



POLICY MANIFESTO

Financing an Inclusive Just Transition

By the CSR Europe's Leaders Group

We call European Policymakers to work towards an enhanced coherence among sustainability-related European policies and common operational understanding of Just Transition, clarifying the interlinkages between environmental and social sustainability ambitions in transition plans:

- ★ **Ensure more consistency across sustainability-related European policies** - including but not limited to [the Sustainable Finance Disclosure Regulation](#), [Taxonomy](#), [Corporate Sustainability Reporting Directive \(CSRD\)](#) - and social impact measures like [the Just Transition Mechanism](#) and [the Social Climate Fund](#) to reduce excessive burdens and ensure sufficient clarity and harmonisation with respect to sustainable economic activities and compliance requirements.
- ★ **Align on an inclusive and practical narrative of Just Transition** and adopt a set of policy measures to operationalise already existing guidelines, such as [the International Labour Organisation \(ILO\) Guidelines for a Just Transition](#), [Council Recommendation on Ensuring a Fair Transition Towards Climate Neutrality](#), [the Principles for Responsible Investment Guidelines](#), [the United Nations \(UN\) Guiding Principles on Business and Human Rights](#) and [the Paris Agreement](#)
- ★ **Widen the scope of Just Transition beyond energy and climate** to other topics, such as agriculture, land use & nature protection, digital transition, circular economy, waste management, and human rights, building upon the existing interlinkages between the Environmental and Social Taxonomies' objectives and [the UN Sustainable Development Goals \(SDGs\)](#)
- ★ **Establish a multi-stakeholder dialogue on Just Transition and social impact**, fostering reflections on social security and human rights in the supply chain, and increasing awareness on the importance of social dialogue with labour unions and workers
- ★ **Adopt double materiality systematically in EU policy-making** to ensure the inclusion of stakeholders' perspectives

Our 3 Recommendations to European Policymakers:

① Create an EU-wide, one-stop shop for companies to understand and implement Just Transition

- ★ Support companies in understanding and implementing EU policies and regulations in their business, as well as in aligning with long-term sustainability goals and targets
- ★ Develop capacity-building activities, toolkits, guidelines, and other training materials in different languages, other than English, and with different levels of complexity, building upon available internationally agreed guidelines and principles
- ★ Offer ad hoc support and training to smaller enterprises on Just Transition through the network of the Europe Direct offices around the Union

② Facilitate the engagement of financial actors in social dialogues to identify meaningful social impact metrics and regulatory tools, in line with the European Green Deal

- ★ Promote forms of EU-wide industrial relations and dialogues, including investors and banking authorities, to mobilise sufficient economic resources and introduce adequate Just Transition-related instruments and practices
- ★ Promote social dialogue and the involvement of business networks, asset managers, and banking authorities at all levels, to develop an efficient framework for managing impacts deriving from the transition to a zero-carbon economy
- ★ Support financial actors in the evaluation of companies' Transition Plans, through the introduction of standardised datasets and tools for social investments, based on impactful punctual and progressive Key Performance Indicators (KPIs). The tools should build upon the SDGs, [the ILO Guidelines for a Just Transition](#) and [the UN Declaration on Human Rights](#) and enable companies and investors to better assess material risks of unplanned transitions, including the risk of stranding assets
- ★ Continue working on a future [European Social Taxonomy](#), as it may support the deployment of capital, accountability, and impactful social investments that are aligned with Just Transition
- ★ Further develop and detail [the European Sustainability Reporting Standards \(ESRS\)](#) on Just Transition and social impact, to provide companies with coherent metrics, KPIs, and systemic short-and-long term targets, and ensure harmonisation with other international framework, such as the ISSB and SEC
- ★ Introduce concrete proposals and strategies to mobilise massive public and private investments at European and national levels to support the transition. As foreseen by the current ESRS, acknowledge patient capital seeking long-term returns on investments and proactively mitigate social risks linked to the transition

- ★ **Support companies in the introduction of internal tools** for monitoring, reporting, and evaluating progresses and performance results with regards to Just Transition and social impact
- ★ **Enhance EU support to businesses, workers, and affected stakeholders through refinancing instruments**, such as [the Support to mitigate Unemployment Risks in an Emergency \(SURE\)](#), to promote the activation of Just Transition measures and make funding conditional to the impact of transition plans on employment.

③ Include Just Transition in Member States' Energy and Climate Plans and ensure progress monitoring, building on the Council Recommendations for a Fair Transition

- ★ **Establish [a clear legal framework](#)** to anticipate and mitigate social impacts, clarifying EU expectations and plans, and reinforcing competencies of information and consultation for workers and employers
- ★ **Encourage Member States to engage in new forms of dialogues** with social parties, financial actors, and other stakeholders, which may reflect better the evolving line of corporate governance in Europe, having respect for competencies and autonomy of social partners at the national level. This engagement should contribute to the definition and implementation of practical measures to mitigate the social adverse impact and enhance opportunities generated by the current systemic transformation
- ★ **Issue practical guidance and substantial measures** - built upon international labour standards and guidelines - to strengthen Member States' social protection schemes and tailored services for the stakeholders impacted by the transition, including workers, consumers, and communities
- ★ **Guarantee the inclusion of Just Transition planning**, including strategies and time-bound, measurable targets in [National Energy and Climate Plans \(NECP\)](#) in order to manage the risks of the transition. Additionally, as foreseen in the Council Recommendations, the monitoring of the implementation of Just Transition strategies should take place through the European Semester and in line with other European initiatives, such as [the National Recovery and Resilience Plans](#), and the targets of [the European Pillar of Social Rights](#).

We trust the European policymakers to take this manifesto into due consideration while shaping and implementing an inclusive European Green Deal, in collaboration with relevant stakeholders. CSR Europe and its Leaders remain open to further discussing such recommendations and supporting the European institutions in their implementation.

ABOUT CSR EUROPE'S LEADERS GROUP

The Policy Manifesto stems from the work of [CSR Europe's Leaders Group "Financing an Inclusive & Green Transition"](#), an action-oriented and time-bound initiative aimed at reflecting on **the role of Just Transition in companies' investment plans** and providing **three practical recommendations to EU policymakers**.

The initiative, which took place throughout 2022, investigates the role of finance and sustainable investing in the transition towards a more equitable and inclusive society. The Leaders Group focused on the **integration of the social dimension in corporate transition plans** and the **potential role of investors and financial actors** in reflecting Just Transition concerns in their capital allocation processes.

The Leaders group was composed of experts from various sectors, including companies, civil society and international organizations such as: **Solvay, Unipol, Impronta Etica, the Global Reporting Initiative (GRI), and the European Trade Union Confederation (ETUC)**.



Building upon this engagement, the Leaders Group contributed to the European debate on the future developments related to Just Transition by identifying three recommendations for European policymakers.

This Manifesto is complementary to the work done by the [People Leaders Hub for an Inclusive Green Deal](#). CSR Europe will continue to work on the Just Transition agenda to echo these recommendations further.

ACKNOWLEDGEMENTS

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State Street, the European Investment Bank (EIB), econsense, World Benchmarking Alliance (WBA), International Labour Organization (ILO) and Eurosif.

FOR MORE INFORMATION:

[Visit the official page of the Leaders Group](#)

DISCLAIMER

The list of recommendations included in this document has been compiled by CSR Europe as a result of the collective discussions which took place during CSR Europe's leadership initiative "Financing an inclusive transition" and do not represent the individual positions or views of each of the participating stakeholder. Moreover, none of the members of the group is expected to endorse every recommendation or view entailed in this Manifesto and each has the right to take a different view on the issues covered.