

## Indicators to analyse and measure business contribution to the response to the social challenges of the ecological transition to ensure a just transition

The following indicators are mainly based on existing reports:

- > **International Labour Organisation (ILO)**, *Guidelines for a just transition towards environmentally sustainable economies and societies for all*, 2015.
- > **B Team**, *Just Transition: A Business Guide From The Just Transition Centre And The B Team*, May 2018.
- > **Stockholm Environment Institute (SEI)**, *Seven principles to realize a just transition to a low- carbon economy*, June 2020.
- > **World Benchmarking Alliance (WBA)**, *Just Transition Methodology*, June 2021
- > **Business for Inclusive Growth (B4IG)**, *Responsible Transformation Guidelines*, March 2022.

<b>Transparent planning process</b>	Companies should consult with all relevant stakeholders, including trade unions, communities and civil society organisations and include them in the assessment of social risks and opportunities related to the ecological transition.
<b>Actions</b>	<p>Company has committed to engage in <b>social dialogues with relevant stakeholders</b> (such as unions or worker bodies and local communities).</p> <p>Stakeholders such as unions or other worker bodies as well as communities are <b>involved in the development of the just transition planning</b> through social dialogue.</p> <p>Company is <b>transparent</b> about the categories of stakeholders involved in the just transition planning.</p> <p>Company discloses the steps taken to ensure <b>meaningful engagement<sup>1</sup></b> with stakeholders in the just transition.</p>
<b>KPIs</b>	<p><b>Categories of stakeholders</b> involved in the just transition planning (inspired by WBA p.17).</p> <p><b>Percentage of workers</b> (through workers' representatives, unions, and social partners), as well as vulnerable groups<sup>2</sup> <b>represented in social dialogues</b> related to the just transition (inspired by SEI p.18).</p> <p><b>Number of social dialogues</b> being held and engagement with local communities within a year in the context of the just transition (inspired by B Team p.7-11).</p> <p><b>Number of agreements reached</b> with stakeholders within a year in the context of the just transition (inspired by the WBA p.17-18).</p>

1. Meaningful stakeholder engagement<sup>1</sup> involves interactive two-way engagement with the relevant stakeholders where both the parties are expected to act in good faith. <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

2. Social-economically disadvantaged people.

<b>Employment</b>	Companies' just transition planning should include measures to create/provide/support access to new sustainable and decent jobs.
<b>Actions</b>	<p><b>Company evaluates and discloses the risks of job loss</b> for workers and communities as a result of the ecological transition, with special attention to vulnerable groups.</p> <p>Company supports <b>access for workers and communities to sustainable and decent jobs</b><sup>3</sup> as part of its ecological transition, with special attention to vulnerable groups.</p> <p>Company takes action to ensure that the new sustainable and decent jobs incorporate <b>gender balance and the inclusion of vulnerable groups</b>.</p>
<b>KPIs</b>	<p><b>Number of job losses</b> within the company and as much as possible within its supply chains as well as in the local communities due to ecological transition planning (inspired by ILO p.6-7).</p> <p>In the context of restructuring, percentage of people with <b>new labour opportunities after 6 months</b> and comparison of total compensation 'new versus previous job' (B4IG Responsible Transformation Guidelines, KPI inspired by a member-company dashboard).</p> <p><b>Number of sustainable and decent jobs created</b> within the company and as much as possible within its supply chains as well as in the communities as part of just transition planning (inspired by B Team p. 8).</p> <p>Percentage of workers who have lost their job that are provided with <b>pensions, healthcare coverage and job severance packages</b> by the company in the context of the ecological transition (inspired by the WBA p.30).</p>

3. Jobs with fair income, safe workplace, social protection and the effective right to organise and collectively bargain.

<b>Upskilling and reskilling</b>	Through collaborative process, companies should <b>identify existing and future skills</b> and training gaps in the context of the ecological transition.
<b>Actions</b>	<p>Company takes action to <b>anticipate the skills of the future</b> and re/up-skill workers impacted by the ecological transition.</p> <p><b>Stakeholders including unions are involved</b> in processes of anticipating and identifying skills obsolescence and skills gaps.</p>
<b>KPIs</b>	<p><b>Average hours of training per person</b> that the organisation's employees have undertaken as a part of the ecological transition, by different groups (gender, age, ethnicity/race where applicable) and employee category (total number of hours of training provided to employees divided by the number of employees) (inspired by WEF &amp; GRI 404-1&amp; EU).</p> <p><b>Percentage of workers who report skills training as useful to transition into other employment, disaggregated between technical and soft skills</b> (inspired by a member-company dashboard).</p> <p>Percentage of employees that have found a job 6 months after the training with similar compensation.</p>
<b>Access to goods and services</b>	Company should ensure that its climate policy does not increase inequalities in access to sustainable and affordable products for consumers, <b>specifically low-income consumers</b> .
<b>Actions</b>	<p>Company engages in social dialogue and undertakes stakeholder engagement (low-income consumers, social agencies, policymakers, etc.) to understand the challenges and the solutions to increase accessibility of the goods and services.</p> <p><b>Company tracks the evolution of goods and services portfolio</b> impacted by the decarbonisation. Company takes into account the accessibility of the new goods and services offers to both individual consumers and businesses.</p> <p>Company takes into account the impact of the ecological transition on its value chain, focusing on MSMEs.</p>
<b>KPIs</b>	<p><b>For B2C companies:</b> Evolution of client and end-consumer base by type of income class, when applicable (B4IG).</p> <p><b>For B2B companies:</b> Evolution of costs of products/services for the client and evolution of the number of the products/services sold to different groups of customers classified by income (B4IG).</p>