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JusTransLEAD



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JUS[T]RANS LEAD

MANAGING A JUST TRANSITION IN THE CHEMICAL, PHARMACEUTICAL, RUBBER, AND PLASTICS INDUSTRY

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REPORT

FECCIA
European Federation of Managerial Staff
in the Chemical and Allied Industries



ledarna
SVERIGES CHEFSORGANISATION

Lederne
- en verden til forskel

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FOREWORD

One of the challenges in all industry sectors in the European Union and globally is the green transition towards a climate-neutral economy. This is especially true for the European chemical, pharmaceutical, rubber and plastics industry which constantly bring forth solutions to reduce the energy consumption and greenhouse gas emissions across all production and work processes, thereby driving the green transition of this energy-intensive sector towards climate neutrality, while staying competitive in a global market and securing employment and the future for all.

For the social partners in the European chemical, pharmaceutical, rubber and plastics industry it is a high priority that the green transition is also a “Just Transition”, so that nobody working in the sector is left behind.

The project partners FECCIA, ECEG, Lederne and Ledarna representing sectoral social partners in the chemical, pharmaceutical, rubber, and plastics industry within the EU 27, therefore implemented JusTrans LEAD project, co-funded by the European Commission, to establish actions and best practices for joint sustainable management and leadership of Just Transition towards climate neutrality in our sector.

Since Just Transition will foster considerable strategic and actual changes within the sector and individual companies, these changes require informed sustainable leadership to guide and implement all Just Transition measures and strategies. At the beginning of the project in May 2024 the project partners commissioned this publication as a first step of the JusTrans LEAD project and formed the basis of all the following results the project has produced:

- **Actions and best practices** for Just Transition in the chemical, pharmaceutical, rubber, and plastics industry were identified
- **Sustainable leadership skills** and tools for managers and employers needed to lead sustainable Just Transition initiatives now and in the future were identified
- A **Just Transition Leadership Toolbox** was developed giving all managers across the industry access to the tools they need
- A **Joint Strategic Framework for Sustainable Just Transition Leadership for Employers and Managers** was developed and signed by FECCIA and ECEG

The results presented in this report are a key deliverable and should be read, consulted and used in connection with the Just Transition Leadership Toolbox, the other key deliverable of the project.

FECCIA and ECEG would like to thank Allison Dunne and Jeroen Barrez from the HIVA Research Institute for Work and Society, KU Leuven, for their excellent work, as well as all the companies and individuals who have contributed to it. Special thanks go to Eleonora Isopo (ECEG) and Andreas Bückler (FECCIA) for preparing the report for final publication.

All project partners hope that the JusTrans LEAD results will contribute to help the European chemical, pharmaceutical, rubber and plastics sector navigate the Green and Just Transitions successfully.

1 INTRODUCTION

The European industry is currently navigating two major structural transitions: the move towards climate neutrality and the increasing integration of digital technologies. These ‘twin transitions’ are reshaping the way industrial sectors operate, compete and engage with workers and their communities. For the chemical, pharmaceutical, rubber and plastics sectors, which are simultaneously energy-intensive and innovation-driven, these transitions present both opportunities and significant challenges.

The JUS[T]RANS LEAD project is a European social partner initiative, co-funded by the European Commission. It responds to the need to strengthen social dialogue and leadership capacity in managing the employment and social impacts of the green transition, with a particular focus on white-collar managers and employers in energy-intensive industrial sectors.

The project builds on the recognition, articulated in EU strategic documents including the European Green Deal, the European Pillar of Social Rights Action Plan, and the Council Recommendation on ensuring a fair transition towards climate neutrality, that the transition to a climate-neutral economy must be both environmentally ambitious and socially fair. This entails not only reducing greenhouse gas emissions, but also ensuring that affected workers, companies, communities and regions are supported throughout the transitions.

In the upcoming years, European industry needs to meet climate targets, adapt to evolving regulatory frameworks and respond to demands for sustainable practices at the same time as advancing the integration of digital technologies. These ambitions must be pursued whilst maintaining competitiveness in a time of rising costs, growing global competition and changing supply chains.

In this context, the principle of a Just Transition has gained both political and policy prominence. Despite widespread endorsement of Just Transition principles at the EU level, in practice, concrete guidance for how companies, and in particular managers within those companies within these sectors should lead this transition is limited. Much of the existing discourse at policy level focuses on the workforce and social dialogue. The specific role of managers responsible for the implementation of change within the company has not yet been studied in detail. JUS[T]RANSLEAD addresses this gap through a partnership of key sectoral social partners: FECCIA, Lederne (Denmark) and Ledarna (Sweden), representing managers in the sector on European and national level, and ECEG, representing employers on European level.

The objectives of the JUS[T]RANSLEAD project are to:

- Map actions and existing practices related to the Just Transition in the targeted sectors,
- Identify sustainable leadership skills and tools for managers and employers to effectively support Just Transition implementation,
- Create a practical Just Transition Toolbox for managers to support the operationalisation of a Just Transition at company level,
- Develop a Joint Strategic Framework between employers and managers to strengthen social dialogue on leadership in the green transition.

An essential characteristic of this project is that the outputs will provide guidance and support to managers and employers to help them realise Just Transition Leadership in the industry. In order to reach outcomes that are easily applicable and ready to be put in practice, a research and diagnostic phase was conducted by researchers at HIVA, KU Leuven. This report delivers the results from that research and lays the groundwork for the project's future actions.

As a first step, this study aims to identify and explore key domains managers need to consider and act on when leading processes towards a Just Transition, such as social dialogue and promoting re- and up-skilling. Understanding these domains is essential for managers to effectively guide their organisations through the transition. Next, this study also investigates the specific skills required for white-collar managers to implement Just Transition processes within specific domains of that role. These skills may include change management, sustainability knowledge, and the ability to guide workers in the transition process.

On a more detailed level, the study examines the practical measures and actions that managers have already implemented to align with Just Transition principles. This includes analysing current practices and actions to provide a comprehensive understanding of successful strategies. Additionally, the research delves into the challenges and opportunities managers encounter, identifying both hindering and enabling factors that influence their ability to take effective action.

Together, these elements provide a strong empirical and conceptual foundation for the next phase of the project; the development of a Just Transition Leadership Toolbox for Managers and a Joint Strategic Framework for Sustainable Just Transition Leadership for Employers and Managers agreed between FECCIA and ECEG. The findings presented from the research phase are intended to inform those deliverables by identifying the concrete needs, actions and opportunities for leadership.

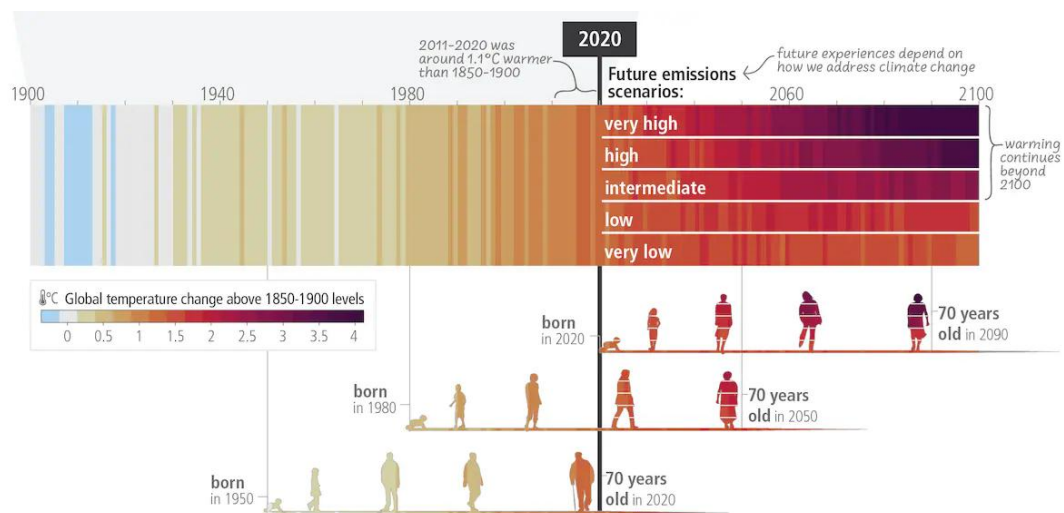
2 THE GREEN TRANSITION IN THIS INDUSTRY

2.1 Why a green transition?

The need for a green transition is driven by the urgent necessity to address climate change and its profound impacts on our planet and economy. Rising global temperatures lead to heat stress and heatwaves, extreme weather events such as severe storms, droughts, and floods, rising sea levels, and threats to food and water security. These changes pose significant health risks and have a substantial economic impact.

Figure 2.1 highlights how global surface temperatures have already increased from 1900 to 2020 and provides future projections up to 2100 under various greenhouse gas emission scenarios. These scenarios range from very low to very high emissions, showing potential temperature changes based on different levels of human influence. The figure emphasises the long-term trends, illustrating the significant impact of human activities on global climate. The extent to which current and future generations will experience a warmer climate will depend on decisions made and the actions that are taken now and in the near future to lower emissions.

FIGURE 2.1 Impact of climate change



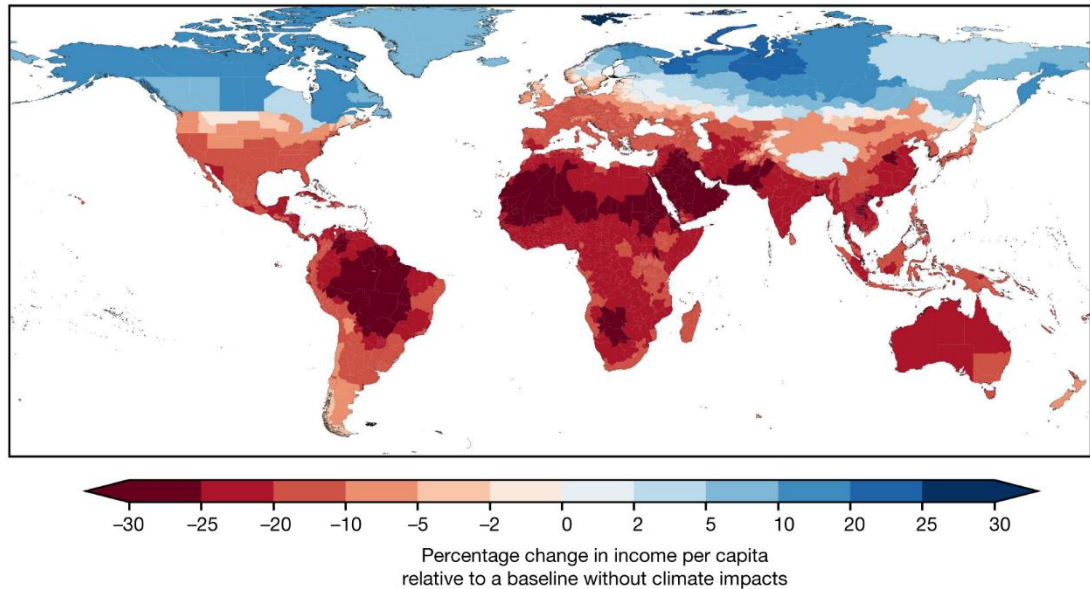
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Source: SPM.1 in the AR6 Synthesis Report by the Intergovernmental Panel on Climate Change, shows the observed and possible future average global temperature changes. (United Nations Intergovernmental Panel on Climate Change)

As global temperatures continue to rise, the consequences of inaction become increasingly severe, affecting ecosystems, human health, but also the economy. A recent study (Kotz et al., 2024) shows that the green transition is not only needed from environmental point of view but is also necessary to minimise economic damage. The projected average income reduction of the world economy by 19% within the next 26 years due to climate change, relative to a baseline

scenario without climate impacts, far outweighs the costs of mitigation efforts needed to limit global warming to 2°C.

FIGURE 2.2 Economic impact of climate change

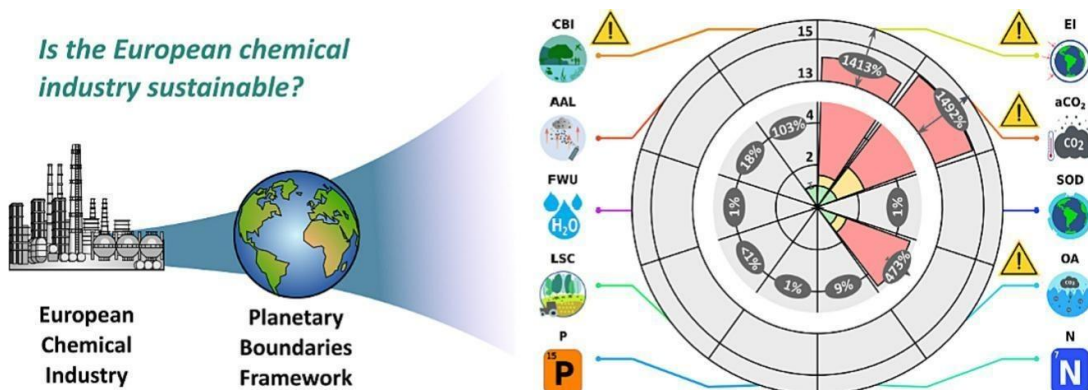


* Source: Kotz, M., Levermann, A., & Wenz, L. (2024). The economic commitment of climate change. *Nature*, 628(8008), 551–557. <https://doi.org/10.1038/s41586-024-07219-0>

2.2 The green transition in the chemical, pharmaceutical, rubber, and plastics industry

Like all industrial sectors in the EU also the chemical, pharmaceutical, rubber and plastics industry are important contributors to greenhouse emissions. The chemical, pharmaceutical, rubber and plastics industry sector, which is the focus of this study and, is a major energy user and presents considerable challenges for decarbonisation (Schöneberg et al., 2022).

FIGURE 2.3 Planetary boundaries and the chemical industry



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Source: Barnosell, I., & Pozo, C. (2024). The impacts of the European chemical industry on the planetary boundaries. *Sustainable Production and Consumption*, 44, 188–207. <https://doi.org/10.1016/j.spc.2023.12.006>

At the same time, the sector has committed to decarbonising its activities and plays a crucial role in driving the broader transition by promoting innovation, adopting new technologies, and implementing energy-saving measures to reduce greenhouse gas emissions. Between 2012 and 2021, GHG emissions from the chemical industry decreased by 9%, while the sector's gross value added (GVA) rose by 23% between 2012 and 2020, demonstrating that the green transition can go hand in hand with economic growth. Additional support comes from CEFIC's [publication of data](#) on environmental performance of the sector.

To support and guide this transformation, the European Commission has introduced the *Transition Pathway for the Chemical Industry*, a strategic roadmap designed to align the sector with the EU's climate and sustainability objectives (European Commission, 2023).

The pathway is structured around three key components. First, it includes an action-oriented component, which includes collaboration for innovation, clean energy supply, and feedstock diversification. Second, the technology component identifies critical enablers of the transition, including electrification, hydrogen, biomass, waste valorisation, carbon capture and utilisation (CCU), carbon capture and storage (CCS), and overall process efficiency. These technologies are seen as essential to reducing emissions and transforming production systems. Third, the regulatory component compiles relevant legislation and major research and innovation (R&I) initiatives that influence the digital and sustainable development of the chemical industry. The pathway underscores the sector's potential not only to reduce its own environmental footprint but also to act as a catalyst for broader systemic change across industrial value chains.

2.3 Implications of the green transition

The green transition is driving profound changes across industries, compelling companies to rethink their technological strategies and operational models. Expectations for corporate action are rising rapidly, with investors applying increasing pressure on businesses to develop and implement Just Transition plans that balance environmental responsibility with social fairness.

Technological and operational shifts are central to this transformation. Companies are undergoing structural changes and internal reorganisations, which may involve adopting renewable energy sources, integrating advanced technologies, and restructuring departments or workflows to align with sustainability goals. Efficiency improvements are also a key focus, as businesses strive to optimise existing processes to reduce energy consumption, enhance resource utilisation, and incorporate innovations such as carbon capture and storage technologies (Schöneberg et al., 2022).

In this context, technological adoption plays a critical role. Organisations are implementing new systems and alternative energy solutions to reduce their environmental footprint. At the same time, they are prioritising energy efficiency, and some are integrating carbon capture technologies to mitigate emissions. The transition to a circular economy is also gaining momentum, with companies embracing principles that emphasise reuse, recycling, waste minimisation, and sustainability-by-design which aims to produce products that can be reused, repaired, and recycled. Additionally, there is a growing shift toward sustainable and innovative materials that support long-term environmental goals (Schöneberg et al., 2022).

Beyond internal changes, the green transition demands increased cooperation across value chains. Companies are addressing significant emissions from upstream activities and engaging more actively with suppliers to promote sustainable practices. Strategic partnerships are being formed to foster innovation and enable cross-industry collaboration, which is essential for scaling impactful solutions (Schöneberg et al., 2022).

However, the green transition is not solely about technological innovation, energy systems, or policy frameworks - it is equally about people, skills, and leadership. It may require companies to fundamentally rethink how they operate, which may include adopting new business models, restructuring value chains and, in some cases, undergoing a complete reorganisation. At a minimum, it involves changes to work processes, investment in skills and the company as a learning organisation and close engagement with employees and other stakeholders.

The social dimension of this transformation is critical, as it determines how equitably the benefits and burdens of the transition are distributed. A Just Transition aims to ensure that the shift toward a low-carbon economy is inclusive and fair, safeguarding the livelihoods of workers and communities affected by the green transition. It also involves creating new employment opportunities in emerging green sectors and investing in reskilling and upskilling initiatives to prepare the workforce for future demands. Moreover, it is essential to ensure that vulnerable populations are not disproportionately impacted by environmental policies, thereby reinforcing the principle that sustainability must go hand in hand with social justice.

Despite the growing recognition of these social imperatives, there remains a lack of clear guidelines on how specific sectors can operationalise a Just Transition. In particular, the role of managers and organisational leaders in facilitating this process is underexplored. However, their involvement is crucial in shaping inclusive strategies, fostering dialogue with stakeholders, and embedding social considerations into corporate decision-making. Further literature and analysis on the concept of a Just Transition, including sector-specific approaches and how managers can facilitate this transition, will be explored in subsequent sections of this report.

3 RESEARCH APPROACH

3.1 Research objectives

This research aims to explore the role, skills and actions of managers to lead a Just Transition within the chemical, pharmaceutical, rubber, and plastics industries. Managers in these industries play a pivotal role in leading this transformation in ways that are not only environmentally effective but also socially responsible and equitable. Despite the importance of their role, the specific responsibilities, leadership skills, and challenges faced by managers in the context of a Just Transition remain largely unaddressed in the existing literature. This research seeks to contribute to filling that gap by examining what are the key domains managers need to consider and act upon as well as the skills that are needed to manage the green transition and its social impacts in the European chemical, pharmaceutical, rubber and plastics industry.

3.2 Methodology

This research adopts a multi-method approach to explore how managers can lead a Just Transition within the European chemical, pharmaceutical, rubber, and plastics industry. Given the complexity of the green transition and the limited attention in existing literature to this industry and the specific role of managers in this process, the methodology consists of three complementary components. These include an exploration of the state of the art through a literature review, stakeholder engagement via a dedicated conference, and empirical investigation conducted through a sector-wide survey targeting managers and leaders in this industry. Together, these approaches provide a comprehensive foundation for identifying the leadership tools, competencies, and actions to effectively support a Just Transition in practice.

3.2.1 Desk research and literature review

The first phase of the research involves a comprehensive review of academic, policy, and industry literature to establish a foundational understanding of the Just Transition concept. This includes identifying the key definitions, frameworks, and principles that can guide managerial roles in leading green transitions. The literature review explores how Just Transition is conceptualised across different contexts and how these insights can inform leadership practices and organisational change in this industry.

In addition to supporting the development of a conceptual framework for the role of managers in a Just Transition, the literature review reveals a significant gap: the specific responsibilities and contributions of managers in leading such transitions within these sectors remain largely unexplored. This highlights the need for complementary empirical approaches to better understand and define the leadership tools, skills, and actions required to operationalise a Just Transition in practice.

3.2.2 Conference

Secondly, a dedicated conference organised by the project partners FECCIA, Lederne, Ledarna and ECEG and introduced the development of a Joint Strategic Framework for Sustainable Just Transition Leadership for Employers and Managers in the sector and examines its implications for leadership in the targeted industries. The conference was designed to align with the broader themes of the report, including the business and social implications of the green transition and the specific actions required from managers. It brought together industry leaders, managers, and sector federations to engage in exchange about the role of managers and social dialogue in facilitating a Just Transition. The event served as a platform to present the conceptual framework developed during the literature review and to explore the leadership tools and skills needed to implement it. Discussions focused on the key domains in which managers and employers must act, such as competitiveness and social dialogue.

The conference, which took place in March 2025, featured a number of industry presentations showcasing current practices and initiatives in the framework of the green and Just Transitions. It also included panel discussions on the role of social partners and leadership in the transition process. In addition, expert interventions provided insights into the current state of the art and presented relevant frameworks for understanding and implementing Just Transition, both in general and applied to these industries. The insights gathered during the conference were used to refine the framework and inform the design of the survey instrument.

3.2.3 Survey

The third phase involved a targeted survey distributed across stakeholders of the European chemical, pharmaceutical, rubber, and plastics industry. The goal of the survey is to identify current actions being taken by managers, assess their leadership skills and support needs, and understand the enabling and hindering factors that influence their ability to lead a Just Transition. The survey also aims to provide a clearer picture of how managerial involvement in Just Transition processes is evolving and to inform the development of a practical toolkit for leadership in this area in the follow-up of the project. The survey explores several key themes, including the current readiness of managers and their companies for the green transition, the leadership skills they possess and the areas where further development is needed, and the pressures and strategies related to maintaining competitiveness during the transition. It also examines how managers engage in social dialogue and stakeholder engagement, and the existing practices that align with Just Transition principles.

To ensure broad participation, the survey on managing the transition towards climate neutrality and its social impact in the European chemical, pharmaceutical, rubber, and plastics industry was disseminated through multiple targeted channels. The survey was first introduced during the March 2025 conference, where it was presented to a diverse audience of industry leaders, managers, and sector federations. This setting provided an opportunity to explain the survey's objectives, encourage participation, and gather immediate feedback on its relevance and clarity.

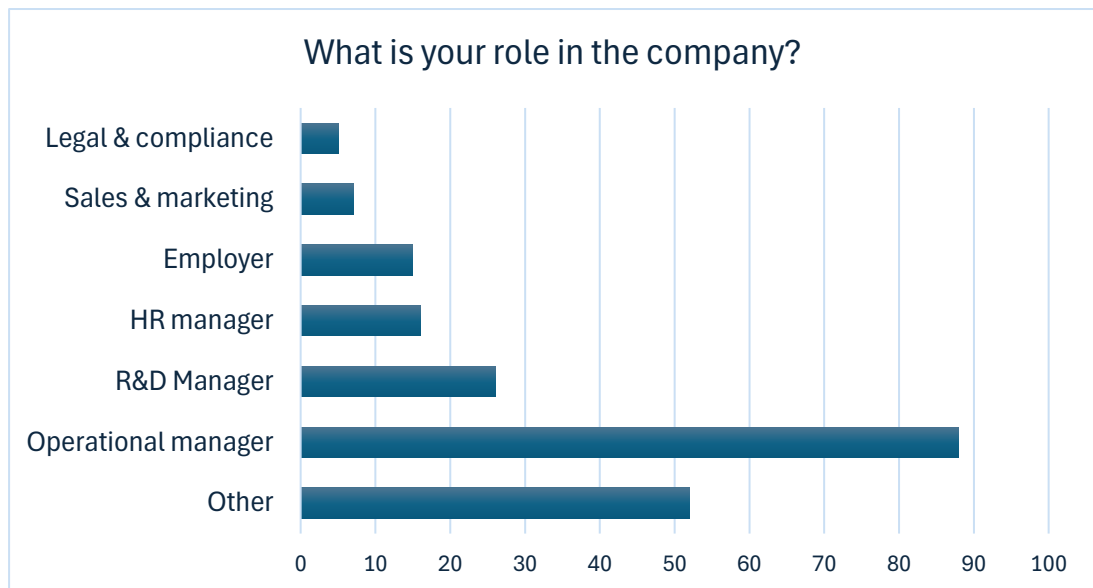
Beyond the conference, the survey was distributed through the project partners FECCIA, Ledarna and ECEG (European Chemical Employers Group).

3.2.3.1 Sample characteristics

The survey collected responses from 209 participants across the European chemical, pharmaceutical, rubber, and plastics industries, of which 114 completed the full survey. The majority of respondents came from the chemical industry (117), followed by the pharmaceutical sector (48). Participation from the plastics (16) and rubber (2) industries was limited, while other sectors accounted for 26 responses. Geographically, the largest groups of respondents are from Germany (70), Denmark (61), and Sweden (25), with additional inputs from countries such as France, Norway, Belgium, and the UK.

Most respondents work in large companies with more than 250 employees (172), while smaller enterprises were less represented. In terms of roles, the largest group identified as operational managers (88), followed by those working in R&D (26), HR (16), and employers (15). A significant portion (52) selected "Other", indicating a diverse range of managerial functions. Regarding leadership scope, 51 respondents do not directly manage people, while 43 manage 1 to 4 people, and 48 oversee 10 to 49 employees. A smaller group (13) is responsible for more than 250 employees, reflecting a mix of different leadership perspectives.

FIGURE 3.1 Role of respondents within the company



4 UNDERSTANDING AND APPLYING JUST TRANSITION CONCEPTS

4.1 The concept of a Just Transition

As the global economy transitions from high-carbon to low-carbon systems, the concept of a Just Transition has emerged to address the societal, economic, and environmental impacts of this transformative process. Rooted in equity and inclusion, a Just Transition seeks to ensure that no individuals, communities, or sectors are disproportionately burdened by the shift while maximising the benefits coming from the green transition. The Just Transition principles are increasingly adopted by diverse actors, including community and environmental groups, reflecting their broader applicability and evolving focus. The concept is also extensively used by policy makers and practitioners and quoted widely. However, there is no universally recognised definition or framework of a Just Transition, which can pose governance challenges (Henry et al., 2020; Stark et al., 2023)

Historically, the Just Transition concept emerged from labour movements in the 1980s in the United States, who were concerned about the social consequences of environmental regulation (IPCC, 2022). As stricter environmental policies led to job losses in highly polluting industries, unions and community groups began advocating for a more equitable approach. Their demands focused on three key principles: first, that regions experiencing job losses should receive support to develop alternative economic activities and employment opportunities; second, that displaced workers should be assisted in transitioning to new jobs and/or companies, and acquiring new skills; and third, that workers unable to transition to another job or company should be fairly compensated. This early framing of Just Transition was often positioned in response "jobs versus environment" narrative, historically used to oppose sustainability efforts. However, the persistence of this narrative highlights the importance of engagement of all stakeholders, in particular social partners, to overcome this narrative. By emphasising collaboration, consultation, and social fairness/equity, Just Transition processes can reduce contestation and foster inclusive participation (Brown & Spiegel, 2019; Goddard & Farrelly, 2018; Stark et al., 2023).

Over time, the concept has evolved beyond its initial labour-centric focus to encompass a broader framework for understanding the social dimensions of the green transition. Figure 2.4 illustrates the potential stakeholders involved in a Just Transition, including employers' organisations and trade unions, and how their perception of this concept varies. The expansion of the Just Transition concept has been reflected in international policy milestones, most notably the Silesia Declaration adopted at COP24 in 2018 in Katowice, Poland. Endorsed by 56 heads of state, the declaration recognised Just Transition principles for climate action, emphasising the need for inclusive, participatory, and socially fair pathways to climate neutrality (IPCC, 2022).

FIGURE 4.1 Perception of Just Transition by different stakeholders



*

Source: [Just Transition partnerships: Involvement, challenges and opportunities | European Foundation for the Improvement of Living and Working Conditions](#)

4.2 Definitions, principles and dimensions

Although there is no universally agreed-upon definition of a Just Transition, scholars and international organisations have made efforts to define the concept, establish principles, and propose frameworks to enhance understanding. At its core, Just Transition serves as a mechanism that brings together the goals of climate action and social fairness (Snell, 2018), and can be defined as a “*fair and equitable process of moving towards a post-carbon society*” (McCauley & Heffron, 2018; Stark et al., 2023).

The UN International Labour Organisation defines a Just Transition as “*greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. A Just Transition involves maximizing the social and economic opportunities of climate action, while minimizing and carefully managing any challenges – including through effective social dialogue among all groups impacted, and respect for fundamental labour principles and rights.*” This definition stresses the role of inclusive governance and social dialogue.

Similarly, the Intergovernmental Panel on Climate Change (IPCC, 2022) defines The Just Transition framework as “*a set of principles, processes and practices aimed at ensuring that no people, workers, places, sectors, countries or regions are left behind in the move from a high-carbon to a low-carbon economy*” (IPCC, 2022). While a narrow view of Just Transition focuses

on the impact of climate action on workers, it is also important to consider the broader supply chain including affected communities, regions, and consumers (Robins et al., 2021).

Key principles emphasised in the Just Transition frameworks developed by the ILO and IPCC include:

- **Respect for vulnerable groups:** A deliberate focus on communities disproportionately affected by the transition, such as those dependent on fossil fuel-based industries, to prevent marginalization and address historical injustices.
- **Creation of decent jobs:** Emphasis on generating quality employment opportunities through realistic retraining programs and economic diversification, ensuring that workers are not left behind but actively included in the green economy.
- **Employment rights:** Upholding fundamental labour rights and principles, ensuring fair treatment, job security, and safe working conditions for all workers throughout the transition process.
- **Social protection:** Establishing robust safety nets, including access to healthcare, unemployment benefits, and education, to mitigate the social risks associated with structural changes in the labour market.
- **Social dialogue:** Promoting inclusive governance by engaging stakeholders - including workers, communities, and industries - to ensure a transparent and participatory decision-making processes.
- **Fair energy access:** Provide equitable and affordable access to energy and addressing disparities in consumption and distribution.

These principles collectively ensure that environmental protection and social fairness are pursued together, not as mutually exclusive goals. However, depending on the company and context within the chemical, pharmaceutical, rubber, and plastics industries, some principles may be more directly relevant to the role of managers in advancing a Just Transition than others.

Another approach to a Just Transition is guided by three dimensions of justice (Ciplet & Harrison, 2020; Crowe & Li, 2020; Huang & Liu, 2021; Stark et al., 2023)¹, which provide a framework for addressing fairness and equity in climate action:

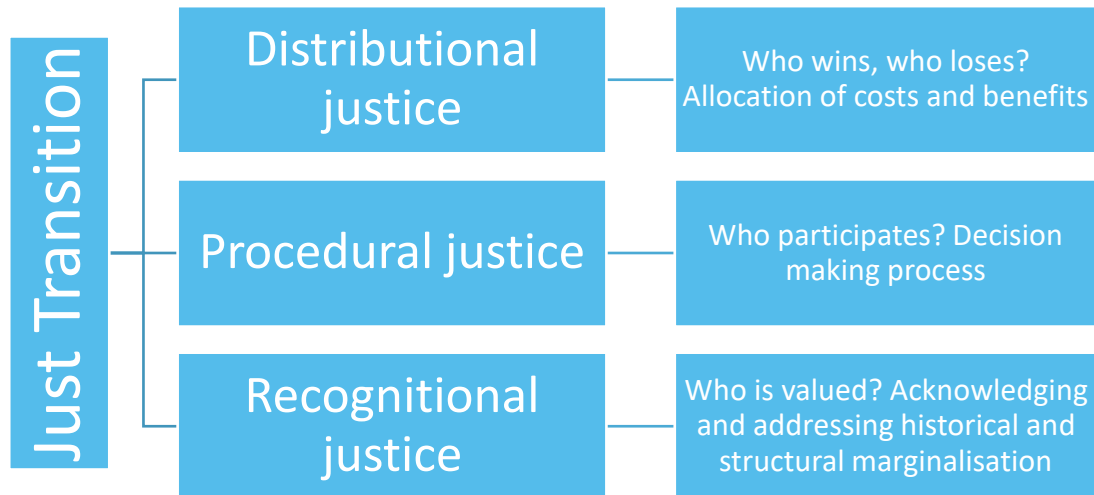
- **Distributional Justice** refers to an equitable distribution of the benefits and costs of environmental decisions. It ensures that no group, particularly vulnerable or marginalized groups, bears a disproportionate share of the negative impacts of the transition.
- **Procedural Justice** emphasises the importance of inclusive, transparent, and participatory decision-making processes. This involves giving all affected stakeholders a meaningful voice in shaping policies, with equitable consideration of their concerns.
- **Recognitional Justice:** focuses on acknowledging and addressing the diverse needs, identities, and experiences of all societal groups, especially those historically overlooked, misrepresented, or disadvantaged. This dimension calls for the recognition of historical and structural marginalisation and the validation of different perspectives in the design and

¹ Some frameworks also include restorative justice by addressing past harms, such as providing compensation, and by reducing the likelihood of future harm. This can be achieved through measures like implementing transition frameworks for workers from polluting industries (Abram et al., 2022).

implementation of environmental policies.

For most companies and managers in this industry, both distributional and procedural justice are highly relevant to consider. The relevance of recognitional justice, however, may vary depending on the company's specific context and historical background.

FIGURE 4.2 Justice dimensions



4.3 Potential framework for companies

In both literature and policy documents, Just Transition frameworks are mostly taken from a policy (e.g. ILO) or social partners' perspectives. While these frameworks consider both employers and employees, the focus is predominantly on workers and labour unions, where the Just Transition concept is rooted (HIVA, 2022). As a result, there is limited engagement with the broader business community (Stark et al., 2023) and the management perspective is often overlooked.

Despite this gap and the absence of a universal blueprint for implementing a Just Transition, the framework outlined in "[Moving from Pledges to Implementation: A Guide for Corporate Just Transition Action](#)" offers a practical guide for possible corporate actions when it comes to Just Transition; it is important to emphasise, though, that this is a guideline only, and individual companies may choose those actions that may suit their specific needs and goals. This framework draws heavily on the International Labour Organisation (ILO) Just Transition Guidelines, which, although originally designed for policymakers, provide a set of guiding principles that can be effectively adapted for corporate strategies and actions (World Benchmarking Alliance, 2021).

According to this framework from the literature, the following six areas for potential corporate action for a Just Transition can be identified which this report uses as a working hypothesis, not claiming that this is prescriptive or binding:

1. Social dialogue

Companies commit to ongoing, meaningful social dialogue with social partners is recommended to be one of the core parts of a Just Transition strategy. This is fully in line with the goals and

deliverables of this project, which is jointly carried out by social partners organisations of the European chemical, pharmaceutical, rubber and plastics industry, representing employers and managers as social partners on the European and national levels.

2. Just Transition planning

Companies decide to make a clear commitment to Just Transition planning that addresses the social impacts of the low-carbon transition on workers, affected communities, and business relationships. The company's approach may include measurable, time-bound goals for job retention, reskilling, and the creation of quality green jobs, while also contributing to social protection and community resilience. Responsibility for Just Transition planning is embedded at the highest levels of governance, and expectations are extended to business partners to ensure alignment across the value chain.

3. Creating and providing or supporting access to green and quality jobs²

Companies assess risks of employment dislocation linked to low-carbon transition and takes action to mitigate these impacts. They have the potential to creating and supporting access to green and decent jobs, ensuring fair income, safe working conditions, and respect for labour rights – as companies in the sector have done and continue to do. Depending on individual circumstances companies also have the possibility to integrate reskilling and relocation into their planning to ensure a just employment transition across its operations and value chain.

4. Retaining and re- and/or upskilling workers

Companies are committed to and actively support the re- and up-skilling of the workforce affected by the transition to a low-carbon economy. Skill gaps are identified and access to training programs are envisaged.

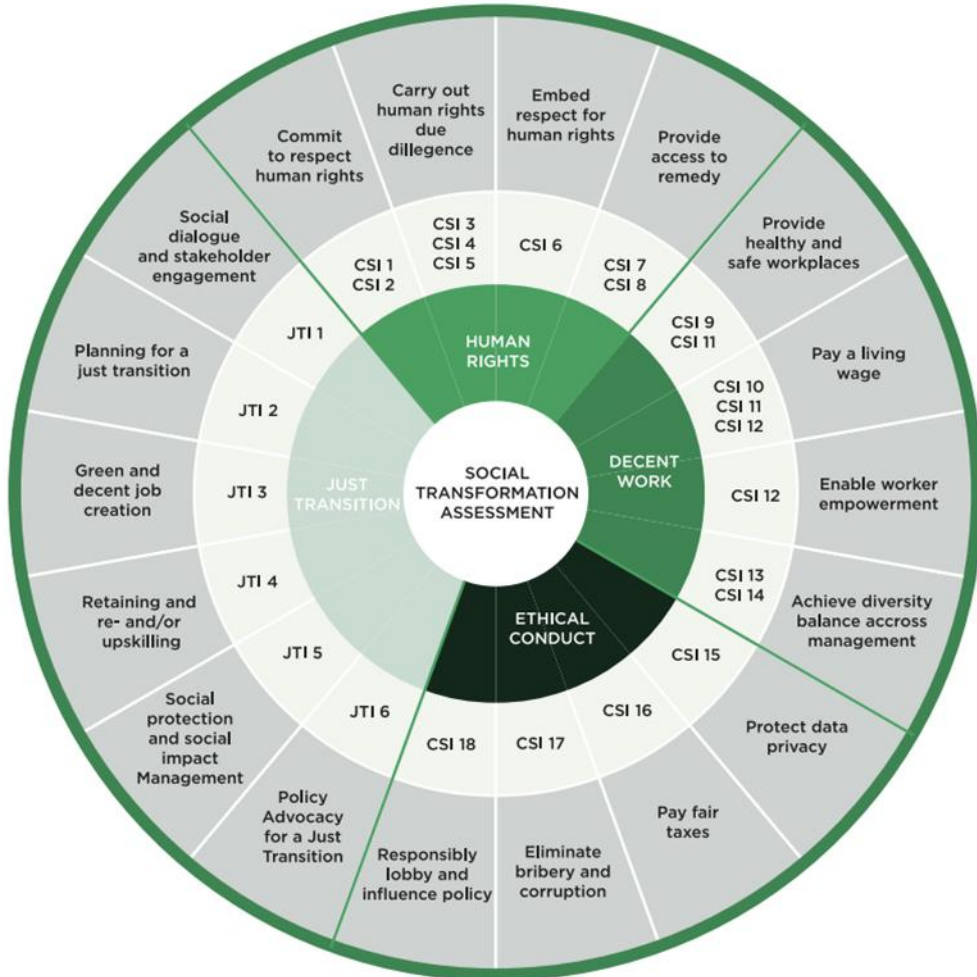
5. Social protection and social impact management

Companies identify and describe how their low-carbon transition may impact social protection for the workforce. They evaluate social protection systems in the regions where they operate.

6. Policy advocacy for a Just Transition

Companies aligning their activities with policies that support Just Transition. As the sector already does within the EU, companies advocate for regulations that promote green and quality job creation, worker retention, education, reskilling, and social protection while safeguarding resilience of the sector as a whole.

FIGURE 4.3 Corporate framework for a Just Transition (JT): six core areas (left side)



* Source: “[Moving from Pledges to Implementation: A Guide for Corporate Just Transition Action](#)” by WBA, LSE Grantham and the Council for Inclusive Capitalism with support from ILO and UNDP

4.4 Just Transition in the European chemical, pharmaceutical, rubber, and plastics industry

While the concept of a Just Transition has initially been applied to mining and energy sectors, it is recognised as highly relevant to other high-emission industries such as agriculture, manufacturing, transportation (Bennett et al., 2019; Blattner, 2020). This also applies to the chemical, pharmaceutical, rubber and plastics industry, which at the same time plays a key role in the green transition by advancing innovation, adopting clean technologies, and improving energy efficiency. Each sector also presents unique challenges, requiring tailored approaches to address its specific social and economic impacts (Bennett et al., 2019; Blattner, 2020).

However, there remains a lack of concrete guidance, sector-specific references, or established best practices for implementing Just Transition measures within these industries. To address this

gap, this research adopts the corporate Just Transition framework described above as its analytical foundation, while also seeking to refine and tailor it to the specific context of the European chemical, pharmaceutical, rubber, and plastics sector.

Furthermore, this green and Just Transition within companies does not occur in a vacuum. Companies are expected to take proactive steps within the broader policy environment that shapes and supports Just Transition efforts. In the EU, the European Green Deal integrates social fairness and climate action objectives by incorporating Just Transition principles in their low-carbon strategies (IPCC, 2022). Despite the lack of a clear definition of Just Transition, this policy package prioritises ensuring that "no one is left behind" and promotes a "fair and inclusive" transition.

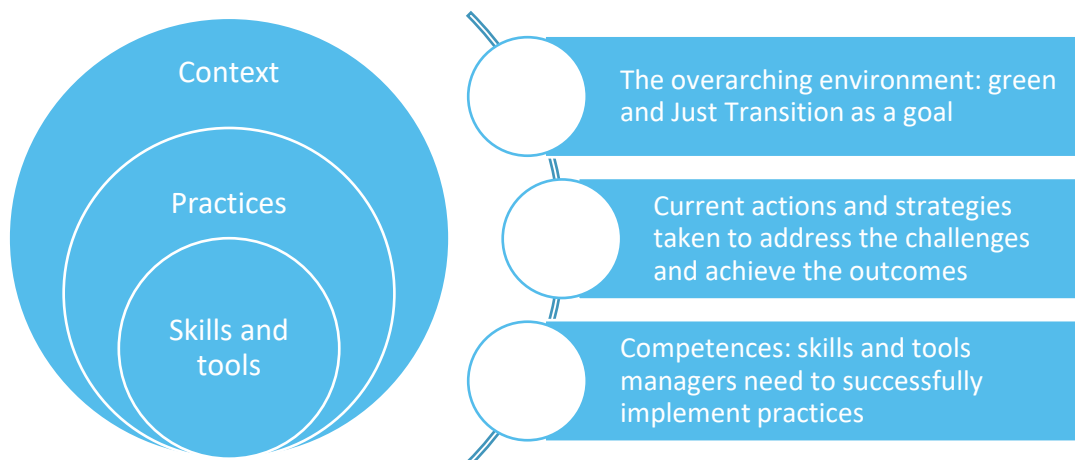
The Just Transition Mechanism is a key tool in this effort, providing targeted support to companies and sectors, regions, citizens and workers most affected by the transition to a climate-neutral economy. This mechanism aims to ensure that no one is left behind by addressing the socio-economic impacts of the transition.³ This includes support to: citizens and workers most vulnerable to the transition, such as those facing energy poverty or needing re-skilling; companies and sectors in carbon-intensive industries that require low-carbon technology and innovation; and Member States and regions highly dependent on fossil fuels and carbon-intensive industries by aiming to create green employment and jobs.

5 THE ROLE OF MANAGERS IN A JUST TRANSITION: LEADERSHIP SKILLS AND TOOLS

Managers in the European chemical, pharmaceutical, rubber, and plastics industries play a crucial role in the green transition, tasked with balancing environmental goals, social responsibilities, and operational realities. As these industries undergo significant changes to align with sustainability goals, the role of managers becomes increasingly important in ensuring that the transition is not only environmentally effective but also socially just.

Despite the critical role managers play, there is a notable gap in the academic and practical literature regarding the specific leadership responsibilities, skills, and tools required to navigate a Just Transition. This research seeks to address this gap by exploring what are the key domains managers need to consider, and which skills managers effectively need when leading processes towards a Just Transition. To answer this question, this study draws on insights from a survey conducted among leaders and managers within these sectors (see 3.2.3). To systematically explore this question, the study adopts a three-layer framework for managers (Figure 5.1) as its guiding analytical model. This framework provides a structured approach to understanding the multifaceted role of managers in the context of a Just Transition.

FIGURE 5.1 Three-layer framework for managers



The first layer represents the broader environment in which managers operate. This context includes factors such as the competitiveness of the company, regulatory frameworks, and strategic decision-making processes that shape the overarching goal of a green and Just Transition within the organisation. The middle layer focuses on the current actions and strategies that managers implement to address the green transition. These include operational decisions, stakeholder engagement and social dialogue, as well as the integration of social impacts into business practices. At the core of the framework are the competencies that managers require to execute effective practices. These include leadership skills and tools for assessing and managing the social impacts of the green transition within their company.

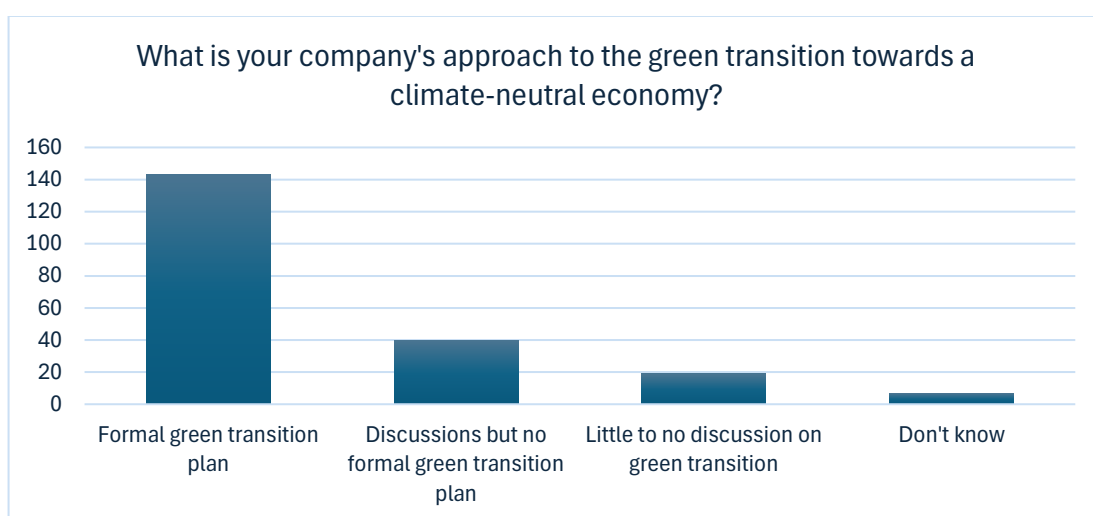
Based on our survey results and applying this three-layer framework, this research explores how contextual pressures, managerial practices, and leadership competencies interact to shape the role of managers in leading a Just Transition.

5.1 Context within which managers operate

The overarching environment in which managers in the European chemical, pharmaceutical, rubber, and plastics industries operate is primarily shaped by three factors: the way the green transition is implemented as a company goal, the extent of managerial involvement in strategic decision-making, and the challenges related to competitiveness and productivity. While regulatory pressures are also present, they play a comparatively lesser role.

According to the project survey results, the green transition is underway in most companies, with approximately two-thirds of managers reporting that their company has a formal green transition plan in place. In these companies, the context is generally more favourable for managers to lead the transition compared to the one-third of companies without such plans.

FIGURE 5.2 Approach to green transition

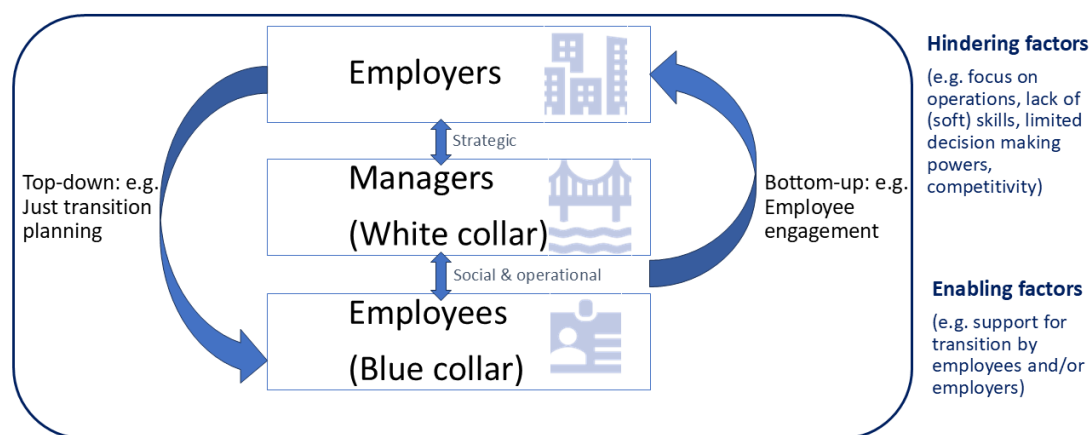


Regarding strategic decision-making, most managers report being at least sometimes involved in the planning of the green transition within their company (Figure 5.5). This widespread involvement suggests that many managers are playing an active role in shaping and formulating their company's transition strategies. However, around a third (37%) of managers are simply rarely or

never involved in planning of the green transition and therefore assumed not to be part of the formulation of those formal plans. This limited involvement in strategic planning suggests that some managers are not always in a position to shape the context in which they are expected to operate.

This raises important questions about the role of managers in strategic decision-making during the twin transition. Especially how managers can translate green transition plans from higher levels of the company to the workforce and employees. In doing so, managers have the potential to act as potential bridge builders between employers and employees, facilitating alignment across organisational levels.⁴ While formal transition plans do not necessarily need to follow a top-down approach, where there is limited managerial involvement this suggests that employees without managerial responsibilities are likely to be even less engaged in shaping these plans. Moreover, an important hindering factor facing those expected to manage the transition is the lack of clear leadership guidance on how to manage the social impacts of the green transition. More specifically, how to translate formal plans into practice and how to be meaningfully involved in strategic decisions (see Figure 5.8 on hindering factors).

FIGURE 5.3 Managers as bridge builders



Among the various contextual elements shaping managerial roles in the green transition, competitiveness and productivity pressures emerge as the most influential. Across the chemical, pharmaceutical, rubber, and plastics industries, companies consistently prioritise operational, business, and technical processes over social impacts. This prioritisation reflects a broader trend in which competitiveness concerns not only guide strategic decisions but is also frequently mentioned as a hindering factor in managing the social impacts of the green transition (Figure 5.8).

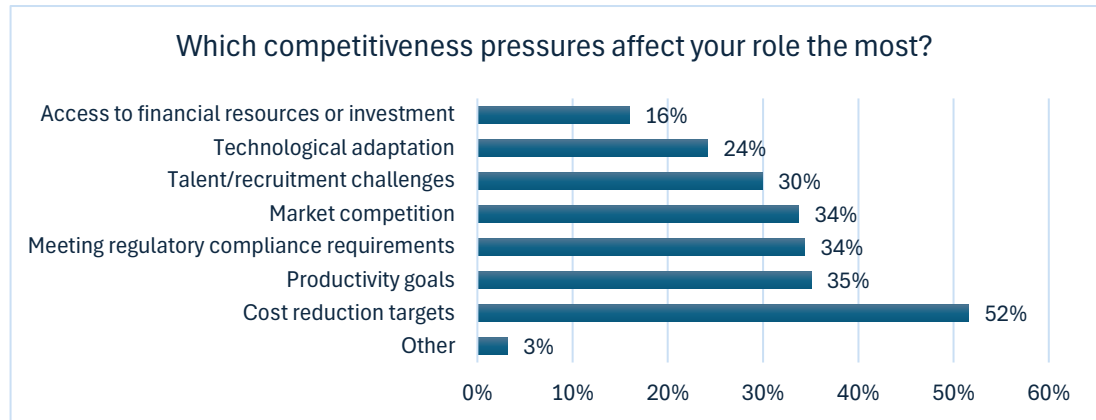
Competitiveness pressures are deeply embedded in managerial decision-making.⁵ More than 70% of the managers surveyed report that competitiveness moderately to very much affects their decisions related to the green transition (Figure a0.1 in appendices). These pressures are primarily driven by market dynamics and efficiency demands including cost-reduction targets, productivity goals, and market competition. Regulatory compliance remains one of the most important competitive pressures. In contrast, challenges related to recruitment, technological adaptation, and

⁴ It is important to note that most respondents in the survey could be classified as middle management, with the majority being operational or R&D managers.

⁵ Most managers of selected the maximum of 3 types of competitive pressures in the survey.

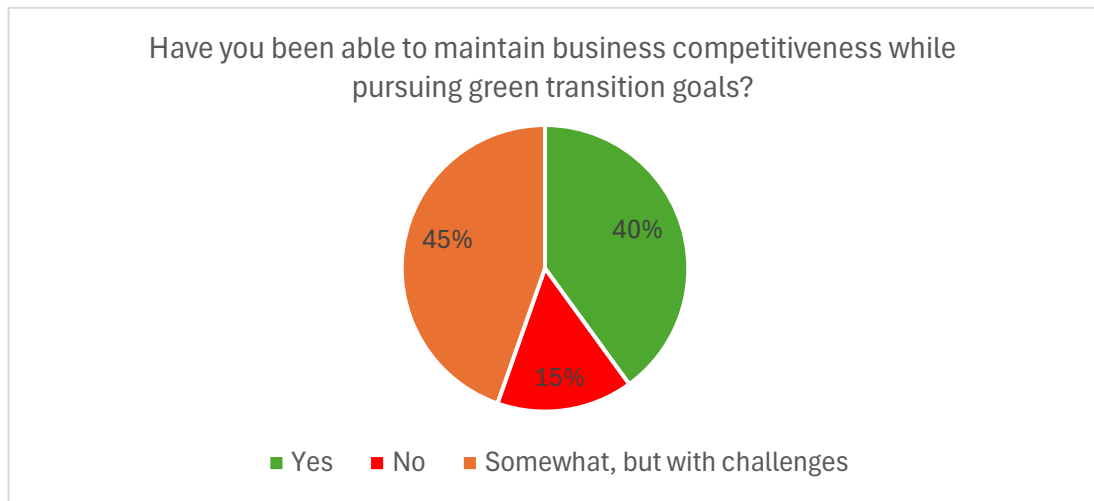
particularly access to financial resources are generally perceived as less critical. This perspective is reflected in the case of a company example (see below box ‘Green **technologies and the need for a business case**’): where the investment was secured and the technology developed, the greatest challenge proved to be identifying a viable business case.

FIGURE 5.4 Competitiveness pressures affecting managers



Despite these pressures, many companies report success in maintaining competitiveness while pursuing green transition goals. A large proportion of the respondents (40%) state that they have been able to maintain business competitiveness during the transition, while an additional 45% report partial success, but with challenges. Only a minority of 15% indicate that they have been unable to sustain competitiveness during the green transition (Figure 5.5).

FIGURE 5.5 Maintaining business competitiveness while pursuing green transition goals



This suggests that many leaders in these sectors view the green transition not only as a regulatory or environmental necessity but also as a strategic opportunity. More specifically, most managers recognise the competitive advantage of pursuing a green and Just Transition within their companies at least to some extent. As stated by a respondent, the competitiveness pressures and green transition can be complementary: *“an effective strategy has been integrating sustainability goals into core business through innovation and energy efficiency”*.

Novonesis - aligning business with green transition

Novonesis, a leading producer of enzymes, cultures, and probiotics in the biotechnology industry and exemplifies how business strategy can align with green transition goals. The company leverages bio-solutions to promote both healthy lives and a healthy planet. It shows that environmental responsibility and market competitiveness can go hand in hand.

At the core of Novonesis’s approach is a commitment to developing products that directly support the green transition. In addition, the company sets ambitious targets for climate mitigation, water use reduction, and circularity. These goals are not only environmentally driven but also strategically positioned to enhance innovation, efficiency, and long-term business resilience.

Novonesis also recognises that sustainability must be inclusive: 1) internally, leadership takes responsibility for ensuring that all employees are equally informed and actively engaged in the green transition and 2) externally, the company views sustainability as a societal commitment, and aims to manage the environmental and social impact across their value chain. It is also important to note that some Corporate Social Responsibility and Just Transition actions overlap.

However, the potential of a green transition to improve competitiveness is not always realised in practice. Moreover, while technologies and processes to support the green transition are often available, their implementation often lacks a clear business case - which depends on the broader regulatory framework and policy incentives.

Green technologies and the need for a business case

A mid-cap oil and gas company, presents a compelling example of how the absence of a viable business case can act as a barrier to advancing the green transition. While the company has access to a wide range of green technologies - including hydrogen, e-fuels, biofuels, energy efficiency, electrification, and carbon capture and storage (CCS) - these solutions are not being deployed at scale. For instance, the company estimates that CCS only becomes financially feasible at a carbon price of €150 per tonne. This case shows that technological readiness alone is not enough. Without a clear and compelling business case, particularly in the absence of supportive market conditions or policy incentives, even the most advanced green technologies may remain underutilized.

Despite this constraint, the company is pursuing a transition strategy focused on efficiency improvements, renewable energy, and circular economy initiatives, such as integrating waste recycling into value chains. The company also emphasises security of supply and dynamic portfolio management to remain resilient in a rapidly changing energy landscape.

Internally, they are working to overcome structural barriers by promoting cross-departmental collaboration and launching a management rotation program - ensuring that leaders, such as heads of R&D, are also involved in implementation and operations. This approach aims to bridge the gap between innovation and execution. A key challenge remains in engaging operators with new technologies. The company addresses this by fostering understanding and dialogue, helping employees grasp the purpose and function of new systems to ensure smoother adoption.

While, to some extent, social impacts are included in formal green transition plans (30% of managers report moderate consideration and a further 37% report strong consideration), this does not automatically translate into confidence or competencies at the managerial level. Many managers feel less than confident when it comes to developing strategies to mitigate the social impacts of the green transition. One of the most commonly identified areas (second most common) where managers report needing additional support is precisely in this domain, with 34% highlighting the need for guidance on how to develop such strategies (Figure 5.11). Moreover, when looking only at what is strongly considered in formal plans, social impacts are overshadowed by concerns related to competitiveness, regulation, and profitability. This gap between formal recognition and practical implementation further reinforces the need for clearer leadership guidance and more inclusive strategic planning processes. Finally, it is not only important to know that social impacts are considered in the context of the green transition, but also to understand which specific social impacts are being addressed. The next section will therefore look at current actions and practices.

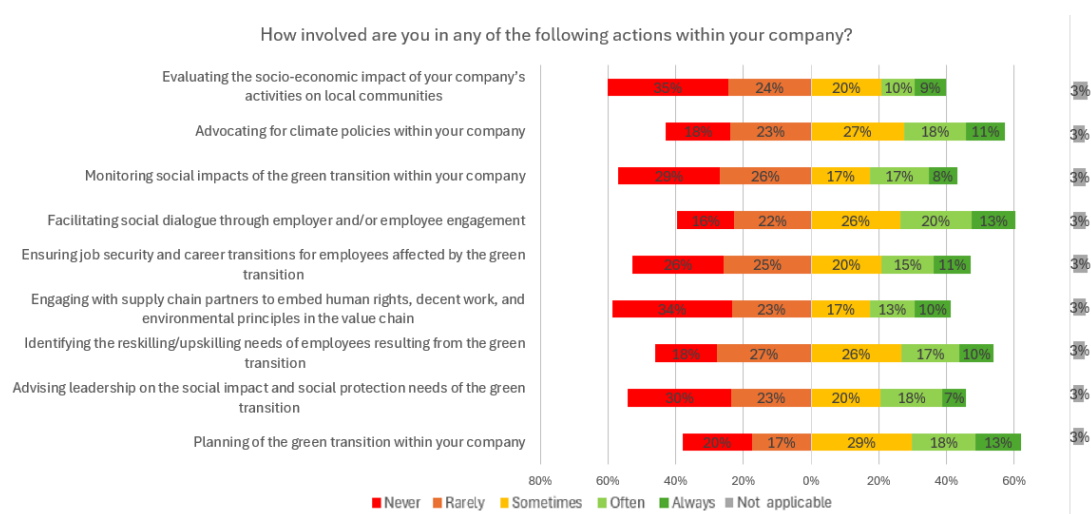
5.2 Practices and current actions

This section explores what managers are currently doing to manage the green and Just Transition within their companies. The results show that efforts are primarily concentrated on internal company actions, with the management of social impacts centred mainly on social dialogue among employees and employers. While less emphasis is currently placed on engaging external actors, such as supply chain partners or local communities, these dimensions are also less frequently identified as hindering factors to a just transition by respondents. This suggests that external engagement may represent an area of emerging opportunity rather than a current focus.

Figure 5.6 shows that managers are mainly involved in activities that, when they are grouped together, are related to internal organisational change and employee engagement. In relation to the green transition, managers are most involved in planning the transition within their company and advocating for climate policies internally. The most prominent current practice in addressing the social impacts of the green transition is social dialogue. More than half of respondents reported being at least sometimes involved in facilitating social dialogue through employer and/or employee engagement. This is followed by identifying the reskilling or upskilling needs of employees.

More generally, managers do not consistently consider the full range of social impacts associated with the green transition, and many leaders are only partially involved in Just Transitions actions. There are clear gaps. More than half of respondents reported being rarely or never involved in evaluating the socio-economic impacts of their company's activities on local communities, engaging with supply chain partners to embed human rights and environmental principles, monitoring social impacts within the company, or advising leadership on social impacts and protection needs of the green transition. This suggests that the scope of managerial action remains largely internal and operational, with broader social dimensions and external engagement emerging as areas for further development.

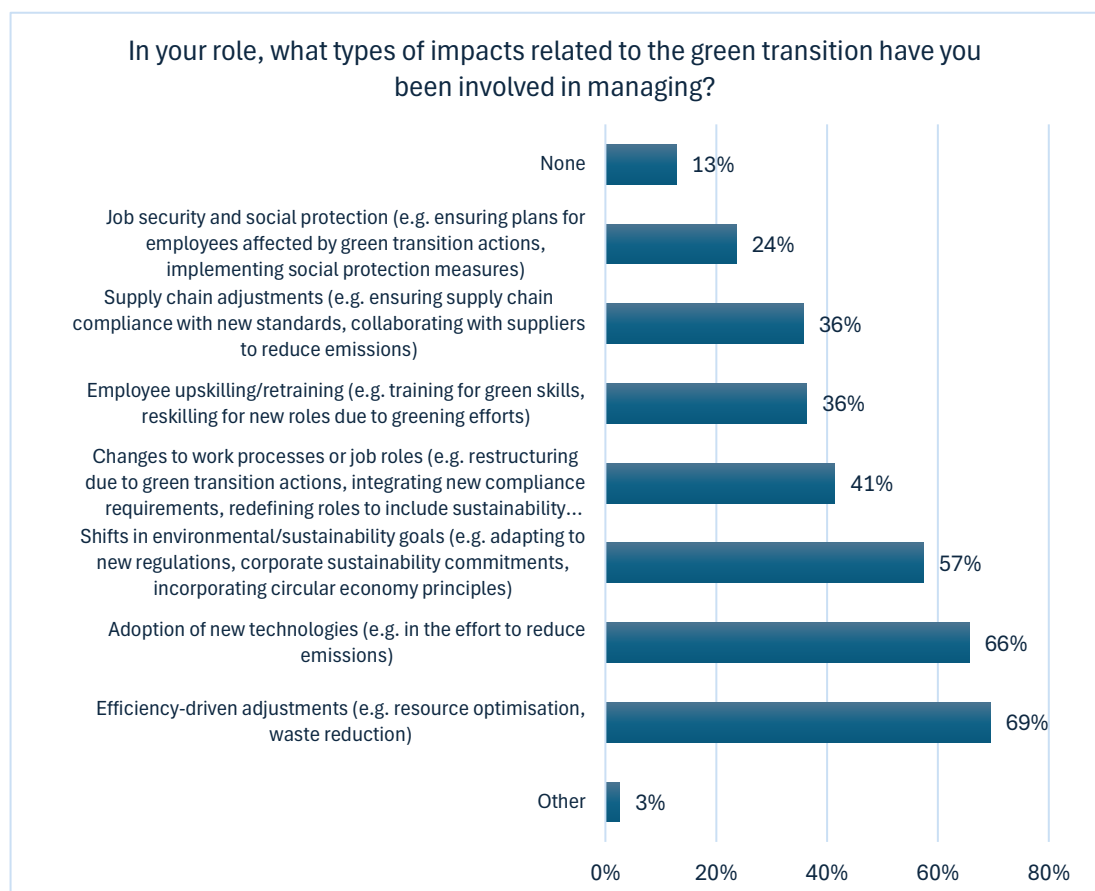
FIGURE 5.6 Involvement in actions related to the green transition



When looking at the impact of the green transition, the majority of managers are involved in improving operational efficiency and in adopting new technologies to reduce environmental impact (Figure 5.7). These are practical, process-oriented actions aimed at making operations more sustainable. A significant number are also managing changes in sustainability goals, including

alignment with new regulations or corporate commitments. Slightly more than one-third of respondents are involved in managing internal changes such as adjustments to work processes, job roles, and employee training. A similar proportion are involved in adjusting supply chains. However, fewer managers are engaged in addressing job security and social protection, indicating a potential gap in the social dimension of the transition. While 41% of managers reported that they have seen the impact of the green transition on work processes or job roles, only 36% have been involved in identifying the skilling needs of employees. This suggests a gap between recognising the social impacts of the green transition and translating them into practical actions.

FIGURE 5.7 Involvement in actions related to impacts of green transition



Social dialogue emerges as a key area of activity when it comes to actions related to social impacts of the green transition. Six out of ten managers reported facilitating social dialogue at least sometimes, and one-third do so often or always (Figure 5.6). Managers are also most confident when engaging with employees about workplace changes resulting from the green transition. However, it remains unclear what these conversations specifically address and whether they include structured discussions on social impacts.

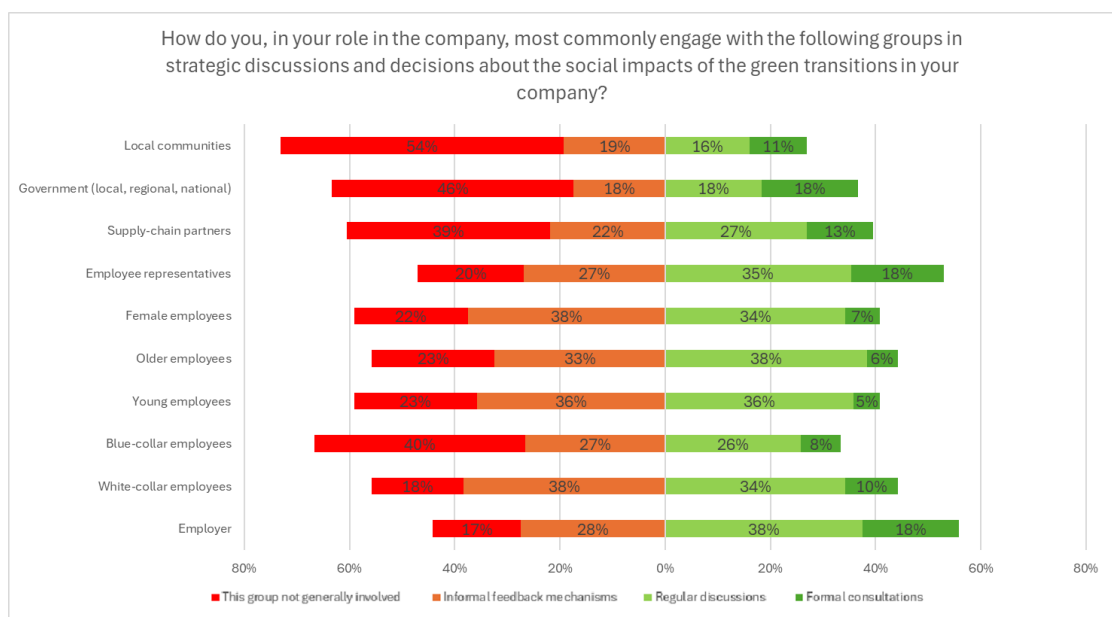
Regarding stakeholder engagement, internal stakeholders - such as employers and employee representatives - are most commonly involved. These often take the form of formal consultations or regular discussions. In contrast, external and underrepresented groups, such as local communities and blue-collar workers, are much less involved. Local communities, in particular, are



the least engaged, suggesting that many managers apply a relatively narrow interpretation of a Just Transition – this will be discussed more extensively at the end of this section.

Governments are generally not heavily involved in strategic discussions and decisions about the social impacts of the green transition. However, when they are involved, about half of the managers reported engaging with them through formal consultation mechanisms. This may reflect the presence of formal structures that facilitate such engagement, though the consistency and depth of these interactions may vary.

FIGURE 5.8 Engaging with stakeholders about social impact of green transition



When making decisions about the green transition, most respondents reported considering how different employees might be affected. The other half either do not make such decisions or do not take these factors into account (Figure a0.4 in appendices).

As illustrated in Figure 5.3, managers have the potential to act as bridge builders between employers and employees. In the context of social dialogue, managers play a crucial role by being in direct contact with both sides. This position enables them to facilitate communication, mediate interests, and support mutual understanding within the company. This role aligns closely with the principle of procedural justice, which emphasises the importance of inclusive, transparent, and participatory decision-making processes. It involves ensuring that all affected stakeholders are given a meaningful voice in shaping green transition plans and in managing concerns regarding the social impacts of this transition. In this context, managers are well placed to connect top-down strategic planning with bottom-up employee engagement, helping to ensure that transition processes are not only aligned with company goals but also responsive to the needs and experiences of all levels within the company.

To understand the limitations managers face in addressing the social impacts of the green transition, it is important to consider the key barriers they encounter in practice. The most commonly reported hindering factors are competitiveness pressures and lack of time. Other

barriers include a lack of knowledge, financial resources, and training. On the positive side, employee consultation is not widely seen as a major obstacle, and many managers express confidence in engaging with employees. However, the enabling factors suggest that this engagement does not always occur through a structured process (Figure 5.13).

FIGURE 5.9 Hindering factors



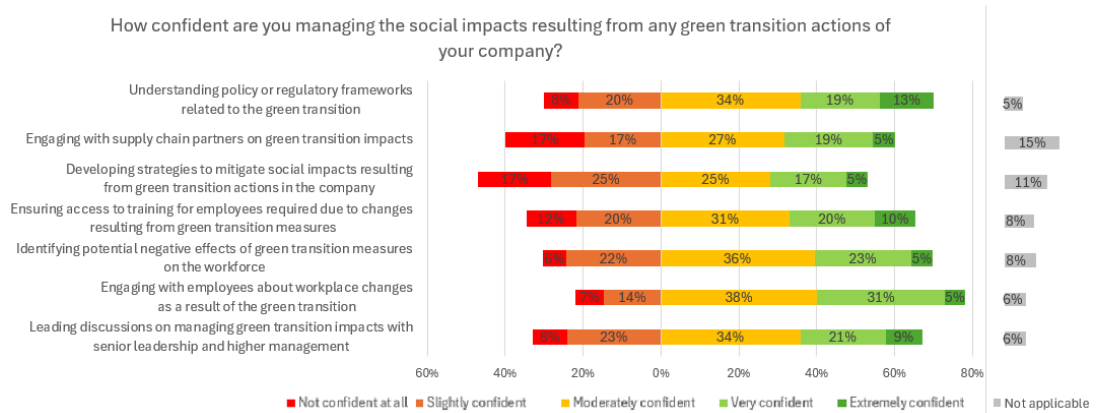
Overall, the actions taken by managers reflect a relatively narrow interpretation of a Just Transition, focused primarily on internal company processes and employee engagement. Many managers are active in facilitating social dialogue, which is consistent with its formal definition centring around interactions between employers, employees and, in some cases, government representatives. However, broader engagement with external stakeholders such as supply chain partners, and especially local communities remains least common. While not part of the formal social dialogue, these actors play a role in shaping wider social outcomes of the green transition.

5.3 Skills and tools

This section focusses the skills and tools that managers need to effectively manage the green and Just Transition, and which competencies are needed to successfully implement practices that align with the context they are operating in.

Managers express relatively high levels of confidence in managing the internal and operational aspects of the green transition. They feel most confident in engaging with employees about workplace changes resulting from the green transition, and to a lesser extent in understanding relevant policy and regulatory frameworks. However, confidence drops when it comes to strategic and externally oriented challenges. The lowest levels of confidence are seen in developing strategies to address the social impacts of the green transition and in engaging with supply chain partners. However, these areas are essential for a broader and more inclusive approach to Just Transition.

FIGURE 5.10 Confidence in managing the social impacts of green transition



There is also a clear demand for more leadership support and training. For instance, while managers have a relatively high confidence in understanding regulatory frameworks and in engaging in social dialogue with employers and employees, many managers still express a need for additional support in these areas. It is also important to note a strong need in developing the capacity to assess the economic and social impacts of the green transition, and especially in developing strategies to mitigate the social impacts of green transition actions. The lower need to engage with supply chain partners or higher management might be partly explained because this is not seen as relevant amongst all respondents.

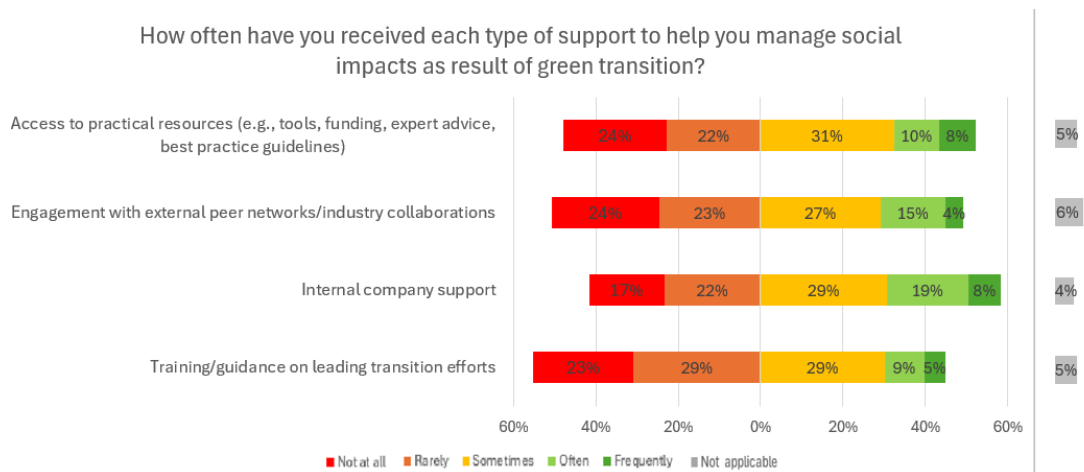
FIGURE 5.11 Need for additional support in managing the social impacts of green transition



While these findings highlight the areas where managers feel the need for additional support, it is equally important to examine how much support they currently receive in managing the social impacts of the green transition.

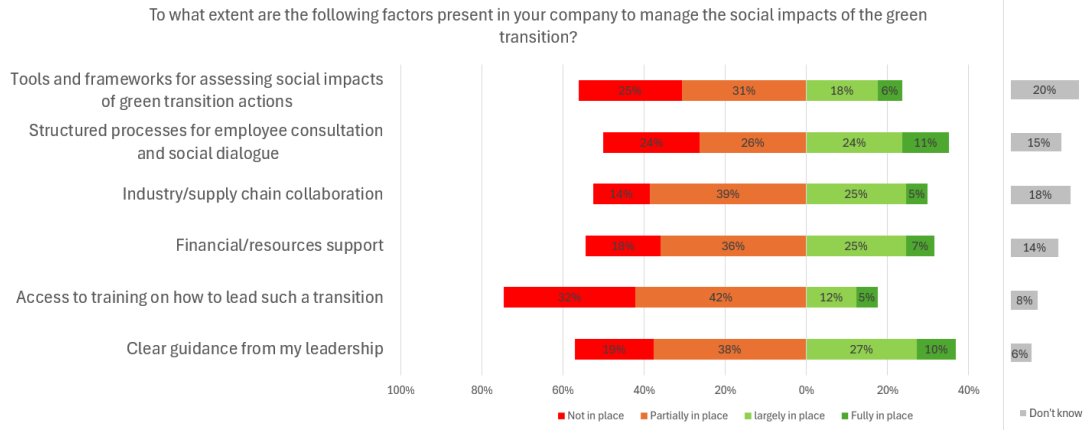
Figure 5.12 illustrates how often managers receive support in addressing the social impacts of the green transition. The findings reveal a significant gap between the perceived need for support and its availability. Most forms of support are rarely or never received, and when they are, they tend to be accessed only occasionally - described by respondents as “sometimes” rather than “often” or “frequently.” Access to formal training and guidance on how to lead a Just Transition is particularly limited. On the contrary, support tends to be rather informal, coming through guidance from leadership or social dialogue within the organisation. This lack of formal support is especially concerning given the pressures managers face. Nearly half of all respondents (48%, see Figure 5.9) mention a lack of training as a moderate to major issue, particularly in the context of managing time constraints and maintaining competitiveness during the green transition.

FIGURE 5.12 Received support in managing the social impacts of the green transition



The landscape of enabling factors that support managers in leading a Just Transition reveals areas of attention. Access to training on how to lead the green transition and address its social impacts stands out as a crucial enabling factor, which is for most managers not or only partially in place. Additionally, while some managers benefit from structured processes for employee consultation and social dialogue, and clear guidance from leadership, these supports are currently only partially in place. A minority of respondents indicate that they are largely or fully established within their organisations. More generally, there is no single enabling factor that a majority of managers identify as being already well-established in their company. This highlights a widespread need for more structured and comprehensive support structures to equip managers in navigating the complex demands of a Just Transition. Finally, managers are increasingly facing challenges that demand new leadership and management skills, particularly as the competencies required to initiate Just Transition processes may differ from those needed to sustain and adapt them over time as the organisation moves along the green transition pathway. In response to these evolving demands, some respondents specifically highlight the need for change management as a critical area of support.

FIGURE 5.13 Enabling factors



6 CONCLUSION

This study explores the pivotal role that managers play in steering the green and Just Transition within the European chemical, pharmaceutical, rubber, and plastics industries. While many leaders in the industry are working in companies that have formal green transition plans or at least have discussions on green transition actions, the social dimension of the transition remains underdeveloped - both in strategic planning and in day-to-day managerial practice.

Managers are most confident in operational aspects of the transition, such as improving efficiency and engaging employees in workplace changes. However, they face significant challenges in strategic and externally oriented areas, including developing strategies to mitigate social impacts and engaging with supply chain partners. This reflects a narrow interpretation of Just Transition, focused primarily on internal processes and employee dialogue, with limited attention to broader social justice concerns.

To move towards a more comprehensive and inclusive approach, we identified **eight possible key actions to support a Just Transition** based on the literature providing overarching frameworks and principles underpinning a Just Transition. These actions aim to help manage the green transition and its social impacts at the company level within the European chemical, pharmaceutical, rubber and plastics industry. So far, we observe that companies are primarily working on the first two steps across these sectors. However, it remains unclear how ambitious these plans truly are. Moreover, there is a growing potential for managers to play a more active role in shaping strategic decisions, suggesting that the broader implementation of net-zero objectives in the context of a Just Transition is still in its early stages.

1. Pursue an ambitious timeline to net-zero

Strategic decision-making processes are most successful when managers are actively involved from the outset, particularly in selecting technological pathways and understanding how emissions targets translate into operational changes. Encouraging early and meaningful engagement ensures that managers are well-positioned to lead their teams effectively. Clear communication of net-zero goals and progress is essential to support this role.

2. Ensure meaningful participation

Ensuring a fair and inclusive Just Transition requires meaningful participation from those affected by change. Social dialogue might play a vital role in this process, keeping in mind that the social dialogue is organised differently in each EU Member state, as is the engagement of managers in the social dialogue structure. Managers must therefore actively engage in social dialogue processes in their individual circumstances to discuss and address impacts on employment, working conditions and social protection.⁶

In addition to engaging employers and workers and their representatives, complimentary participatory approaches that go beyond formal structures of social dialogue may also bring

⁶ Consultation of employees in company decision-making is regulated by national industrial relations systems and legal frameworks. Therefore, the extent and form of participation may vary across EU member states.

benefits. Managers may need to interact with external stakeholders such as supply chain partners, local communities, training providers and sustainability experts whose involvement is also central to addressing broader social and impacts and identifying effective transition pathways.

3. Address potential regressive effects of the changes needed

While social impacts are acknowledged in formal plans, they can be overshadowed by competitiveness concerns. As a main priority, managers need the skills, better tools and guidance to assess and especially to develop successful strategies to mitigate potential regressive effects of the transition.

4. Job security and support mechanisms to adapt to changes during the transition

Few managers are currently involved in addressing job security or social protection. These areas must be prioritised to ensure that all employees can navigate the green transition with confidence and stability.

5. Promote fair work and social protection

A Just Transition needs to ensure that all employees have fair and decent working conditions and opportunities, along with social protection measures. Social dialogue plays a crucial role, and currently most managers are engaged in supporting social dialogue processes.

6. Employee development

While the need for retraining and upskilling is widely acknowledged, this research suggests that implementation of training programmes is an area for further attention and development. Managers require support not only in identifying and addressing the upskilling needs of their teams but also in developing their own competencies to lead the green transition in a socially just manner.

7. Foster cooperation across value chains

Engagement with supply chain partners about the green transition and its social impacts is not yet widely seen as applicable or necessary. Nonetheless, strengthening collaboration across the value chain represents an important opportunity for embedding social and environmental principles more broadly.

8. Monitor, evaluate, and adjust

Some managers express a need for greater support in building the capacity to monitor and evaluate the social impacts of the green transition. Strengthening this capacity for continuous evaluation and adjustment can help to ensure that transition strategies remain responsive, inclusive and effective over time.

The success of a Just Transition in the sector depends on empowering managers with the right tools, training, and especially strategic involvement. By bridging the gap between high-level goals and workplace realities, managers can become key agents of change. In this role, they can ensure that the transition towards a climate-neutral economy is not only environmentally sound but also socially fair and inclusive.

Key leadership skills for managers emerging from the research phase

The findings suggest that there is scope for strengthening leadership capacity among managers in the chemical, pharmaceutical, rubber, and plastics industries in several interconnected areas. Most managers are operating in the context of a formal green transition plan within their company, their involvement in the development of those plans is not universal, especially in translating those plans into socially equitable action. To lead effectively, managers need strong skills in strategic planning and social impact assessment in order to have the ability to assess and respond to the social consequences of transition decisions. This includes skills to anticipate how transition measures may affect employment, working conditions and groups in their teams in order to identify potential vulnerabilities, develop inclusive strategies, and align operational changes with inclusive and equitable employee support.

The findings also suggest that a lack of confidence among some managers when it comes to advising leadership on social impacts of the transition. This points to the value of not only investing in and building the technical competences to become sustainable and make the green transition, but also interpersonal and communication skills to navigate internal hierarchies and engage as bridge builders between employers and employees. Developing such skills in upward communication, strategic influence and how to frame the issues into terms that are relevant to the business case may help managers act as effective intermediaries.

Equally important are facilitation and communication skills that support inclusive, trust-building dialogue with employees. This requires managers to lead social dialogue beyond compliance. Beyond facilitation and communication skills, this also requires emotional intelligence, active listening skills and constructive consensus building skills. A critical area of development is the ability to facilitate diverse voices in decision-making processes and the soft-skill ability to connect with others.

This also demands change management skills to lead teams through uncertainty, navigating the team through disruptions that may come with the introduction of new technologies, work processes and roles. Communication skills have already been mentioned in this context. Managers also need the skills to maintain the trust of both their teams and employers through the transition process.

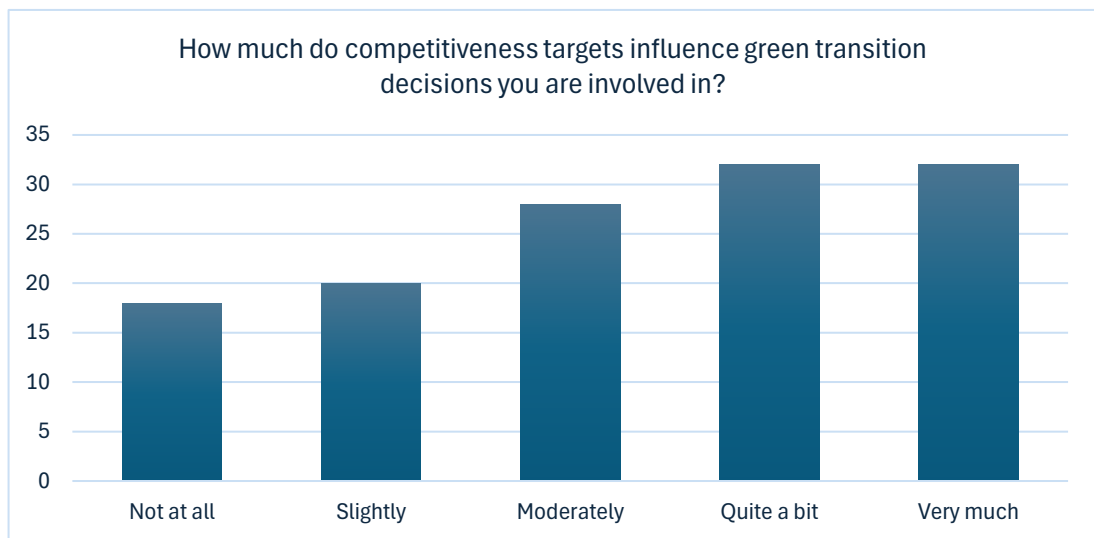
In summary, management of a green transition that is a just transition relies on a combination of skills that brings together elements of strategic planning, awareness of (potential) impacts, communication and change management.



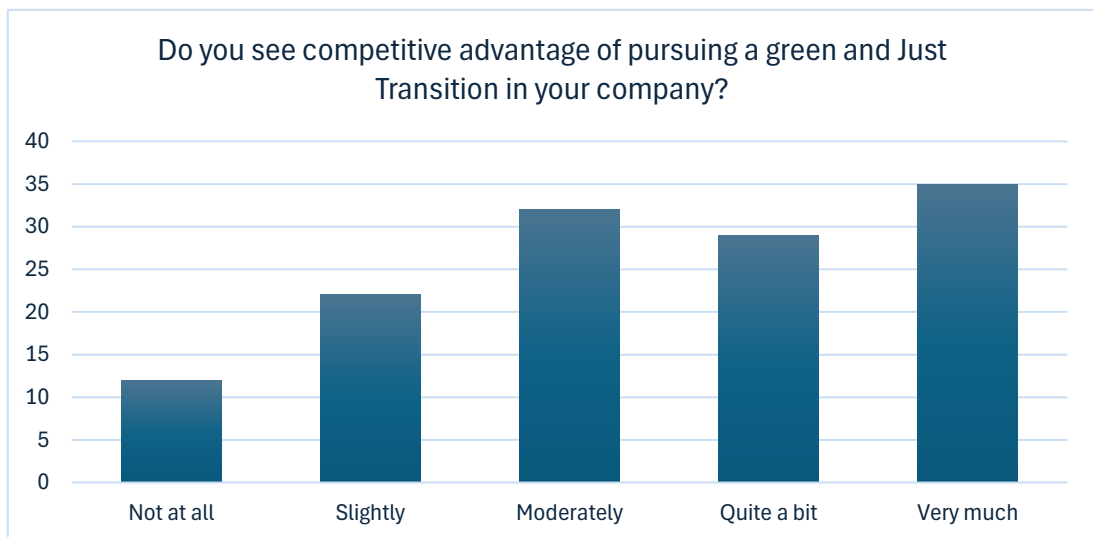
Annexes

Appendices

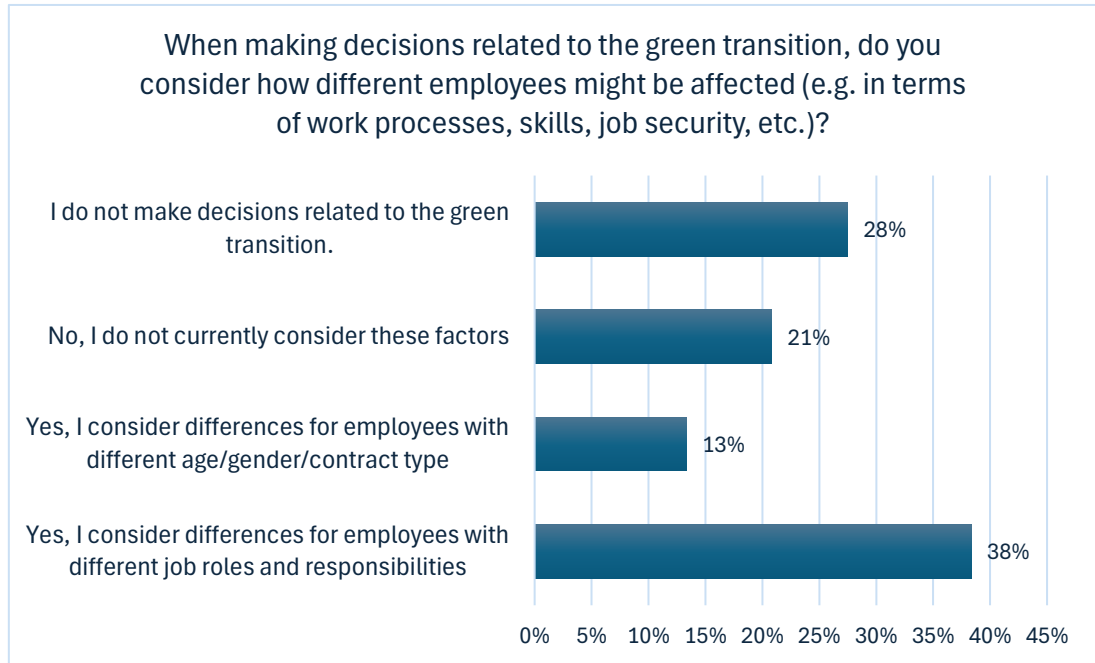
a0.1 Role of competitiveness on green transition decisions



a0.2 Green and Just Transition as competitive advantage



a0.3 Considering heterogeneous impacts on employees



a0.4 List of skills for managers

Strategic skills

- Strategic planning: Ability to align green transition goals with business operations and workforce needs.
- Strategic framing: Skills to present social issues in terms relevant to business cases and decision-making.
- Business case integration: Ability to link social and environmental goals to profitability and competitiveness.
- Vision-setting: Confidence to define and commit to a clear, long-term sustainability vision, even ahead of regulatory mandates.

Analytical skills

- Social impact assessment: Skills to evaluate how the green transition and its measures affect employment, working conditions, and vulnerable groups.
- Anticipatory thinking: Capacity to foresee potential social consequences and proactively develop inclusive strategies.
- Capability mapping: Understanding how roles and skills will evolve, and identifying future workforce needs.
- Use of frameworks and tools: Ability to apply structured tools (e.g., impact assessments, CO₂ calculators and ETS tools) to guide decisions.

Interpersonal and communication skills

- Internal advocacy: Acting as a bridge between employees and leadership to ensure inclusive perspectives are heard.
- Upward communication: Ability to advise and influence senior leadership on social impacts.
- Strategic influence: Framing social issues in ways that resonate with business priorities and leadership concerns.
- External dialogue: Engaging with external stakeholders (e.g., policymakers, suppliers) to communicate needs and consequences.

Facilitation and dialogue

- Inclusive facilitation: Leading social dialogue that goes beyond compliance to build trust and engagement.
- Active listening: Understanding diverse employee concerns and perspectives.
- Consensus building: Navigating differing views to reach constructive, shared outcomes.
- Human connection: Soft-skill of connecting with employees on a human level during times of change.
- Empathy and emotional intelligence: Recognising and responding to emotional and social dynamics within teams.

Change management

- Leading through uncertainty: Guiding teams through disruptions caused by new technologies, roles, or processes.
- Resilience and adaptability: Maintaining team morale and performance during transition phases.
- Trust maintenance and transparency: Sustaining credibility with both employees and leadership throughout the change process.
- Transformation leadership: Going beyond operational change to lead cultural and strategic transformation.

a0.5 List of existing practices

Common existing practices

- Involvement in planning the green transition within the company.
- Advocating for climate policies within the company.
- Facilitating social dialogue between employers and employees
- Improving operational efficiency to reduce environmental impact (efficiency-driven adjustments)
- Adopting new technologies for sustainability.
- Adjusting internal work processes, job roles, and employee training (reported by about one-third of managers).
- Managing changes in sustainability goals, including alignment with regulations and corporate commitments.
- Identifying reskilling and upskilling needs of employee

Less common or limited actions

- Engaging with supply chain partners to embed human rights and environmental principles.
- Advising leadership on social impacts and protection needs.
- Adjusting supply chains in response to the green transition (only a minority involved).
- Addressing job security and social protection (limited engagement).
- Monitoring social impacts within the company
- Evaluating socio-economic impacts on local communities.
- Stakeholder involvement with supply chain partners, government and least with local communities (in addition to white-collar employee and employer representatives, which is a common practice)

Other practices or actions

- Integrating sustainability into core business strategy through innovation and energy efficiency.
 - o Creating a sustainability department in your company
 - o Ensuring that sustainability is part of long-term planning
- Investing in (product) innovation and digitalisation
- Leveraging their market power to drive change in their supply chains to be more sustainable.
- Effective strategies: Six Sigma approach (management strategy to optimise production and administrative processes), best practices exchange
- Educating and engaging both blue and white-collar workers throughout the transition.

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