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the European Union?
A Draft Proposal Exercise**

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Abstract

The principle of just transition seeks to protect workers from the adverse employment and occupational impacts of industrial transformations driven by environmental objectives. This principle has gained traction in European Union (EU) law since the adoption of the European Green Deal, leading to the adoption of several legislative proposals anchoring this principle. However, the EU's approach to just transition is largely fragmented, spread across various funding tools, policy guidelines, and sectoral regulations. More and more labour voices call for the development of a rights-based just transition legal framework. Against that background, this Working Paper proposes a draft for a Just Transition Directive within the European Union. This proposal aims to contribute to the scholarly dialogue and ongoing political debates surrounding the need for an EU normative intervention. It seeks to address the gap between principle and practice by formulating binding legal provisions capable of ensuring enforceable rights and obligations for workers and communities involved in the decarbonisation of the EU economy. This Working Paper does not claim to provide definitive normative answers but may hopefully serve as a platform for further dialogue and legal experimentation, contributing to a more inclusive and equitable EU transition towards climate neutrality.

Keywords

Just Transition; Labour Rights; European Green Deal

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1. Introduction

This Working Paper is the outcome of a scholarly dialogue on the ongoing political debate surrounding a proposal for a Directive on a Just Transition within the European Union.¹ It aims to contribute to this debate by providing theoretical and normative insights into the principle of just transition. By examining its historical development, normative implications, and potential regulatory expressions, we seek to support the design of legal instruments capable of better reconciling the European Union's (EU) environmental ambition with social justice.

Although the principle of just transition has gained traction in EU policy debates and texts, it remains largely framed in aspirational or programmatic terms.² At present, the EU's approach to just transition is largely fragmented, spread across various funding tools, policy guidelines, and sectoral regulations.³ This paper seeks to address the gap between principle and practice by formulating binding legal provisions capable of ensuring enforceable rights and obligations for workers and communities involved in the decarbonisation of the EU economy.

With these objectives in mind, the Working Paper puts forward a draft text for a Directive on a Just Transition in the European Union. We recognise that this is an ambitious undertaking. We also acknowledge contrasting ideas of justice in the transition towards climate neutrality, at both the academic and policy levels.⁴ However, while we are aware that the final text of the Directive may not coincide with our proposals, we believe this Working Paper can nonetheless support the effective translation of the just transition principle into binding European legislation. Embedding a robust, rights-based conception of just transition into the EU *acquis* is essential to ensure democratic legitimacy and long-term social sustainability.

We do not claim to provide definitive normative answers, but rather hope this draft directive may serve as a platform for further dialogue and legal experimentation, contributing to a more inclusive and equitable EU transition towards climate neutrality. We ultimately hope that stakeholders involved in the policymaking process, particularly trade unions, may draw on

¹ Picard, *Proposal for a European Just Transition Directive: Improving Working Conditions for Just Transitions Though the Anticipation and Management of Change*, Friedrich Ebert Stiftung (2025).

² Two outcomes at the EU level are the creation of the Just Transition Mechanism in 2021 and the adoption by the Council of a recommendation on the topic in 2022: Regulation (EU) 2021/1056 establishing the Just Transition Fund, 24 June 2021, OJ L 231/1 30.6.2021; Council Recommendation on Ensuring a Fair Transition towards Climate Neutrality, 16 June 2022, OJ C 243/35 27.6.2022.

³ Akgüç, Arabadjieva and Galgoczi, "Why the EU's Patchy 'Just Transition' Framework Is Not up to Meeting Its Climate Ambitions", ETUI Policy Brief - European Economic, Employment and Social Policy (2022); Arabadjieva and Bogoević, "The European Green Deal: Climate Action, Social Impacts and Just Transition Safeguards", *Yearbook of European Law*, 1 (2024), 10-14.

⁴ Doorey, Eisenberg, "The Contested Boundaries of Just Transitions", Chacartegui (ed.), *Labour Law and Ecology* (Thompson Reuters 2022) 293; Eisenberg, "Just Transitions", *Southern California Law Review*, vol. 92, 273 (2019); Ghaleigh, "Just Transitions for Workers: When Climate Change Met Labour Justice" in Alan Bogg, Jacob Rowbottom and Alison L Young (eds), *The Constitution of Social Democracy: Essays in Honour of Keith Ewing* (Hart 2020) 429; Doorey, "Just Transitions Law: Putting Labour Law to Work on Climate Change", *Journal of Environmental Law and Practice*, vol. 30, 201 (2017). See also Johansson, "Just Transition as an Evolving Concept in International Climate Law", *Journal of Environmental Law*, vol. 20, 1 (2023).

some of the provisions we propose to inform and influence the drafting process led by the European Commission.

The working paper is organised in two parts. The first part is an explanatory note accompanying the draft Directive on a Just Transition in the European Union. It first outlines the theoretical foundations of the proposal and introduces its core normative concepts, before setting out the rationale for the proposed provisions and offering commentary on their content. The second part contains the normative text of the Draft Proposal for a Directive on a Just Transition in the European Union.

2. Explanatory note

Theoretical Background

Just transition. Our proposal is anchored in a labour-centred understanding of the concept of just transition. The principle of just transition seeks to protect workers from the adverse employment and occupational impacts of industrial transformations driven by environmental objectives, such as job losses, wage reductions, deteriorating working conditions, geographical relocation, or new occupational risks in emerging sectors. In line with the International Labour Organisation (ILO) Guidelines for a Just Transition,⁵ trade unions and labour scholars have long advocated for social measures to ensure that workers are not left behind and do not bear a disproportionate share of the costs of the transition toward climate neutrality. These measures include active and passive labour market policies (income support, redundancy schemes, universal basic income), job-to-job transition assistance, upskilling and reskilling, geographical mobility support, and the promotion of social dialogue to anticipate industrial change. However, a just transition policy is not a mere compensatory mechanism. Rooted in social movements and trade union struggles, it embodies a broader and transformative vision of environmental and social justice and economic democracy.⁶

Rejecting the labour vs. environment trade-off. Critical approaches to just transition have consistently rejected the false dichotomy between jobs and the environment. Trade unions have historically advanced a vision of just transition that combines high environmental ambition with strong social protections, often through alliances with communities and environmental groups.⁷ Their position asserts that just as environmental change must not come at the expense of workers, the pursuit of social justice must not justify environmental degradation. This reveals that labour–environment conflicts are not inevitable but rather socially and legally constructed.⁸ Legal institutions, including labour law, are embedded within

⁵ ILO, *Guidelines for a Just Transition towards Environmentally Sustainable Economies and Societies for All* (2015).

⁶ Stevis, *Just Transitions: Promise and Contestation*, (Cambridge University Press 2023).

⁷ Rosenberg, “No Jobs on a Dead Planet”: The International Trade Union Movement and Just Transition”, in E. Morena, D. Krause and D. Stevis (eds.), *Just Transitions - Social Justice in the Shift Towards a Low-Carbon World* (PlutoPress 2020).

⁸ Räthzel and Uzzell, “Mending the breach between labour and nature - A case for environmental labour studies”, in Räthzel and Uzzell (eds.), *Trade Unions in the Green Economy: Working for the Environment* (Routledge 2012).

and sustain growth-dependent production systems that have contributed to the climate crisis.⁹ Labour–environment tensions arise not from the goal of building a climate-neutral economy, but from the ways in which transitions are organised, particularly by actors pursuing profit maximisation and the externalisation of social and environmental costs.¹⁰ Our proposal explicitly challenges these structures by rejecting any prescribed trade-off between labour rights and environmental protection.

Worker freedom and environmental sustainability. Our proposal is premised on the idea that the conflict between labour and the environment does not exist in nature. It materialises when workers have no option but to work in ways that contribute to environmental degradation.¹¹ We are convinced that the jobs vs. environment blackmail is not only a question of equality, but also of labour emancipation and human freedom. Placing workers in a position where they must choose between work and health, or a healthy environment, stands in opposition to the idea of a just transition. Lack of emancipation, economic constraints, and limited choice and agency are incongruent with a progressive understanding of a just transition. On the contrary, if we were in a hypothetical state of nature – meaning a condition of absolute freedom of individual choice and equality among rational people, disregarding their real-life status – the moral and rational criterion guiding individual decisions would be oriented toward environmental sustainability. In a condition of full freedom of choice, and all else being equal, free workers would choose socially and environmentally meaningful activities. Our idea of the just transition principle is therefore deeply rooted in both the values of equality and freedom, emphasising that workers, their families, and local communities should be empowered to freely choose environmental sustainability. At minimum, they should not be forced to choose between decent work and environmental sustainability. In this connection, the principle of just transition is fully consistent with the fundamental principle of labour law, according to which “labour is not a commodity”.

Worker’s voice and empowerment. Worker participation is a key component for worker empowerment and emancipation. Past experiences of labour’s struggles for a just transition demonstrate the importance of workers’ empowerment to overcome apparent conflicts between labour and the environment.¹² Involving workers in transition processes is not just a question of public acceptance of environmental decisions. Workers’ participation substantially improves transition strategies from both a social and an environmental perspective.¹³ In cases where companies or public authorities develop transition strategies, worker participation is

⁹ Deakin, “Labour Law and the ‘Capitalocene’: Law, Work and Nature in the Ecological Long Durée”, *International Journal of Comparative Labour Law and Industrial Relations*, vol. 39, 281 (2023).

¹⁰ Tomassetti, “From Treadmill of Production to Just Transition and Beyond”, *European Journal of Industrial Relations*, vol. 26(4), 439 (2020).

¹¹ Tomassetti, “Labor Law and Environmental Sustainability”, *Comparative Labor Law & Policy Journal*, vol. 40(1), 61 (2018).

¹² Galgóczi, “Just Transition on the Ground: Challenges and Opportunities for Social Dialogue”, *European Journal of Industrial Relations*, vol. 26, 367 (2020). See also Stevis (*supra* n 6).

¹³ Armeni, “What Justice? The Scope for Public Participation in the European Union Just Transition”, *Common Market Law Review*, vol. 60, 1027 (2023); Novitz, “A just transition for labour: how to enable collective voice from the world of work”, *Giornale di Diritto del Lavoro e di Relazioni Industriali*, Vol. 177/178, 55 (2023); Novitz, “Engagement With Sustainability at the International Labour Organization and Wider Implications for Collective Worker Voice”, *International Labour Review*, vol. 159(4) 463 (2020).

crucial to adequately addressing employment consequences and brings specific knowledge and long-term perspectives that enhance the environmental dimension of the strategy.¹⁴ Nonetheless, workers' participation should not only be a reactive and passive process. A progressive interpretation of the idea of justice in the transition towards climate neutrality implies focusing on the outcomes of the transition, i.e., building a just society in which labour and natural resources are not exploited for economic purposes but serve the purpose of social and ecological reproduction.¹⁵ When the involvement of workers and their representatives is denied, worker mobilisation can drive restructuring processes. Workers have direct interests in climate change mitigation, both at the professional and personal levels. Far beyond the "no jobs on a dead planet" claim, workers are also among the first victims of climate change at the workplace (e.g., heatwaves) and in its social implications (e.g., water shortages, rising prices).¹⁶ Despite ongoing reduction in trade union membership in Western economies, trade unions remain the largest social movement worldwide and "long-standing opponents of capital",¹⁷ which places them in a powerful position to push for environmental protection. In other words, worker empowerment not only makes the green transition more just but can also make it happen. This proposal seeks to design legal instruments that create the conditions for workers and their representatives to deconstruct labour vs. environment conflicts and to shape the eco-social industrial transformations needed to achieve the transition to climate neutrality and to an equitable and democratised society.

A global and inclusive just transition. Trade unions did not promote the idea of just transition alone. Since the emergence of the concept in the 1970s, just transition struggles have relied on alliances between workers, local communities, and environmental movements. It is also a broad coalition of social movements, led by the International Trade Union Confederation (ITUC), that secured the inclusion of the just transition concept in the Paris Agreement in 2015.¹⁸ However, dominant approaches – including the ILO's one – have been criticised for overlooking precarious, informal, or marginalised workers, particularly in green sectors or outside the Global North.¹⁹ Focusing primarily on industrial workers in standard employment can inadvertently reinforce existing inequalities, especially in regions or sectors with weaker collective representation.²⁰ Trade unions increasingly recognise these limits and link just transition to broader social justice concerns. Moreover, the EU's reliance on global value

¹⁴ Chacartegui, "Workers' Participation and Green Governance", *Comparative Labor Law & Policy Journal*, vol. 40(1), 89 (2018).

¹⁵ Tomassetti, "Energy Transition: a Labour Law Retrospective", *Industrial Law Journal*, vol. 52(1), 34 (2023).

¹⁶ Hampton, *Workers and Trade Unions for Climate Solidarity: Tackling Climate Change in a Neoliberal World* (Routledge 2015), 186.

¹⁷ Galgóczi, *supra* n 12, 372.

¹⁸ Rosemberg, *supra* n 7.

¹⁹ On the link between the just transition and racial justice, see, for example: Kennedy, "Equitable, Sustainable, and Just: A Transition Framework", *Arizona Law Review*, vol. 64, 1045 (2022). For broader critical reflections on the labour-environment nexus, see Zbyszewska, Maximo, "Rethinking the Labour-Environment (Land) Nexus: Beyond Coloniality, Towards New Epistemologies for Labour Law", *International Journal of Comparative Labour Law and Industrial Relations*, vol. 39, 293 (2023).

²⁰ See, for example, Gomes, Verma, Guimares, "Life With Rights: Inclusive Labour Law and Decent Work for Wastepickers in Brazil", *International Journal of Comparative Labour Law and Industrial Relations*, vol. 39, 359 (2023) and Olmos Giupponi, "Just Transition in the Global South: Alternative Approaches from Latin America", *International Journal of Comparative Labour Law and Industrial Relations*, vol. 39, 381 (2023).

chains for net-zero technologies raises questions of transnational fairness and the extraterritorial impact of its climate policies. A just transition for EU-based workers must not come at the cost of workers elsewhere. Echoing Tonia Novitz, “we do not really have the luxury of thinking whether we can do better by focussing only on a domestic level.”²¹

The need for EU-level legal intervention. The EU’s Green Deal embraces the principle of just transition and proclaims that no one should be left behind.²² While initiatives such as the Just Transition Fund reflect this ambition, current legal frameworks have not prevented job losses and other occupational risks, nor have they adequately supported workers involved in the decarbonisation of the EU society. This is particularly evident in sectors like automotive manufacturing.²³ Environmental restructuring is underway, but the transition itself is lagging. For instance, growth in renewable energy has not consistently replaced fossil fuel capacity. A market-driven approach, focused on incentivising firms, has proven insufficient. Moreover, promising green projects have been abandoned when companies disengage, undermining both climate and employment goals. Trade unions and labour scholars increasingly identify the limitations and inconsistencies of current EU frameworks.²⁴ They have called for a legally binding directive to secure a right-based just transition.²⁵ This proposal responds to that call, drawing from concrete trade union proposals and academic research.

The specificity of climate change. Unlike other industrial transformations driven by technological innovation or competition, the transition to climate neutrality is a public interest imperative. Environmental restructuring differs from other forms of restructuring in that its ultimate goal is not merely economic growth or competitiveness, but the decarbonisation of EU society in line with the climate targets set by the Paris Agreement and the concurrent European Green Deal. Nonetheless, it poses equally serious risks to employment and requires a rethinking of both trade union strategies and labour law itself.²⁶ The climate imperative to phasing out fossil fuels and decarbonising our societies demands a targeted legal response – one “capable of reconfiguration and responsiveness to the distinctive and changing landscapes of need and injustice that continually emerge in every historical period and place”.²⁷ While parallels can be drawn with other ongoing transitions (e.g. digitalisation),²⁸ conflating them risks diluting the urgency and specificity of the climate challenge, and the

²¹ Novitz, “The Future Challenges in Labour Environmental Protection: Going Beyond Borders”, *Revista Catalana de Dret Ambiental*, vol. 16, 1 (2025) at 14.

²² European Commission, Communication The European Green Deal, COM(2019) 640 final, 11 December 2019.

²³ Galgóczi (ed.), *On the Way to Electromobility – a Green(Er) but More Unequal Future?* (ETUI 2023).

²⁴ *Supra* n 3.

²⁵ ETUC, *Position for A Just Transition Legal Framework to Complement the Fit for 55 Package* (2021); IndustriALL, *Nothing About Us Without Us – A Just Transition Manifesto* (2022).

²⁶ Canalda, “The European Green Deal: A Useful Framework for Anticipating Change in Companies?”, *International Journal of Comparative Labour Law and Industrial Relations*, vol. 39, 419 (2023).

²⁷ Flanagan, “Just Cessation: How Might the Climate Imperative to Phase Out Fossil Fuel Extraction Reshape the Concept of Just Transition?”, *International Journal of Comparative Labour Law and Industrial Relations*, vol. 39, 393 (2023) at 417.

²⁸ Aloisi, “Integrating the EU Twin (Green and Digital) Transition Synergies, Tensions and Pathways for the Future of Work”, *JRC Working Papers Series on Labour, Education and Technology 2025/01* (European Commission 2025). See also Picard, *supra* n 1.

concurrent need to deconstruct the labour vs. environment dilemma. Our proposal, therefore, focuses exclusively on climate-driven industrial restructuring.

The legal basis. The legal basis for this Directive is Article 153 of the Treaty on the Functioning of the European Union. In particular, point (b) of Article 153(2), in conjunction with points (a) to (j) of Article 153(1), provides the Union with the competence to support and complement Member States' actions in the fields of improving the working environment to protect workers' health and safety; working conditions; social security and protection; protection of workers where their employment contract is terminated; the information and consultation of workers; representation and collective defense of workers' interests; and the integration of persons excluded from the labour market. This Directive seeks to set common minimum standards that ensure the effective enjoyment of the right to a just transition in the context of climate change mitigation and environmental restructuring, falling squarely within those competences.

Presentation of the Proposal

Drafting Approach. This proposal builds on instruments frequently advocated by trade unions and supported by empirical evidence from past transition experiences analysed in labour literature. It integrates a wide array of measures – ranging from income support and early retirement schemes to retraining programmes and job-to-job transition support – complemented by tools for the anticipation of change, including workers' rights to information and consultation. These employment and social safeguards are designed to accompany a structural economic change: the decarbonisation of the EU economy and the building of a more just society where labour and environmental sustainability go hand in hand. They are embedded within a broader vision of industrial planning at company, sectoral, regional, and national levels, and supported by increased public investment to diversify economies and develop green sectors. Each provision of the draft directive aims to strengthen worker agency and freedom by guaranteeing access to quality employment alternatives while contributing to climate and environmental goals. Central to this vision is the recognition of a right to a just transition, made operational through legal duties for employers, public authorities, and social partners. The proposal also ensures the systematic involvement of social dialogue and collective bargaining mechanisms. The drafting process has been particularly attentive to three critical shortcomings frequently identified in the current debate on just transition:

1. The gap between policy ambition and actual environmental restructuring, amid growing environmental backlash in the EU.
2. The emergence of new occupational risks in green industries, including those linked to global value chains and affecting workers beyond the EU.
3. The risk of ineffective implementation in sectors or territories with weaker social dialogue and social protection systems.

While this directive proposal does not claim to offer exhaustive solutions to these challenges, it introduces provisions designed to mitigate them. For instance, it enhances the role of public intervention when companies fail to deliver on transition objectives, and it links social dialogue with other participatory forms involving workers and local communities.

Recitals. The recitals of the directive frame the normative and legal rationale behind the proposed articles. Recitals 1 to 5 reaffirm the EU's international commitments to a green and just transition and its legally binding objective of achieving climate neutrality by 2050 in a way

that "leaves no one behind." Recital 6 highlights the shortcomings of existing EU measures and stresses the necessity for stronger legal intervention at both EU and national levels. Recitals 7 and 8 introduce the core principle underpinning the directive: the recognition of a right to a just transition. This includes a clear rejection of the so-called "jobs vs. environment" blackmail, which forces workers to choose between their livelihoods and environmental sustainability. Recitals 9 to 14 outline the operational tools for implementing this right, such as transition planning obligations and the establishment of national just transition funds. Recitals 15 and 16 provide interpretative guidance, making clear that the directive must not weaken existing social or environmental standards, and should allow for the adoption of more favourable national measures.

Articles 1 and 2. Articles 1 and 2 define the objective and personal scope of the directive. The purpose is to ensure the protection of persons affected by environmental restructuring processes or transition plans aimed at climate change mitigation. This purpose targeted on social issues does not contradict the goal of proposing a text aligned with ambitious climate objectives, but underscores the need for a legal intervention aimed at addressing the labour dimensions of the transition. The directive adopts a broad and inclusive scope. "Persons" includes not only employees, but also public sector workers, self-employed individuals, trainees, volunteers, and unemployed persons (including job seekers). Informal workers – including those in undeclared or irregular forms of labour – are often among the most vulnerable to job displacement and least protected by existing social and labour market policies. This Directive should therefore apply, to the extent possible, to such persons, with a view to ensuring that transition-related support measures and participatory mechanisms do not exacerbate existing inequalities but instead contribute to the formalisation of work and the extension of rights and protections to all workers. Article 2(2) clarifies that the directive operates independently of territorial limitations set by the Just Transition Fund (JTF); it applies to all affected persons, including those within JTF-eligible regions and beyond.

Article 3. Article 3 provides a definition of the just transition principle centred on addressing employment and occupational impacts of environmental and climate-driven restructuring. It underlines the essential role of worker participation and affirms the compatibility of just transition with climate mitigation goals. The article then provides definitions for the four key elements of the principle of just transition: environmental restructuring, i.e., industrial restructuring induced by environmental objectives or obligations; transition plans for climate change mitigation, i.e., plans through which companies organise their transformation towards complying with the net-zero objective, including mandatory plans under EU law; and employment and occupational implications, i.e., the quantitative and qualitative consequences for workers of these transformations on employment and working conditions, including both health and safety and the organisation of work.

Articles 4, 5, and 6. Our proposal recognises an effective right to a just transition in both its individual and collective dimensions. At each of these levels, the text reiterates the core idea underpinning the principle of just transition: the process should not leave behind any persons, groups, or territories, as frequently stated in EU law. This principle stands in opposition to the logic of job blackmail, whereby individuals or groups are forced to choose between decent work (or economic opportunities and development) and health and environmental sustainability. The recognition of a collective dimension stems from the fact that the most

complex just transition conflicts often have crucial territorial components. Polluting activities affect not only workers but also their families and local communities. Job blackmail frequently arises in territories with limited economic diversification, where a lack of alternative employment options deepens dependence on polluting industries. At the individual level, the right to a just transition includes the right to remain in employment or to access employment under fair and decent conditions (Article 4). Yet this is often only achievable when the area also offers a healthy environment, accessible public services, and diverse employment opportunities – elements that fall within the collective dimension of the right to a just transition (Article 5). To make this right effective, its recognition must be matched by reciprocal duties for Member States, companies, and social partners. This includes the adoption of the various instruments detailed in the proposal (Article 6(2)), as well as adherence to two overarching principles. First, the implementation of these measures must be fully compatible with environmental objectives. Second, they must ensure that workers and communities have the possibility to remain in their current geographical area of employment and/or residence. This second element reflects a “right to stay,” as demanded by trade unions, without which just transition measures risk pushing workers and persons engaged in informal or non-declared work into unwanted geographical mobility for training or employment.

Article 7. Before outlining the measures needed to ensure a right to a just transition for workers, their families, and local communities, Article 7 identifies two enabling conditions: well-functioning social dialogue and robust social protection institutions. The commitment to strengthening both is a recurring feature in just transition proposals. Indeed, all measures designed to support job-to-job transitions or to anticipate change through worker involvement rely heavily on the quality of existing labour and social institutions. While such measures may require only marginal adaptations to current systems, their effectiveness depends on institutional strength and coordination. This is why the proposal refers to the three Council Recommendations that have begun to explore the intersections between the green transition, employment policies, and social protection systems. More broadly, enhancing social dialogue and social protection aligns with an understanding of just transition as a principle ultimately aimed at fostering greater social justice. This approach helps to address two potential shortcomings of the principle of just transition. First, it complements targeted support for workers directly affected by industrial change with universal measures that also benefit those less directly impacted but equally or even more vulnerable. Second, while still limited, it represents an initial step toward ensuring that just transition measures do not deepen inequalities between areas and sectors with strong collective worker organisations and those without.

Article 8. From Article 8 onwards, the proposal sets out the instruments that Member States must establish to make the right to a just transition effective. These instruments – widely supported by trade unions and the labour law literature – follow a logic of anticipation and prevention of employment and occupational impacts. They include: the anticipation of change (Article 8), planning (Article 9), and the implementation of adequate labour market policies (Article 10), all supported by the creation of just transition funds (Article 11). Article 8 addresses workers’ information and consultation rights specifically in the context of the transition. Since information and participation are essential to anticipating change, these rights are recognised at all levels (national, regional, sectoral, and company). In addition, Article 8 promotes the role of collective bargaining not only in shaping how information and consultation rights are

exercised, but also in the negotiation of just transition plans, which Article 9 requires companies to adopt.

Article 9. The proposal introduces a duty for companies to anticipate, prevent, and mitigate the social consequences of their environmentally driven restructurings (Article 9(1)). This duty constitutes a reciprocal obligation to the right to a just transition. To implement it, Article 9(2) requires companies planning such restructurings to draft a just transition plan and keep it updated throughout the process. The provision also aligns this obligation with existing EU law. For companies already subject to other planning requirements, such as those under the so-called *Sustainability Reporting* or *Corporate Sustainability Due Diligence* Directives, the proposal allows integration of these various plans into a single, coherent strategy. Three elements of Article 9 address potential shortcomings of the principle of just transition. First, companies must not limit their just transition plans to sectors in decline or undergoing transformation, but also include emerging green activities, which may pose new occupational risks. Second, companies are required to assess and, where necessary, prevent risks arising along their value chains. Although this provision is limited in scope, it helps to prevent green and just transition measures within the EU from having adverse effects on workers beyond its borders. Third, Article 9(3) imposes specific obligations on companies holding a monopsonistic position. In such cases, where the effectiveness of the individual right to a just transition depends significantly on collective and territorial factors as well as local economic diversification, companies must identify and address the territorial impacts of the planned restructuring. Their plans must explicitly include the collective dimension of the right to a just transition. Member States are required to provide technical assistance where needed and ensure cooperation with relevant local stakeholders.

Article 10. The purpose of anticipating change and planning is to prevent, as far as possible, the adverse employment and occupational consequences of the transition. However, as highly greenhouse gas-emitting activities must be phased out or transformed, job losses and significant occupational shifts are inevitable. This does not imply, however, that collective dismissals are unavoidable. On the contrary, Article 10 requires Member States and companies to treat collective dismissals as a last resort, prioritising instead the development of labour market policies and adequate employment instruments. While the article also provides support measures in the event of dismissals (Article 10(3)), its primary focus is on alternatives. The two main instruments emphasised are paid working-time reduction and paid training for up-skilling or reskilling. They are both expected to facilitate occupational transitions towards green jobs while reducing unemployment risks. Ensuring adequate remuneration for workers engaged in training or reduced working hours is crucial to preserving their agency throughout the transition. To enforce the obligation to avoid dismissals, the proposal prohibits Member States from providing financial support to companies that fail to comply with this principle. Additionally, it introduces a duty for companies to consider alternative transition plans proposed by worker representatives or civil society movements (Article 10(2)). This provision draws on experiences from just transition movements across the EU,²⁹ where grassroots actors have developed valuable transition plans that have not always been

²⁹ See for example the GKN case in Campi Bisenzio, Florence, Italy: Andretta, Imperatore, “Towards an Ecological Transition from below: Insights from a Workers’ Mobilization in the Automotive Sector”, *Acta Politica* (2024).

adequately considered despite often reflecting stronger social and environmental ambitions. Notably, recognising such grassroots planning initiatives and forms of property-owning democracy may help compensate for the absence or weakness of institutionalised social dialogue or formal worker representation.

Article 11. Article 11 provides for the establishment of just transition funds as a key financial mechanism to ensure the effective implementation of the right to a just transition and the exercise of related workers' rights under this Directive. These funds are to be jointly established and governed by employers' and workers' representatives, either on an economy-wide or sectoral basis, through collective agreements. The funding structure reflects a shared responsibility model between employers and workers: the fund is financed through a levy on employers and a percentage contribution from workers, with specific amounts determined by the social partners within the founding agreement. This co-financing model draws inspiration from existing bilateral institutions in some EU countries, such as interprofessional training funds, which may be adapted for this purpose. The operation of the just transition funds is based on the principle of solidarity: companies and workers not affected by environmental restructuring or transition plans for climate change mitigation contribute to the just transition of those workers and communities that are. To guarantee financial stability and broad access to transition support, Article 11 requires that any financial shortfall in the fund be covered by the Member State concerned. Furthermore, in situations where such funds are not established, the financial burden falls directly on individual employers to cover the costs associated with workers' just transition rights, including retraining, job-to-job transition support, and other relevant measures. This provision ensures that financial support for a just transition is not left to the discretion of employers or reliant solely on public funding. Instead, it creates a structured, anticipatory, and collectively governed mechanism that reflects the social partnership at the heart of the EU social model. Doing so reinforces the collective dimension of just transition, operationalises solidarity in funding transitional protections, and enables long-term planning of eco-social investments at both sectoral and economy-wide levels.

Article 12. Article 12 establishes a threefold enforcement mechanism to ensure effective compliance with the Directive. First, in cases of non-compliance, Member States must apply a pecuniary sanction by doubling the employer's contribution to the just transition fund for six months. Persistent non-payment triggers a naming-and-shaming measure through a public statement identifying the company and the nature of the breach. Second, companies must put in place a transparent and accessible complaints procedure enabling workers, their representatives, and other stakeholders to report violations. This may be integrated with existing mechanisms under the Corporate Sustainability Due Diligence Directive, where applicable. Companies must also protect whistleblowers from retaliation by ensuring confidentiality. Third, the European Commission will establish a single helpdesk offering guidance and support to companies. National authorities and social partners will collaborate to tailor and disseminate information at the national level. Together, these measures are expected to promote accountability, access to remedies, and administrative support for the implementation of the Directive.

3. Draft Proposal for a Directive on a Just Transition within the European Union

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular point (b) of Article 153(2), in conjunction with points (a) to (j) of Article 153(1) thereof,

Having regard to ...

Having regard to

Having regard to ...

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The existential threat posed by climate change requires enhanced ambition and increased climate action by the Union and the Member States. The Union is committed to stepping up efforts to tackle climate change and to delivering on the implementation of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change. Tackling climate change must go hand in hand with preserving biodiversity and communities' modes of existence worldwide, to ultimately contribute to human health and well-being, as well as social, climate and environmental justice.

(2) The European Green Deal, as presented in the Communication from the Commission of 11 December 2019, sets out a roadmap for making the EU's economy sustainable by turning climate and environmental challenges into opportunities and ensuring that the transition is fair and inclusive for all. Regulation (EU) 2021/1119 of the European Parliament and of the Council (the "European Climate Law") establishes the legal framework to achieve climate neutrality in the Union by 2050, and sets a binding intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels.

(3) The transition to climate neutrality, while necessary, entails profound structural changes in labour markets and regional economies, and will affect workers, communities, and economic sectors in different ways, requiring comprehensive social and labour measures to prevent adverse impacts and promote cohesion. In 2015, the International Labour Organisation (ILO) adopted the Guidelines for a Just Transition. The Guidelines encourage the adoption of comprehensive and coherent policy packages to address the risks for workers associated with the transition towards climate neutrality. They emphasise the crucial role that workers' representatives play in environmental transitions through social dialogue and collective bargaining. The Paris Agreement underlines the need for the transition towards climate neutrality to be a just transition for the workforce. The EU has signed the two declarations adopted within the United Nations Framework Convention on Climate Change, which have followed: the Silesia Declaration in 2018 and the Declaration supporting the conditions for a just transition internationally in 2021. The two declarations recognise the key role of workers, their representatives and local communities in managing the transition in a fair way, as well as the importance of the transition towards climate neutrality to contribute to social justice through ensuring decent work for all, including the most vulnerable groups. In the European Climate Law, the EU commits to ensuring a just and socially fair transition for all.

(4) The Union has established the Just Transition Mechanism, including the Just Transition Fund established on 24 June 2021 by Regulation (EU) 2021/1056 to provide targeted financial and technical support to the regions and sectors most affected by the transition, and to promote economic diversification, re-skilling, and inclusive development.

(5) The Council Recommendation of 16 March 2023 on ensuring a fair transition towards climate neutrality (2023/C 80/01) invites Member States to adopt integrated policy frameworks that combine climate action with employment support, education and training, social protection, and social dialogue.

(6) However, the existing framework does not yet establish binding obligations at the company and sectoral levels to guarantee workers' rights to a just transition in the face of environmental restructuring and corporate transition planning. Moreover, despite incentivising measures and engagement of social partners and economic actors, environmental transformations are not yet taking place at the pace that would guarantee achieving climate neutrality by 2050. Many Member States are not achieving their climate and environmental objectives, including sectoral ones, and levels of public and private investment for the transition are still not ambitious enough. At the same time, local transition plans or projects do not always find adequate financial and public support. A just transition requires combining social instruments with industrial public intervention where necessary. Greater public engagement is needed when companies do not, or are not able to, deliver on their environmental objectives, or to do so in a just way.

(7) A legally enforceable right to just transition, underpinned by common minimum standards across the Union, is necessary to protect persons affected by climate-related labour market disruptions, ensure the alignment of transition policies with decent work principles, and uphold the value of social justice. The right to just transition requires, to be made effective, the recognition of duties for public authorities, undertakings and social partners, including legally binding obligations.

(8) The right to just transition guarantees workers and communities not to be placed in a condition to choose between the right to a decent job and the right to health and environmental sustainability. The right to a just transition necessarily has an individual and a collective level. A just transition requires affected workers to be able to stay in employment or transition to new occupations. However, job-to-job transitions cannot be just for workers if employment conditions are not fair and decent, if workers or communities are forced to leave the territory they live in, or if this territory is deprived of access to public services or diverse economic opportunities. At the individual level, the right to a just transition guarantees workers and job seekers access to fair and decent employment. At the collective level, it guarantees economic diversification, accessible social services and a healthy environment in all territories, especially the most affected by the transition.

(9) Strong and well-functioning social dialogue and social protection institutions are necessary for a just transition. Social dialogue and collective bargaining are key to anticipate, prevent and mitigate the effects of the transition on employment at all levels, as well as to develop long-term oriented transition plans for companies and industrial sectors. Social protection schemes and services for job seekers, including unemployment benefits, guarantee minimal support for all workers and are crucial institutions on which Member States can build targeted measures fit for supporting workers affected by the transition towards climate neutrality.

(9) The recognition of a right to a just transition prevents deindustrialisation in Europe. It encourages transition strategies that preserve industrial yet carbon-neutral jobs and competencies through early planning. Measures to make the right to a just transition effective

should include access to quality training and education, active labour market policies, fair income replacement, early retirement schemes, and equal treatment of all categories of workers, including non-standard and self-employed workers, trainees, volunteers, jobseekers, and persons engaged in informal or non-declared work. In all cases, individual or collective dismissals shall be considered of last resort.

(10) Companies should be required to anticipate restructuring through the development and publication of just transition plans, in close consultation with workers' representatives, and to implement these plans in accordance with social dialogue and collective bargaining principles. Member States should actively support the implementation of just transition plans, including through EU funding, as rapid industrial transformation requires significant investment for companies. Across the EU, trade unions and civil society movements have often joined forces to develop company, sectoral or territorial transition plans as alternatives to companies' ones or when companies failed to do so. In cases in which such plans exist and provide for equal or higher environmental ambitions and lead to lesser job losses, companies should meaningfully engage with the stakeholders involved in the planning process, including through collective bargaining.

(11) Industrial restructuring or transitions of companies that are among the largest employers of a territory put workers and local communities in particularly vulnerable positions. Such industrial transformations directly affect the level of local employment, potentially limiting the possibility of workers to freely participate in the transition process. Lack of local employment opportunities, especially in the present context of ongoing deindustrialisation in the EU, can fuel workers' reluctance to support environmental industrial transformation. Successful and just industrial transformation of larger companies necessitates careful and extended considerations for their impacts on the territory, taking into account their supply and subcontracting chain. Companies in such monopsonistic position should thus assess the impact of their transition plan on the territory in which they operate that corresponds to level 3 of the common classification of territorial units for statistics ('NUTS level 3 regions'), as established by Regulation (EC) No 1059/2003 of the European Parliament and of the Council. Member States should support this territorial assessment through technical support, and companies should actively engage with local stakeholders and civil society.

(12) Net-zero technologies and less greenhouse-gas-emitting modes of production do not automatically guarantee fair and just working conditions and can have important environmental impacts on local ecosystems or biodiversity. That is why impacts on employment should be considered in both quantitative and qualitative ways and include consequences on working conditions. That is also why companies should include in their transition plans consideration for the social and environmental impacts of the activities they intend to develop, including those along their value chain. Transition plans should not lead to displacing polluting activities or greenhouse gas emissions outside EU borders.

(13) Making industrial transformation towards climate neutrality just for workers requires significant investment. The establishment of just transition funds managed jointly by employers and workers, and supported where necessary by Member States and Union resources, is based on the principle of solidarity. It will facilitate equitable burden-sharing and ensure that those most exposed to transition risks are not left behind and are effectively protected.

(14) Effective enforcement mechanisms, including transparent reporting, accessible complaints procedures, appropriate sanctions for non-compliance, and support structures such as a European helpdesk, are essential to ensure legal certainty and the practical realisation of the rights set out in this Directive.

(15) This Directive lays down minimum requirements for the protection of affected persons in the context of the climate transition and shall not prevent Member States from maintaining or introducing more favourable measures in line with their national traditions, including through collective agreements.

(16) This Directive contributes to social justice and environmental protection. It must be implemented in full compatibility with existing EU environmental legislation, including the EU's commitment to climate neutrality. It cannot be used to weaken or delay policies that directly contribute to reducing net greenhouse gas emissions or preserving biodiversity and ecosystems, unless as environmentally ambitious alternatives are proposed.

HAVE ADOPTED THIS DIRECTIVE:

Article 1

Purpose

The purpose of this Directive is to enhance the just transition principle in the European Union by laying down common minimum standards providing for a high level of protection of persons affected by environmental restructuring and/or by the implementation of transition plans for climate change mitigation.

Article 2

Personal scope

1. This Directive shall apply to persons working in the private or public sector, who are affected by environmental restructuring and/or by the implementation of transition plans for climate change mitigation as defined in Article 3, including, at least, the following:

- a) persons having the status of worker, within the meaning of Article 45(1) TFEU, including civil servants;
- b) persons having self-employed status, within the meaning of Article 49 TFEU;
- c) volunteers and paid or unpaid trainees;
- d) unemployed persons and job seekers; and
- e) persons engaged in informal and/or non-declared work, regardless of their contractual or legal employment status, to the extent that they are affected by the transition.

2. The fact that a person resides or works in an area covered by a Territorial Just Transition Plan in application of Regulation (EU) 2021/1056 is without incidence on the personal scope of this directive.

Article 3

Definitions

1. Just transition: a principle aimed at protecting all persons falling within the scope of this directive from the employment and occupational implications of environmental restructuring and/or of the implementation of transition plans for climate change mitigation, by means of preventing job losses, implementing adequate labour market and social security policies, and ensuring meaningful engagement by national authorities and companies with trade unions and workers' representatives in building the conditions for a carbon-neutral, equitable and democratic society. The principle of just transition does not oppose but contributes to climate and environmental objectives and policies.

2. Environmental restructuring: a restructuring aimed at achieving carbon neutrality, phasing out fossil fuels, reducing the environmental impact of production processes and products, and/or complying with EU and national environmental legislation and policy.
3. Transition plans for climate change mitigation: a plan laid down pursuant to article 22 of Directive (EU) 2024/1760, which aims to ensure, through best efforts, that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5°C in line with the Paris Agreement and the objective of achieving climate neutrality as established in Regulation (EU) 2021/1119, including its intermediate and 2050 climate neutrality targets, and where relevant, the exposure of the company to coal-, oil- and gas-related activities.
4. Employment implications: all the quantitative and qualitative effects that an environmental restructuring or transition plans for climate change mitigation have on employment, including absolute, net and indirect job losses or creations, and variations in the forms and durations of employment, in its location or the skills, competencies and level of training required.
5. Occupational implications: all the quantitative and qualitative effects that an environmental restructuring or transition plans for climate change mitigation have on working conditions, including occupational health and safety and work organisation, as well as variations in applicable legal and contractual frameworks.
6. Decent work: work shall be considered decent if, and only if, it ensures respect for European Union labour law, including relevant Directives and Regulations, and is consistent with the principles enshrined in the European Social Charter and the European Pillar of Social Rights. In particular, work is decent where it guarantees fair wages and remuneration, secure and adaptable employment and self-employment conditions, safe and healthy working conditions, equal treatment and opportunities, access to social protection, and the right to information, consultation, freedom of association and collective bargaining.
7. Health and environmental sustainability: a condition shall be considered to ensure health and environmental sustainability if, and only if, it complies with Union law, protects human health and well-being, and contributes to one or more environmental objectives as defined in Article 9 of Regulation (EU) 2020/852 (the Taxonomy Regulation), including climate change mitigation and adaptation, sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. To be considered sustainable, an activity must also not cause significant harm to any of these objectives and must be carried out with safeguards that minimise environmental risks and promote ecological resilience. Any practice or restructuring that fails to meet these requirements – either by violating established thresholds, omitting preventive measures, or undermining ecosystem services – shall not be deemed to contribute to health and environmental sustainability.
8. Worker: any person falling within the scope of this Directive, as defined in article 2, including persons engaged in informal or non-declared work, unemployed persons and job seekers who have lost their jobs because of environmental restructuring and/or due to the implementation of transition plans for climate change mitigation.
9. Communities: local residents, citizens, indigenous peoples, civil society organisations, and representative associations, who are directly or indirectly affected by the environmental, economic, or social impacts of environmental restructuring and/or the implementation of transition plans for climate change mitigation.

10. Companies: all undertakings, except micro-undertakings, falling within the scope of Directive (EU) 2022/2464.

Article 4
Individual right to a just transition

1. Member States shall ensure that nobody is left behind in the transition towards climate neutrality. Every worker has the right to a just transition and shall not be in a condition to choose between the right to decent work and the right to health and environmental sustainability.

2. The right to a just transition entails, for working people, the right to stay in employment in fair and decent working conditions. For all persons affected by environmental restructurings, it entails the right to access employment in fair and decent conditions.

Article 5
Collective right to a just transition

1. Member States shall ensure that no territory or community is left behind in the transition towards climate neutrality. Workers, their families and the local communities in which they live shall not be in a condition to choose between the right to decent work and the right to health and environmental sustainability.

2. The right to a just transition entails, for workers, their families and local communities, the right to live in a healthy environment, to benefit from employment opportunities in various economic sectors, and to access social services including education, health, transport and culture.

Article 6
Effective right to a just transition

1. Member States and companies shall ensure that the right to decent work and the right to health and environmental sustainability are not in conflict and their free exercise is guaranteed simultaneously at the highest level.

2. The right to a just transition shall be interpreted in a way that it does not oppose but contributes to climate and environmental objectives and policies.

3. The right to a just transition shall be implemented in a way that guarantees the persons affected by environmental restructuring or transition plans for climate change mitigation have the possibility to stay in their current geographical area of residence. In cooperation with social partners, Member States shall put in place the measures listed at Articles 8 to 12 of this Directive, such as to ensure that companies comply with their environmental and climate obligations and address the employment and occupational implications of environmental restructuring or transition plans they carry out.

4. In case companies fail to do so, Member States shall make use of the industrial policy instruments at their disposal to ensure workers and communities an effective right to a just transition.

Article 7

Enabling conditions for the right to a just transition

1. Member States, with the involvement of the social partners and in accordance with national law and practice and where appropriate, shall take actions:
 - (a) to strengthen social dialogue at the workplace, sectoral and national levels, including in the context of environmental transitions, following the Council's Recommendation on Strengthening Social Dialogue in the European Union of 12 June 2023;
 - (b) to support social partners developing or enhancing the regional dimension of social dialogue, in full respect of their autonomy;
 - (c) to protect the right to collective bargaining and improve the inclusiveness of social dialogue institutions for more vulnerable or underrepresented groups, including women, young workers, workers with disability, non-nationals, and persons engaged in informal or non-declared work.
2. Member States, with the involvement of the social partners and in accordance with national law and practice and where appropriate, shall take actions:
 - (a) to enhance social protection systems in the context of environmental transition, following Council's Recommendation 2022/C 243/04 on Ensuring a Fair Transition toward Climate Neutrality;
 - (b) to contribute to social inclusion, including through guaranteeing adequate minimum income following Council Recommendation 2023/C 41/01 on Adequate Minimum Income ensuring Active Inclusion.

Article 8

Information, consultation and collective bargaining

1. Member States shall ensure that trade unions and workers' representatives are informed and consulted regarding the setting and implementation of sectoral and firm-based environmental policies in quarterly meetings, at the national, regional, sectoral and company levels.
2. The specific terms and conditions for the exercise of the individual right to just transition and the related workers' rights laid down in this Directive shall be agreed in sectoral collective agreements or, in their absence, in firm-level collective agreements.
3. The just transition plan foreseen in article 9 shall be discussed and agreed with trade unions, workers' representatives or works' councils at the company level.
4. Member States shall guarantee the right of informal workers to be consulted in transition planning, through community and civil society organisations, cooperatives, or informal sector unions.

Article 9

Just transition plan

1. Member States shall ensure that companies that foresee to restructure or shutdown part or all of their business operations in order to achieve carbon neutrality and/or to comply with environmental legislation and policies, take appropriate measures to report with reasonable advance notice on how they intend to anticipate, mitigate, neutralise, and minimise the employment and occupational risks linked to environmental restructuring and/or the implementation of transition plans for climate change mitigation.

2. As part of the obligation set out in paragraph 1, companies shall provide a reporting document called “just transition plan” in which they map, identify and assess the jobs at risk and the future skill needs, as well as the consequences on occupational health and safety, as well as on working and employment conditions.
3. The just transition plan shall:
 - (a) provide an action plan clarifying and specifying how the individual right to a just transition and the related workers’ rights provided in Article 5 are guaranteed. The fact that the plan, or part thereof, organises the development of activities that contribute to reducing greenhouse gas emissions does not exempt the company from its obligation to assess, prevent and mitigate the social and environmental consequences of these activities;
 - (b) assess, prevent and mitigate adverse social and environmental impacts associated with the implementation of the plan, including in their chain of activities and, where applicable, as disciplined by Directive (EU) 2024/1760;
 - (c) be updated every nine months, until the environmental restructuring process and/or the implementation of transition plans for climate change mitigation are concluded.
4. Where applicable, the just transition plan might be integrated in the corporate sustainability reporting as disciplined by Directive (EU) 2022/2464 or, alternatively, in the transition plan for climate change mitigation as disciplined by Article 22 of Directive (EU) 2024/1760.
5. Where the jobs in the company and its subcontractors represent more than 1% of the total jobs of the NUTS level 3 regions in which they operate, or alternatively, 5% of the industrial jobs of that same region, the just transition plan shall assess the impact on territorial demography and cohesion. The just transition plan shall provide an action plan clarifying and specifying how the collective right to a just transition provided in Article 6 is guaranteed. Member States shall ensure that the company cooperates with the relevant public authorities and other local economic and social partners, and provide technical assistance to assess and answer territorial effects.
6. A just transition plan shall be considered incompatible with the right to a just transition, as set out in this Directive, where the proposed restructuring results in the externalisation of social or environmental costs to third countries, including through practices such as outsourcing, subcontracting and/or delocalisation.

Article 10

Labour market policies and workers’ rights to a just transition

1. Member States shall ensure that, in the context of environmental restructuring and/or the implementation of transition plans for climate change mitigation, individual and collective dismissals are considered as a last resort.
2. Redundant workers or workers that risk being redundant due to environmental restructuring and/or due to the implementation of transition plans for climate change mitigation, shall be entitled to paid working time reduction, job changes, and paid training for reskilling and/or upskilling to avoid job losses.
3. Member States shall refrain from financially supporting an environmental restructuring or the implementation of a transition plan for which the company does not demonstrate that the dismissals foreseen are unavoidable. Financial support shall likewise be withheld where the proposed restructuring or transition plan would externalise social or environmental costs to

third countries, including through practices such as outsourcing, subcontracting and/or delocalisation.

4. In cases in which trade unions, workers' representatives or social movements formulate alternative restructuring or transition plans leading to no or fewer dismissals, Member States shall ensure that companies meaningfully engage with these proposals through collective bargaining or other forms of participatory deliberation in the view of reaching a collective agreement.

5. When social partners reach an agreement, Member States shall guarantee access to investment and technical support for its implementation, including through the Just Transition Fund, where applicable, or the Cohesion Policy's instruments.

6. Member States shall encourage social partners to cooperate with the civil society or environmental movements that have participated in formulating alternatives, including through technical assistance and financial support, in full respect of social partners' autonomy. Member States shall promote, support and incentivise worker-led initiatives, including workers' cooperatives, employee buyouts, and other forms of collective or community-based ownership, where these are aimed at ensuring a socially and environmentally just transition.

7. In cases in which environmental restructuring or transition plans have led to job losses, Member States shall ensure that workers receive income support and other relevant unemployment benefits. Workers approaching retirement age may be enrolled in early retirement schemes. Access to social protection schemes should be guaranteed to persons engaged in informal or non-declared work too.

8. During the unemployment period, a right to be trained of minimum 48 hours shall be guaranteed to enhance workers' employability in the labour market or in entrepreneurship. Persons engaged in informal or non-declared work are eligible for training programmes. Member States shall ensure that the development of skills for carbon-neutral jobs and entrepreneurial activities is prioritised.

Article 11 **Just transition fund**

1. Member States shall ensure that employers' and workers' representatives jointly establish an economy-wide or sectoral just transition fund(s) to finance any cost stemming from the right to a just transition and the exercise of the related workers' rights laid down in this Directive. Existing bilateral funds established by social partners at national, sectoral or local level, including interprofessional training funds, might be adjusted to serve this purpose.

2. The just transition fund is financed through employers' levy and a percentage of workers' contribution, whose amount is established by social partners in the constituting collective agreement.

3. Any financial deficit resulting from the just transition fund shall be covered by Member States. Where an economy-wide or sectoral just transition funds are not established, any costs stemming from the right to a just transition and the exercise of the related workers' rights shall be covered by the employers concerned.

Article 12

Penalties, complaints procedure and supporting measures

1. In case of non-compliance with the provisions of national law adopted pursuant to this Directive, Member States shall ensure that the employers' levy due to the just transition fund is doubled for a period of six months. If a company fails to comply with this pecuniary penalty within the applicable time limit, Member States shall publish a public statement indicating the company responsible for the infringement and the nature of the infringement.
2. Member States shall ensure that companies establish a fair, publicly available, accessible, predictable and transparent procedure to enable the workers falling within the scope of this Directive, their representatives, and other relevant stakeholders to submit complaints to them with respect to the application of the just transition right and the related workers' rights. This procedure may be integrated in the procedure laid down in Article 14 of Directive (EU) 2024/1760, where applicable. In any case, companies shall take reasonably available measures to prevent any form of retaliation by ensuring the confidentiality of the identity of the person or organisation submitting the complaint, in accordance with Directive (EU) 2019/1937 and relevant national law.
3. The Commission shall establish a single helpdesk through which workers, communities and companies may seek information, guidance and support with regard to exercise and fulfilling their rights and obligations provided for in this Directive. Relevant national authorities and social partners in each Member State shall collaborate with the single helpdesk in order to assist in tailoring the information and guidance to national contexts and in disseminating that information and guidance.

Article 13

Final provisions

1. This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.
2. Member States shall adopt and publish, by, the laws, regulations and administrative provisions necessary to comply with this Directive, communicating the adoption of the implementing texts to the Commission. They may maintain or introduce more favourable provisions than set out in this Directive.
3. This Directive is addressed to the Member States.

