Briefing 1: Making climate mitigation work for people

Identifying, preventing and addressing human rights risks in climate mitigation

A solar farm cuts emissions by 40%. But Indigenous communities lose access to ancestral land. A company switches to lower-carbon suppliers. But thousands of smallholder farmers lose their income overnight.

This is the hidden cost of climate action without a human rights lens – and it's a risk no business can afford. The question isn't **if** you should act on rights-based climate mitigation, but **when**. The answer is simple: now. And this briefing – the first in a three-part series by AIM-Progress and Proforest - will give you an overview of *how.*

This briefing addresses Climate Mitigation, which aims to reduce greenhouse gas emissions and enhance carbon sinks to tackle climate change. This guide shows you how to identify, prevent, and address human rights risks in these efforts. Get it right, and your climate strategy will strengthen resilience, protect livelihoods and assets, and deliver real long-term value both for your business and the communities in your supply chain.

The human cost of net zero

Without clear policies and alignment across teams, rapid climate action and emissions reduction efforts can unintentionally harm people or exacerbate existing inequalities if their social impacts are not adequately addressed. This increases the risks of human rights violations and can undermine a company's long-term sustainability goals.

As decarbonisation accelerates and Scope 3 emissions come into sharper focus, the risk of unintended consequences and the cost of inaction grows.

Key risks include:

- **Exclusion and instability** – replacing suppliers or sourcing regions can destabilise local economies and push smallholders out of markets.
- **Land rights violations** – renewable energy projects launched without consultation can restrict Indigenous land use and displace communities.
- **Unfair carbon markets** – farmers are often saddled with heavy compliance demands, while intermediaries capture most of the financial benefit.
- **Disputed land use** – afforestation and reforestation projects can fuel tenure conflicts and inequitable benefit-sharing.
- **Unequal transition** – regenerative agriculture programmes may favour large producers, while smallholders face yield reductions and income loss during the early years.

When these risks are ignored, the damage is twofold: communities are harmed, and businesses face weakened supply chain resilience, regulation and compliance challenges, and reputational fallout with stakeholders, suppliers and their workers, customers and staff.

Climate change and human rights are inextricably linked, and we recognize that the direct and indirect effects of climate change are often felt by the most vulnerable people and groups among us. We have, and plan to continue to embed a human rights lens into our climate change mitigation and resilience efforts to help respond to potential climate-related human rights impacts.

PepsiCo, *Salient Human Rights Issues* (2025)

How emissions strategies create risks

Most companies pursue two broad approaches to tackling supply chain emissions:

1. Excluding emissions

Switching suppliers or sourcing regions to lower carbon intensity.

- Risk: job loss and local economic disruption for excluded suppliers and communities.
- Risk: disproportionate impacts on smallholders unable to decarbonise without support.
- Risk: 'emissions leakage' - the footprint simply shifts elsewhere rather than being reduced.
- Risk: reputational damage - avoidance of responsibility rather than efforts to find lasting solutions.

2. Reducing emissions through engagement

Investing in suppliers, introducing low-carbon practices, or developing new technologies.

- Risk: renewable energy projects that restrict land access or create unsafe labour conditions.
- Risk: carbon credits or nature-based solutions that burden farmers with administration while offering little return.
- Risk: regenerative agriculture schemes that reward large producers while smaller farmers lose income during transition.

These risks are not inevitable. With the right safeguards, companies can mitigate them – and in doing so, unlock stronger, more resilient supply chains.

What good looks like

"The global transition to net zero is as much a social transition as an environmental one. Unilever recognises the importance of a just and equitable transition, which puts people and communities at the centre of a sustainable future."

– Unilever Climate Transition Action Plan 2024

International standards now require companies to conduct Human Rights Due Diligence (HRDD) across their operations and supply chains – and leading businesses are embedding this into their climate strategies, with some creating integrated Human Rights and Environmental Due Diligence (HREDD) approaches. See example of Adidas, page 34-39.

The key principles are straightforward:

- Pre-intervention scoping and due diligence.
- Meaningful consultation with affected communities.
- Respect for Indigenous land rights through consent processes.
- Relevant benefit, income and risk-sharing, including for women.
- Accessible grievance mechanisms.
- Remediation management
- For carbon markets specifically, the United Nations Climate Change (UNFCCC) has set mandatory environmental and human rights safeguards.

What this means for your business

Whether you're launching a renewable energy project, switching suppliers, or investing in regenerative agriculture, embedding human rights and just transition principles early delivers tangible benefits:

- Stronger supply chains – communities that benefit from your climate programmes become resilient partners.
- Lower risk – avoid operational disruption, reputational damage, legal challenges, and compliance issues before they happen.
- Better access to capital – investors increasingly demand evidence of just transition approaches.
- Smarter strategy – aligning climate and human rights teams eliminates duplication and accelerates progress.
- Meeting human rights commitments and regulation – demonstrates respect for human rights and reduces risk of human rights violations.

Four steps to embedding human rights in emission mitigation programmes

By focusing on four key areas, you can reduce business risk while delivering positive outcomes for people:

1. Due diligence before you start

Assess potential harms before projects begin:

- Identify vulnerable groups, including women and young people, Indigenous Peoples, migrant workers and smallholders.
- Assess impacts on land rights, livelihoods, and other salient human rights issues.
- Plan mitigation measures, such as financial or technical support

Case study
Sustainable water management at water-risk locations

As part of its PepsiCo Positive business strategy, the PepsiCo pep+ regenerative agriculture programme, works with farmers and NGOs to support a just transition to sustainable water management. In high water-risk locations, the company identifies needs, develops phased action plans, provides equipment, and delivers hands-on training. By end of 2024, 55 demonstration farms worldwide were testing best practices. Through a partnership with N-Drip, farmers adopt gravity-powered drip irrigation, reducing water and energy use while lowering costs – making the shift both environmentally and economically viable. Results, progress and challenges of the whole programme can be read here.

2. Stakeholder consultation and consent

Meaningful engagement ensures your projects reflect local priorities and respect Free, Prior and Informed Consent (FPIC):

- Inclusive: all affected groups have a voice.
- Culturally appropriate: local languages and decision-making norms respected.
- Ongoing: engagement continues throughout the project lifecycle.

Case study
Integrating climate and community in major sourcing area restoration projects

Nestlé's Global Reforestation Programme builds climate action around community needs rather than imposing solutions. After identifying nine priority countries where land rights risks intersect with major sourcing footprints such as coffee and cocoa, Nestlé works with local partners to co-design restoration projects. In Brazil, a collaboration with Barry Callebaut aims to restore 6,000 hectares of forest and transform the bulk of project land into cocoa agroforestry systems. It is projected to sequester 1.3 million tons of CO^2eq over 25 years. Nestle's business transformation and ESG director indicated that the work supports decarbonisation targets, regenerating sourcing areas and will boost supply chain resilience. Nestlé will cover 60% of the project costs. In Indonesia, this means supporting forest communities to develop their own land use plans; in Canada, it involves addressing impacts on the Tsay Key Dene Nation from forestry operations. The company applies the same consultation approach to renewable energy purchases and carbon credits.

3. Benefit-sharing mechanisms

Climate projects must deliver tangible outcomes for local people (including in-line with any "Access and Benefit Sharing" legislation if genetic resources are involved, see here):

- Job creation and local hiring including from disadvantaged groups.
- Income-sharing arrangements and access to microcredit.
- Land tenure recognition and protection.
- Equitable revenue allocation from carbon credits.

Case study
Nature-based land management solutions that work for people and cleaner energy

Shell works through partners to design and implement nature-based solutions projects including conservation, afforestation and reforestation. In 2020, Shell acquired Select Carbon, which develops carbon farming projects across Australia. Select Carbon works with landholders to develop projects that increase carbon sequestration in vegetation and soil, while improving land management and helping landowners diversify income streams. The projects cover over 9 million hectares and work with methodologies approved by the Australian Clean Energy Regulator. You can read about how this is working for the cattle-farming Bell family in Western Australia here.

4. Grievance management and remediation

Accessible grievance channels allow issues to be raised and resolved promptly:

- Clear, safe, and inclusive complaint processes.
- Timely and fair resolution of disputes.

Case study
Ghanaian digital grievance tool tackling deforestation and supporting livelihoods

In Ghana's Asunafo-Asutifi Hotspot Intervention Area, a multi-stakeholder programme led by Proforest brings together government, companies and local communities to tackle deforestation and support farmer livelihoods in cocoa and other commodities. Following baseline studies identifying major human rights concerns, the programme introduced the Ulula digital grievance tool across five cooperatives. This system has resolved over 50 cases, providing farmers with a safe channel to raise concerns, building trust among all stakeholders.

Contributing to national climate plans and making climate mitigation work for people

In addition to the measures above, it is important that climate mitigation activities are relevant for, and contribute to, the country-level plans and National Determined Contributions that many countries have set.

Business activity	How to align with national plans & make mitigation work for people
Risk management	The activity includes comprehensive risk assessments (environmental, social, gender, climate, financial, etc.), with documented plans for addressing risks and enhancing resilience.
Alignment with national priorities	The activity explicitly aligns not only with national priorities, but also with other climate and broader development policies, demonstrated through formal agreements or endorsements from relevant government bodies.
Stakeholder collaboration and inclusivity	The activity includes formal mechanisms for engaging with stakeholders and those affected, in particular vulnerable groups including women, through advisory boards, roundtables or consultations, ensuring wide participation.
Knowledge transfer	The activity includes structured training sessions, workshops and knowledge exchange platforms with measurable outcomes such as the number of participants trained and their enhanced capabilities.

Table adapted from: Engaging the private sector in climate action: Lessons learned from the Nationally Determined Contribution (NDC) Support Programme (2017-2025), UNDP 2025

Action you can take now to make climate mitigation work for people

Integrating human rights into your climate mitigation activity requires coordinated effort across your business and beyond. Here's how different teams can help:

Your next steps

AIM-Progress works with partners, member companies, and other initiatives to put human rights at the heart of just transition. Together, we help businesses build stronger strategies and share best practices across sectors.

Ready to make climate mitigation work for people? Get in touch – we're here to support you.

www.aim-progress.com
www.proforest.net

Read the full series:

- Briefing 2: Managing climate impacts on people
- Briefing 3: Integrating climate action and human rights