



Engaging Stakeholders in a Just Transition

November 14, 2024 | Sustainability Matters



BSR®



Table of Contents

1. Introduction

1. What is a Just Transition?
2. Who Is An Affected Stakeholder?
3. What is Meaningful Stakeholder Engagement and Social Dialogue?

2. Key Just Transition Elements

1. Benefits Sharing
2. Co-creation
3. Cultural Identity
4. Time Horizon
5. Transparency

3. Stakeholder Groups

4. Conclusion & Resources

Introducing Today's Speakers



Homayoun Sadeghi
Responsible Business Advisor
Shell



Ouida Chichester
Director, Energy, Extractives,
Transport, and Industrials
BSR



Andrey Pertsov
Associate, Human Rights
BSR



Stakeholder Engagement in the Transition Context



Guidance for Practitioners

BSR®



BSR Collaborative Initiative: Energy for a Just Transition

Energy for a Just Transition, a collaboration by BSR and The B Team, brought together committed energy, utilities, and related companies and critical stakeholders to help the energy industry to better plan for and implement a just, fair, and inclusive transition.



Mission Statement: To collaborate with committed energy, utilities, and related companies to create guidance, resources, and practical tools for business that will support a worker and community-centered transition to a net-zero economy.

- Insights for the report were drawn from conversations with our Energy for a Just Transition collaboration members
- The guidance provided in the report is also relevant for other sectors

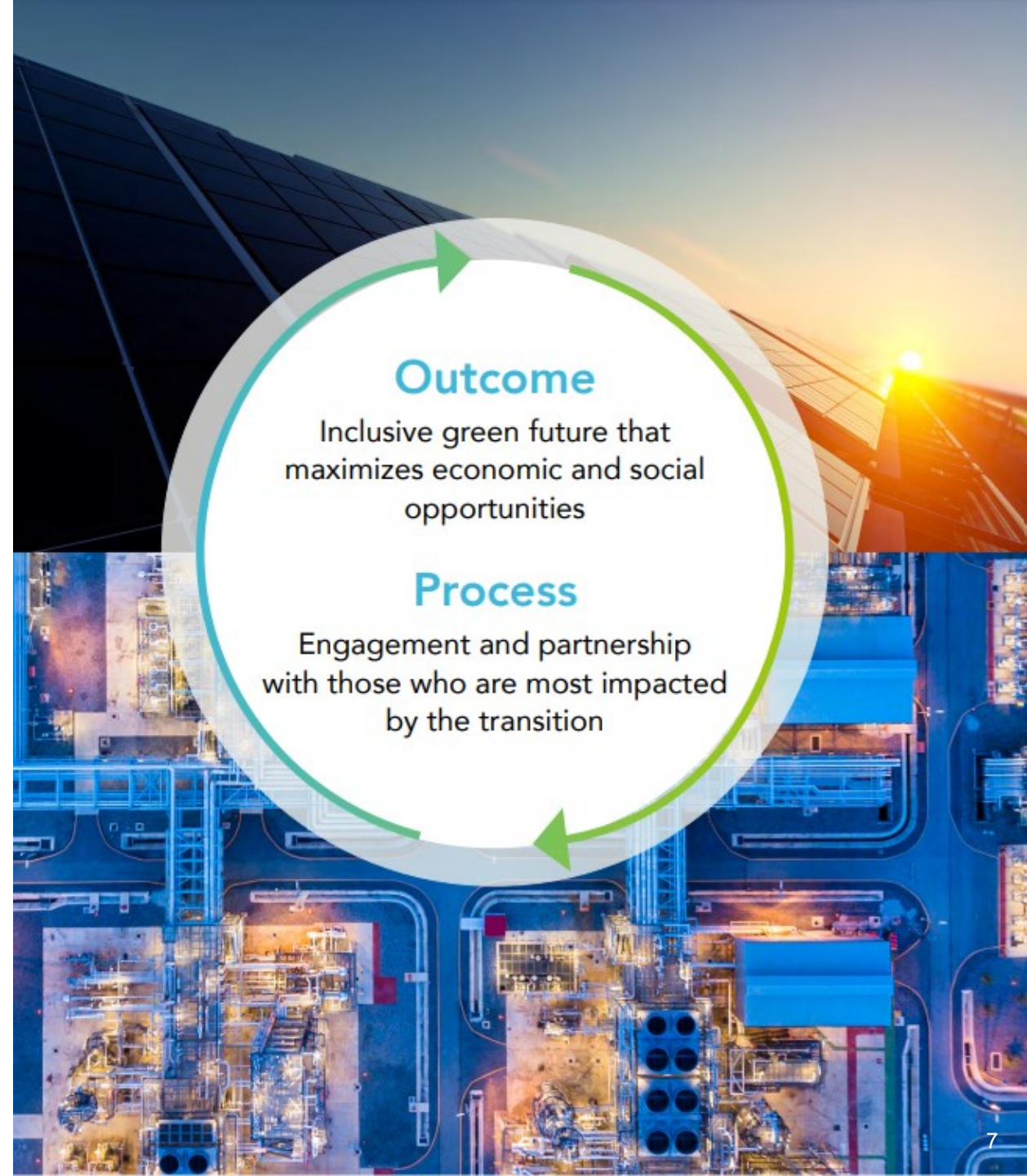


“A Just Transition means greening the economy in a way that is as **fair and inclusive** as possible to everyone concerned, creating **decent work** opportunities, and **leaving no one behind.**”

International Labour Organization

What is a Just Transition?

- A just transition is both an **outcome** and a **process**.
- As we move toward a net-zero economy, there needs to be a stronger focus on the impacts on **people** and their **human rights**.
- Robust **social dialogue** and meaningful **stakeholder engagement** with affected people is foundational to the just transition.
- A just transition cannot truly be considered “just” unless those most affected are included in the process and have an opportunity to **shape its outcome and process**.



Interpreting the Term "Just Transition"



The **concept first emerged from labor unions in the United States** who recognized the need to phase out certain occupations while at the same time provide just pathways for workers in those industries to transition to other quality jobs and careers.

The **Paris Agreement was a key catalyst of the concept and terminology of a just transition**, recognizing that it "needs to be well managed and contribute to the goals of decent work for all, social inclusion, and the eradication of poverty."

There is **no single understanding of just transition** different groups (labor, environmental NGOs, social movements, government, corporate, etc.) have sometime widely differing perspectives on just transition.



Who is an Affected Stakeholder?

“A stakeholder refers to any individual who may affect or be affected by an organization’s activities. An affected stakeholder refers here specifically to **an individual whose human rights has been affected by an enterprise’s operations, products or services.**”

Office of the High Commissioner on Human Rights

What is Meaningful Stakeholder Engagement and Social Dialogue?

“Stakeholder engagement is an **ongoing process of interaction and dialogue between a company and its potentially affected stakeholders** that enables the company to hear, understand and respond to their interests and concerns, including through collaborative approaches.”

Office of the High Commissioner on Human Rights

“Social Dialogue includes **all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers**, on issues of common interest relating to economic and social policy.”

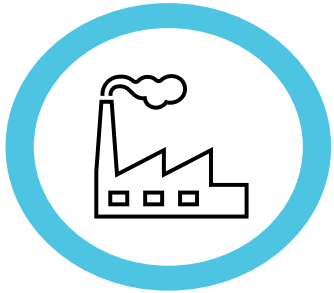
International Labour Organization

Multiple forms of engagement exist, including:

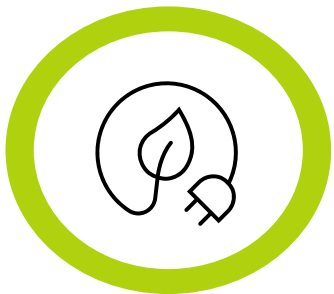
- Formal consultations
- Free, prior, and informed consent processes
- Social dialogue with workers and worker representatives
- Community town halls or roundtables
- Tripartite dialogue (governments, employers and workers organizations)
- *And more...*

Transition In and a Transition Out

A framework to tailor based on context and integrate into decision making:



'Transition out' of high-carbon assets and activities



'Transition in' to low-carbon opportunities





Report Limitations

- The focus of the report is on local or site-based stakeholder engagement
- The report did not directly engage with affected stakeholders during content development, but rather drew upon relevant experiences from BSR and Energy for a Just Transition member companies
- The insights were primarily drawn from the oil, gas, and utilities sectors

Key Just Transition Elements



Stakeholder Engagement in a Transition Context

The just transition poses new challenges and opportunities for stakeholder engagement.



These elements were developed from practitioner insights in the oil, gas, and utilities sectors and reflect the challenges and opportunities for these industries.

We believe they are relevant for other industries and can help companies engage effectively with affected stakeholders, respecting and incorporating their unique identities, aspirations, and visions for the future.

Element 1: Benefits Sharing

- Address increasing expectations that local communities should directly benefit from energy projects
- Implement structured mechanisms to ensure equitable distribution of project benefits
- Account for unique historical, environmental, and social factors
- Develop benefits sharing mechanisms through co-creation



Benefits Sharing

Element 2: Co-creation

- Recognize that affected communities are best positioned to identify solutions
- Ensure local perspectives shape decisions from inception through collaborative planning
- Create safe spaces for open dialogue through multiple forums
- Leverage co-creation process to address disparities and systemic inequities



Co-creation

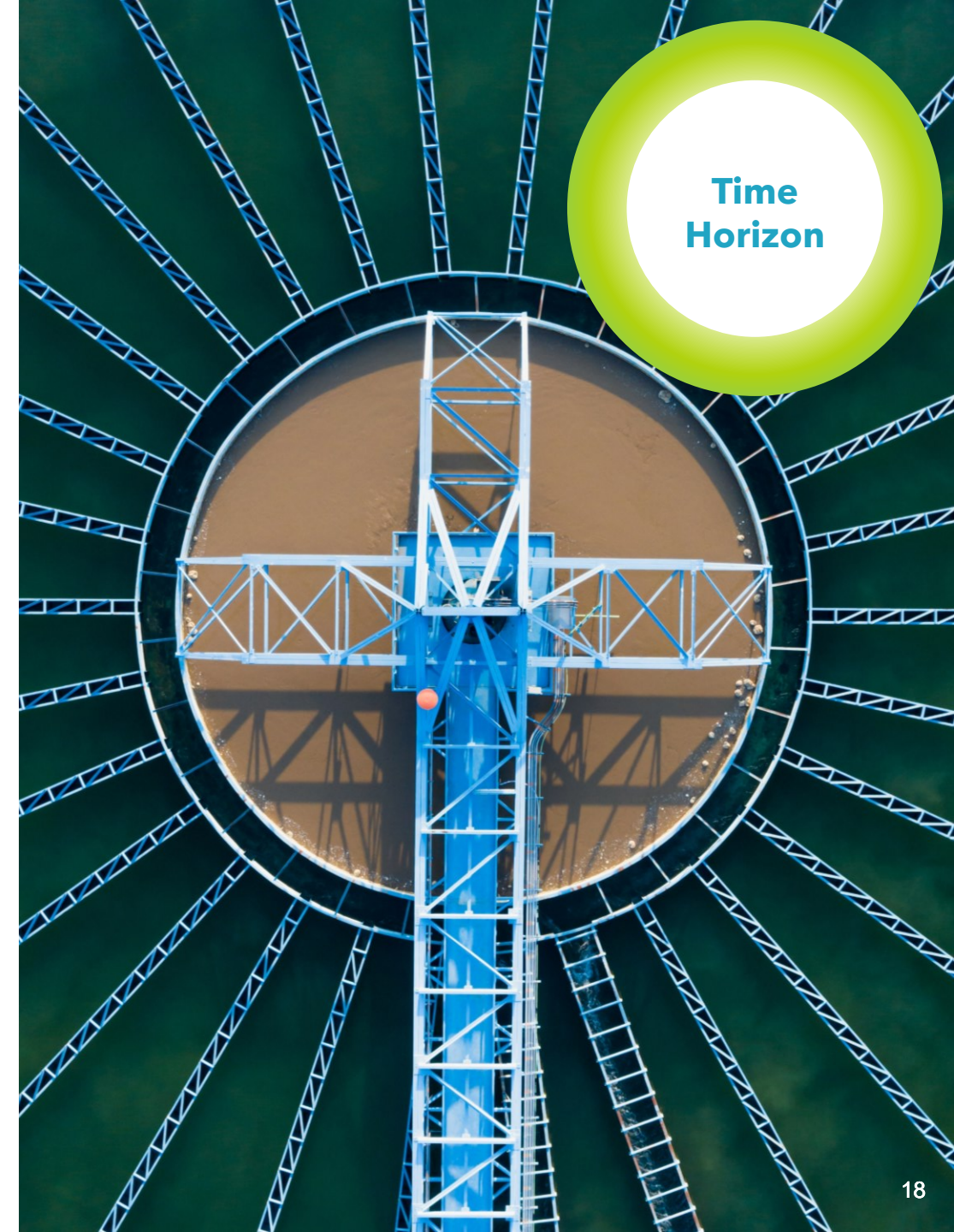
Element 3: Cultural Identity

- Recognize a community's historical ties to existing industries
- Ensure that changes are shaped by affected stakeholders and aligned with their values
- Find opportunities to preserve industrial heritage and celebrate legacy
- Integrate new industries and technologies in a manner that respects existing cultural identities



Element 4: Time Horizon

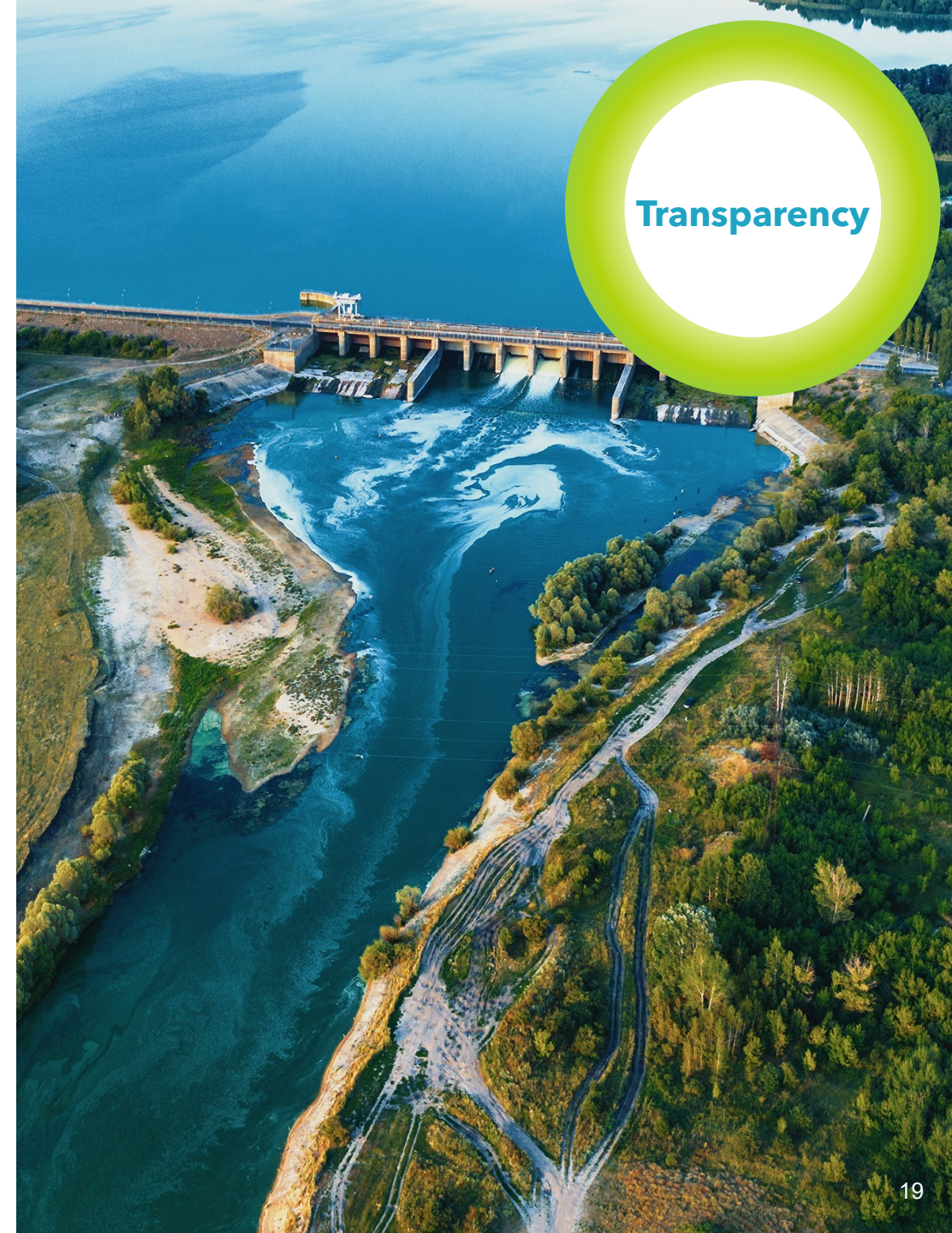
- Recognize the complexity and far-reaching implications of a net-zero transition
- Initiate planning with stakeholders well in advance of decisions
- Demonstrate an intent to adapt project plans and timelines
- Engage early to build trust and prevent future conflict



Time
Horizon

Element 5: Transparency

- Link big picture climate transition strategy with local level impacts
- Bridge the information and skills gap consistently throughout a project's lifecycle
- Shift towards a culture of ongoing openness and accessibility
- Provide proactive and ongoing communication about relevant new information and impacts



Stakeholder Groups



Stakeholders to Engage in the Transition Context

The energy transition - whether it is a transition out or a transition in - will have distinct impacts on stakeholders across the following groups:



Labor

- Workforce and Unions
- Contractors
- Workforce Development Partners



Community

- Communities
- Indigenous People
- Local Civil Society



Business

- Customers
- Business Partners
- Investors



Government

- Regulators and Government

What You Can Find in the Report

Stakeholder Category Introduction

- For each stakeholder category (e.g., Labor, Community, Business, Government), the report overviews core themes for engaging each stakeholder group



Labor



Community



Business



Government

Stakeholder Group Deep-dive

- Within each stakeholder category, the report outlines how different stakeholder groups are affected by both 'transition out' scenarios and 'transition in,' providing specific insights for each group.
- Following each overview, practitioners will find reflection questions and practical considerations to guide their engagement strategy and implementation on the ground.

Example

Stakeholder Category

Stakeholder Group

Reflections and Questions for Practitioners to Consider



Government



Regulators and Government



'Transition In'
'Transition Out'

Stakeholders to Engage in the Transition Context | Labor



Labor

'Transition out' - mitigating job losses and economic disruption through proactive workforce planning, social dialogue, and comprehensive support measures that protect workers.

'Transition in' - developing workforce capabilities and partnerships for new low-carbon industries through early planning, skills development programs, and promoting a supportive ecosystem that creates quality jobs.

Stakeholders to engage:



Workforce and
Unions



Contractors



Workforce Development
Partners

Stakeholders to Engage in the Transition Context | Community



Community

'Transition out' - developing adaptation strategies through early community engagement, transparent communication, and collaborative development of adaptation strategies that build community resilience and address vulnerability.

'Transition in' - engaging early to encourage ownership, build trust, and integrate local knowledge into project development through culturally appropriate communication and collaborative problem-solving.

Stakeholders to engage:



Communities



Indigenous
People



Local Civil Society

Stakeholders to Engage in the Transition Context | Business



Business

'Transition out' - ensuring business continuity and regulatory compliance through transparent communication and strategic partnerships that align transition plans with government priorities and local development needs.

'Transition in' - maintaining customer trust and supporting economic diversification through clear communication about operational changes, timely exit planning, and collaborative partnerships

Stakeholders to engage:



Customers



Business
Partners



Investors

Stakeholders to Engage in the Transition Context | Government



Government

'Transition out' - partnering with governments to ensure accountability, compliance with social and environmental frameworks, and the availability of necessary community support during the transition process.

'Transition in' - collaborating closely with governments to leverage expertise, inform policy development, and access public funding and support systems that create an enabling environment for a just transition.

Stakeholders to engage:



Regulators and
Government

Stakeholders to Engage in the Transition Context

The energy transition - whether it is a transition out or a transition in - will have distinct impacts on stakeholders across the following groups:



Labor

- Workforce and Unions
- Contractors
- Workforce Development Partners



Community

- Communities
- Indigenous People
- Local Civil Society



Business

- Customers
- Business Partners
- Investors



Government

- Regulators and Government

Conclusion & Resources



Conclusion

Recommended activities:

- Develop a Local-level Stakeholder Engagement Strategy
- Conduct Human Rights and Social Impact Assessments
- Focus on Long-term Value Creation
- Ensure Access to Remedy



Resources

To access the full report, follow the link below:

[Stakeholder Engagement in the Transition Context | Guidance for Practitioners](#)

BSR Report Authors:

- **Ouida Chichester**, Director, Energy, Extractives, Transport, and Industrials
- **Andrey Pertsov**, Associate, Human Rights

[Contact BSR](#) to learn more about this guidance or for information on how BSR can support your company with just transition.



Thank you to our SPARK members



BSR Upcoming Events



WEBINAR | BSR MEMBERS ONLY

Impacts of AI in Retail and Consumer Goods

NOVEMBER 19, 2024



WEBINAR | BSR MEMBERS ONLY

EU CSDDD and CSRD: Leveraging Synergies between Due Diligence and Reporting

NOVEMBER 20, 2024



ONLINE WORKSHOPS

Just Transition Learning Lab

JANUARY 14, 2025

For a full list of upcoming events, visit: bsr.org/events

About BSR

BSR® is a sustainable business network and consultancy focused on creating a world in which all people can thrive on a healthy planet. With offices in Asia, Europe, and North America, BSR® provides its 300+ member companies with insight, advice, and collaborative initiatives to help them see a changing world more clearly, create long-term value, and scale impact.

BSR®



All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law.

Copyright © 2024 by Business for Social Responsibility (BSR)

