

# **BEST**

*boosting environmental  
and social topics*

## **IO2: Orientation Compass**

**Conceptual Paper - Part II**

**Review of the State of the Art (SoTA) debate on Corporate Social &  
Ecological Responsibility**

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## Introduction

The present report was made within the framework of the BEST - Boosting Ecological and Social Topics - project for the purposes of the second Intellectual Output (IO2) “Orientation Compass”; and aims to provide an analysis of the state of affairs (SOA) of the social and ecological impact management (SEIM) in Europe, with a special focus in BEST partners' countries (Belgium, Germany, Italy and Portugal), concerning the economy.

The modern capitalist world economy, driven by short-term profit maximization and economic growth, has led, in the long-term, to a bigger gap between the wealth of the richest and poorest people and to environmental damage, which in turn affects society. As a result, there has been increasing pressure from civil society and policymakers to rethink the global economic model and, particularly, how companies - from large to small and medium enterprises (SME) - obtain financial capital, operate and make decisions, in order to consider the impacts they have on their stakeholders (shareholders, workers, customers, suppliers and competitors), society in general and the environment.

According to the Impact Management Project<sup>1</sup>, impact management “is the ongoing practice of measuring, assessing and improving impacts on sustainability issues”, usually divided into three interdependent dimensions: economic, social and environmental.

For the analysis stated before, the report is structured in the following sections:

- 1. SEIM Journey:** a brief overview of the evolution of social and ecological topics worldwide through a visual timeline with key milestones, namely agreements at international level;
- 2. Legislation, incentives and supporting actors:** analysis of the assessment and reporting of companies' social and ecological impacts, and the development of a potential European Social Impact Manager (ESIM) certification or qualification course. This section includes an analysis at European level and in BEST partners countries to consider differences in European legislation adoption at national-level and existent national incentives and supporting actors;
- 3. Case Studies:** benchmarking of successful initiatives/best practices concerning the assessment and reporting of companies' social and ecological impacts and the development of courses at EU-level, namely in-company modular training to boost social and green skills, across all EU MS.

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<sup>1</sup> Impact Management Project: <https://impactmanagementproject.com/>



## 1. Societal and Ecological Impact Management Journey

As stated before, economic, social, and environmental dimensions are mutually dependent and should always go hand-in-hand. With the economic globalisation, one cannot analyse the evolution of social and environmental issues at EU-level without first considering a worldwide perspective.

Globalisation is an economic, political, cultural and social phenomenon, described by the Parliamentary Assembly of the Council of Europe as *“the ever closer economic integration of all the countries of the world resulting from the liberalisation and consequent increase in both the volume and the variety of international trade in goods and services, the falling cost of transport, the growing intensity of the international penetration of capital, the immense growth in the global labour force, and the accelerated worldwide diffusion of technology, particularly communications.”*, and has had both positive and negative effects<sup>2</sup>. Throughout the years, globalisation has enabled the gathering of numerous governments, institutions, and civil society across the world to discuss key social and ecological issues (some created by globalisation itself) and establish common ground (through global principles, treaties/agreements, goals, plans/strategies, etc.) towards a world with more dignified living and working conditions.

The aim of the timeline below is to acknowledge and summarise some of these accomplishments (i.e., what has been “agreed” so far) and reflect on the near future goals (i.e., what needs to be urgently achieved) that require greater commitment from companies across the world as they need to be part of the journey.

Year	Milestone	Description
1948	Universal Declaration of Human Rights (UDHR)	Proclaimed by the United Nations (UN) General Assembly in Paris, UDHR sets out, for the first time, fundamental human rights to be universally protected <sup>3</sup> , including civil, political, economic, social, and cultural rights. Despite not including environmental rights, several actors at global level have require this inclusion in the UDHR <sup>4,5</sup>
1987	Brundtland Report “Our Common Future”	Publication released “by the World Commission on Environment and Development (WCED) that introduced the concept of sustainable development and described how it could be achieved. Sponsored by the UN and chaired by Norwegian Prime Minister Gro Harlern Brundtland, the WCED explored the causes of environmental degradation, attempted to understand the interconnections between social equity, economic growth, and environmental problems, and developed policy solutions that integrated all three areas.” <sup>6</sup>
1972	Stockholm Declaration and Plan of Action	The UN Conference on the Human Environment, held in Stockholm, Sweden, was the UN's first major conference on the issue of the environment. “The conference adopted the Stockholm Declaration and Plan of Action which set out principles for the preservation and enhancement of the human environment, with recommendations for international environmental action. The Conference also

<sup>2</sup> Council of Europe Portal. 2021. *Globalisation*. Available [here](#)

<sup>3</sup> United Nations. *Universal Declaration of Human Rights*. 2021. Available [here](#)

<sup>4</sup> Amnesty International. 2021. *Universal Declaration of Human Rights*. Available [here](#)

<sup>5</sup> Amnesty International. 2021. *Putting the Environment in Human Rights and Environmental Due Diligence*. Available [here](#)

<sup>6</sup> Jarvie, M. E.. 2016. *Brundtland Report*. Encyclopedia Britannica. Available [here](#)



1992	Agenda 21	created the United Nations Environment Programme (UNEP), the first UN programme focused solely on environmental issues.” <sup>7</sup> Held on Rio de Janeiro, Brazil, the two-week Earth Summit “was the climax of a process that had begun in December 1989, of planning, education and negotiations among all Member States of the United Nations, leading to the adoption of Agenda 21, an official global consensus on development and environmental cooperation.” A total of 172 governments participated, and in fact, this event led to the adoption of “three major agreements to guide future approaches to development: Agenda 21, the Rio Declaration, and also the Statement of Forest Principles, a set of principles to underpin the sustainable management of forests worldwide.” In 1997, five years later, a special session of the UN General Assembly” examined the implementation of the Agenda 21 and proposed a programme for further implementation” <sup>7</sup> .
2000	Eight Millennium Development Goals (MDGs)	Held at UN’s Headquarters in New York, the Millennium Summit gathered 189 Member States and concluded with the establishment of “the eight Millennium Development Goals (MDGs)” by 2015. “(...) In 2005, 2008, and 2010 the Millennium Development Goals were reviewed at high level meetings in New York.” <sup>7</sup>
2002	Action Plan	The World Summit on Sustainable Development held in Johannesburg, South Africa, gathered about 190 States and regional economic integration organizations and gave birth to a new Action Plan <sup>7</sup> .
2008	International Labour Organization (ILO) Declaration on Social Justice for a Fair Globalization	Adopted in the International Labour Conference in Geneva and by “representatives of governments, employer’s and worker’s organisations from 182 member States”, this declaration commits to achieve “progress and social justice in the context of globalisation” and a “greater access to decent work for women and men everywhere” <sup>8</sup> .
2012	The Future We Want	Outcome document of the UN Conference on Sustainable Development (entitled “Rio+20”), held in Rio de Janeiro from 20 to 22 June 2012. “At the conference, Member States decided to launch a process to develop a set of Sustainable Development Goals (SDGs), building on the Millennium Development Goals (MDGs) and converging with the post-2015 development agenda. The Conference also adopted innovative guidelines on green economy policies and put in place a strategy for financing sustainable development.” <sup>9</sup>
2013	Special Event towards Achieving the MDGs	Two years before the deadline set to meet the MDGs, MS “agreed to convene a High-level Summit in September 2015 to adopt a new set of goals which would build on the foundations laid by” the MDGs <sup>7</sup> .
2015	Agenda 2030 for Sustainable Development -17 SDGs	The United Nations Summit on Sustainable Development gathered more than 150 world leaders at UN’ Headquarters in New York in September “to formally approve an ambitious new agenda for sustainable development” have “birth to Agenda 2030 and its seventeen sustainable development goals” <sup>7</sup>
2015	Paris Agreement	Two months after, this “legally binding international treaty on climate change” was adopted by 196 Parties at the Conference of the Parties (COP) 21 in Paris, France, and entered into force on 4 November 2016. “Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.” <sup>7, 10</sup>

<sup>7</sup> United Nations. 2021. *Conference | Environment and sustainable development*. Available [here](#)

<sup>8</sup> International Labour Organization. 2008. *ILO Declaration on Social Justice for a Fair Globalization*. Available [here](#)

<sup>9</sup> United Nations. 2021. *United Nations Conference on Sustainable Development, 20-22 June 2012, Rio de Janeiro*. Available [here](#)

<sup>10</sup> United Nations Framework Convention on Climate Change. 2021. *The Paris Agreement*. Available [here](#)



## 2. Legislation, Incentives and Supporting Actors

This section provides a more in-depth analysis of current legislation, incentives and supporting actors for companies concerning the assessment and reporting of companies' social and ecological impacts, and the development of a potential ESIM certification or qualification course. Firstly, the analysis focuses on EU policy framework and actors on sustainability and then it looks at how it is implemented at national level (in BEST partner countries) and considers other national incentives and supporting actors.

### 2.1. Analysis at European Level

#### 2.1.1. European Policy Framework on sustainability

According to McGuinn et al.<sup>11</sup> sustainability issues have been considered in strategic, high-level EU policy over the past several decades. Nevertheless, only from 2015, with the adoption of the Agenda 2030 for Sustainable Development, the EU has given the social dimension the same importance as the environment and the economic ones.

The **European Pillar of Social Rights (EPSR)**, the “single biggest EU policy framework focused exclusively on social rights and policies”<sup>11</sup>, was first introduced in September 2015, but only in November 2017 it “was jointly proclaimed by the European Parliament, the Council on behalf of all Member States, and the European Commission at the Social Summit in Gothenburg in 2017”<sup>12,13</sup>. It consists of 20 key principles and rights divided in three main categories, considered “essential for fair and well-functioning labour markets and social protection systems”<sup>14</sup> (see Figure 1):

1. Equal opportunities and access to the labour market (principles 1 to 4);
2. Fair working conditions (principles 5 to 10);
3. Social protection and inclusion (principles 11 to 20).

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<sup>11</sup> McGuinn et al., Social sustainability, Study for the Committee on Employment and Social Affairs, Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, Luxembourg, 2020. Available [here](#)

<sup>12</sup> European Commission. 2021. European Pillar of Social Rights. Available [here](#)

<sup>13</sup> Employment, Social Affairs & Inclusion. Advancing the EU social market economy: adequate minimum wages for workers across Member States. Available [here](#)

<sup>14</sup> European Commission. 2021. The European Pillar of Social Rights Action Plan: Available [here](#)

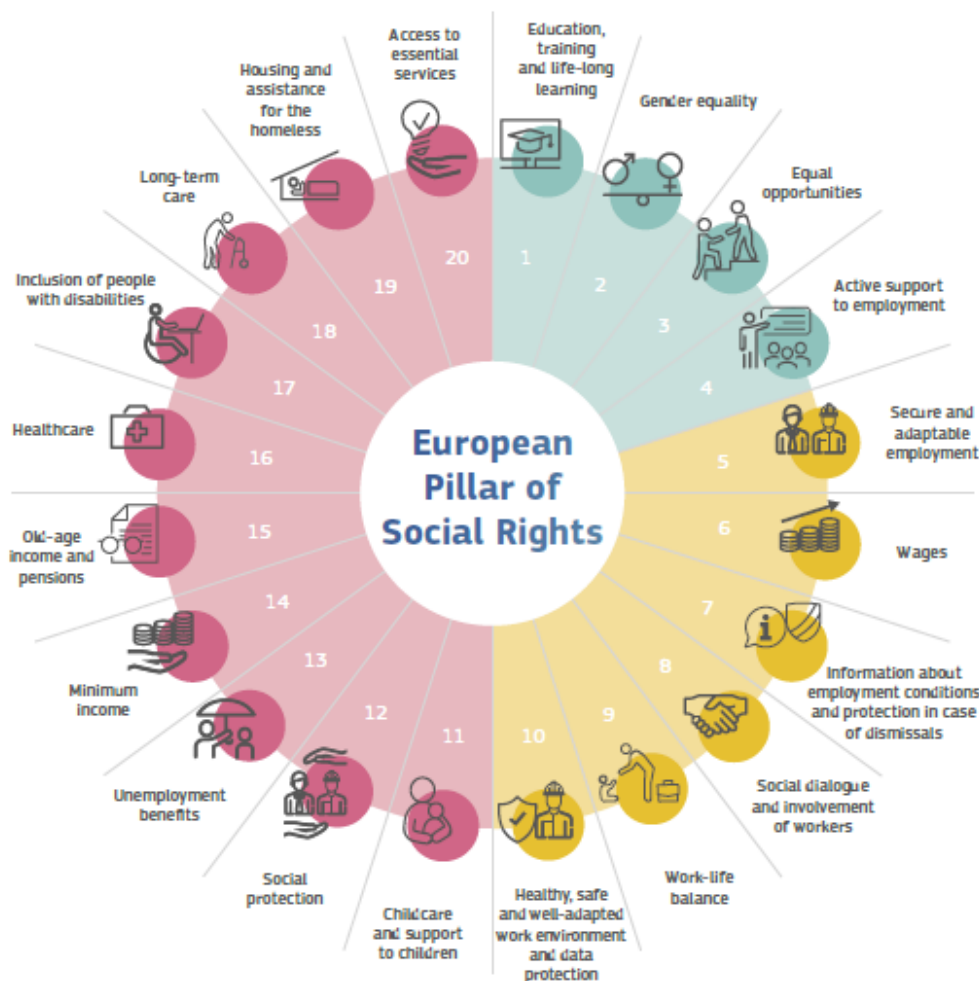


Figure 1 – EPSR 20 principles and rights<sup>14</sup>

Since its establishment, several actions were adopted by the EC to put in practice these principles and rights, such as the following:

- ❖ **New Skills Agenda for Europe** - Working together to strengthen human capital, employability and competitiveness<sup>15</sup> (2016), with three main goals: 1. Improving the quality and relevance of skills formation, 2. Making skills and qualifications more visible and comparable, 3. Improving skills intelligence and information for better career choices;
- ❖ **New European Skills Agenda** for sustainable competitiveness, social fairness and resilience<sup>16</sup> (June 2020), a five-year plan that builds upon the Commission’s 2016 Skills Agenda (see more information below);
- ❖ **EPSR Action Plan**<sup>14</sup> (March 2021), which sets out concrete actions to be implemented by the EC until 2025 to turn the principles and rights of the EPSR into reality and proposes three ambitious EU targets as shown in the figure below, for which the EC calls on Member States national, regional and local authorities, civil society organisations,

<sup>15</sup> Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions A New Skills Agenda For Europe Working together to strengthen human capital, employability, and competitiveness. Available [here](#)

<sup>16</sup> Employment, Social Affairs & Inclusion. *European Skills Agenda*. Available [here](#)



social partners and other relevant actors with specific recommendations considered to support the implementation of the plan.



Figure 2 – EPSR Action Plan targets by 2030<sup>14</sup>

In June 2019, “the European Council called for more efforts to tackle climate change, and asked the Commission to advance work towards a climate-neutral EU in line with the EU’s international commitments under the Paris Agreement”<sup>17</sup>. In December 2019, the EC presented the **European Green Deal**<sup>18</sup>, committing “to be the first climate-neutral continent in the world by 2050”<sup>5</sup>, by making all sectors of the EU’s economy - transport, industry, energy, building/renovating and financial services, etc. – sustainable for all. One year later, “EU leaders endorsed a new binding EU target for a net domestic reduction in greenhouse gas emissions of at least 55% by 2030 compared to 1990 levels, up from the target of cutting emissions by at least 40% by 2030 which had been agreed on in 2014” and “called on the Council and the Parliament to reflect this new target in the European climate law”. In April 2021, a political agreement was reached on **European Climate Law** by the European Parliament and MS and was followed (in July 2021) by a package of proposals and initiatives, called the “**Fit for 55 package**”, which aims” to revise and update EU legislation to align it to the EU’s 2030 and 2050 climate goals” (see Figure 3).



Figure 3 – Overview of European Green Deal initiatives<sup>19</sup>.

<sup>17</sup> European Council of the European Union. 2021. European Green Deal. Available [here](#)

<sup>18</sup> European Commission. 2019. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS. The European Green Deal. Available [here](#)

<sup>19</sup> European Commission. Green Deal Birthday Tree. Available [here](#)



It is important to note that the “Green Deal is a socially sustainable EU policy that acknowledges that its climate neutrality goal is only attainable if social policies are taken into account,” and therefore to “ensure a just and inclusive transition to climate neutrality, the EU will rely on the EPSR”<sup>11</sup>. As a matter of fact, the novel **European Skills Agenda**, launched in 2020 as an action of the EPSR and mentioned before, is “firmly anchored in the European Green Deal”<sup>20</sup>. For example, it includes the following main actions:

- ❖ **Action 1** - Working together under a **Pact for Skills**: aimed at up-and reskilling Europe’s workforce to enable people to participate in the twin – green and digital – transitions. The Pact will initially focus on strategic industrial ecosystems, those heavily affected by the current crisis and “the priority areas identified in the European Green Deal” to achieve ambitious commitments<sup>20</sup>;
- ❖ **Action 4** - Proposal for a **Council Recommendation of vocational education and training (VET)** for sustainable competitiveness, social fairness, and resilience<sup>21</sup>: aimed at making VET future-proof and including the establishment of Centres of Vocational Excellence (CoVE) “linked to smart specialisation strategies and/or regional innovation and growth strategies”<sup>20</sup>;
- ❖ **Action 6** - Acquisition of **skills to support the twin transitions**: necessary to have “an informed population and a workforce that understands how to think and act green”. One of the measures to accomplish this is “the development of a core green skills set for the labour market to guide training across the economy with a view to creating a generation of climate, environmental and health conscious professionals and green economic operators”<sup>20</sup>. The EPSR Action Plan refers the development of a Skills and Talent Package in the third quarter of 2021<sup>14</sup>;
- ❖ **Action 8** - **Skills for life**: new priorities for the European Agenda for Adult Learning<sup>22</sup> to support the achievement of the SDGs;
- ❖ **Action 10** - Take-up **micro-credentials** across the EU: through the development of European standards that “address minimum requirements for quality and transparency” and “the inclusion of micro-credentials in qualifications frameworks, in dialogue with national qualification authorities”<sup>20</sup>;
- ❖ **Action 11** - **New Europass platform**<sup>23</sup>: launched along with the new skills agenda, the platform enables “education and training institutions to issue digital diplomas and certificates to learners in a European-wide digital format of ‘Europass Digital Credentials’, encouraging easier recognition”, and “reducing administrative burden and decreasing fraud by supporting automatic authentication of qualifications by employers and training providers”, among other web-based tools and information<sup>20</sup>, such as the Europass Certificate Supplement, issued by VET institutions that offers information on vocational qualifications in a standard format<sup>24</sup>.

An overview of the ambitious skills objectives is provided below in Figure 4.

<sup>20</sup> European Commission. 2020. *Communication - European Skills Agenda for sustainable competitiveness, social fairness and resilience*. Available [here](#)

<sup>21</sup> Council Recommendation of 24 November 2020 on vocational education and training (VET) for sustainable competitiveness, social fairness and resilience 2020/C 417/01. Available [here](#)

<sup>22</sup> European Commission. 2020. *EU policy in the field of adult learning*. Available [here](#)

<sup>23</sup> Europass: <https://europa.eu/europass/en>

<sup>24</sup> Europass Certificate Supplement: <https://europa.eu/europass/en/europass-certificate-supplement-stakeholders>





Indicators (in %)	Objectives for 2025	Current level (latest year available)	Increase (in %)
Participation of adults aged 25-64 in learning during the last 12 months <sup>58</sup>	50%	38% (2016)	+32%
Participation of low-qualified adults 25-64 in learning during the last 12 months <sup>59</sup>	30%	18% (2016)	+67%
Share of unemployed adults aged 25-64 with a recent learning experience <sup>60</sup>	20%	11% (2019)	+82%
Share of adults aged 16-74 having at least basic digital skills <sup>61</sup>	70%	56% (2019)	+25%

Figure 4 – New European Skills Agenda objectives<sup>20</sup>.

Meeting all these ambitious goals (established in the EPSR Action Plan, which includes the new European Skills Agenda, and the European Green Deal), requires a considerable mobilization of private and public investment at EU, national, regional, and local level as well as the support (guidance and technically) from a variety of actors. The EU provides several EU funds and financial instruments supporting investment in social and environmental sustainability and in VET.

EU’s long-term budget or the **multiannual financial framework (MMF)** for 2021-2027, worth EUR 1.211 trillion (prices of November 2020), distribution is presented in Figure 5<sup>25</sup>.

<sup>25</sup> European Commission.2021. The EU’s 2021-2027 long-term Budget and NextGenerationEU | Facts and Figures. Available [here](#)

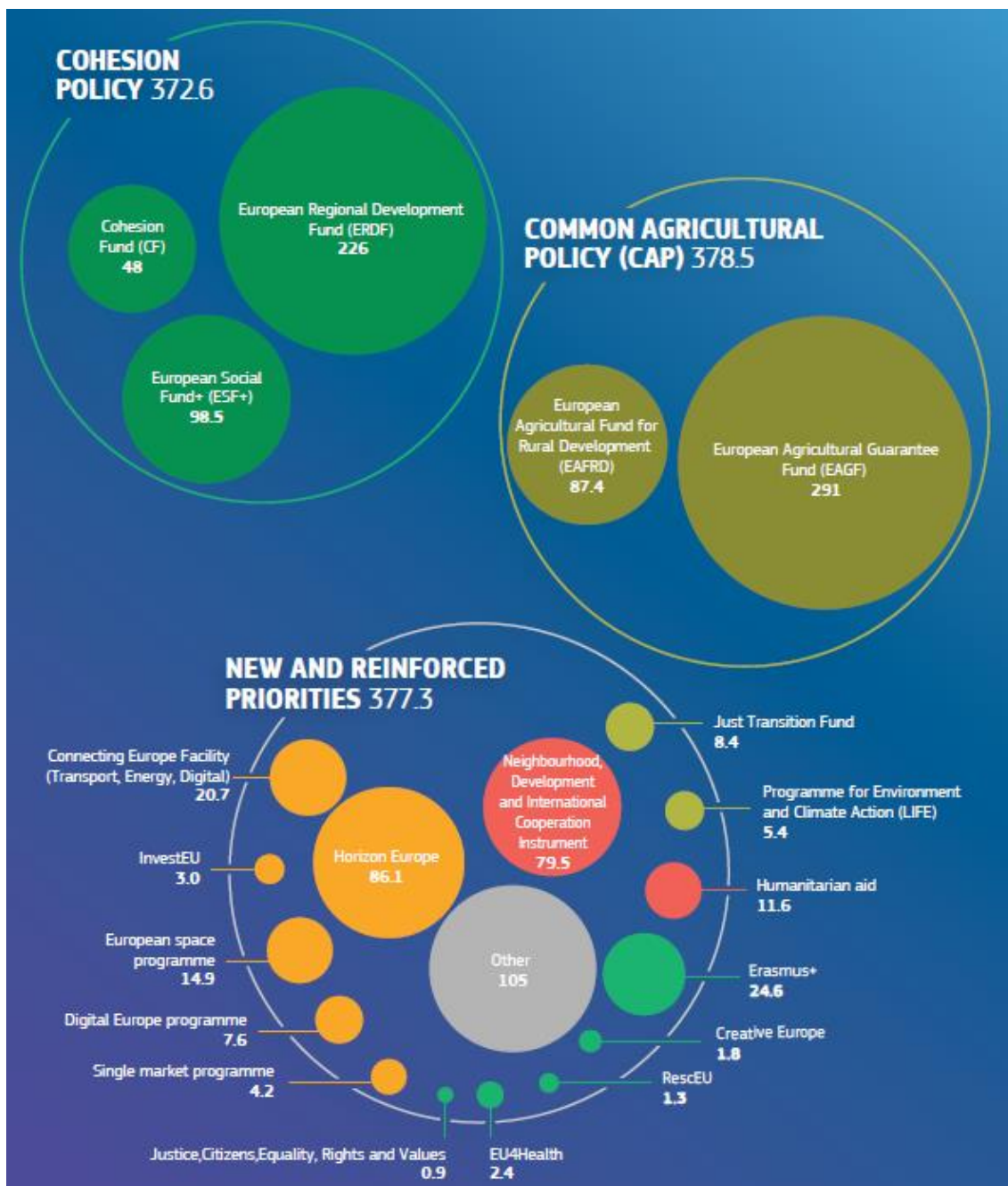


Figure 5 – Distribution of EU’s MMF for 2021-2027 by policy and programme<sup>25</sup>.

In 2020, due to the pandemic, the EU provided additional EUR 806.9 billion to be invested under the **NextGenerationEU**, a temporary instrument (made available from 2021 to 2023) created for the EU to “emerge stronger from the pandemic”<sup>26</sup>. The biggest share of the instrument is the **Recovery and Resilience Facility (RRF)**<sup>27</sup> – total of EUR 723.8 billion in force since 18<sup>th</sup> of February – that will be used “for providing grants and loans to support reforms and investments in the EU Member States” according to “national recovery and resilience plans prepared by each Member State, in cooperation with the European Commission, and in line with an agreed allocation key.” RRF priority areas are the twin (green and digital) transitions and fostering investments, which will benefit EU MS “and, indirectly, EU citizens, public and private

<sup>26</sup> European Commission. 2020. NextGeneration EU: [https://europa.eu/next-generation-eu/index\\_en](https://europa.eu/next-generation-eu/index_en)

<sup>27</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility. Available [here](#)



organisations, and businesses.” Moreover, “NextGenerationEU will reinforce several existing EU programmes and policies”, such as “the **Just Transition Fund**, to guarantee that the transition to climate neutrality works for all” (total of EUR 10.9 billion) and “**InvestEU**, to support the investment efforts of our businesses” (total of EUR 6 billion)<sup>25</sup> (see more information on these programmes below).

Regarding human capital, the **European Social Fund Plus (ESF+)**<sup>28</sup> is the main instrument to support the implementation of the EPSR, with a total of EUR 99.3 billion, in force from 1<sup>st</sup> of July. It supports training and lifelong learning and targets actions and training at investing in people and the developing of the skills needed for the twin transitions, through shared/indirect management (EU MS national and regional programmes, with a total of EUR 98.5 billion) and direct management (“call for proposals to award grants to projects as well as calls for tenders to award service and/or supply contracts”, under the Employment and Social Innovation (EaSI) strand)<sup>25,29</sup>. Moreover, through **Erasmus+**, EU’s programme to support education, training, youth and sport in Europe, a total of EUR 26.54 billion - EUR 24.6 billion through indirect management (with the support of Erasmus+ national agencies) plus 1.94 billion through direct management (through grants and tenders) - will be available to promote cooperation in VET of both green and digital skills, among other opportunities<sup>25,30</sup>.

The **Just Transition Mechanism (JTM)** will “provide financial and technical support to the regions most affected” by the transition to a low-carbon economy, mobilising at least EUR 65-75 billion over the period 2021-2027, through three pillars<sup>17, 25, 31</sup>:

- ❖ A new **Just Transition Fund (JTF)**<sup>32</sup>: total of EUR 17.5 billion (EUR 8.5 billion + 10.9 billion from NextGenerationEU, in 2018 prices, through shared management) to up-and reskilling of workers, among other target measures to “alleviate the socio-economic costs triggered by climate transition” for regions dependent in fossil fuels and high- emission industries. The fund recipients will be national and local authorities and businesses and start-ups in these regions;
- ❖ **InvestEU** “Just Transition” scheme: total of EUR 10 billion (EUR 3 billion for the programme<sup>33</sup> plus EUR 1.14 billion under Article 5 of the MFF regulation plus EUR 6 billion from NextGenerationEU). The programme will provide support projects in four policy areas, including social investment and skills, benefiting public and private investors and project promoters, small and medium-sized enterprises (SME) and mid- caps, service providers and recipients of microfinance;
- ❖ A new Public Sector Loan Facility: that will combine EUR 1.5 billion of grants, financed from the EU budget, with EUR 10 billion of loans from the European Investment Bank (EIB).

The JTM is part of a larger Sustainable Europe Investment Plan (SEIP), which is the “*investment arm of the Green Deal and is set to mobilise EUR 1 trillion over the next decade*”<sup>11</sup>.

<sup>28</sup> Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013. Available [here](#)

<sup>29</sup> European Social Fund Plus website: <https://ec.europa.eu/european-social-fund-plus/en>

<sup>30</sup> European Commission. 2021. Erasmus+ Programme Guide Version 1 (2021): 25-03-2021. Available [here](#)

<sup>31</sup> European Commission. 2021. *Just Transition funding sources*. Available [here](#)

<sup>32</sup> Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund PE/5/2021/REV/1. Available [here](#)

<sup>33</sup> Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017. Available [here](#)



Other EU legislation, financial incentives and supporting actors specifically related to companies' assessment and reporting of social and ecological impacts and the development of a potential ESIM certification/qualification course are analysed in the following sections.

### 2.1.1. Companies' assessment and reporting of social and ecological impacts

In recent years, “policies have been designed to strengthen transparency in business practices” through the implementation of mandatory environmental, social and governance (ESG) or sustainability reporting measures targeted to companies as well as measures that promote sustainable finance<sup>34</sup>.

In 2014, the EU adopted the **Non-Financial Reporting Directive (NFRD)**<sup>35</sup> - known as the Corporate Social Responsibility (CSR) Directive - requiring large public-interest companies and groups (including listed companies, banks, insurance companies and other) operating in Europe with more than 500 employees and a balance sheet total exceeding 20 million euros or a net turnover exceeding 40 million euros to disclose annually, from 2018 onwards and through a management report or a separate report (“published alongside the management report or within 6 months of the balance sheet date, made available on the undertaking’s website and referenced in the management report”)<sup>36</sup>, information related to: “environmental matters/protection, social matters and treatment of employees, respect for human rights, anti- corruption and bribery and diversity on company boards (in terms of age, gender, educational and professional background)”<sup>37</sup>, “including on due diligence procedures throughout the supply chain with a view to addressing existing and potential negative effects”<sup>38</sup>.

To help companies disclose relevant information in a more consistent and more comparable manner, the EC published in 2017 non-binding guidelines, which companies may decide to use or opt for other guidelines or frameworks at national, European, or international level such as the Global Reporting Initiative (GRI) standards. Additionally, in 2019, the EC published more non-legally binding guidelines on reporting climate-related information, which were prepared after the revision of national, EU-based and international frameworks, and have a double materiality perspective – meaning that companies have to report how climate-change impacts the company value as well as how the company’s activities have an impact on climate. Currently, this directive applies to approximately 11700 large companies and groups across the EU<sup>39,40,41</sup>.

Although being a mandatory action for targeted companies, they “retain significant flexibility to disclose relevant information in the way that they consider most useful” and “several measures have been taken to limit the administrative burden for larger companies too. For instance, the disclosure requirements may be fulfilled once at group level, rather than by each affiliate in the group, and auditing aspects are limited to an annual check”<sup>42</sup>. However, this flexibility has led companies to report insufficient information, with reports often omitting “information that

<sup>34</sup> European Commission. 2016. ESG reporting: Making the societal impacts of businesses transparent. Available [here](#)

<sup>35</sup> Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups Text with EEA relevance. Available [here](#)

<sup>36</sup> GRI & CSR Europe. 2017. Member State Implementation of Directive 2014/95/EU: A comprehensive overview of how Member States are implementing the EU Directive on Non-financial and Diversity Information. Available [here](#)

<sup>37</sup> European Commission. 2021. Corporate sustainability reporting. Available [here](#)

<sup>38</sup> European Parliament (2020). Briefing - Towards a mandatory EU system of due diligence for supply chains. Available [here](#)

<sup>39</sup> European Commission. 2019. Commission guidelines on non-financial reporting. Available [here](#)

<sup>40</sup> Communication from the Commission — Guidelines on non-financial reporting (methodology for reporting non-financial information). Available [here](#)

<sup>41</sup> European Commission. 2019. *New guidelines on reporting climate-related information*. Available [here](#)

<sup>42</sup> European Commission. 2014. *Disclosure of non-financial and diversity information by large companies and groups - Frequently asked questions*. Available [here](#)



investors and other stakeholders think is important”, and that is hard to compare from company to company, leaving “users of the information” often “unsure whether they can trust it”<sup>43</sup>. For this reason, on April 2021, the EC adopted a proposal for a **Corporate Sustainability Reporting Directive (CSRD)**<sup>44</sup> with the objective of amending the existing reporting requirements of the NFRD, as follows:

- ❖ “extends the scope to all large companies and all companies listed on regulated markets (except listed micro-enterprises)
- ❖ requires the audit (assurance) of reported information
- ❖ introduces more detailed reporting requirements, and a requirement to report according to mandatory EU sustainability reporting standards
- ❖ requires companies to digitally ‘tag’ the reported information, so it is machine readable and feeds into the European single access point envisaged in the capital markets union action plan”<sup>37</sup>.

This proposal envisages the “adoption of EU sustainability reporting requirements”, “tailored to EU policies, while building on and contributing to international standardisation initiatives”, which will be developed by the European Financial Reporting Advisory Group (EFRAG) and are expected to be adopted by October 2022<sup>37</sup>. This would mean that “companies would apply these standards for the first time to reports published in 2024, covering financial year 2023”. Also, it is important to note that this proposal only adds new reporting requirements to SMEs with “securities listed on regulated markets” and to “limit the burden” on these smaller companies, “they will be allowed to report according to standards that are simpler than the standards that will apply for large companies”<sup>43</sup>. With the approval of the CSRD, “nearly 50000 companies in the EU would be asked to follow detailed EU sustainability reporting standards”<sup>45</sup>.

There are clear motivations for companies to be transparent concerning social and environmental matters, including economic, reputational and managerial/human-centered ones, such as lower financing costs, attraction and retention of talented employees and investors, increasing stakeholder trust (including customers and civil society) and learning from the reporting process leading to better performance over time<sup>36,42</sup>. Moreover, taking into account that some companies may find the transparency process challenging/difficult in the beginning, several actors at EU-level provide technical support/consulting to companies regarding the NFRD:

- ❖ **CSR Europe**: “the leading European business network for Corporate Social Responsibility. Through its network of 48 corporate members and 42 National CSR organisations, it gathers over 10,000 companies, and acts as a platform for those businesses looking to enhance sustainable growth and positively contribute to society. In its mission to bring the sustainability agenda forward, CSR Europe goes beyond European borders and cooperates with CSR organisations in other regions across the world. CSR Europe builds on its Enterprise 2020 Initiative with the Sustainable Business Exchange which incubates multi-stakeholder initiatives that tackle the UN 2030 Agenda for Sustainable Development”<sup>36</sup>. CSR Europe provides a range of services to companies, including sustainability report review<sup>46</sup>;

The new CSRD proposal is just one of the measures adopted in April 2021 within an “ambitious and comprehensive package of measures to help improve the flow of money towards sustainable activities across the” EU. It is wide acknowledged that “enabling investors to re-

<sup>43</sup> European Commission. 2021. *Questions and Answers: Corporate Sustainability Reporting Directive proposal*. Available [here](#)

<sup>44</sup> Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC, and Regulation (EU) No 537/2014, as regards corporate sustainability reporting. Available [here](#)

<sup>45</sup> Pascal Durand. 2021. Corporate Sustainability Reporting Directive (CSRD). Europarl. Available [here](#)

<sup>46</sup> CSR Europe. 2021. Our Service Offer. Available [here](#)





orient investments towards more sustainable” businesses will be “instrumental in making Europe climate neutral by 2050”<sup>47</sup>, European Green Deal’s main goal. Other relevant measure within the **Sustainable Finance Package** is the **EU Taxonomy Climate Delegated Act**, that follows the adoption of the **EU Taxonomy Regulation** in 2019 (in force from July 2020) – that “establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable” and requires all companies that fall under the scope of the CSRD and financial market participants to disclose to what extent their activities or financial products meet the Taxonomy criteria<sup>48</sup>. Basically, it is a “green classification system” that recognises as “green, or ‘environmentally sustainable’, economic activities (“taxonomy-aligned activities) that make a substantial contribution to at least one of the EU’s climate and environmental objectives, while at the same time not significantly harming any of these objectives and meeting minimum social safeguards”<sup>49</sup>. The climate delegated act itself has the aim of making it “clearer which economic activities” are these<sup>47</sup>, related to the sectors prioritized in the European Green Deal – energy, manufacturing/industry, transport, building and forestry, among others. “For companies under the scope of the NFRD (after its revision, CSRD), mandatory reporting under the Taxonomy Regulation will apply from January 2022 for the climate change mitigation and adaptation objectives, and from January 2023 for the other four objectives”: “sustainable use and protection of water and marine resources, - transition to a circular economy, - pollution prevention and control, and - protection and restoration of biodiversity and ecosystems”<sup>48</sup>.

Concerning forthcoming legislation in 2021, namely EC’s actions, besides the revision of the NFRD (considering the CSRD), EPSR Action Plan also refers<sup>50</sup>:

- ❖ Revision of the NFRD to include stronger requirements for company reporting on social issues;
- ❖ Initiative on Sustainable Corporate Governance, which aims to “help companies to better manage sustainability-related matters in their own operations and value-chains as regards social and human rights, climate-change, environment, etc.”<sup>51</sup>;
- ❖ Report on EU Taxonomy Regulation with the analysis of a possible extension of the regulation to cover other sustainability objectives, including social ones.

### 2.1.2. Development of a potential ESIM certification or qualification course

The increasing pressure on companies to assess, manage and report social and ecological impacts requires the availability of professionals in these companies with competencies to do so or the support from organisations or individuals specialised in these areas. Despite the existence of organisations/individuals that provide consultancy and information support (such as CSR Europe at EU-level and other actors at national level as shown in section 2.2.2), with the broadening of disclosure requirements to more and more companies (leading to an inequality between demand and supply of this service), there is the urgent need to capacitate professionals at EU-level with the right skills (this is, to provide training), which is the aim of the development of a potential ESIM certification or qualification course within BEST project. To be able to do this, it is important to make best use of European frameworks, tools and actors that already exist.

<sup>47</sup> European Commission. 2021. Sustainable Finance Package. Available [here](#)

<sup>48</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Text with EEA relevance). Available [here](#)<sup>49</sup>  
European Commission. 2021. FAQ: What is the EU Taxonomy and how will it work in practice?. Available [here](#)

<sup>50</sup> European Union - Directorate-General for Employment, Social Affairs and Inclusion. 2021. The European Pillar of Social Rights Action Plan. Available [here](#)

<sup>51</sup> European Commission. 2020. Sustainable Corporate Governance. Available [here](#)





In 2018, **Europass** was established as the common “European Framework to support the transparency and understanding of skills and qualifications acquired in formal, non-formal and informal settings”, targeting individual “end-users, such as learners”, “training providers, guidance practitioners” and “social partners”. Europass includes the following web-based tools and information<sup>52</sup>:

- ❖ **Europass Certificate Supplement:** issued by VET institutions and intended to offer helpful information on a person’s vocational qualifications (e.g. grades, achievements, institution) in a standard format. The supplement includes information on the nature, level, context, content and status of the education and training completed and skills acquired;
- ❖ **Europass Digital Credentials:** a digital file that “allows institutions to issue digital, tamper-proof qualifications and other learning credentials”<sup>53</sup>, including activities (e.g. classes attended), achievements (e.g. skills developed) and qualifications<sup>54</sup>, free of charge. They are “legally equivalent to paper-based certificates”<sup>55</sup>;
- ❖ **European Qualifications Framework (EQF):** “an 8-level, learning outcomes-based framework for all types of qualifications that serves as a translation tool between different national qualifications frameworks” (NQF). “Once national frameworks are referenced to the EQF all newly issued qualifications” (e.g., certificate supplements), “and/or qualifications databases should in principle contain a clear reference to the appropriate EQF and NQF level”<sup>56</sup>.

Europass tools and information count with the support of several actors at EU-level, such as:

- ❖ The **European Skills, Competences, Qualifications and Occupations (ESCO)**, which “works as a dictionary, describing, identifying and classifying occupations, skills and qualifications relevant for the EU labour market and education and training”, namely “2942 occupations and 13485 skills linked to these occupations, published in 27 languages”<sup>57</sup> that are used in Europass tools;
- ❖ The **European Center for the Development of Vocational Training (CEDEFOP)** that “provides analytical and coordination support for the implementation of the EQF and carries out a number of comparative studies and analysis on issues related to the implementation of the framework at EU, national and sectoral level”<sup>58</sup>.

Besides Europass, there are two other important european frameworks concerning VET. The first one is the **European Quality Assurance in VET (EQAVET)**, which supports the implementation of the 2020 Council Recommendation of VET for sustainable competitiveness, social fairness and resilience, one of the key actions of the European Skills Agenda and that “can be used by VET providers and in VET systems to support”:

- ❖ learning environments (e.g., informal, and non-formal provision)
- ❖ “all types of learning (e.g. digital, face-to-face and blended)
- ❖ public and private sector VET providers

<sup>52</sup> Decision (EU) 2018/646 of the European Parliament and of the Council of 18 April 2018 on a common framework for the provision of better services for skills and qualifications (Europass) and repealing Decision No 2241/2004/EC (Text with EEA relevance. ). Available [here](#)

<sup>53</sup> European Union. 2021. Europass for Education and Training. Available [here](#)

<sup>54</sup> European Union. 2021. What are Digital Credentials? Available [here](#)

<sup>55</sup> European Union. 2021. About Europass. Available [here](#)

<sup>56</sup> European Union. 2021. The European Qualifications Framework. Available [here](#)

<sup>57</sup> European Commission. 2020. ESCO Annual Report 2019 - European Skills, Competences, Qualifications and Occupations. Available [here](#)

<sup>58</sup> CEDEFOP. 2021. European qualifications framework (EQF). Available [here](#)

- ❖ VET awards and qualifications at all levels of the” EQF<sup>59</sup>.

It consists of three main parts:

1. The **EQAVET quality assurance (QA) and quality improvement cycle**, inspired by the four stages of the PDCA (Plan, Do, Check, Act) cycle: 1) Planning; 2) Implementation; 3) Evaluation; 4) Review; having each stage assigned “common core quality requirements - indicative descriptors - agreed at European level”;
2. **Monitoring** through “internal and external evaluation procedures” established by the MS to ensure that VET quality is assured and improved;
3. **EQAVET measurement tool** of “10 system-level indicators to assess, evaluate and confirm the quality, effectiveness and efficiency of VET which are key instruments for VET governance and for improving the quality of VET” intended to facilitate MS “adequate and consistent monitoring and evaluation” on their own systems “based on a common set of quantitative and qualitative reference indicators”<sup>60</sup>.

The second framework is the **European credit system for vocational education and training (ECVET)**, which “allows learners to accumulate, transfer and use their learning in units as these units are achieved” from “learning outcomes acquired in formal, non-formal and informal contexts, in their own country and abroad”, in order to “make learners more mobile and qualifications more portable”. It “complements and builds on concepts and principles shared with the EQF, Europass and” EQAVET<sup>61</sup>.

According to the ECVET projects’ website, archived in 2014, the framework “is based on:

- ❖ **Learning outcomes**, which are statements of knowledge, skills and competence that can be achieved in a variety of learning contexts.
- ❖ **Units of learning outcomes** that are components of qualifications. Units can be assessed, validated and recognised.
- ❖ **ECVET points**, which provide additional information about units and qualifications in a numerical form.
- ❖ **Credit** that is given for assessed and documented learning outcomes of a learner. Credit can be transferred to other contexts and accumulated to achieve a qualification on the basis of the qualifications standards and regulations existing in the participating countries.
- ❖ **Mutual trust and partnership among participating organisations**. These are expressed in Memoranda of Understanding and Learning Agreements.”<sup>62</sup>

Despite these core principles, during the ten years of its implementation, ECVET did not achieve its complete objective, as ECVET points were “generally not applied”. However, “the use and documentation of units of learning outcomes” and “ECVET tools (e.g. learning agreement and memorandum of understanding)” have “widely contributed to the development of a better-quality mobility experience” for “vocational learners” and “are to be further developed in the framework of other EU instruments such as those supported under the Erasmus+ programme”<sup>21</sup>.

## 2.2. Analysis in BEST partners’ countries

<sup>59</sup> European Commission. 2021. EQAVET - European Quality Assurance in Vocational Education and Training. Available [here](#)

<sup>60</sup> European Commission | EPLA - Electronic Platform for Adult Learning in Europe. 2020. The EQAVET Framework. Available [here](#)

<sup>61</sup> CEDEFOP. 2021. European credit system for vocational education and training (ECVET). Available [here](#)

<sup>62</sup> ECVET projects. 2014. About ECVET. Available [here](#)

The purpose is to analyse differences in EU legislation adoption across BEST partner's countries and to acknowledge national incentives and supporting actors.

### 2.2.1. National Recovery and Resilience Plans

To benefit from the support of the RFF, each MS has to submit to the EC their national recovery and resilience plan, which “sets out the reforms and investments to be implemented by end of 2026” in seven flagship areas, being one of them “Reskill and Upskills”<sup>63</sup>. Within this area, several reforms and investments in VET are highlighted to “address the needs of the digital and green transitions”, such as the adequate reflection of green skills in VET programmes and the set-up of CoVE at regional level that result from the collaboration between different actors<sup>64</sup>.

All BEST partner's countries have already submitted their plans and all of them refer to training investments. The EC's factsheets of the plans from Belgium and Germany only refer to the “improvement of training across the country”<sup>65,66</sup>, whereas the one from Italy specifies “reinforcing vocational training” within the “Education and labour market” key measure to “reinforce Italy's economic and social resilience”<sup>67</sup>; and Portugal's plan highlights the “upgrading technological laboratories and technical equipment” in “professional training centres” within “Vocational education and training institutions” key measure to support the digital transition<sup>68</sup>.

### 2.2.2. Non-Financial Reporting Directive (NFRD)

First of all, EU MS have the power to determine which companies must adhere to the Directive's requirements since they differ in the ways which they define a company as a large undertaking and consider companies to be public interest entities. The Directive also allows MS to impose state specific requirements on companies regarding the following aspects of reporting: reporting framework (international, EU-based or national), disclose format (management report or other) and reporting content (safe harbour principle<sup>69</sup>); and to define whether or not reports must be verified by an independent assurance services provider (auditor's involvement), and if any penalties will be imposed upon organisations which fail to report adequately (non-compliance penalties)<sup>36</sup>.

After the publication of the directive in 2014, EU MS had to transpose it into their own national legislation by 6 December 2016. The next table presents a summary of the transposition made by BEST partner's countries.

Table 2 – Summary of the transposition made by BEST partner's countries<sup>36</sup>.

Country	Belgium	Germany	Italy	Portugal
Definition of a large undertaking	O	=	=	O
Definition of a public interest entity	O	O	O	O
Report topics and content	=	=	=	=
Reporting framework	=	=	O	=
Disclosure format	O O	O		=
Auditor's involvement	= X O	=		
Non-compliance penalties	O	O	O	O

<sup>63</sup> European Commission. 2021. Recovery and Resilience Facility. Available [here](#)

<sup>64</sup> European Commission. 2021. *Recovery and Resilience Plans | Example of component of reforms and investments – Equipping the workforce of today and tomorrow with the skills needed in the labour market*. Available [here](#) <sup>65</sup>

European Commission. 2021. Laying the foundations for recovery: Belgium. Available [here](#) <sup>66</sup>

European Commission. 2021. Laying the foundations for recovery: Germany. Available [here](#)

<sup>67</sup> European Commission. 2021. Laying the foundations for recovery: Italy. Available [here](#)

<sup>68</sup> European Commission. 2021. Laying the foundations for recovery: Portugal. Available [here](#)

<sup>69</sup> MS can allow companies, in exceptional cases, to omit in the annual report information concerning developments or impending issues during negotiation.



Safe harbour principle	=	=	=	=
Diversity reporting required	O	=	=	=

#### Legend

- = Requirements are the same as in the Directive
- X Requirements have been omitted
- O Requirements have been adapted

### Belgium

In Belgium, the Directive was transposed into Amendment to Companies Code 2564<sup>70</sup>, targets companies with more than 500 employees and a balance sheet total exceeding EUR 17 million or a net turnover exceeding EUR 34 million; including reinsurance undertakings and settlement organisations, besides the other public interest entities considered in the Directive. The disclosure format must be through a management report or “a separate report with reference made to management report” and must always include diversity information. Fines, specified in the Corporate Law, are applied to targeted companies that don’t comply with the law<sup>36</sup>.

The national contact point in Belgium for CSR Europe is [The Shift](#), the Belgian sustainability network created in June 2015, that now has more than 480 members (including companies, non-governmental organisations (NGOs), academic institutions and governmental bodies, among other key actors), compromised with realising the transition to a more sustainable society and economy. The main activities are connecting organisations through networking events, providing members with tools to prioritize and implement the SDGs in their organisation and develop business models and societal projects to help solve biggest challenges facing society<sup>71</sup>.

### Germany

In Germany, through the CSR Directive Implementation Act<sup>72</sup>, companies considered in the EU Directive as well as “capital market-oriented companies in the legal form of a limited liability company or cooperative” must disclose through a management report or a “separate non-financial report within 4 months after the balance sheet date” non-financial and diversity information. Auditor’s involvement is not mandatory, “but if the report is verified by an auditor or an independent assurance services provider, the audit report has to be published”. Moreover, the act considers the application of non-compliance fines “up to the amount which is the highest of the following: EUR 10 million or 5% of the total annual turnover of the company or twice the amount of the profits gained or losses avoided because of the breach”<sup>36</sup>.

In Germany, the following actors provide support concerning sustainability reporting:

- ❖ [Econsense](#) - Forum for Sustainable Development of German Business: corporate network of 30 company members from different industries, which provides support in sustainability reporting & rating, namely by analysing and comparing international and European reporting standards, exchanging “views with politicians and civil society about their requirements” and offering “companies a platform to discuss successes and obstacles in the preparation of reports”<sup>73</sup>. A study made by Econsense in partnership with the Global Compact Network Germany on the implementation of the German CSR

<sup>70</sup> [Law; Adopted Text](#) (available in Flemish & French); and [Explanatory Text](#) (available Flemish & French)<sup>71</sup>

The Shift: <https://theshift.be/en>

<sup>72</sup> [Law](#) (available in German)

<sup>73</sup> Ecosense – *Sustainability reporting & rating*: <https://econsense.de/nachhaltigkeitsreporting-rating/>



Directive Implementation Act indicates that 487 companies in Germany were required to report on 2018<sup>74</sup>. Econsense is a national partner organisation of CSR Europe;

- ❖ [UPJ](#): German national network of more than 60 engaged businesses and over 25 local non-profit intermediary organizations, which disseminates reporting instruments and standards and collects and prepares data for reporting to its members, between other offers. UPJ is a national partner organization of CSR Europe.

## Italy

Through the Legislative Decree 30 December 2016, n. 254<sup>75</sup>, Italian listed companies, banks and insurance and reinsurance undertakings must report non-financial and diversity information in a management report or “in a separate report, approved by the administrative body and at disposal of the supervisory body and the auditor, within the deadline for the financial statements, published on the company register and alongside the management report”. The reporting framework can be international, national or EU based, or “a mixed reporting methodology constituted by one or more”, the report must contain the presence and content of the auditor’s statement. Companies that omit relevant information, fail to submit within timeframe or don’t comply with the law, will be applied sanctions between EUR 20-150 thousand<sup>36</sup>.

In Italy, the national contact points for CSR Europe are:

- ❖ [Sodalitas Foundation](#): founded in 1995 as the first organisation in Italy to promote CSR, has over 90 associated companies that “consider sustainability a distinctive factor and integrate it into business strategies”<sup>76</sup>, and contributes to the “creation and dissemination of standards of excellence that that consolidate a corporate culture sensitive to the present and future value of good financial and non-financial communication”<sup>77</sup>, among other activities;
- ❖ [Impronta Etica](#): has around 30 member companies that receive support on issues related to sustainability, including regulatory changes.

## Portugal

Law No. 89/2017<sup>78</sup> targets all public interest entities according to the Portuguese law (listed companies, banks, investment and collective investment undertakings, venture capital – investment and funds undertakings, alternative investment funds, credit securitization undertakings and securitization funds, insurance and reinsurance undertakings, holding undertakings, and pension funds) with over 500 employees and “a turnover of more than EUR 50 million or net assets of more than EUR 300 million”. The manager or director of an entity (“responsible person”) that doesn’t comply with the law shall be punished by a fine between EUR 50 to 1500<sup>36</sup>.

In Portugal, the following actors provide support concerning sustainability reporting:

- ❖ [GRACE](#): companies association founded in 2000 and the national contact point for CSR Europe. Currently, it provides support to more than 180 companies through

<sup>74</sup> Global Compact Network Germany & ecosense - Forum for Sustainable Development of German Business. 2018. *New Momentum for Reporting on Sustainability? - Study on Implementation of the CSR Directive Implementation Act*. Available [here](#)

<sup>75</sup> [Law](#) (available English)

<sup>76</sup> Sodalitas Foundation. 2021. Why Join: <https://www.sodalitas.it/aderire/perche-aderire>

<sup>77</sup> Sodalitas Foundation. 2021. National Network: <https://www.sodalitas.it/la-fondazione/network>

<sup>78</sup> Law (available in [Portuguese](#) & [English](#))



dissemination of good practices and relevant information and through capacity initiatives, namely webinars, among others;

- ❖ Business Council for Sustainable Development ([BCSD](#)) Portugal: non-profit organisation that represents and supports more than 120 reference companies in Portugal who are actively committed to the transition to sustainability, and the national member of the World Business Council for Sustainable Development, established in the aftermath of the Earth Summit held in 1992. Among other activities, it provides several trainings in corporate sustainability management and produced, in 2018, a guide (in portuguese) to support companies to report ESG indicators.

### 2.2.3. Europass

At national level, all activities related to Europass are coordinated by a National Europass Centre (NEC), which is the “first point of contact for any person or organisation interested in using or learning more about Europass”<sup>79</sup>. Concerning the certificate supplements, “many countries maintain a national inventory” of them, providing an “overview of Europass Certificate Supplements issued to support understanding of VET qualifications”<sup>80</sup>. The following table indicates the NECs and national actors who maintain inventories in BEST partner’s countries.

Table 3 – National Europass Centres and Inventories of Certificate Supplements in BEST partner’s countries.

Country	National Europass Centres (NECs)	National Inventories of Certificate Supplements
Belgium	<ul style="list-style-type: none"> <li>- Epos vzw &amp; VDAB Policy &amp; Strategy: <a href="#">NEC Flanders/Dutch-speaking</a></li> <li>- <a href="#">Jugendbüro</a>: Youth Office of the German-speaking Community VoG</li> <li>- <a href="#">NEC of the Wallonia Brussels Federation</a>: French-speaking</li> </ul>	<ul style="list-style-type: none"> <li>- Epos vzw &amp; VDAB Policy &amp; Strategy: <a href="#">NEC Flanders/Dutch-speaking</a></li> <li>- <a href="#">Instance CFC</a> of the Wallonia Brussels Federation: French-speaking</li> </ul>
Germany	<ul style="list-style-type: none"> <li>- <a href="#">NEC</a> at the National Agency Education for Europe at the Federal Institute for Vocational Education and Training (NA at BIBB, in german)</li> </ul>	<ul style="list-style-type: none"> <li>- Federal Institute for Vocational Education and Training (<a href="#">BIBB</a>, in german)</li> <li>- Conference of the Ministers of Education of the Federal States in the Federal Republic of Germany (<a href="#">KMK</a>, in german)</li> </ul>
Italy	<ul style="list-style-type: none"> <li>- <a href="#">NEC</a> based at the National Agency for Active Labor Policies (ANPAL)</li> </ul>	<ul style="list-style-type: none"> <li>- Ministry of Education, University and Research (<a href="#">MIUR</a>, in italian)</li> </ul>
Portugal	<ul style="list-style-type: none"> <li>- <a href="#">NEC Portugal</a></li> </ul>	<ul style="list-style-type: none"> <li>- Institute of Employment and Professional Training (<a href="#">IEFP</a>, in portuguese)</li> </ul>

<sup>79</sup> European Union. 2021. *Europass - Frequently Asked Questions*. Available [here](#)

<sup>80</sup> European Union. 2021. *National inventories of Europass Certificate Supplements*. Available [here](#)





### 3. Case Studies

This section provides a benchmarking of successful initiatives/best practices concerning the assessment and reporting of companies ‘social and ecological impacts and the development of courses at EU-level, namely in-company modular training, across all EU MS.

#### 3.1. Assessment and reporting of social and ecological impacts (tools and methodologies)

##### 3.1.1. Economy for the Common Good

The **Economy for the Common Good (ECG)** is “an economic model, which makes the Common Good, a good life for everyone on a healthy planet, its primary goal and purpose.” It is based on the “idea that values-driven businesses are mindful of and committed to: Human Dignity, Solidarity and Social Justice, Environmental Sustainability, Transparency and Co-Determination” and, by doing so, “gain a competitive advantage in this new economy.” The ECG works in an integrated approach, targeting companies/businesses, customers:

1. “Businesses produce a Common Good Balance Sheet”, using the “Common Good Matrix” developed by ECG, in order to assess how “fair, sustainable and transparent they are” and show their “contribution to the Common Good”;
2. “Products receive an ECG label with the Common Good score”, obtained by the “Common Good Matrix” instrument, also developed by ECG, that “allows customers to make truly informed decisions about the products and services they buy and consume”; 3.
- “Economic policies provide ECG businesses with advantages”, through “taxation and incentives, ECG businesses become price competitive and are more successful in the market”<sup>81</sup>.

VALUE	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION
STAKEHOLDER				
<b>A: SUPPLIERS</b>	<b>A1</b> Human dignity in the supply chain	<b>A2</b> Solidarity and social justice in the supply chain	<b>A3</b> Environmental sustainability in the supply chain	<b>A4</b> Transparency and co-determination in the supply chain
<b>B: OWNERS, EQUITY- AND FINANCIAL SERVICE PROVIDERS</b>	<b>B1</b> Ethical position in relation to financial resources	<b>B2</b> Social position in relation to financial resources	<b>B3</b> Use of funds in relation to social and environmental impacts	<b>B4</b> Ownership and co-determination
<b>C: EMPLOYEES, INCLUDING CO-WORKING EMPLOYERS</b>	<b>C1</b> Human dignity in the workplace and working environment	<b>C2</b> Self-determined working arrangements	<b>C3</b> Environmentally-friendly behaviour of staff	<b>C4</b> Co-determination and transparency within the organisation
<b>D: CUSTOMERS AND OTHER COMPANIES</b>	<b>D1</b> Ethical customer relations	<b>D2</b> Cooperation and solidarity with other companies	<b>D3</b> Impact on the environment of the use and disposal of products and services	<b>D4</b> Customer participation and product transparency
<b>E: SOCIAL ENVIRONMENT</b>	<b>E1</b> Purpose of products and services and their effects on society	<b>E2</b> Contribution to the community	<b>E3</b> Reduction of environmental impact	<b>E4</b> Social co-determination and transparency

Figure 6 - Common Good Matrix <sup>82</sup>

<sup>81</sup> Economy for the Common Good. 2021. *ECG in a Nutshell*. Available [here](#)

<sup>82</sup> Economy for the Common Good. 2022. *Common Good Matrix*. Available [here](#)

“In its short history”, this new approach to economic development has already “made remarkable progress at the local and regional level of government”<sup>83</sup>, worldwide. Currently, it has over 150 local chapters distributed by 4 continents (except Australia) and more than 750 ECG companies, municipalities and educational institutions that have done the Common Good Balancing Process, from which a collection of good practices based on the 20 themes of the Common Good Matrix 5.0 was created<sup>84</sup>.

“Even at the European Union, ECG is on the map. (...) The European Economic and Social Committee’s (EESC) recognition of the merits of the Economy for the Common Good is pointing the way. In its plenary session on 17 September 2015, the EESC approved an opinion on the Economy for the Common Good with a majority of 86%. The outcome of this vote was also a clear instruction to the European Commission: in the framework of the renewed non-financial reporting strategy, those enterprises that can demonstrate a higher ethical performance should be rewarded. On request of the European Commission, the EESC answered in 2017 with an explanatory opinion on New Sustainable Economic Models, in which the ECG was mentioned twice again, and the 2015 opinion was referred to.”<sup>83</sup>

### 3.1.2. Impact Wizard

**Impact Wizard** is an online toolbox that guides organisations or individuals in assessing the social impact of a specific project, helping them find the more adequate indicators and measurement tools. Its structure includes five modules that guides organisations or individuals “along the full process of an impact evaluation”:

1. **“Context & focus** (frame the evaluation in your broader organisation)
2. **Theory of change** (clarify your impact logic)
3. **Measurement plan** (find here indicators and measurement methods for your impact assessment)
4. **Measure & analyse** (data collection and analysis - new!)
5. **Maximise your impact** (improve, communicate, and monitor your impact)”<sup>85</sup>

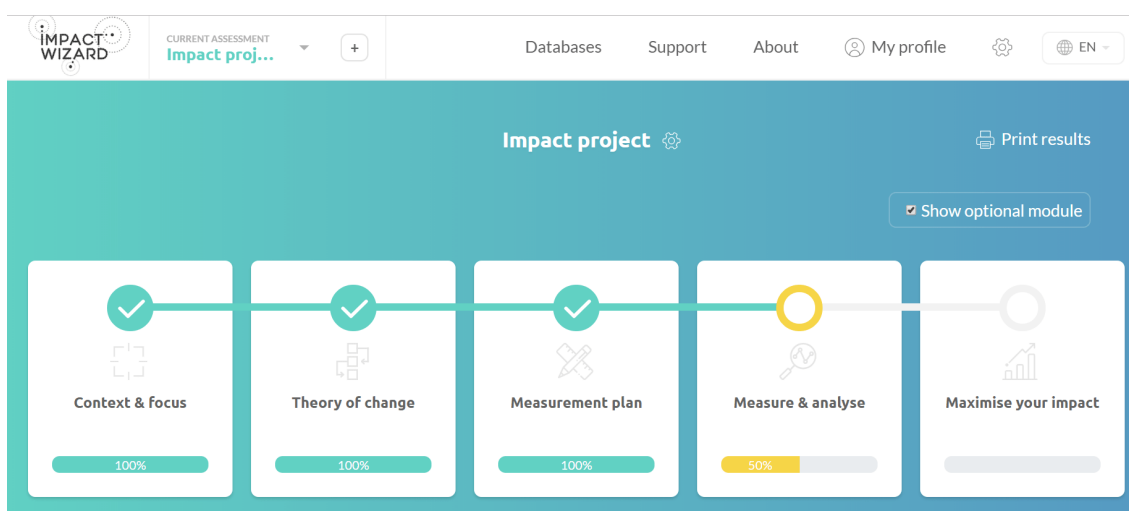


Figure 7 – Impact Wizard modules<sup>85</sup>

<sup>83</sup> Economy for the Common Good. 2021. *Political Impact and Initiatives*. Available [here](#)

<sup>84</sup> Economy for the Common Good. 2021. *Good Practices from ECG companies and a municipality*. Available [here](#)

<sup>85</sup> Impact Wizard. 2022. *Impact assessment: what’s in it for me?*. Available [here](#)



The toolbox is “the result of two years of action research based on an initiative by the Social Innovation Factory and Verenigde Verenigingen, together with a stakeholder network of over 100 individuals and 50 organisations, funds, companies and (knowledge) institutions.”<sup>85</sup>

### 3.1.3. Social Organisational Life Cycle Assessment (SO-LCA)

The **Social Organisational (SO) Life Cycle Assessment (LCA)** is based on the social life cycle assessment (S-LCA) framework and aims to help organisations link the social impacts of a product’s production and consumption to the larger impacts associated with an organisation’s influence across the life cycle of a product. The tool was recently developed by the Life Cycle Initiative<sup>86</sup> by bringing together a large group of practitioners, academics, and members of the private sector. Its application is structured according to the four phases of the LCA: setting the Goal and Scope of a study (Goal and Scope), collecting data (Inventory), assessing the risks and potential impacts (Impact Assessment), and interpreting results (Interpretation).

“The stakeholder categories are at the basis of an S-LCA assessment because they are the items on which the justification of inclusion or exclusion in the scope needs to be provided. Linked to the stakeholder categories, are the impact subcategories that comprise socially significant themes or attributes. These subcategories are assessed by the use of impact indicators, of which inventory indicators link directly with the inventory of the product life cycle. See Figure 4 for an example. Several indicators may be used to assess each of the subcategories. These indicators may vary depending on the context of the study. The purpose of the further classification of impact subcategories into bigger groups of impact categories, besides stakeholder categories, is to logically group them and to support further Impact Assessment and Interpretation.”<sup>87</sup>

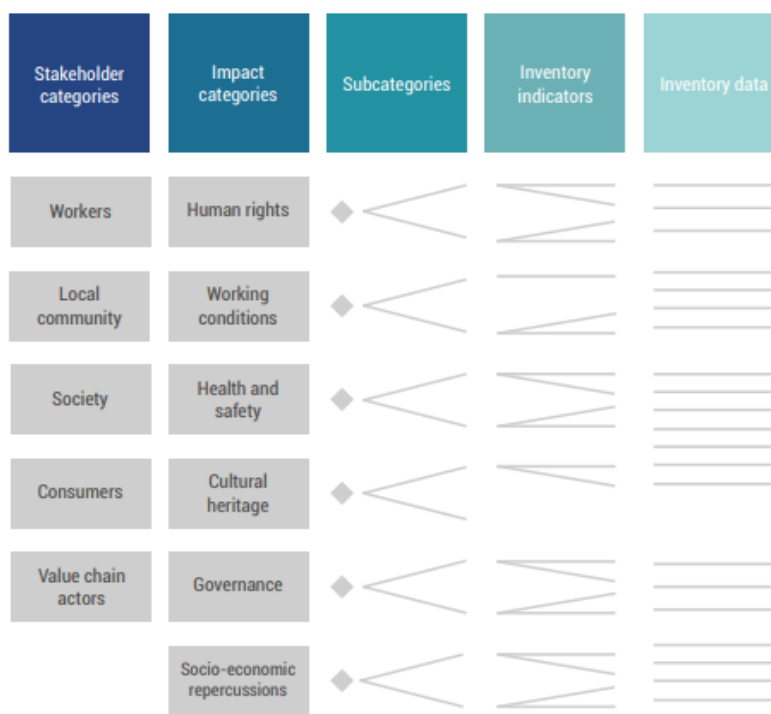


Figure 8 - SO-LCA’s stakeholder and impact categories <sup>87</sup>

<sup>86</sup> Life Cycle Initiative - <https://www.lifecycleinitiative.org/>

<sup>87</sup> UNEP, 2020. Guidelines for Social Life Cycle Assessment of Products and Organizations 2020. Benoît Norris, C., Traverso, M., Neugebauer, S., Ekener, E., Schaubroeck, T., Russo Garrido, S., Berger, M., Valdivia, S., Lehmann, A., Finkbeiner, M., Arcese, G. (eds.). United Nations Environment Programme (UNEP). Available [here](#)



### 3.2. Development of in-company modular trainings to boost social and green skills

There are several Erasmus+ projects that developed trainings to improve companies' social and green skills and are labelled as good practice. Three of them are presented below:

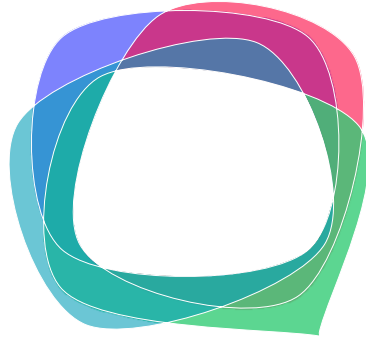
1. **“Greening the Business: Green Business Management Trainings (Green B)”** – with a consortium of 6 partners - Chambre de Commerce Italienne de Lyon (France), Institute for Training of Personnel in International Organizations (Bulgaria), Institute for Postgraduate Studies at UNWE (Bulgaria), Vilniaus Gedimino Technikos Universitates (Lithuania), Gospodarska Zbornica Slovenije Center za Poslovno Usposabljanje (Slovenia) and Tiber Umbria Comett Education Programme (Italy), the focus of the GreenB project was “to provide a straightforward, proactive, and hands-on method, to foster environmentally friendly behavior and to add a crucial environmental viewpoint to work life. By adding such environmental perspective through training, entrepreneurs and employees can begin to bring business more in line with the concept of sustainability. Green business training can foster expansion of green transformation and harness energy efficiency and renewable resources potential, all of which require upgrade of the base skills.” The project also contributed “to key competences development, especially sense of initiative and entrepreneurship, social and civic competence, and harmonization of common educational standards in the field of green business”<sup>88</sup>;
2. **“Social Enterprise Skills for Business Advisers (SESBA)”** – with a consortium of 7 partners - Olympic Training & Consulting LTD and Militos Consulting (Greece), Programa Integra (Italy), Acrosslimits (Malta), Agricultural University of Plovdiv (Bulgaria), QUIN-Estonia (Estonia) and Limeric Institute of Technology (Ireland), the project aimed at “enhancing the profile of business advisors in order to better respond to the field of social entrepreneurship; developing new training practices and consulting techniques; cultivating new practical advisory skills by business advisors in order to be able to encourage attributes of social entrepreneurship” and produced a comprehensive online training programme hosted on an e-learning platform<sup>89</sup>;
3. **Circular Start into Business** – with a consortium of 8 partners - Prospektiker, Asociacion De Investigacion De Las Industrias Cerámicas and MU Enpresagintza S. COOP. (Spain), Technische Universität Wien, Österreichisches Ökologie-Institut and Inits Universitäres Gründerservice Wien GmbH (Austria), Associacao Nacional De Jovens Empresarios and Laboratorio Nacional De Energia E Geologia I. P. (Portugal) and ABC ACCELERATOR (Slovenia), the “main output of the CircularStart project is the online course, which aims to help Start-ups integrating and applying Circular Economy and sustainability principles and strategies into their business models. It is divided into four course modules based on the themes Ideation, Integration, Validation, and Implementation. The contents are designed as a self-paced learning experience and are available for free.”<sup>90</sup>

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<sup>88</sup> Green B project leaflets. Available [here](#)

<sup>89</sup> SESBA project website. Available [here](#)

<sup>90</sup> CircularStart project website. Available [here](#)



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*boosting environmental  
and social topics*



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