



BUSINESS
CONFEDERATION
OF NORTH MACEDONIA

Turning climate action into competitive advantage

A business brief for North Macedonia





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International
Labour
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About this business brief

This business brief was developed by the Business Confederation of North Macedonia (BCM) with the support of the International Labour Organization (ILO) under the GIZ-supported project “Promoting Social Dialogue on Just Transition Issues in North-Macedonia and Montenegro”.

Its purpose is to raise awareness among companies, particularly MSMEs, about the complex regulatory changes and evolving investor and consumer expectations that are reshaping North Macedonia’s economic landscape in response to climate change.

The brief explains why businesses must act now and how the green transition is becoming a key driver of future success. It highlights the wide-ranging benefits of low-carbon transformation, demonstrating its potential to enhance competitiveness and open up new avenues for business growth. At the same time, the brief emphasizes that the transition must be just and inclusive, requiring investment in employees and active engagement with communities to ensure that no one is left behind.

Examples of good practices, including from North Macedonia, are also featured to inspire those who are beginning their transition journey and demonstrate that sustainable transformation is not only possible but can also unlock new opportunities.

The BCM calls on employers to join forces in shaping an enabling environment that supports a fair and effective transition to low-carbon operations. The BCM stands ready to advocate for private sector interests, facilitate meaningful dialogue and support businesses as they navigate this transformation.

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Key messages

▶ **The low-carbon transition is redefining the fundamentals of doing business.**

The global shift towards a green economy is transforming economic systems and industries, and rewriting the rules of trade, investment and competitiveness. Success now hinges on how effectively companies adapt to new environmental standards, changing investor expectations and growing customer demand for sustainable products and responsible business practices.

▶ **North Macedonia is part of this global transformation.**

The country has pledged to cut greenhouse gas emissions by 51 per cent by 2030 and achieve climate neutrality by 2050. The EU Green Deal and Carbon Border Adjustment Mechanism (CBAM) are already shaping its economic direction, while national climate laws and policies are pushing companies towards cleaner and more sustainable operations.

▶ **Low-carbon transition opens new pathways for growth and competitiveness.**

Integrating sustainability into business operations delivers tangible results, from greater efficiency and higher productivity to improved finance options, stronger brand trust and access to premium markets. Companies that invest early in clean technologies, fair labour practices and transparent governance are not just meeting new standards; they are securing their place in the economy of the future.

▶ **The green transition must have people at its core.**

Companies that prioritize the development of new skills and implementation of fair and inclusive transition pathways will retain talent, boost productivity and ensure operational continuity. Transparent communication with employees and affected communities builds trust and secures support throughout the transition. Leaving no one behind is not only a moral obligation, but a business strategy that will determine which companies thrive in a low-carbon economy.

▶ **No business can navigate the green transition alone.**

Employer and Business Membership Organizations (EBMOs) are uniquely positioned to articulate the collective voice of business and advocate for an enabling regulatory framework, access to affordable green finance and targeted support for MSMEs. Through social dialogue, EBMOs ensure that private sector needs are heard and addressed, and that business realities shape the design and implementation of climate policies.

**The future is green:
acting today is the key to thriving tomorrow!**

1. What does a “just transition” mean for business?

The concept of a just transition lies at the heart of the global shift towards a low-carbon and sustainable economy. The International Labour Organization defines it as “greening the economy in a way that is as fair and inclusive as possible, creating decent work opportunities and leaving no one behind” [1]. It brings together the environmental, social and economic dimensions of sustainable development to ensure that climate ambition goes hand in hand with economic prosperity and fairness. The European Union echoes this vision, describing the just transition as a “key tool to ensure that the shift toward a climate-neutral economy happens in a fair way, leaving no one behind”. [2]

For businesses, a just transition means shifting towards low-carbon and sustainable operations in a way that is not only fair and inclusive, but also economically viable. This requires balancing environmental and social responsibilities, reducing emissions and resource use while protecting jobs and preparing the workforce for the green economy, without sacrificing competitiveness. Involving employees and wider communities in the process is absolutely crucial to ensuring a smooth and successful transition. Companies that embed fairness, transparency and sustainability in their strategies will be better positioned to attract investment, earn public trust and build long-term resilience in a fast-changing global market.

An enabling business environment can catalyse the just transition as much as a weak or unpredictable one can obstruct it. Enterprises need clear regulations and supportive institutions to plan and deliver on their sustainability goals. Greening the economy also requires well-designed financial instruments that encourage businesses to invest in low-carbon technologies and create more and better jobs.

Social dialogue is essential to ensuring that the green transition is fair, inclusive and economically sound. Reaching consensus on the goals and pathways toward sustainability is fundamental, helping to align priorities and build trust. It ensures that the perspectives of businesses and workers are reflected in the design and delivery of sustainability strategies, and that the transition strengthens both competitiveness and social cohesion.

North Macedonia’s commitment to international climate agreements, including the Paris Agreement, along with its alignment with evolving EU environmental regulations, is a key driver of the country’s just transition. These developments create both challenges and opportunities as enterprises adapt to a changing economic landscape, rising climate risks and increasing market demand for greener products and services.

2. Why must businesses act now...

► **The global economy is undergoing a profound transformation driven by the urgency of the low-carbon transition and the accelerating impacts of climate change.**

Rising temperatures, resource scarcity and natural disasters are disrupting livelihoods and putting economies under immense pressure. In North Macedonia alone, extreme weather has caused an estimated US\$ 667 million in damages over the past two decades, with annual losses projected to reach 4 per cent of GDP by 2050 if no action is taken.[3] These escalating environmental challenges have exposed the fragility of traditional growth models.

► **Environmental risks have pushed policymakers to act.**

Governments across Europe are embedding climate goals in law, tightening reporting obligations and steering funding towards low-carbon growth. The EU Green Deal, the Carbon Border Adjustment Mechanism (CBAM) and new sustainability disclosure rules are converting ambition into enforceable business standards. North Macedonia is aligning with these frameworks through its Energy Development Strategy, National Energy and Climate Plan (NECP) and forthcoming Law on Climate Action, taking a decisive step towards a cleaner, more sustainable and resilient economy. In line with its Paris Agreement commitments, the country has pledged to cut greenhouse gas emissions by 51 per cent by 2030 and achieve climate neutrality by 2050. Reaching these goals will depend heavily on how quickly and effectively the private sector adapts.

► **Markets and consumers are moving just as fast.**

Investors are channelling record levels of capital into sustainable finance, rewarding companies that demonstrate credible ESG performance and long-term value creation. At the same time, consumers are reshaping demand: more than half of Europeans now factor environmental and social impact into their spending and are willing to pay more for sustainable products. Major buyers are embedding the same expectations across their supply chains, demanding verified data on carbon, labour and sourcing practices.

... and how?

► **Incorporating sustainability into business operations is now the pathway to growth, resilience and market access.**

Businesses that invest in cleaner technologies, energy efficiency and digital transformation can lower costs and strengthen competitiveness. By embedding sustainability into strategic decision-making and daily operations, companies can create better value, attract investors and build the agility they need to thrive in a rapidly changing economic landscape. And yet, technology alone is not enough. A successful green transition depends equally on investing in people. Companies that equip their workforce with new skills and capabilities and promote fair transition pathways will retain talent, boost productivity and ensure operational continuity.

► **Delivering this transformation requires coordination and a unified private sector voice.**

As North Macedonia advances its commitments under the Paris Agreement and its Nationally Determined Contribution (NDC), the private sector will be central to driving emissions reduction, innovation and investment. By advocating for enabling laws and policies, better access to green finance and targeted support for SMEs, EBMOs have a key role to play in asserting the voice of the private sector and ensuring that the transition is both just and economically viable. Through effective social dialogue, the business community can help shape a business environment that turns ambition into opportunity, ensuring that North Macedonia's path to a low-carbon economy also leads to stronger and more competitive enterprises.

3. What's the business upside?

While just transition inevitably entails regulatory compliance and costs, it also opens up a wide range of opportunities for business that act quickly, decisively and strategically.

3.1. Expanded market opportunities

Sustainable business practices are rapidly becoming a passport to growth. In an increasingly interconnected economy, buyers and investors are integrating environmental and social performance into procurement and financing decisions. Companies that adopt eco-certification, low-carbon production methods and ethical labour practices are gaining access to premium markets, particularly among EU retailers, brands and manufacturers committed to sustainability goals. Policies such as the EU Green Deal and CBAM are accelerating this shift and have made compliance with environmental and social standards a condition of market entry rather than merely an option.

Beyond access, sustainability allows differentiation. Companies that demonstrate genuine commitment, not only through greener products but also through fair and inclusive workplace practices, gain reputational and commercial advantages. In premium market segments such as organic food, fair-trade goods and sustainable textiles, credibility built on environmental and social responsibility commands higher price points and stronger customer loyalty. EU consumers are willing to pay nearly 10 per cent more for sustainable products, even alongside inflationary pressures, which is clear evidence that responsibility drives revenue.[4] Respecting labour rights, promoting equality and maintaining fair wages are no longer mere compliance measures; they are strategic advantages that position companies as preferred partners for buyers and investors.

For Macedonian companies, sustainability is now both a requirement and an opportunity. Those already integrated into European supply chains must strengthen compliance to remain competitive, while those seeking to enter new markets should use sustainability standards as a bridge to growth. Aligning with EU norms through cleaner production, credible certification and transparent labour practices builds trust and opens access to higher-value segments. In today's economy, sustainability is no longer a "check-the-box" compliance exercise; it's a core element of business strategy.

Sustainability is now the entry ticket to new markets and the path to lasting growth.

CASE STUDY

IKEA (Sweden)

IKEA has evolved from a traditional furniture retailer into a global leader in sustainable and circular design, operating in more than 60 markets. Its growth strategy integrates environmental innovation with social responsibility, positioning sustainability at the core of its brand. Through the Skills for Employment programme, IKEA trains marginalized groups and provides stable jobs, fostering social inclusion while addressing labour shortages in local markets. The Fairness and Equality initiative further promotes diversity, gender equality and fair wages across its global operations and supply chains. The company's shift toward circular models, offering furniture take-back, repair and resale, has expanded market reach and deepened customer loyalty.[5]

CASE STUDY

Tikveš Winery (North Macedonia)

Tikveš Winery is a regional leader in sustainable wine production and ESG integration. Supported by the EBRD and the EU, the company has installed a photovoltaic plant, introduced precision viticulture and drip irrigation, and become North Macedonia's first certified organic wine producer. Its wines are now exported to more than 15 international markets. Training and upskilling schemes enabled employees to adapt to new technologies and take on higher-value roles, while local growers were supported in transitioning to organic practices through stable procurement contracts and knowledge transfer. This people-focused approach has strengthened Tikveš's export competitiveness, proving that investing in green technologies, workforce development and communities delivers long-term value and access to international markets.[6]

3.2. Improved access to capital

Financial markets are rapidly redefining what qualifies as a good investment. Banks, investors and development finance institutions increasingly view companies with strong ESG practices as lower-risk and more future-ready. Sustainable investing has evolved from a trend to a defining characteristic of modern finance, from an ethical preference to an investment priority. The numbers tell a clear story: 88 per cent of global investors have expressed interest in sustainable investing.[7] Businesses demonstrating credible ESG performance and readiness for new disclosure frameworks, such as the CSRD and sustainable finance taxonomy, gain preferential access to long-term, affordable capital. For investors, sustainability has become a marker of both future readiness and creditworthiness.

The global shift towards sustainable finance is creating new opportunities for companies investing in the green transition in North Macedonia. A growing range of financial instruments and incentives now help businesses reduce the upfront costs of adopting cleaner technologies, improving efficiency and meeting higher environmental standards. The government is increasingly embedding climate and energy targets in its economic development agenda, offering grants for renewable energy installations, subsidies for energy-efficient equipment and support for waste reduction and water-saving projects. SMEs that meet sustainability criteria can also benefit from reduced import duties, co-financing for energy audits and preferential access to public procurement.

International partners bring additional opportunities. The EU Green Agenda for the Western Balkans, the EBRD's Green Economy Financing Facility (GEFF) and KfW's renewable energy credit lines provide blended financing packages that combine concessional loans, grants and technical assistance. Many of these instruments require companies to meet eligibility criteria aligned with EU or national standards, such as conducting energy audits or GHG monitoring. Early compliance unlocks direct financial benefits through grants, subsidies and preferential procurement and gives companies a first-mover advantage in changing markets. For businesses therefore these mechanisms are more than just cost-saving tools; they are strategic enablers of transformation, helping companies to upgrade technologies, diversify products and enhance competitiveness ahead of tightening EU requirements, including the CBAM.

Capital is going green. Companies that invest in their sustainability today will secure the financing to grow, compete and lead tomorrow.

CASE STUDY

Unilever (United Kingdom)

Unilever, a global leader in consumer goods, has embedded sustainability and social responsibility at the core of its growth strategy, strengthening its ESG performance and investor appeal. In 2014, the company issued a £250 million green bond to finance projects to improve energy and water efficiency across its manufacturing plants. The initiative attracted strong investor demand and marked one of the first corporate green bonds of its kind. The financing helped Unilever to shrink its environmental footprint while improving employee well-being and community engagement.[8]

CASE STUDY

Vitaminka (North Macedonia)

Vitaminka, one of North Macedonia's leading food producers, has taken advantage of green finance to modernize operations and strengthen its export competitiveness. Through the EIB Green financing program, the company secured a €1.65 million green loan to automate its packaging lines and install rooftop solar panels, which now meet around 35 per cent of its energy needs. These investments have significantly reduced energy costs and carbon emissions while improving efficiency and production quality. By aligning with EU environmental and energy standards, Vitaminka has enhanced its access to European markets and demonstrated how sustainability investments may directly support business growth.[9]

3.3. A skilled, motivated and future-ready workforce

The green transition is reshaping labour markets worldwide. As industries decarbonize and adopt new technologies, demand is rising sharply for workers with green, digital and technical skills. Companies that invest in people through reskilling and inclusion are emerging as leaders in both innovation and performance. For younger workers in particular, sustainability is now a decisive factor: nearly 70 per cent say a company's sustainability commitments influence their decision to accept or reject a job offer. [10]

Forward-looking enterprises are already demonstrating the value of a people-centred transition. SMEs investing in energy efficiency, digitalization and circular production are also developing the technical capabilities demanded in European and global markets. Cleaner technologies also create safer workplaces, reduce absenteeism and boost morale, turning sustainability into a catalyst for engagement and performance. Equally important is the involvement of employees in the transition process: the more informed, valued and part of the solution employees feel, the more actively they support innovation and organizational change. Managing the human dimension of the green transition is therefore a core element of business strategy, determining which companies are able to attract and retain the talent needed to thrive in a low-carbon economy.

In North Macedonia, key sectors such as energy, manufacturing and construction face the dual challenge of working towards climate goals while securing the skilled labour they need to deliver them. Coal-dependent industries are particularly exposed: engineers, technicians and operators remain essential for safe and efficient operations, but their roles and skills must evolve as the economy shifts toward renewable energy and low-carbon technologies. In these sectors, targeted retraining initiatives can reduce skills gaps by up to 40 per cent, helping to safeguard operational continuity and manage structural change. [11] Retaining, reskilling and redeploying these workers is now critical to preserving core capabilities, minimizing turnover costs and maintaining stability throughout the transition.

The green transition is powered by people. Companies that invest in skills, inclusion and fair workforce transformation secure the talent and public trust needed to lead in the low-carbon economy.

CASE STUDY

Ørsted (Denmark)

Ørsted transformed itself from one of Europe's most coal-intensive power producers into a global leader in renewable energy, cutting carbon emissions by 86 per cent and strengthening financial performance. A key success factor was its partnership with North America's Building Trades Unions (NABTU), which ensured that the transition to offshore wind was inclusive and employee driven. Together they conducted detailed skills mapping to align existing expertise with new technical demands in offshore wind projects. As a result, Ørsted safeguarded jobs, created thousands of new skilled positions and built strong public and employee support, proving that investing in people may accelerate both business growth and social acceptance of change. [12]

CASE STUDY

EVN Macedonia (North Macedonia)

EVN Macedonia is advancing its renewable energy transition by reskilling employees and partnering with vocational schools to align workforce skills with green energy projects. Through the EVN Academy, the company provides training and certification programmes that prepare staff for emerging energy technologies. In 2024, EVN employed over 8,000 people across several countries, including North Macedonia, and promoted inclusion by employing persons with disabilities (1.6 per cent of its workforce). By investing in skills and inclusion, EVN has strengthened talent retention, ensured operational excellence and equipped its workforce with skills that are fully in line with North Macedonia's transition to clean energy. [13]

3.4. Better efficiency, productivity and profitability

Building sustainability and efficiency into business operations no longer requires a trade-off; it is a direct pathway to profitability and long-term resilience. Companies adopting automation, digital manufacturing and lean processes are achieving substantial operational gains, including 15–30 per cent higher labour productivity, 10–30 per cent greater throughput and 30–50 per cent reductions in machine downtime.[14] These advances improve quality, shorten production cycles and optimize resource use, which in turn lowers costs. In energy-intensive sectors, modernizing production and integrating cleaner energy sources also reduce fuel dependency and exposure to volatile markets, strengthening business resilience.

These efficiency gains are most impactful when paired with strong workforce engagement and fair labour practices. Companies that invest in reskilling, workplace safety and employee retention not only cut recruitment costs but also boost innovation and performance. Motivated teams enable faster technology adoption and higher productivity. Companies excelling in both sustainability and financial performance grow revenues by about 11 per cent annually and deliver 7 per cent higher shareholder returns than competitors focused only on short-term profits.[15] In short, efficiency and responsibility are mutually reinforcing drivers of growth.

For North Macedonia's carbon-intensive industries, such as metallurgy, cement and chemicals, embarking on this transformation is now an urgent priority. The EU's CBAM will soon apply carbon costs to exports, putting direct pressure on companies to modernize and decarbonize. Without timely action, around 1,500 jobs could be at risk due to rising production costs and declining competitiveness.[16] Conversely, companies that invest early in cleaner technologies, energy efficiency and low-carbon production will not only reduce compliance costs but also strengthen their market position and secure continued access to EU value chains.

Efficiency is no longer about doing more with less – it's about building smarter, leaner and more resilient businesses.

CASE STUDY

Toyota (Japan)

Toyota has pioneered the integration of lean manufacturing and environmental sustainability in its operations, linking efficiency with innovation and employee engagement. Through its Environmental Challenge 2050, the company aims for zero emissions across all operations, driving continuous improvement (kaizen) to reduce waste, optimize workflows and enhance energy efficiency. Initiatives such as on-site renewable energy generation, energy reuse in assembly plants, and circular water and material use have significantly lowered operational costs while building a culture of shared responsibility. By empowering employees to lead process improvements, Toyota has embedded sustainability in its daily operations, boosting productivity and strengthening workforce commitment, all while advancing its long-term environmental goals.[17]

CASE STUDY

LTH Learnica (North Macedonia)

LTH Learnica, a leading automotive components manufacturer in Ohrid, used a €1.5 million EIB-backed green loan to automate production with energy-efficient machinery, cutting electricity use and emissions while strengthening competitiveness ahead of the EU's CBAM. Automation and process optimization improved productivity, reduced labour intensity and enabled employees to focus on higher-skilled, value-added tasks. Through targeted training, employees were upskilled to operate advanced equipment and manage energy-saving systems, boosting their job satisfaction and career development prospects. By optimizing resource use, recycling materials and integrating renewable energy, LTH Learnica achieved lower costs, better environmental performance and stronger long-term competitiveness.[18]

3.5. Enhanced reputation and competitive edge

Sustainability has become one of the most powerful drivers of brand value and customer loyalty. Some 88 per cent of consumers are more loyal to companies that actively support environmental or social causes, and 76 per cent would stop buying from companies that neglect environmental or community well-being. [19] Products making ESG-related claims have grown 28 per cent faster over the past five years and now account for more than half (56 per cent) of total market growth in their categories. [20] Businesses that embed sustainability across their operations are not only meeting rising expectations, they are building credibility, attracting partners and securing access to premium market segments that prioritize responsible sourcing and transparency.

For companies exporting to the EU, reputation and compliance now go hand in hand. Meeting sustainability standards through verifiable data, credible certification and transparent reporting is increasingly a precondition for participation in European value chains. Companies with a reputation for responsible production, fair labour practices, and environmental accountability are better positioned to win long-term contracts and maintain preferred-supplier status.

Macedonian companies that invest in employee well-being, community engagement and environmental improvements build deeper trust with customers and local stakeholders. This trust translates into stronger brand loyalty and a more secure social license to operate. This is especially critical in sectors historically associated with increased environmental risks, in which proactive engagement can help build public trust. Transparent communication, community partnerships and tangible impact reporting reinforce credibility, turning sustainability into competitive advantage.

Reputation is the new bottom line. Companies that act responsibly earn customer loyalty, attract partners and build brands that thrive in a changing world.

CASE STUDY

The Body Shop (United Kingdom)

The Body Shop has long been a pioneer in ethical business, with sustainability and social activism at the core of its brand identity. Known for its campaigns against animal testing and its support for fair trade, recycling and vegan and vegetarian products, the company has built a deeply loyal customer base across Europe. Certified as a B Corporation, the Body Shop meets high standards of social and environmental performance, transparency and accountability. Through its Community Fair Trade programme, the Body Shop sources ingredients such as shea butter from women-led cooperatives in the Global South, providing fair income and empowering communities to invest in education, health care and clean water infrastructure. This people-centred supply chain has had a lasting social and economic impact while strengthening the brand's authenticity and consumer trust. [21]

CASE STUDY

Nelkoski (North Macedonia)

Nelkoski is North Macedonia's first Bio-Suisse-certified organic hazelnut producer, partnering with HALBA and Coop Switzerland to reach premium export markets. The company has boosted its competitiveness through investments in high-quality planting materials, modern mechanization and a solar-powered irrigation system that reduces environmental impact while increasing yields. Nelkoski is also piloting dynamic agroforestry, combining hazelnut cultivation with complementary crops to improve biodiversity, reduce pests and enhance soil fertility. These sustainable practices have reinforced Nelkoski's brand reputation and credibility with international buyers, showing how environmental innovation can open doors to premium markets and long-term growth. [22]

4. How can the BCM support business transition?

As North Macedonia advances on its path toward a low-carbon economy, the Business Confederation of North Macedonia (BCM) can help turn transition challenges into opportunities for growth, competitiveness and resilience. To do so, the BCM can provide support across several key areas:

► **Driving policy advocacy and creating an enabling business environment**

The BCM engages directly with the government to ensure that policies for the green transition are realistic, predictable and supportive of business competitiveness. The BCM advocates for incentives that make sustainability affordable, especially for MSMEs, such as tax relief, access to finance and investment support for cleaner technologies. This ensures that the private sector's crucial role in achieving North Macedonia's climate and energy goals is recognized and supported.

► **Providing services and guidance to enterprises**

The BCM supports companies in understanding new environmental requirements, such as the EU Green Deal, CBAM and sustainability reporting rules, and what they mean for their operations. Through training, advisory services and sustainability self-assessments, companies can be helped to access the tools and resources they need. The BCM can connect companies to green finance opportunities, donor programmes and partners to help modernize production, improve efficiency and upskill the workforce for the green economy.

► **Fostering collaboration and knowledge exchange**

Transition succeeds when knowledge is shared. The BCM facilitates peer learning and partnerships among companies, industry experts and international organizations, creating platforms to exchange best practices, pilot innovations and co-develop sectoral roadmaps for sustainability. Through these collaborations, companies can learn from success stories, access technical expertise and position themselves as leaders in the green economy.

Achieving a green and just transition requires coordinated effort. By acting collectively, companies can better articulate their needs, strengthen their bargaining power, and improve access to support measures. By standing together, companies can shape a business environment where sustainability and competitiveness go hand in hand, ensuring that the transition benefits not only individual businesses, but the entire Macedonian economy.

We can succeed if we speak with one voice!

Glossary of terms

This glossary provides short explanations of the acronyms and key terms used in the Business Brief.

B corporation (B Corp)

A certification awarded to companies that meet high standards of social and environmental performance, transparency and accountability. B Corps are legally required to consider the impact of their decisions on workers, customers, suppliers, community and the environment.

CBAM (Carbon Border Adjustment Mechanism)

A European Union policy tool designed to prevent carbon leakage by imposing a carbon price on imports of certain goods from countries with less stringent climate policies. It ensures that imported products are subject to a carbon cost comparable to that of goods produced within the EU.

CSRD (Corporate Sustainability Reporting Directive)

An EU directive that requires companies to report on their environmental and social impacts, as well as how sustainability issues affect their business. It aims to improve transparency and accountability in corporate sustainability practices.

EBMO (Employer and Business Membership Organization)

An organization that represents the collective interests of employers and businesses, advocating for policies that support a favourable business environment and providing services to member companies.

EBRD (European Bank for Reconstruction and Development)

An international financial institution that supports economic development and transition in countries across Central and Eastern Europe, Central Asia, and the Southern and Eastern Mediterranean. It provides financing and expertise for projects that promote sustainable and inclusive growth.

EIB (European Investment Bank)

The lending arm of the European Union, providing long-term finance for sound investments that contribute to EU policy objectives, including climate action, innovation and sustainable development.

ESG (Environmental, Social and Governance)

A set of criteria used by investors and stakeholders to evaluate a company's performance and practices in three key areas: environmental impact, social responsibility and governance quality. Strong ESG performance is increasingly linked to long-term business success and access to capital.

EU Green Deal

A comprehensive policy package launched by the European Commission in 2019, aiming to make Europe the first climate-neutral continent by 2050. It includes measures to reduce emissions, promote clean energy and ensure a just and inclusive transition.

EVN

An Austrian-based energy company operating in several countries, including North Macedonia, where it provides electricity distribution and supply services. EVN is actively investing in renewable energy and workforce development.

GDP (gross domestic product)

The total monetary value of all goods and services produced within a country over a specific period, typically used as an indicator of economic health and growth.

GEFF (Green Economy Financing Facility)

A programme operated by the EBRD that provides financing and technical assistance to support businesses in adopting energy-efficient and environmentally sustainable technologies.

GHG (greenhouse gases)

Gases in the Earth's atmosphere that trap heat and contribute to global warming and climate change. The main greenhouse gases include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)

The German Agency for International Cooperation, which supports sustainable development worldwide through technical cooperation, capacity building and advisory services.

ILO (International Labour Organization)

A United Nations agency that sets international labour standards, promotes decent work and advocates for social justice and decent working conditions globally. The ILO plays a key role in promoting just transition frameworks.

Just Transition

An approach to shifting towards a low-carbon and sustainable economy in a way that is fair and inclusive, creating decent work opportunities and leaving no one behind. It ensures that the benefits and costs of the transition are distributed equitably.

KfW (Kreditanstalt für Wiederaufbau)

A German state-owned development bank that provides financing for projects promoting economic development, environmental protection and social infrastructure both in Germany and internationally.

MoU (Memorandum of Understanding)

A formal agreement between two or more parties outlining the terms and details of a mutual understanding or cooperative arrangement. It is often used to establish partnerships and collaborative initiatives.

MSMEs (micro, small and medium-sized enterprises)

Businesses that fall within defined size thresholds based on number of employees, turnover or assets. MSMEs are critical drivers of employment and economic growth, particularly in developing and transition economies.

NABTU (North America's Building Trades Unions)

An alliance of construction unions in the United States and Canada that advocates for workers' rights, skills development and fair labour practices in the building and construction industries.

NDC (Nationally Determined Contribution)

A climate action plan submitted by each country under the Paris Agreement, outlining its commitments to reduce greenhouse gas emissions and adapt to climate change impacts. NDCs are updated every five years to reflect increased ambition.

NECP (National Energy and Climate Plan)

A policy framework that outlines a country's energy and climate objectives, policies and measures for a ten-year period. NECPs are designed to help EU member states and candidate countries meet their climate and energy targets.

Paris Agreement

An international treaty adopted in 2015 under the United Nations Framework Convention on Climate Change (UNFCCC), committing countries to limit global warming to well below 2°C above pre-industrial levels, with efforts to limit the increase to 1.5°C. It requires countries to submit and regularly update their nationally determined contributions (NDCs).

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