



A JUST TRANSITION

to net-zero, climate-resilient, nature-positive economies that respect human rights and improve people's lives

BCTI The Business Commission to Tackle Inequality

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Executive Action Brief

for corporate executives across industries who seek to build viable marketplaces that ally sustainability and social progress with business value and competitiveness.

What is a just transition in a corporate context?

In a corporate context, a just transition is the strategy and process through which a company proactively identifies and addresses the **people-related impacts, risks and opportunities associated with its:**

- **Transition to net-zero** operations and market offerings
- **Transition to nature-positive** operations and market offerings
- **Approach to climate change adaptation** across its business operations and market offerings.

These encompass the **workers, communities and end-consumers** linked to the company's operations and value chain.

Why make it a strategic board agenda?



1. Realize and protect the full value of your transition investments by taking a strategic, people-centered approach – invest in reskilling and transforming your workforce. Focus on including and empowering the communities and end-consumers that are crucial for the future of your business.



2. Anticipate people-related risks and avoid harmful blind spots – be on top of the physical and transitional risks linked to your stakeholders' safety, security and livelihoods to mitigate business continuity disruptions, liabilities and market loss.



3. Account for your impact before someone holds you accountable – further secure your license to operate by taking action to mitigate or compensate the impact on the people tied to your transition plans across your value chain and the territories in which you operate.



4. Seize market opportunities – that a just transition creates for the provision of new services and products to corporate customers and end-customers or users.



5. Become the preferred choice – ahead of your competitors, in the capital markets, partner ecosystems, communities and customer segments that are material for your business future.

The energy transition could create 30 million new jobs by 2030, more than offsetting the estimated 5 million high-carbon jobs that will be lost.¹

Business opportunities tied to a people- and nature-positive transition could be worth up to USD \$10 trillion annually and create 395 million new jobs.²

Swiss Re projects that climate change could reduce global GDP by up to 18% by 2050 if no one acts.³

Case Study: How Iberdrola takes a multi-stakeholder approach to an equitable energy transition in Spain

The closure of Iberdrola's last two coal plants in Asturias and Palencia was coupled with significant investments in renewable energy projects to revitalize industrial activity in affected regions. Through their Open Innovation Platform Iberdrola promoted and facilitated collaboration between citizens, companies and public entities, including Universidad Politécnica de Madrid and Universidad del País Vasco.

In Asturias, four wind farms that tripled the region's installed capacity were built; in Palencia, a 400 MW photovoltaic plant was put in place. Investments in those projects accounted for more than EUR €100 million and created jobs for an estimated 2,000 people.

The wind farms generate enough energy to supply more than 100,000 homes and prevent 65,500 tons of CO₂ emissions each year.

In addition, as part of the Exiom-Iberdrola Alliance, the first photovoltaic module manufacturing plant in Spain went operational in 2024, creating more than 100 direct jobs, enhancing the security of supply for the renewable energy value chain and acting as a driver for local industrial development.

Iberdrola is a multinational electric utility company based in Bilbao, Spain, with 42,000 employees serving more than 100 million customers.

How can you implement a just transition in your organization?

Connect people and processes

- **Set a clear commitment at board level to drive a people-centered transition strategy and programs**
Set a just transition as a shared and explicit corporate goal to drive executive sponsorship, pace and return on investment.
- **Empower a just transition leader at the corporate level to drive an integrated, company-wide approach**
With sponsorship from the executive team, the just transition leader will oversee an integrated approach across functions and regions, whilst ensuring that local owners are mobilized to implement impactful, place-based programs where they matter the most.
- **Leverage your existing (expert) teams and create the connection**
Identify how key functions can support and ensure the full leveraging of the relevant teams and processes your company already has to plan and operationalize a just transition, such as:
 - Strategic workforce planning
 - People health and safety
 - Risks and crisis management
 - Human rights due diligence, in line with the [UN Guiding Principles for Business and Human Rights](#)
 - Community investment and stakeholder engagement
- **Maximize external partnerships to address resource gaps**
Identify peers and other stakeholders who can help you implement your transition plans with a social dimension.

Take a strategic and programmatic approach

- **Leverage leading frameworks as a head start**
 - Council for Inclusive Capitalism's [Just Transition Framework for Company Action](#)
 - ERM - Environmental Resources Management's [Just Transition Framework for Corporate Climate Action](#)
- **Map out the people-related impacts, risks, and opportunities linked to your transition plans**
This includes both the transitional risks and physical risks to your workforce, communities and end-consumers, as well as the opportunities for new employment, services and social relevance.
- **Understand your people-related costs and choose your best funding strategies**
Identify and leverage funding strategies and options that best fit your needs.
- **Be vocal about your just transition plans and share progress with your key stakeholders**
Foster trust and buy-in with your target audiences through regular and tailored communications, underpinned by proof points.

How you can influence a just transition at system level

1. **Join local and sector initiatives that your company can influence and benefit from the most**, particularly related to:
 - Workforce evolution
 - Local economic development and stakeholder engagement
 - Low carbon and renewable energy policies
 - Cross-sector energy transition
 - Climate- and nature-related policies and financing
2. **Become an ambassador for people-centered transition strategies**, publicly and within your value chain
3. **Promote and adhere to globally leading standards**, including:
 - The UN SDGs and the [Climate Action | Forward Faster](#) established by the United Nations Global Compact
 - [UN Guiding Principles on Business and Human Rights](#) (UNGPs): The global standard for preventing and addressing the risk of adverse impacts on human rights involving business activity
 - [OECD Guidelines for Multinational Enterprises](#): Recommendations on responsible business conduct by governments and aimed at multinational enterprises
 - [The Taskforce for Inequality and Social-related Financial Disclosures](#) (TISFD)

“The significant growth opportunities presented by technological change, generative AI and the green transition can only be realized if companies have access to the skilled talent they need to accelerate transformation and people have access to growth jobs.

The work of the Business Commission to Tackle Inequality is an important step to address the core challenge facing companies and governments: how to develop practical solutions to help people overcome the challenges in many markets as they struggle to see where their skills fit in a rapidly evolving world of work. The workforce remains a company’s most valuable resource and targeted upskilling is needed to accelerate growth, adapt and unlock human potential.”

Jonas Prising, Chair & CEO, ManpowerGroup

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References

¹ International Energy Agency (2021). *The Importance of Focusing on Jobs and Fairness in Clean Energy Transitions*. Retrieved from: <https://www.iea.org/commentaries/the-importance-of-focusing-on-jobs-and-fairness-in-clean-energy-transitions>.

² World Economic Forum (2024). *How to unlock \$10.1 trillion from the nature-positive transition*. Retrieved from: <https://www.weforum.org/stories/2024/07/theres-10-1-trillion-in-nature-positive-transition-heres-how-we-unlock-it/>.

³ Swiss Re (2021). *Economics of Climate Change Risks*. Retrieved from: <https://www.swissre.com/media/press-release/nr-20210422-economics-of-climate-change-risks.html>.

The Business Commission to Tackle Inequality (BCTI) is a cross-sector, multi-stakeholder coalition of organizations and their leaders with the mission of mobilizing the private sector to tackle inequality and generate shared prosperity for all.

For more information and for details on other key business action areas to tackle inequality see the BCTI’s flagship report – **Tackling Inequality: An agenda for business action**

Key resources

[Just Transition | UN Global Compact](#)

United Nations Global Compact

A resource offering details on definitions, action examples, key performance indicators (KPIs), interim targets, resources, etc., to help meet targets by 2030

[Forward Faster Target 2 – Climate Action](#)

United Nations Global Compact

This target relates to taking concrete actions that address the social impacts of climate change mitigation and adaptation measures

[Just Transition Framework for Company Action](#)

Council for Inclusive Capitalism (CIC)

[Just Transition Framework for Corporate Climate Action](#)

ERM

[Just Transition Resource Platform](#)

We Mean Business Coalition

[Just Transition Finance Tool for banking and investing activities](#)

International Labour Organization

[Executive Action Brief on Human Rights](#)

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[Executive Action Brief on Living Wages](#)

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