



Data Centers: Strategies for Effective Community Engagement

Addressing opposition and building social license to operate

Speakers



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Agenda

1. The Challenge

2. Discussion

Data Centers & Community Engagement | State of Play
Lessons Learned from the Energy Sector

3. Q&A

4. Wrap up

Good Practices & Guidance for Implementation
Opportunities for Engagement

01

The Challenge

Community Opposition to Data Centers

While data centers can bring meaningful local investment, construction activity, tax revenue, and digital-infrastructure capacity, they also place concentrated demands on the communities that host them.

Community members may oppose data center construction and operation for a range of reasons, including:

Electricity cost and grid capacity

Large and fast-growing electricity loads can require new generation, transmission, and grid upgrades, with implications for reliability, customer bills, and localized pollution

Water use

Cooling systems can strain local water supplies, especially in drought-prone areas

Livelihoods and economic opportunity

Communities cite low permanent job creation, potential for AI to eliminate jobs, opaque negotiations and tax incentives, and perceptions that communities absorb costs while corporations capture value

Quality of life and local control

Siting can raise concerns about land use, traffic, noise, and visual impact, as well as secrecy in utility and development agreements and community loss of control over their future



The Costs of Community Opposition

Community pushback is no longer just a communications problem. It is a material risk to business driven by local-benefit, resource-allocation, and trust problems and can result in **legal action, project delays, and financial risks** to business.



The number of data centers in the US [canceled](#) following community opposition reached a record high in the first quarter of 2026



In 2025, there were more than [200 bills introduced across all 50 states](#) aimed at regulating in-state data centers, and more than 40 of those bills were enacted into law



In 2025, projects in the US with publicly disclosed values totaling at least \$156 billion were [blocked or delayed](#) amid coordinated local opposition, moratoria, and litigation



As of July 2026, [more than 500 counties or municipalities](#) actively restrict or block new data centers



Project failures

- Google withdrew a proposed [470-acre data-center rezoning request in Franklin Township, Indianapolis](#) for a project of over \$1 billion in value after months of local opposition.
- Public and political opposition contributed to [Meta abandoning a planned €1 billion hyperscale data center in Zeewolde, Netherlands](#).
- In Chile, a court ruling and community pressure forced [Google to pause and redesign](#) a planned \$200 million Santiago-area data center over water concerns.
- In Brazil, the Anacé Indigenous community has [protested and gone to court](#) over a planned TikTok/ByteDance-linked data center on land they claim as traditional territory.

Meaningful community engagement supports project resilience and undergirds successful development and operation



Surface risks earlier



Improve decision quality



Build credibility even without full agreement



Create opportunities to correct misinformation



Strengthen long-term resilience and proactive issue management



Meet legal and regulatory requirements

Community Engagement Challenges



Benefits feel abstract; costs feel concrete.

Companies emphasize national AI competitiveness, tax base, and construction jobs, while residents experience traffic, noise, water constraints, and rising utility bills.



Permanent jobs are often overstated.

Employment benefits are variable and often mixed, with a gap between construction surges and durable, locally attainable jobs.



Transparency gaps create suspicion. Redacted agreements, unclear water and energy figures, and opaque cost-sharing with utilities are major trust killers.



Local governments are negotiating

asymmetrically. Rural and smaller jurisdictions may lack technical capacity to evaluate load forecasts, water impacts, tax abatements, emergency services, and long-term infrastructure liabilities.



Communities want more than “good neighbor” claims.

Vague commitments are not enough. Credible commitments now need benchmarks, interim milestones, and clear limits on what depends on future technology or grid upgrades.



Key opportunity for engagement: Show clearly how the community will retain agency, avoid bearing disproportionate costs, and receive durable local benefits.

02

Discussion

03

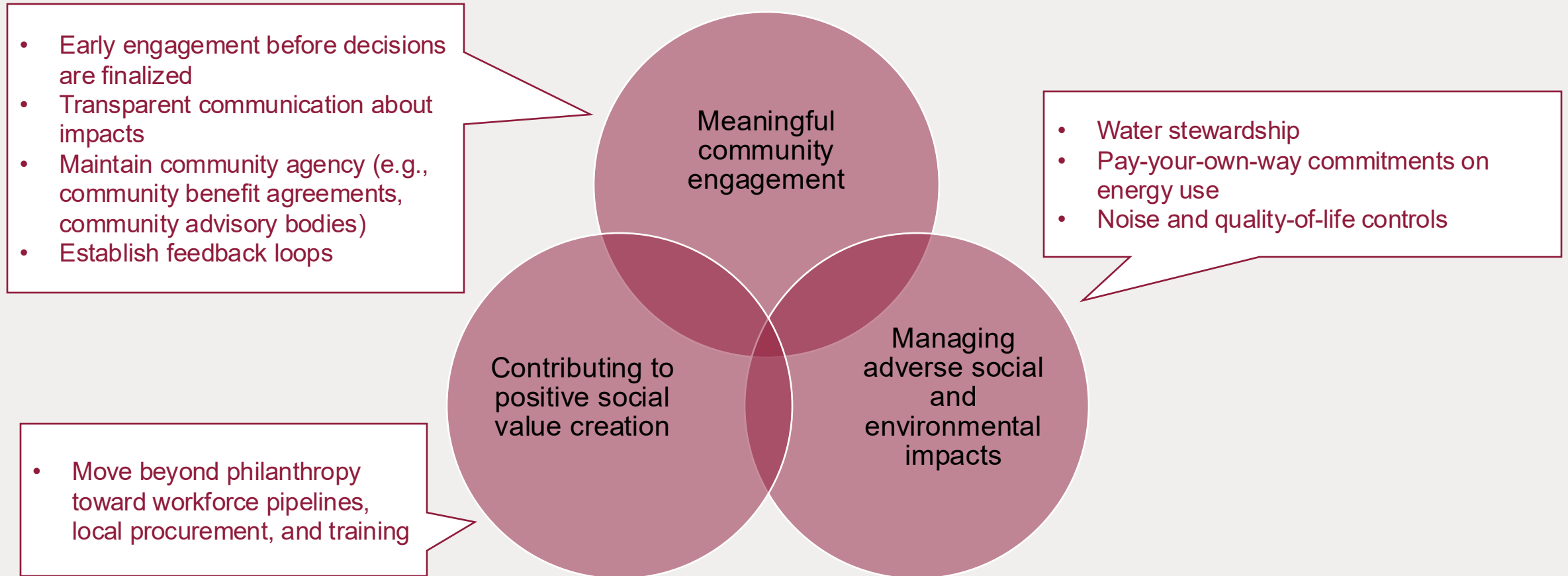
Q&A

04

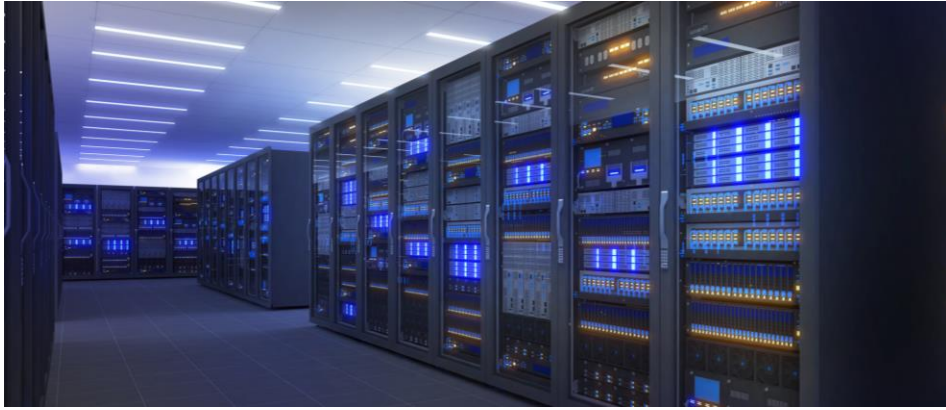
Wrap up

Good Practices and Guidance for Implementation

Building community support for data centers requires managing adverse impacts while delivering local benefits. Both approaches are founded upon meaningful community engagement.



Opportunities for Engagement



Responsible Data Center Development

Our Mission

Support data center developers, owners, operators, and business partners to build social license to operate by sharing emerging good practices, learning from adjacent sectors, and developing shared approaches to strengthen community engagement, human rights and social impact management, environmental stewardship, and social investment.

Join Us

Please email Scarlet George at sgeorge@bsr.org to express interest.

Why Join?

- Exchange insights and best practices with industry peers across the data center value chain to advance practical solutions that address community concerns and the environmental impacts of data center development.
- Access and shape the creation of tools and resources while contributing to the development of new industry-aligned tools.
- Address real-world implementation challenges across regions and share practical, context-specific approaches.
- Benefit from a trusted, pre-competitive space to explore specific challenges, share effective approaches, develop shared resources, and strengthen capacity.

How We Work

- **Eight 1.5-hour virtual convenings** on areas of emerging, mutually agreed upon importance, including expert presentations, case studies, and guided in-depth discussion; 1 in-person convening may be arranged upon agreement with participants
- Meetings are conducted under **Chatham House rules** to foster open sharing
- **Development of common tools and resources** to be deployed by members across the industry
- **SharePoint resource library** with relevant materials and recordings and an **Opt-in Contact List**

Participation Information

- **Timeline:** 12 months (target launch of September 2026)
- **Participation Fee:** \$15,000 (BSR members), \$25,000 (non-members), though final participation fee to be determined by number of participants and agreed deliverables
- **MEO Policy:** MEO covers participation fee
- **Target Member Type:** Support data center developers, owners, operators, and business partners
- **Expected Commitment:** Active participation in virtual convenings, including sharing emerging practices and case studies; review of tools and resources.

Advisory Services

BSR helps data center and digital infrastructure companies address the environmental and human rights impacts of AI-driven growth while building long-term business value.

The Opportunity

As critical enablers of the digital economy, data center and digital infrastructure companies face growing pressure to expand capacity while managing impacts on energy systems, water resources, supply chains, workers, and local communities. Companies that proactively address these challenges are better positioned to grow responsibly while building social license to operate.

BSR helps companies to:

- Manage environmental and social impacts through integrated sustainability and impact management strategies.
- Build and maintain a social license to operate through meaningful community engagement, transparency, and community benefit approaches.
- Strengthen supply chain resilience and workforce outcomes through responsible labor practices and human rights due diligence.

What We Deliver

Integrated environmental strategy

- Renewable-energy sourcing strategy
- Energy and water risk screening
- Climate risk assessment and resilience strategy
- Climate transition plans
- Integrated human rights and environmental impact, risk, and opportunity assessments
- Integrated action plans, governance frameworks, and implementation roadmaps

Community engagement

- Stakeholder mapping and prioritization
- Community needs and impact assessments
- Engagement strategies, guidelines, and implementation tools
- Convenings to identify and share emerging good practices
- Community benefit / social investment strategies and programs
- Grievance mechanism design and remediation

Supply chain resilience

- Human rights and supply chain due diligence
- Worker welfare and labor risk assessments and frameworks
- Contractor and subcontractor standards
- Living wage strategy

Resources | BSR's five-step approach to stakeholder engagement



BSR's Five-Step Approach



Thank You

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BSR® is a sustainable business network that provides global insights, strategic advisory services, and collaborations to nearly 300 member companies in Asia, Europe, and North America. BSR® helps its members to see a changing world more clearly, create long-term value, and scale impact.

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