



4th GLORIA virtual workshop

Capturing the progress of industrial innovation efforts towards competitive sustainability

27 & 28 April 2021

1. Policy Agenda

The EU **Green Deal**¹ aims to boost Europe's competitiveness based on cutting-edge innovation in a broad sense. It constitutes an integral part of the Commission's strategy to implement the **United Nations 2030 Agenda** and the **Sustainable Development Goals**. The Commission emphasises the need for **structural transformation** of our Economy and need for crosscutting policy support towards **competitive sustainability**² where EU companies play a central role in the transition to a more environmentally friendly path while at the same time competing on a global level. This workshop aims at capturing the progress of industrial innovation efforts towards this competitive sustainability objective.

There are several initiatives of the policy agenda with high relevance for the path of the industry towards competitive sustainability and transition through innovation:

The **industrial strategy**³ aims to ensure competitiveness on the global stage via investments in Strategic Value Chains and Industrial Ecosystems – e.g. batteries and bio-based products – and new forms of collaboration with industry for ensuring Europe's strategic autonomy and technological leadership.

The **European Research Area**⁴ will continue to incentivise R&D investment from the private sector. This is also emphasised in the **roadmap**⁵ that aims to revitalize ERA underlining the importance of a transformative R&I policy that shapes technological and societal change to deliver a sustainable European society..

Investment is key to achieve the above policy objectives. The **Sustainable Finance Package** shall trigger €1 trillion investment over the next decade.⁶ The **upcoming renewed sustainable finance strategy**,⁷ and the **EU taxonomy on sustainable finance**⁸ will strengthen the

¹ COM(2019) 640 final

² Competitive sustainability has always been at the heart of Europe's social market economy and should remain its guiding principle for the future. Moving towards a sustainable economic model, enabled by digital and clean technologies, can make Europe a transformational frontrunner. Leadership on environmental protection and a strong, innovative industrial base must be seen as two sides of the same coin, giving the EU a competitive first-mover advantage. A stable economy, allowing for policies focused towards the long-term, and a just transition for those most affected by the transformations are prerequisite for success and should complete our framework. (see COM 2019/650 final, pp. 3 and corresponding figure).

³ https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy_en

⁴ https://ec.europa.eu/info/news/era-communication-sets-pace-efficient-uptake-research-and-innovation-results-2020-sep-30_en

⁵ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12495-Communication-on-the-future-of-research-and-innovation-and-the-European-Research-Area>

⁶ https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en

⁷ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12635-Renewed-sustainable-finance-strategy>

foundations for sustainable investment by creating an enabling framework and include sustainability principles in the financial and corporate sectors.

2. Workshop Background: The EU R&D Scoreboard

In support of the above policy agenda, this workshop is part of the **Global Research & Innovation Analyses**⁹ (GLORIA) project undertaken jointly between the Commission's Joint Research Centre and the Directorate General for Research & Innovation (R&I). **GLORIA workshops** are held in order to inform in our research on industrial innovation and obtain feedback from the workshop participants representing different stakeholders about how the GLORIA activities are best serving their needs. GLORIA offers in particular empirical evidence to support policy-making and information and benchmarking tools for companies. Up to now, twelve workshops have been held.¹⁰

The most visible outcome of the GLORIA project are the **EU Industrial R&D Investment Scoreboards**¹¹ providing economic and financial data and analysis of the top corporate Research & Development (R&D) investors from the EU and from abroad. The Scoreboard is based on company data extracted directly from the financial accounts of each company for up-to-date monitoring and benchmarking. It allows for comparisons between companies, sectors, and geographical areas, as well as address emerging investment trends and patterns.

The **2020 Scoreboard**¹² shows that industrial R&D investments would be an important contribution to the long-term orientation in the recovery and resilience context following the pandemic crisis and are essential for the Green and Digital transitions. The R&D invested by the Scoreboard companies is equivalent to approximately 90% of the world's business-funded R&D, and these companies own around two thirds of patents filed at the largest 5 IP offices worldwide. The central role of these companies in developing technologies that can provide solutions to the current crisis is shown by the example that key companies involved in developing vaccines for COVID-19 are included in the Scoreboard. Evidence from the Scoreboard shows that the **EU industry faces urgent challenges**:

- The current pandemic crisis calls for solutions especially from the pharma & biotech and ICT sectors, where competitors to the EU27 are very strong.
- The EU leadership in the automotive sector is **seriously challenged** as digital technologies take a higher proportion of the value added and a profound green transition of mobility is needed.
- The continued increase of the number Chinese companies in the Scoreboard and – compared with EU28 in previous Scoreboard editions – the exit of UK ones weakens the EU representation among the top corporate R&D Investors, pointing to **strategic gaps in industrial R&D capacities**. China comes second in numbers of companies, but still behind EU in R&D investment terms.
- The **good news** is that the EU has traditionally also an **excellent base of key R&D players** in medium technology sectors, and will benefit from policies fostering growth

⁸ https://ec.europa.eu/info/publications/sustainable-finance-teg-taxonomy_en

⁹ See: <http://iri.jrc.ec.europa.eu/home/>. The activity is undertaken jointly by the Directorate General for Research and Innovation, Directorate F Prosperity (DG R&I; see: https://ec.europa.eu/info/research-and-innovation_en) and the Joint Research Centre, Directorate B Growth & Innovation (JRC-B; see: <https://ec.europa.eu/jrc/en/science-area/innovation-and-growth>).

¹⁰ See: <https://iri.jrc.ec.europa.eu/events>

¹¹ See: <https://iri.jrc.ec.europa.eu/scoreboard>

¹² <https://op.europa.eu/en/publication-detail/-/publication/73e624aa-406c-11eb-b27b-01aa75ed71a1/language-en>

opportunities for innovative companies. In addition, the EU is the global leader on high-value green patents, with leadership in key sectors like climate and bioeconomy.

- Finally, the Scoreboard includes the results of a pilot exercise on firm-level disclosure and reputation scores related to main SDGs. By applying a methodology to convert a set of ESG indicators¹³ into SDG scores. Results reveal that European and Japanese Top investors in R&D show higher SDG scores as compared to US- and China-based investors for the selected SDGs.

3. Workshop Objectives

The new policy context requires a **better understanding about to what extent current industrial innovation efforts are contributing to progressing towards the EU objectives of competitive sustainability**.¹⁴ The Scoreboards will thus incorporate additional relevant information and indicators, to monitor and analyse related questions and in particular to identify areas where policy intervention might be needed to further incentivise R&I investments from relevant industries. In this respect, the GLORIA project will aim at providing evidence to policy makers and benchmarking tools to industry that will support and complement other initiatives, in particular the development and implementation of the EU taxonomy on sustainable finance.

Questions to be discussed at the workshop:

- How can the EU Scoreboard become a tool to complement **the EU taxonomy criteria and capture and monitor the R&I aspects** of Green Deal implementation and competitive sustainability of EU industry? What EU and global R&I competitiveness issues need to be addressed? Which additional indicators could provide insight to the stakeholder needs?
- How do **companies** measure competitive sustainability? To what extent do they report on sustainability for their internal innovation activities? How is industry preparing for the EU taxonomy?
- How do **financial actors** measure sustainability of companies and what role does it play in selecting their portfolio? How does the EU taxonomy contribute to this? What is measured beyond or complementing the taxonomy criteria?
- How do **Non Governmental Organisations (NGOs), statistical data collectors and providers and standard setting institutions** (e.g. GRI, ISO, ESTAT, EFRAG, etc) measure competitive sustainability of industries and companies? How can the EU taxonomy be an added value? What can we learn from current data availability and difficulties in data collection?
- Can answering the questions above **facilitate access to finance for innovation and investments to meet the objectives of competitive sustainability**? Which data are missing and could (or not) be collected? What are the barriers to be overcome?

¹³ Environmental, Social and Governance

¹⁴ Competitive sustainability has always been at the heart of Europe's social market economy and should remain its guiding principle for the future. Moving towards a sustainable economic model, enabled by digital and clean technologies, can make Europe a transformational frontrunner. Leadership on environmental protection and a strong, innovative industrial base must be seen as two sides of the same coin, giving the EU a competitive first-mover advantage. A stable economy, allowing for policies focused towards the long-term, and a just transition for those most affected by the transformations are prerequisite for success and should complete our framework. (see [COM 2019/650 final](#), pp. 3 and corresponding figure).

- Which **lessons for the R&I policy agenda and the R&D Scoreboards** can be derived?
- What **will not be covered by the taxonomy and how incentivize the companies** to report on it? What can the European Commission do?
- The 2020 EU R&D Scoreboard explored in its chapter “Sustainability disclosure and reputation of top R&D investors “ an SDG-related indicator of corporate disclosure and reputation to shed light on how top R&D investors evolve towards sustainability. The aim is to validate this approach and – in future Scoreboards – develop it further, considering also both the well-known ESG performance indicators and the societal and environmental impacts of corporate and sector activities.

4. Workshop Deployment

The main objective of this event is to capture the state of play of industrial innovation efforts and how it progresses towards the realisation of the Green Deal targets. The virtual workshop will be held in **two virtual morning sessions during 27 and 28 April 2021**, following the adoption of the first delegated act¹⁵ of the EU taxonomy on sustainable finance and before the adoption of the second one planned for June.¹⁶

The deployment shall promote **interactive discussion and in-depth work in focus groups** among the participants:¹⁷

- ⇒ Day 1: Policy background, keynote speech and industry session
- ⇒ Day 2: Finance/NGO/standard setters session and policy roundtable

The workshop will **conclude** with the identification of main data and information gaps and a **policy roundtable**, including possible ways forward tackling data and analyses needs.

¹⁵ https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

¹⁶ The second act will focus on specifying the information companies will have to disclose on how, and to what extent, their activities align with those considered environmentally sustainable in the taxonomy.

¹⁷ Participation by invitation only, contact JRC.B7 Lesley.Potters@ec.europa.eu

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DRAFT Agenda

Day one: 27 April 2021

Webex link: <https://ecconf.webex.com/ecconf/j.php?MTID=m0aa4b5462c0a3fd02472655226f70d69>

- **Opening session**
 - 9:30 – 10:45
 - Welcome (10 minutes): **Peter Dröll** (Director DG-R&I F Prosperity) and **Mikel Landabaso** (Director JRG Growth & Innovation)
 - **Doris Schröcker** (Head of Unit DG-R&I E.1 *Industrial Research, Innovation & Investment Agendas*) (10 minutes)
 - The importance of the Green Deal and the challenges of monitoring the efforts of its implementation:
 - **Reinhilde Veugelers – Bruegel**
 - *Keynote Speech “A Green Industrial Policy For Europe”*
 - (30 minutes)
 - **Q&A** (25 minutes)
- **Comfort break** (15 minutes)
 - 10:45 – 11:00
- **Session 1: “Being Green”: monitoring sustainable R&D efforts – lessons from industry**
 - 11:00 – 12:30
 - **Moderator: Doris Schröcker**
 - **Industry perspective:**
 - How do companies measure sustainable innovation activities (framework, indicators) and to what extent do they report these activities?
 - How are companies preparing for the EU taxonomy?
 - **Active discussants** providing **3-slides pitches each** (50 minutes + 40 minutes discussion):
 - **Antoine Mach** (*Managing Partner*) & **Sara Amoroso** (*Senior Economist*) – **Covalence & JRC B.7:**
 - SDG-related firm-level indicator used in the Scoreboard: validation of the approach
 - **Keeran Gwilliam-Beeharee** (*Executive Director*) – **Vigeo Eiris & CSR Europe**
 - The European Sustainable Industry Barometer – a first look
 - **Fabrice Stassin** (*Director Government Affairs Electromobility*) - **Umicore**

- Innovating towards sustainable batteries made in Europe – The Umicore story
- **Els van der Velde** (*Senior Expert*) – **IDEA Consult**
 - Green Deal Study (together with IDEA Consult)
- **José Luis Blasco** (*Global Sustainability Director*) – **Acciona**
 - Lessons from adapting the EU Taxonomy
- **Expected output:**
 - Indicators of importance for companies,
 - Comparability of indicators and data gaps
 - Main barriers/enabling factors for reporting

Day two: 28 April 2021

Webex link: <https://ecconf.webex.com/ecconf/j.php?MTID=m1ac48a1f0edb38a37881c3fdee8d7d7e>

- **Opening session**
 - 9:30 – 10:10
 - **Scenesetter: The EU taxonomy – how does it work?** (20 minutes), **Paolo CANFORA** (*Team Leader for EU Taxonomy*) – **JRC B.5**
 - **Q&A** (20 minutes)
- **Comfort break:** 5 minutes
- **Session 2: “Recognizing Green”: Sustainable private R&D indicators**
 - 10:15 – 12:00
 - **Moderator: Xabier Goenaga**
 - **Finance and NGO/standard setters perspective:**
 - How do different actors measure competitive sustainability?
 - What can be the added value of the EU taxonomy?
 - What is measured beyond or complementing the taxonomy requirements?
 - To compare what is already available and what is missing with respect to new expectations?
 - **Active discussants providing 3-slides pitches each** (60 minutes + 45 minutes discussion):
 - **Serena Fatica JRC.B.1**
 - Green bond financing of private investment and R&I
 - **Lina Lemessiou** (*Advanced Technical Manager*) – **European Corporate Reporting Lab @ EFRAG**
 - Sustainable reporting standards and sustainable competitiveness
 - **Thomas Verheye** (*Principal Advisor*) – **DG ENV**
 - Mobilizing Green Finance & Investments
 - **Seán O’Reagain** (*Deputy HoU Industry 5.0*) – **DG R&I E.4**
 - TPI Indicators and capturing sustainability
 - **Carsten Olsson** (*Head of Unit Business and Trade Statistics*) – **ESTAT**
 - Capturing Sustainable Innovation
 - **Aliki Georgakaki** (*Scientific Project Office*) – **JRC.C.7**
 - Indicators of Clean Energy Competitiveness

- **Expected output:**
 - State of the art of widely used financial indicators to measure sustainable private R&D
 - Overlap between monitoring interests between financial sector and public sector
- **Comfort break:** 12:00 – 12:15
- **Closing session**
 - 12:15 – 13:20
 - **Summary of the sessions by the rapporteurs** (30 mins)
 - **Alexander Tübke, Nicola Grassano, Lesley Potters** (JRC B.7)
 - Identification of main data and information gaps based on the
 - Matrix of points of action and where they could be addressed
 - Sketching of possible ways forward tackling data and analyses needs
 - **Policy roundtable (30 mins):**
 - Moderator: **Alexander Tübke** (JRC)
 - **Thomas Verheye** (DG ENV), **Irina Reyes** (DG R&I), **Norbert Malanowski** (VDI Technologiezentrum), **Paolo Canfora** (JRC), **Marco Matrisciano** (CSR Europe)
 - **Closing (5 mins): The way forward**
 - **Doris Schröcker** (Head of Unit DG-R&I E.1 *Industrial Research, Innovation & Investment Agendas*) and **Xabier Goenaga** (Head of Unit B7 *Knowledge for Finance, Innovation and Growth*)

5. Annex: Privacy Statement and Data Protection

Privacy Statement and Data Protection

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Contact information

This activity is organised by European Commission's Joint Research Centre (JRC), Directorate B (Growth & Innovation), Unit B7 (Knowledge for Finance, Innovation and Growth). In case you have questions related to this survey, or concerning any information processed in this context, or on your rights, feel free to contact the JRC B7 at the following email address: JRC-B7-SECRETARIAT@ec.europa.eu.

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