

# Co-creating Climate Justice Interventions Between Business and Communities

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# About This Issue Brief

This issue brief introduces BSR's view on co-creation as a means for business to advance climate justice. Co-creation, in the context of climate justice, centers affected communities in identifying challenges and developing solutions to address systemic injustices and advance equitable social, environmental, and climate outcomes.

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# Introduction

Climate justice is the recognition that climate change and climate solutions disproportionately affect some communities over others and exacerbate underlying systemic inequities. It also prioritizes the people and communities that are most likely to be affected by the climate crisis but are least responsible for it. To advance climate justice, it is essential to place the needs, voices, and leadership of those who are the most affected at the forefront and shift ownership to local communities who are better positioned to identify interventions that address their needs and empower local socio-economic development.

Climate injustices can be experienced across the value chain, from suppliers to employees and consumers, and to address these, businesses' climate strategies and transition plans need to integrate climate justice. The increasing frequency and severity of extreme weather events underscore the urgency to build climate resilience, especially in communities least able to prepare and rebound. Integrating justice into climate action means ensuring products and services needed for a clean energy, climate-resilient future are accessible and affordable. This work also involves enabling decent work opportunities and community economic prosperity in the transition to a net-zero economy and ensuring that human rights are respected across value chains.

While businesses are beginning to consider the ways in which climate change and climate solutions disproportionately affect people and communities, there are few examples of how the private sector is working with affected stakeholders and little guidance on how to co-create climate justice interventions with affected communities. At a recent discussion hosted by BSR, 70 percent of business participants shared that they need support in understanding how to approach climate justice and how to identify key stakeholders and community-based partners.

This issue brief shows business practitioners *how to implement* potential climate justice interventions, using a process of co-creation with affected stakeholders. Co-creation, in the

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context of climate justice, centers affected communities in ongoing discussions to identify solutions that address systemic injustices and advance equitable social, environmental, and climate outcomes.<sup>1</sup> By incorporating a co-creation process in business activities related to climate action, businesses can enable more effective and efficient climate solutions that holistically address interconnected, systemic issues. This issue brief builds a foundational understanding of co-creation with communities<sup>2</sup> in the context of climate justice, specifically what it is, why it is important, and how companies can integrate co-creation into their approach to address climate change.

Climate change disproportionately affects communities facing systemic inequities. Businesses can [advance climate justice](#) in the following ways:

- **Building resilience to the physical impacts of climate change**—e.g., upgrading drainage systems in high flood risk areas.
- **Ensuring accessibility of products and services**—e.g., securing affordable, reliable, and efficient clean energy access for communities.
- **Respecting human rights in the clean energy value chain**—e.g., ensuring workers have safe and adequate working conditions, and the rights of affected communities are upheld.
- **Enabling a just transition for workers and communities**—e.g., upskilling and reskilling workers to participate in the green economy.

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<sup>1</sup> “Co-creation” is a term that can be used in different contexts by business functions for their collaborative processes, such as product innovation, supply chain, and human rights due diligence. In this issue brief, co-creation is used with regards to climate justice and describes placing affected communities at the center of collaborative efforts to address past, current, and future inequities related to climate change and climate solutions.

<sup>2</sup> While this issue brief uses “communities” in broad terms, communities are not homogenous, and the dynamics of each community are unique.

## Climate Justice and the Role of Business

Leveraging BSR’s “act, enable, and influence” [framework](#), businesses can advance climate justice across three dimensions: acting within their own boundaries; enabling collective action within value chains, communities, and industry groups; and applying their influence to ensure that public policy and regulations are aligned with climate justice.

- **Act:** Ensure justice is integrated into climate strategy, policies, practices, and investments.
- **Enable:** Co-create interventions and opportunities with communities most affected, and leverage company assets and expertise to drive solutions across the value chain and industry.
- **Influence:** Promote public policies that address systemic inequities and institutional barriers, influence government activities and the implementation of policy and local regulation, and strengthen the inclusion and protection of stakeholders most affected by climate change.

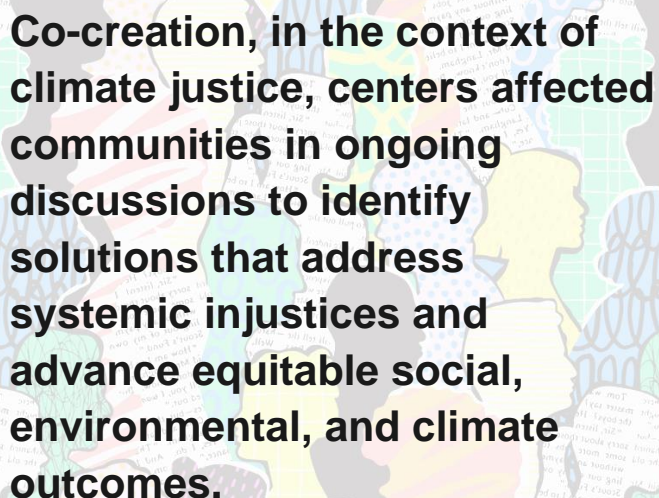
Developing a [climate justice strategic framework](#) can ensure that climate justice is integrated into company climate strategies, transition plans, and goals. Centering communities who are most affected by climate change in the identification and development of climate interventions is fundamental to meaningful [business action on climate justice](#).

# Co-creation in the Context of Climate Justice

To advance climate justice, businesses can use a process of co-creation with affected stakeholders in their activities and initiatives. With co-creation, affected communities are placed at the center as they experience the injustice firsthand and can identify solutions that best fit their needs. The primary activities of co-creation include listening and learning; acknowledging and taking accountability for previous harms; and engaging in long-term, equitable, and trust-based partnerships where opportunities and benefits are shared.

## Benefits and Challenges of Co-creation

Co-creation is a relational process that is time, labor, and resource intensive. Thoughtful and intentional co-creation with affected communities facilitates conscious inclusion of those who historically were or are excluded from both policy and business decision-making processes; presents an opportunity to address disparities and systemic inequities and discrimination; and enhances institutions and climate solutions through diversity of experience, thought, and expectations. Co-creation can also unlock a level of innovation and creativity of solutions that far exceeds what could be achieved if done alone. To deliver benefits to both affected communities and businesses, it is essential to work across private and public sectors and work directly with affected communities and local community-based organizations at the onset—not separately or at later stages after decisions and investments have been made.



**Co-creation, in the context of climate justice, centers affected communities in ongoing discussions to identify solutions that address systemic injustices and advance equitable social, environmental, and climate outcomes.**

Collaboration with affected communities along the value chain requires an emphasis on listening and responding to their needs and recommendations. Co-creation is a bottom-up, collective approach rather than being top-down and prescriptive. Before engaging with communities or civil society organizations on climate justice issues, it is important to be cognizant of the challenges that may arise, including but not limited to fragile relationships

and trust deficits; differences in culture, communication, and leadership styles; power dynamics; and conflicting priorities. By centering listening in the process of co-creation, companies can recognize and mitigate such challenges.

While co-creation is an essential component of private sector action on climate justice, establishing internal support for integrating co-creation in business activities, including developing a climate strategy or transition plan, is often challenging. Co-creation implies a level of shared decision-making and benefit sharing as well as alignment with stakeholder priorities. Nonetheless, true co-creation can ensure more long-term sustainable solutions as interventions are developed transparently and based on alignment between business and affected stakeholders and identify shared value for both. By exchanging insights and aligning on priorities and intended positive outcomes, companies and communities can set clear short- and long-term objectives as well as create a trusted space for shared learnings, both around failures and successes.

Businesses engaging with communities need to be mindful of the stakes involved for community-based and civil society organizations that may have fewer resources but seek to provide solutions for their own communities to secure future socio-economic development. Like businesses, community-based and civil society organizations will assess the value and potential outcomes of co-creating with the private sector. This can be challenging if it is unclear whether the business is truly committed to climate justice. Community-based and civil society organizations also consider risks and opportunities to their organizations when partnering with the private sector. Risks can include the impact on their reputation in the local community, and their investment of scarce time and resources. Civil society organizations rely on their reputation to secure funding and investment from donors, foundations, and government agencies.

## Principles for Climate Justice Co-creation

The following principles can guide businesses in co-creating climate justice interventions with affected communities. Co-creation is grounded in [meaningful stakeholder engagement](#) to build and nurture long-lasting, trusted, and mutually beneficial relationships. These principles were informed by BSR's research, conversations with business representatives, and collaboration with civil society and community-based organizations.



### **1. Listen First and Listen to Learn**

When engaging communities,<sup>3</sup> companies should come prepared to listen to learn and foster understanding of the affected stakeholders' experiences, perspectives, needs, resources, and capacities.

### **2. Move at the Speed of Trust**

Budget time and resources appropriately for thoughtful decision-making and manage expectations on the amount of time necessary to build mutual respect and trust. A timeline for the specific intervention should be co-determined, and regular checkpoints to reassess progress and comfortability will allow all parties to understand when timelines should be adjusted. While progress may be slower, outcomes are more likely to be just and sustainable for all parties.

### **3. Cultivate an Inclusive Environment**

Inclusive representation and culturally sensitive, respectful language to cultivate an inclusive environment will promote trust-building. A culture of inclusivity will give stakeholders agency and a platform to voice their opinions and perspectives from lived experience, enhancing the business-community relationship. Power imbalances between business and the community and power imbalances within the community itself need to be considered. Be mindful of differences in resources, knowledge, political influence, language, race, religion, ethnicity, and gender among other factors. And take care to ensure the psychological and physical safety and security of all who are participating in the co-creation process, thus enabling inclusivity of stakeholders that might otherwise be at risk.

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<sup>3</sup> Where stakeholder engagement involves engaging Indigenous communities, companies should also uphold Indigenous Peoples' rights and related standards, including the UN Declaration on Indigenous Peoples and the Indigenous and Tribal Peoples Convention, 1989 (or ILO 169), which establish clear criteria for Free, Prior, and Informed Consent.

**4. Communicate Transparently**

Stakeholders—from investors to consumers to workers—are calling on companies to provide increased transparency on climate action. To foster and maintain trust, ensure communication and feedback between the company and affected communities are open, honest, and timely and objectives are transparently shared.

**5. Ensure Mutual Benefit**

Affected communities have the most to lose from climate change but are often excluded from an equitable share of the benefits from climate solutions. While companies will have a vested interest in building community resilience for business continuity, climate justice interventions must also deliver and prioritize benefits to communities. Benefits should come from what the communities themselves are asking for, not what the business may imagine communities need or want. These benefits may include investing in community climate adaptation infrastructure and community-led solutions; ensuring access to clean water, electricity, and healthcare; and safeguarding livelihoods.

**6. Contend with Systemic, Historic, and Contemporary Injustices**

Recognize, take responsibility for, and remedy past and current community harms for which businesses have caused or contributed to and use leverage to address harms the company is linked to. Before acting on climate justice, understand how existing structures, societal norms, and frameworks exclude the needs of disproportionately affected communities and consider how leadership, resources, and decision-making be redirected to those most affected and historically excluded.<sup>4</sup>

**Climate Justice Co-creation Principles:**

1. Listen first and listen to learn
2. Move at the speed of trust
3. Cultivate an inclusive environment
4. Communicate transparently
5. Ensure mutual benefit
6. Contend with systemic, historic, and contemporary injustices
7. Welcome discomfort
8. Include last-mile communities
9. Engage for the long term
10. Continuously evaluate and adapt

<sup>4</sup> [The Climate Justice Playbook for Business](#) by the B Corp Climate Collective, B Lab, The Skoll Centre for Social Entrepreneurship, and the Climate Action Champion's Team includes a model on "Making the Mindset Shift," which presents the shift necessary to move from extractive and exploitative mindsets to equitable and regenerative mindsets. See the model on page 60.

## **7. Welcome Discomfort**

Real and meaningful engagement on climate justice requires learning and reflection. By embracing dialogue and acknowledging feedback, businesses demonstrate that they are undertaking the necessary work, introspection, and accountability.

## **8. Include Last-mile Communities**

In co-creation, seek to involve last-mile communities—communities in rural, peri-urban, and urban areas that lack access to basic services such as water, sanitation, electricity, cellular devices, and transportation. Last-mile communities are often left out of stakeholder engagement and are isolated due to limitations like language barriers or inaccessible internet and communication tools. By including those most vulnerable, co-created climate justice solutions will be more comprehensive and can better address climate change impacts and equity concerns.

## **9. Engage for the Long Term**

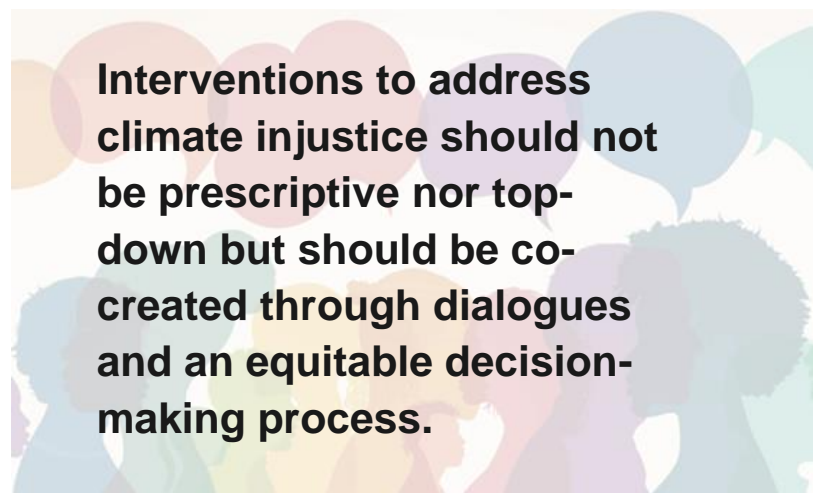
Similar to other social justice efforts, climate justice requires companies to make a long-term commitment to the communities with whom they engage. Businesses can expect setbacks because there are no straightforward, quick solutions for climate justice. From learning and listening to acting and fostering equitable partnerships, companies need to approach climate justice with the understanding that it requires sustained and deep engagement over time to enable trust-building and lasting change.

## **10. Continuously Evaluate and Adapt**

Continuously monitor and evaluate interventions to ensure they are achieving desired outcomes and responding to shifting priorities and circumstances as well as the recommendations and needs of communities most affected by climate change. Adapt interventions as needed based on key learnings throughout the process and evolving pressures and challenges associated with addressing climate change.

The principles are ambitious—competing priorities, resources, and timelines can present challenges for businesses to adopt them. However, the principles are meant to inform and steer co-creation between businesses and affected communities. They can help manage expectations and ensure alignment on values of engagement and inclusion in co-creation processes.

Interventions to address climate injustice should not be prescriptive nor top-down but should be co-created through dialogues and an equitable decision-making process. Business actions aligned with these principles can better forge relationships with affected communities, build trust, and make collective progress toward climate justice.



## **An Approach to Co-create Climate Justice Interventions with Communities**

Equipped with and led by the principles above, businesses can begin to explore and identify opportunities to co-create climate interventions with affected communities through an equitable decision-making process. The phases below offer a high-level approach to follow. The approach is iterative, and phases may need to be revisited.

### **Phases of Co-creation for Climate Justice**

#### **Identify Affected Communities in the Value Chain**

Climate injustices are unique to each community; therefore, businesses need to identify who is affected and where they are located across the value chain. Climate risk assessments are useful to determine how and where climate change is affecting business operations and people. By including socio-economic vulnerability indices into climate risk assessments, businesses can identify communities and locations where climate risks may exacerbate inequities and inequalities.

In addition to climate risk assessments, businesses can use findings from human rights assessments or leverage existing relationships with community groups along the value chain as a starting point. Further analysis of how climate change and climate solutions may affect these communities is required. Besides identifying affected stakeholders across the value chain, this research can help businesses better understand where and how co-creation can be integrated into current business activities and project development.

### **Understand Business Risks and How Business Activity May Contribute to Climate Injustice**

Businesses can deploy climate and people-related impact assessments to identify how their activities are affected by or contribute to climate injustices. The impacts on business and communities may be direct or indirect. Stakeholder engagement can further inform the business on how to address risks and advance climate justice. Addressing how the business contributes to injustices is paramount.

### **Engage Stakeholders to Listen and Understand Their Needs**

An [engagement plan](#) can guide the company on how to conduct stakeholder engagement and social dialogue, which form the foundation for co-creation. Through stakeholder engagement

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and social dialogue, businesses can better understand how communities are affected, how communities approach challenges that face them, and what barriers may exist in overcoming the challenges. Community and Indigenous knowledge should undergird efforts to co-create climate justice interventions. Centering local communities—or taking their lead—to identify their needs, goals, and potential interventions is key to moving forward.

Community-based and civil society organizations are experienced in working within their communities to design, implement, and advocate for localized climate solutions. These organizations often have the expertise and understanding of local challenges and community perspectives and need to be part of the engagement and co-creation process.



Businesses can consider how their resources—including but not limited to knowledge and capabilities, products and services, finance, influence, and reach—can complement local knowledge and support the communities’ goals and initiatives that drive mutual benefits and advance climate justice. Businesses can engage stakeholders at the onset of identifying potential interventions—not separately or at later stages after decisions and investments have been made. An inclusive and participatory approach allows affected communities to actively inform and influence interventions so that they meet both business and community objectives.

### **Ensure Internal Alignment on Resources and Roles**

All business functions—including but not limited to finance, legal, procurement, and communications—can support a co-creation process to ensure alignment and investment of resources. A company commitment to ensuring climate justice is integrated into climate strategies and transition plans is foundational to business efforts on co-creation. Co-creation puts a climate justice commitment and strategy into practice.

Businesses can allocate resources and identify point people across functions to ensure a climate justice intervention is supported with relevant expertise, relationships with the community are cultivated, and tasks are completed. Training may be required to ensure that language and behaviors are culturally sensitive and respectful.

### **Establish Governance and Management Processes to Drive Progress**

Together, the business and community—and other actors such as local civil society organizations—can establish a governance structure to guide decision-making. It can serve as a guardrail to maintain a balance in power and ensure communities historically excluded from decision-making are active participants and leaders. The governance structure should set a process for business and community decision-making that is based on consensus and equal decision-making power. To address power imbalances, businesses can support the community by hiring independent technical experts, consultants, lawyers, or mediators.

A framework for monitoring, evaluation, and accountability should be developed to track progress and apply learnings. Performance indicators can be developed to ensure alignment on objectives and timelines, manage progress toward desired outcomes, encourage responsibility among participants, and identify which mechanisms and approaches are working and which need to be improved. Grievance mechanisms should be established so that community

members can voice any concerns of company failures. The business and community should report on progress and share lessons so that co-creations between businesses and affected communities for climate justice can be enhanced and scaled.

## Conclusion

Climate change is one of the greatest contemporary challenges facing our society, presenting an urgent need for business transformation. As businesses navigate challenges and opportunities, it is essential that stakeholders and communities across the value chain that are affected by climate change and climate solutions are actively involved and engaged. Centering affected communities in identifying challenges and developing solutions can help to address systemic injustices and pursue more equitable social, environmental, and climate outcomes.

This issue brief emphasizes the importance of co-creating climate justice interventions with affected stakeholders to advance climate justice. It provides a set of principles grounded in meaningful stakeholder engagement and a high-level iterative approach that can guide businesses in co-creation process. Through an equitable decision-making process, co-creation with affected communities can enhance trust-building, develop effective and meaningful collaboration, and deliver mutual benefits. Affected communities need to be at the center of dialogue, decision-making, and the development of interventions from the beginning because they experience the challenges firsthand and can help identify interventions that will best fit their needs. While it can be time- and resource-intensive to co-create and include a wide range of stakeholders, prioritizing affected communities will ultimately yield more just and sustainable climate solutions.

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