

Humanising net zero targets: how to bring people and their rights into corporate climate action

This primer emphasises the importance of integrating human rights (HR) into climate action, highlighting that while much has been written about the intersection of human rights and environmental harms to people¹, there is a significant gap in addressing the role of people and human rights in climate transition plans. Developed for AIM-Progress by Proforest, this document aims to bridge this gap by providing comprehensive guidance on how companies can bring together and align their climate and human rights priorities within their responsible sourcing policies. By contributing to the ongoing capability building of AIM-Progress members, this primer supports the development of strategies that ensure a Just Transition, respecting human rights while tackling climate change.

The primer is part of a series of research conducted by Proforest in collaboration with AIM-Progress and its member companies. The rest of the research will be available for members and aims to offer a toolkit for companies committed to responsible, presenting insights and actionable steps to integrate human rights into their climate strategies.

The business case for integrating climate and human rights actions

There are intrinsic linkages between climate, people and nature. Risks and impacts to one directly or indirectly affect the other two, which outlines the need for integrated thinking for companies exposed to them. While most companies have found it easier to develop joined-up processes for climate and nature, the integration of human rights considerations into climate actions is less prevalent. However, a strong business case for the integration of climate and human rights is coming to the fore, which is as follows:

¹ Human Level - AIM Progress - Just Transition Study - Summary Report - 22 Feb 2022

- **Supply chain resilience:** Ensuring a stable, predictable supply is crucial for any company. In light of changing climate conditions, focusing on resilience of the communities and producers within supply chains is increasingly a business imperative.
- **Protecting against reputational risks:** Including human rights and Just Transition principles in climate roadmaps can prevent unintended impacts on vulnerable stakeholders, avoiding reputational risks and grievances from affected parties or campaigning organisations.
- **Regulatory compliance:** Regulatory frameworks like the EU Taxonomy regulations and the CSDDD emphasise the importance of integrating both environmental and human rights safeguards. Integrating climate and human rights considerations helps companies prepare for compliance with these evolving EU policies.
- **Access to finance:** Investors use ESG benchmarks, such as those from the [World Benchmarking Alliance](#), which link climate action and human rights. An integrated approach helps companies meet these metrics and secure continued access to finance.
- **Strategic efficiency and synergy:** Integrating HR into climate action planning can create efficiencies and synergies, benefiting climate targets and workers, farmers, and Indigenous Peoples and Local Communities (IPs&LCs). This approach allows for effective monitoring and reporting of climate and human rights KPIs.

*Just Transition refers to the transition to a low carbon economy happening in a way that fairly shares the benefits of the transition, while supporting those that will be negatively impacted. Respecting human rights in mitigation and adaptation actions is seen as key to achieving Just Transition, and also Just *Resilience* (Shift, 2024)

A unified approach for business action: integrating climate action and human rights for a resilient future

As both emission reduction efforts ('mitigation') and climate adaptation responses can either directly affect human rights or impact the broader socio-economic conditions that generate human rights risks, an integrated approach is needed that addresses climate and human rights in a cohesive manner in a company's supply chain. The figure below illustrates some of the interdependencies and possible ways to think about organisational integration of human rights aspects within climate initiatives:

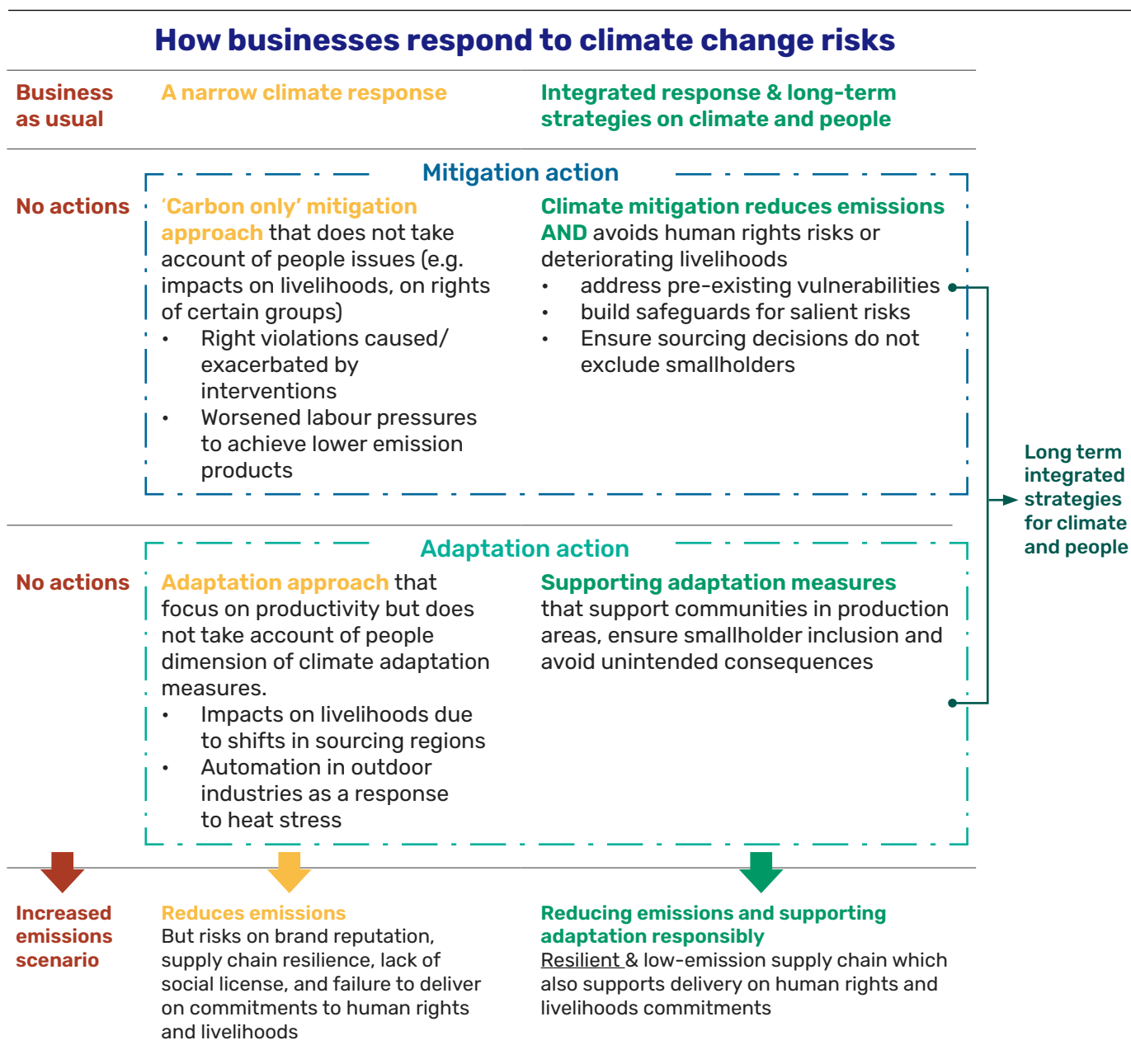


Figure 1 – Three pathways for corporate response to climate change, using elements from SHIFT report².

The current state of play: identified efforts in the business arena to integrate climate and human rights.

Over time, building stronger internal links between staff and teams across human rights/people and climate business functions should replace the reactive human rights risk management most companies have in place. The EU's experience with the energy sector serves as a learning space where clear norms and mechanisms have been developed for adaptation of livelihoods and communities³⁴⁵. Transferable learnings from the sector are now starting to be implemented in wider contexts and different areas.

² Climate-Report-Feb-15-2023-2.pdf

³ The European Union Policy Toolbox to Support Just Transition

⁴ A just transition towards climate neutrality for the EU | QSE

⁵ Achieving a just transition in the energy system | WBCSD

However, other sectors like Fast Moving Consumer Goods (FMCG), Food & Beverages and Retail are at the initial stages of the process of integrating climate action with human rights and most companies have only just started to explore strategies towards a unified approach. Current actions are more focused on addressing the human rights impacts of climate change, based on climate risk modelling as opposed to a fully integrated approach.

Based on engagement with AIM-Progress members as well as secondary research, we have gathered insights into current thinking and ambitions of companies to inform our recommendations on the integration process:

1. Establish integrated commitments and governance

- Establish a **clear internal or public commitment** to the integration of human rights and people issues into climate strategies and targets or Just Transition planning⁶⁷⁸⁹, ideally at the board level.
- Develop **internal objectives and policies** to inform the setting up of governance structures and internal co-ordination mechanisms to achieve integration between climate and human rights teams towards an integrated approach. All departments/functions relevant to climate and HR strategy and implementation (sustainability/climate, operations, procurement, human rights) should be a part of the process (See [Forum for the Future/ IDH/ Mars report](#) for more details).
- Set up **governance structures (or leverage existing ones) and plan internal coordination** to facilitate strategic and operational collaboration and synergy between human rights and climate teams to ensure a unified approach¹⁰.

2. Carry out integrated HR-climate risk assessments of suppliers and supply base

- Identify **priority commodities/raw materials and sourcing regions where there is an intersection of high emissions and climate change multiplying and compounding existing risks** to vulnerable people and prioritise for integrated action.
 - For example, in many Cocoa producing landscapes in Africa and Latin America, there are high levels of GHG emissions associated with deforestation unsustainable agricultural practices, poverty due to low income from agriculture, forced and child labour, reducing yields due to climate change (drought, pests, unseasonable weather patterns) leading to increasing expansion and low resilience of farmers (inability to invest in regenerative agriculture)

⁶ Levi Strauss & Co Climate-Transition-Plan.pdf

⁷ Unilever Climate Transition Action Plan updated 2024

⁸ A just energy transition - Equinor

⁹ H&M Foundation

¹⁰ Rewriting the Sustainability Playbook

3. Develop sector strategies and targets within an integrated responsible sourcing strategy, including integrated climate mitigation and adaptation strategies for priority commodities/raw materials and regions

- After decarbonisation targets have been set through Science Based Targets initiative-SBTi or target setting tools, actions that will support companies to meet those targets should include consultation with the human rights team to understand potential implications on human rights, livelihoods, local communities/IPs&LCs.
- Understand the physical climate risks under various climate scenarios that affect vulnerable stakeholders (producers, workers, communities) in key sourcing regions/landscapes.
- Bring together the climate and human rights teams to collaboratively identify interventions, allocate budgets for climate mitigation efforts aimed at achieving decarbonisation targets, and develop adaptation plans for human rights risks, informed by climate risk modelling. Also build in robust safeguards while designing interventions to ensure existing human rights issues are not exacerbated or new issues do not arise.
- Jointly design KPIs to monitor progress, outcomes and impacts of interventions in key sourcing regions/landscapes in the context of climate mitigation and adaptation targets.
- Conduct consultations with producers (including smallholders), workers, IPs&LCs representatives before rolling out interventions and building in grievance channels/structures to address any issues.
- Scope adaptation programmes for groups of suppliers or for sourcing regions that can cover multiple climate and people goals.

4. Industry-wide collaboration for climate risk mitigation and adaptation

- Align and collaborate with peers on mitigation and adaptation programmes where collective industry risks are highest.

5. Adaptive management and course correction

- After rolling out integrated interventions in priority areas, conduct **robust Monitoring, Measuring, Reporting and Verification (MMRV)** for key climate and people KPIs on a periodic basis to assess efficacy.
- If programmes are not making progress towards desired outcomes for climate and people, adapt and modify the approach.
- Promptly **address any human rights grievances** from impacted stakeholders flagged through grievance mechanisms.

Key takeaways for business

As the landscapes of climate action and human rights continue to evolve, driven by shifting standards, emerging regulations, and new guidance, companies that have committed to integrating these two areas will be better equipped to navigate trade-offs and identify effective, responsible solutions across their supply chains.

This primer serves as a foundation for discussion and capability-building within your organisation. In the coming months, three in-depth briefings on company case studies of integrated responses to climate change and human rights challenges will be released.

Three takeaways to consider for developing plans and further action:

- 1. Integrating human rights into climate action is both ethically essential and strategically beneficial.**

It can help companies mitigate risks, build trust, and strengthen stakeholder relationships – all while contributing to long-term business resilience.

- 2. Many companies begin by recognising the need for integration – even if the path forward is not yet clear.**

The framework outlined in Section 2 is designed to support this process. Does it help clarify how to approach integration in your own context? Are there areas where further guidance is needed?

- 3. Integrated approaches create supply chains that are both lower-carbon and more resilient.**

If we understand that such approaches lead to stronger, future-proof supply chains, what are the real barriers to wider adoption – and how can they be overcome?

For more information or company assistance on these topics please contact info@aim-progress.com at AIM Progress or Proforest at info@proforest.net