how to reach them.
- Identify, speak, and listen to the minority voices in their workforce, customer base and communities. This can involve working through community organisers and trade unions as trusted third parties. Also, to consider how to compensate these individuals and groups for their time and expertise.
- Ensure they are involving these diverse stakeholders in developing and delivering plans and assessments.
- Incorporate perspectives and suggestions from stakeholders into their plans and give clear feedback on why items weren't included if they do not do so, suggesting compromise options.
- Assess their climate action plans for their impact on race, gender, age, disability, and nature.
- Ensure they are protecting the most vulnerable individuals and communities from the negative impacts of climate change and the transition.
- Reach out for advice and support and share their successes and challenges, recognising the valuable role stakeholders have played.

How can BITC help?

Using our 'Investigate, Co-create, Activate' model, and with funding from Royal London and support from Sky, BITC is running a series of innovation sprints to create the roadmap to help every business co-create climate action plans with diverse stakeholders. You can:

- use our [Seven Steps for Climate Action](#) to create your climate action plans
- join our [upcoming events](#) to learn from others, build your network and equip your business to make a fair and inclusive transition.
- talk to the experts in our [advisory team](#).

ENJOYED THIS CONTENT?

You might also like to:

- [Find out more about Climate Action](#)
- [learn more about our advisory services](#)
- [join us for one of our upcoming events](#)



Talk to one of our expert team [today](#) to learn how membership of BITC can help you take your responsible business journey further and drive lasting global change.

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