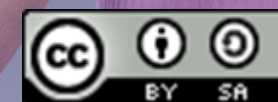




Green Transition Training Modules

MODULE 14: Impact Assessment of Green Transition

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Takeaways

After completing this module, participants will:

- understand what impact assessment means in the context of the green transition,
- learn to distinguish between economic, environmental, and social impacts,
- master the principles of measuring, monitoring, and reporting ESG impacts (KPI, CO₂e, ROI, SROI, etc.),
- understand impact assessment methods and gain an overview of tools and standards (LCA, GRI, CSRD, SBTi),
- be able to create a basic “impact map” of their own company.

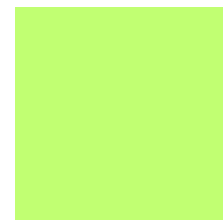
Introduction

The green transition is not only about technologies and investments. Above all, it is about **change that has long-term impacts** on the company's economy, the environment, employees, the family, and the community. To ensure this change is more than just a list of activities, it is essential to know how **to measure and evaluate it**.

Impact assessment answers the key question: ***“What real difference does our decisions and projects make—not only for us, but also for the world around us?”***

Without impact measurement, the risk is that the transition will remain formal or superficial. Companies may implement ecological measures but fail to show how these steps translate into savings, reduced emissions, employee satisfaction, or improved reputation. A well-designed impact assessment system strengthens the company's **credibility** with investors, banks, and customer; allows **progress to be tracked** and motivates employees as well as the family; protects against the risk of **greenwashing** and helps guide decisions based on data rather than feelings.

Simply put: ***what we do not measure, we cannot manage. And what we do not manage, does not happen.***



Key Concepts

Impact Logic

Input

the resources we put into the project.
Example: an investment of EUR 200 thousand into a photovoltaic power plant.

Output

the direct products or services the project creates.
Example: installed capacity of 250 kWp, annual production of 300 MWh of electricity.

Outcome

the changes that appear among target groups, in the short to medium term.
Example: a 20% reduction in company energy costs, increased employee satisfaction thanks to modernization.

Impact

the long-term effect that goes beyond the project itself and contributes to broader goals.
Example: reducing the company's carbon footprint by 30%, strengthening the region's energy self-sufficiency, enhancing brand reputation, leaving a legacy for the next generation.

A common mistake companies make is that they communicate only the **inputs** (“we invested in solar panels”) or outputs (“we installed the panels”), but fail to demonstrate the outcomes and impacts. Yet it is precisely at the **impact** levels that it becomes clear whether the green transition makes sense.

Typology of Impacts

The green transition is not one-dimensional. Every decision, every investment, and every project brings multiple layers of impact- from hard financial figures to intangible but equally important effects in reputation, values, or family cohesion. Typology of impacts therefore helps us see the whole picture - it shows that the green transition is a complex process affecting the **economic, environmental, and social spheres**.

Economic Impacts



Cost savings

reduced consumption of energy, water, materials



New opportunities

creation of new products or services (eco-packaging, green certifications)



Financial stability

lower dependence on energy price fluctuations



Access to finance

investors and banks now evaluate ESG criteria

Environmental Impacts



Reduction of CO₂e emissions

shift to renewables, electromobility, heat recovery



Resource savings

less water, less waste, more efficient production



Biodiversity and landscape

care for greenery, soil management



Circularity

extending product lifespan, minimizing single-use packaging

Social Impacts



Employees

reduced consumption of energy, water, materials



Family

strong intergenerational cooperation, shared values, pride in legacy and continuity



Community

the company as a “good neighbour”



Customers

trust and loyalty thanks to transparent communication

Reflection Questions

- Economic: Where have we saved costs in the past 3 years thanks to ecological measures? How could we quantify and present these savings (e.g., % reduction in consumption)?
- Environmental: How do we measure our carbon footprint and resource consumption? Are there areas where our company unnecessarily burdens nature without addressing it yet?
- Social:
 - Do our employees perceive that the green transition improves their working environment? How can we involve the community so that our ecological steps are seen as a shared benefit?
 - How do our family values (tradition, responsibility, legacy) influence decisions about ecological investments? What do we want to pass on to the next generation: just a profitable company, or also a legacy of sustainable business?

Task for the Family Business – “Impact Map of Our Company”

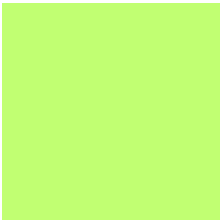
Choose one project (e.g., installation of photovoltaics, change of packaging, employee programme).

Divide the family into 3 groups – each assesses the project from a different perspective:

- Economic
- Environmental
- Social

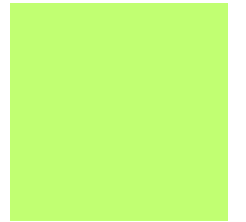
Each group prepares 2 specific impacts (both positive and potential risks) and proposes 1 indicator to measure them. At the family council, combine the results into one clear table. Agree on which indicators will be monitored regularly – and who will be responsible for them. The outcome is a simple company “impact map” that clearly shows that one project has more than just a financial dimension.

Methods and Tools for Assessment



Method / Tool	Description	Use for Family Business	Connection (quality / risk)
KPIs and Dashboards	Simple indicators (CO ₂ e, % recycling, energy savings).	Quick overview, easy trend monitoring, employee motivation.	“Check” in the PDCA cycle, basic tool for risk monitoring.
LCA (Life Cycle Assessment)	Assessment of a product/service’s impacts across its entire lifecycle.	Evaluation of environmental footprints of products (e.g., from wood to furniture).	Identification of environmental risks in the supply chain.
SROI (Social Return on Investment)	Converting social benefits into financial value.	Expressing the value of community projects or employee benefits.	Helps decide on investments with long return horizons.
ESG Reporting (GRI, CSRD, ISO 14001, SBTi)	Standardised frameworks for measuring and communicating impacts.	Obligation and opportunity – increases investor and customer trust.	Part of reputational risk prevention, “reporting” in risk management.
Impact Map / Theory of Change	Diagram of activities – outputs – outcomes – impacts.	Clear visualisation of projects for family and employees.	“Plan” in PDCA, linked to the risk identification phase.

Methods and Tools for Assessment - continue



Method / Tool	Description	Use for Family Business	Connection (quality / risk)
PDCA Cycle (Plan–Do–Check–Act)	Continuous process of improvement.	Every renewable energy or circularity project has clear phases: planning, implementation, control, correction.	Connects quality management with impact assessment, ensures systematic approach.
Risk Management Process (ISO 31000)	Identification → Analysis → Evaluation → Response → Monitoring.	Enables handling both threats and opportunities of the green transition.	Linked with PDCA: risks are assessed in every cycle.
Stakeholder Analysis	Mapping how different groups evaluate impacts.	Overview of the needs of family, employees, customers, community.	Prevents conflicts (social and reputational risk).
Scenario Analysis	Modelling future variants (e.g., energy price growth, stagnation of renewables).	Helps prepare the family business for different transition pathways.	Classic tool of strategic risk management.
Benchmarking & Best Practices	Comparison with leaders in the field or region.	Inspiration, motivation, learning from others' mistakes and successes.	"Act" in PDCA – adapting processes based on better practice.

Practical example - PDCA cycle (Plan-Do-Check-Act) Example of Community Energy

Plan

Energy consumption analysis
agreement with the municipality
definition of sharing goals

Do

Installation of batteries and
meters pilot operation of sharing
involvement of 5 companies and
20 households

Check

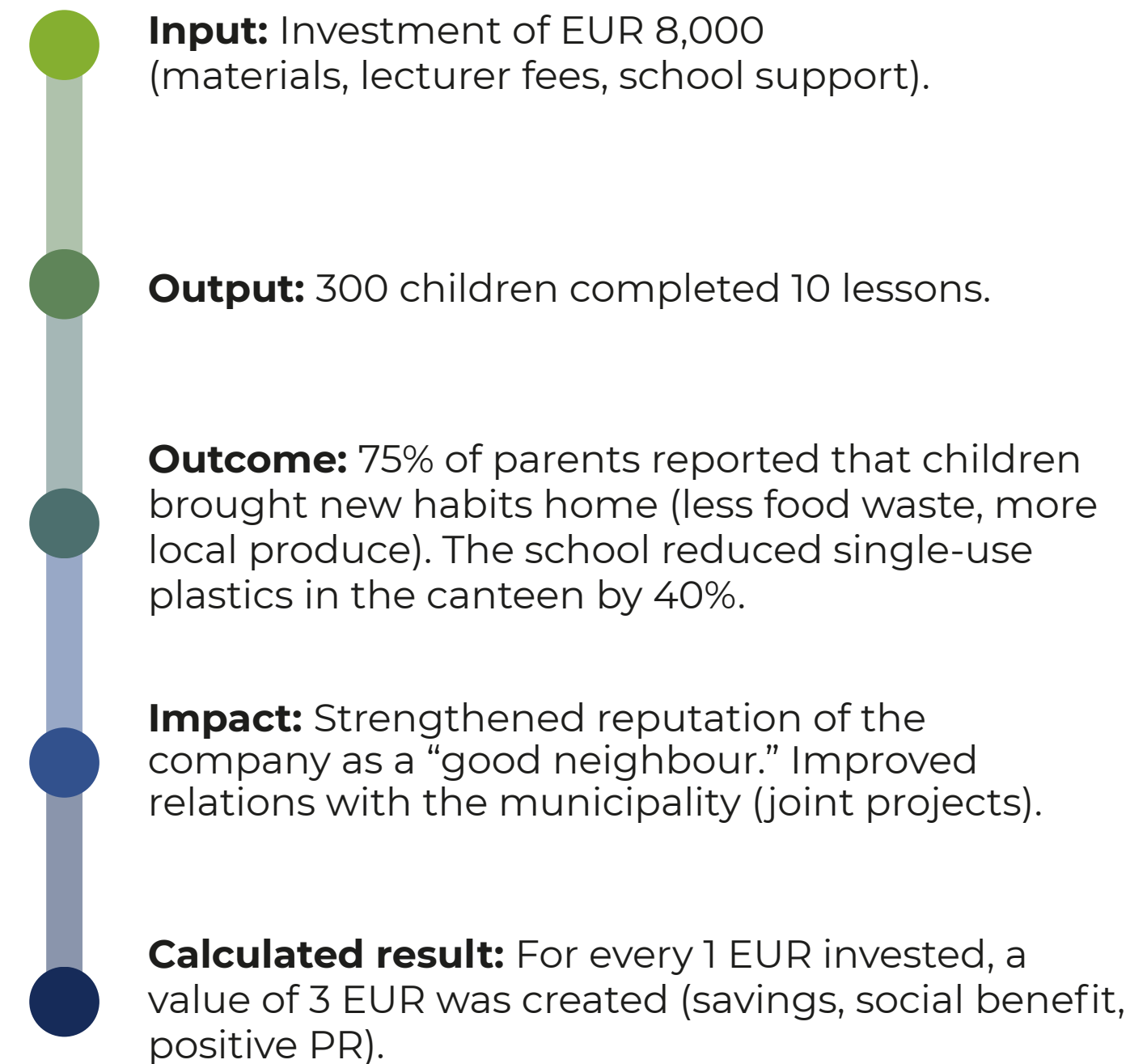
Saving and stability evaluation
satisfaction questionnaires
comparison with goals

Act

protection expansion
modification of contractual terms
and conditions investment in
assitional capacity

Practical Example - SROI (Social Return on Investment)

A family-owned food company decided to invest in a school educational programme on healthy nutrition and ecology for children in the region. SROI shows that even a relatively small investment can have a multiplied social effect. A family business can therefore easily demonstrate to the community that their project has a deeper meaning – not only economic but also value-based.



Task for the Family Business

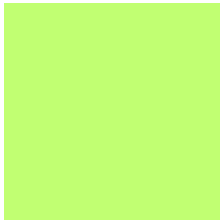
“Choose Your Assessment Method.” Select one project (e.g., new technology, water-saving, employee programme, community support). Pick one method of impact assessment, e.g.:

- KPI and dashboard
- PDCA cycle
- Impact map
- SROI, etc. (from the table above)

Apply it to your chosen project: define inputs, outputs, outcomes, and impacts, and try to express them in both numbers and value terms. Present the results at the family council. The goal is for the family to experience that these methods are not complicated and that they can clearly demonstrate the value of the green transition – even beyond the “ROI tables.”



Stakeholders and Their Perspectives



	What they expect:	How they assess impacts:	Indicators:
Family	continuity, preservation of values, strengthening of family legacy	less by short-term ROI, more by whether the investment fits into the family vision and lasts 20–30 years	involvement of the next generation, existence of a family strategy, degree of consensus on values
Employees	better working conditions, safety, and opportunities to engage in meaningful projects	by tangible improvements in everyday work and whether they can be proud of their company	employee turnover, satisfaction survey results, participation in eco-programmes, reduced sick leave
Customers	fairness, transparency, and environmentally responsible products	through concrete data (emissions, certifications, recycled materials) and authentic stories	share of eco-products in sales, NPS (Net Promoter Score), number of customers citing ecology as a reason for purchase
Community and Region	that the company will be a “good neighbour,” support local projects, and contribute to a cleaner environment	by visible results – whether the surroundings improve, and whether the company cooperates with municipalities, schools, and NGOs	number of community projects, amount of investment in the region, feedback from local authorities
Investors and Banks	risk reduction, long-term returns, and credible ESG reporting	using standardised indicators (ESG rating, CSRD compliance, carbon footprint)	volume of green loans obtained, share of projects financed from ESG funds, results of external audits



Specific Project Impacts

Family	→	Company perceived as a “good neighbour,” intergenerational agreement that the project makes sense beyond economics.
Employees	→	Higher loyalty, opportunities to participate in workshops (e.g., lectures in schools).
Customers	→	Stronger trust in the company’s products, brand linked to responsibility.
Community / School	→	75% of parents report behaviour change, 40% reduction in single-use plastics in the school canteen.
Investors / Banks	→	SROI = 3:1, positive PR, higher chance of green financing.

Reflection Questions

- **Family** – Do we have a clear agreement within the family on what we consider “success” in sustainability? Are our values really translated into concrete projects?
- **Employees** – How often do we give employees space to share their views on ecological projects? Are we able to turn their feedback into action?
- **Customers** – Do our customers perceive ecology as a reason to buy from us? Or are we not fully using this communication opportunity yet?
- **Community** – Are we visible as a “good neighbour”? Do we present our projects in a way that the municipality or school feels a real benefit?
- **Investors / Banks** – Could we demonstrate our environmental and social impacts in a way that would secure us better financing conditions?

Task for the Family Business – “Stakeholder Impact Audit”

Choose one specific project (e.g., installation of energy-saving technologies, new packaging, community support). Divide the family and key employees into groups – each group will “play” one stakeholder: Family, Employees, Customers, Community, Investors/Banks.

Each group prepares a short overview:

- What do they expect from the project?
- How would they measure its success?
- Which indicators are key for them?

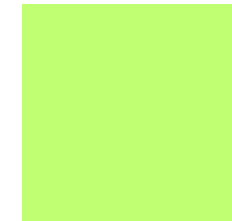
Write everything into one common table (stakeholder impact map).

Discussion

Where are expectations aligned, and where could conflicts or differences arise?

The outcome is a practical stakeholder audit, showing the company whether its projects truly make sense for all key groups – and what needs to be improved in communication and impact measurement.

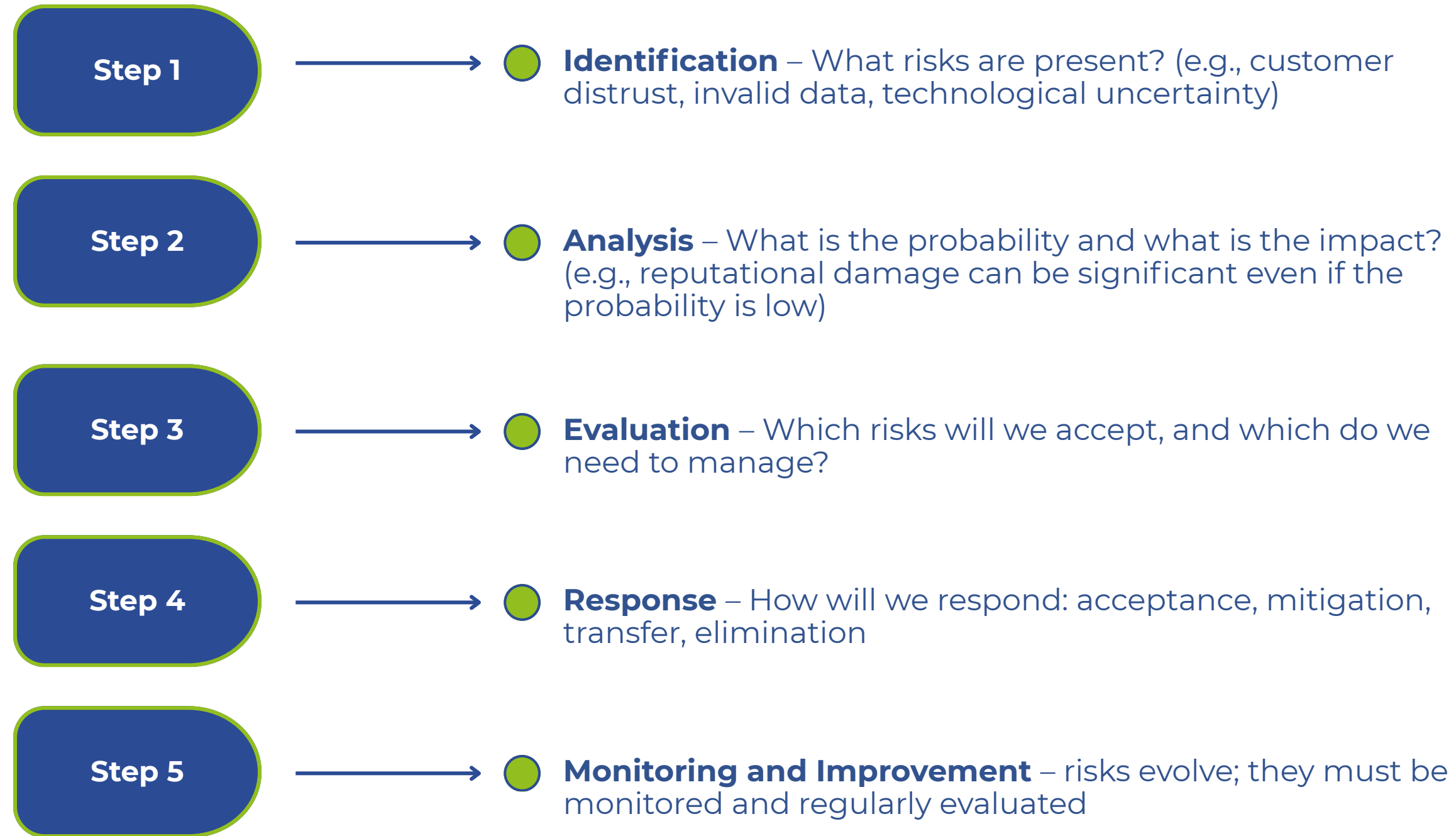
Challenges and Pitfalls of Impact Assessment



Typical Pitfall	Risk	Example	How to Address It
Greenwashing vs. Credibility	Company reports only “nice numbers,” but fails to convince stakeholders of real impacts.	Website says “we reduce emissions” but lacks concrete data or independent validation.	Transparent reporting, use of independent audits and data validation, clear communication of facts.
Lack of Data and Measurability	Some impacts (e.g., socio-emotional value) are difficult to quantify.	Family feels pride and continuity, but there is no indicator that clearly captures it.	Combine hard (numeric) and soft (surveys, feedback) indicators; start with pilot projects.
Conflict Between Short-Term ROI and Long-Term Impact	Founder demands quick payback, while successors seek a long-term legacy.	A solar power plant with a 12-year payback is seen as too risky, even though it strengthens long-term stability.	Hold family discussions about values; combine quick-win projects with long-term investments.
Different Stakeholder Expectations	What the family considers success may not be shared by employees or customers.	Customers expect eco-certifications, while the family communicates mainly values and tradition.	Create a stakeholder map and regularly communicate results to each group in their own understandable language.
Complexity and Bureaucracy	Attempting to track too many indicators → overload and demotivation.	Company collects dozens of KPIs, but no one actually evaluates them.	Focus on 3–5 key indicators, track others only for orientation; use digital dashboards.

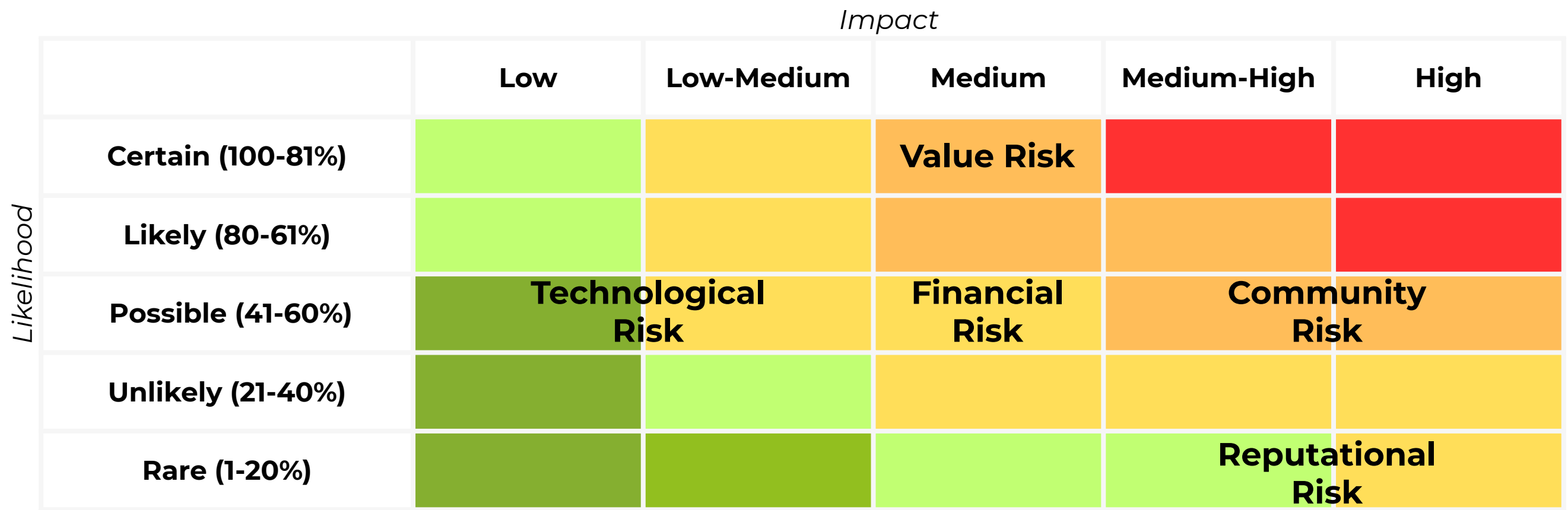
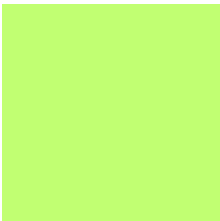
How to Do It? Principles of Risk Management

According to ISO 31000 methodology and best practice, we can work with risks in impact assessment as follows:



Practical Example - A Risk Map

A risk map visualizes main uncertainties that may arise during the implementation of your project. The example below shows a risk map of a food company that wants to start a new educational program.



Axes of the Map

- **X-axis** – Impact (low, medium, high): How serious will the consequences be if it happens?
- **Y-axis** – Likelihood (low, medium, high): How often can the risk occur?

Color Zones

- **Green** = low risk (no major attention needed, just monitoring).
- **Yellow** = medium risk (requires preventive measures or ongoing monitoring).
- **Red** = high risk (must be actively managed, or the project adjusted).

Specific Risks (examples)

- **Financial Risk**
- **Reputational Risk** (greenwashing)
- **Technological Risk** (program evaluation)
- **Value-based Risk** (family disagreement)
- **Community Risk** (lack of interest from schools)



Reflection Questions

- How can we ensure that our communication about impacts is credible and transparent, and does not slip into greenwashing?
- Which impacts in our company are easy to measure (e.g., energy consumption), and which are difficult (e.g., pride, trust, cohesion)? How can we bridge this gap?
- How can we align short-term financial goals (ROI) with the long-term legacy for the next generation?
- Are all our stakeholders (family, employees, customers, community, banks) satisfied with how we present impact results to them? Who is “the most overlooked”?
- Are we collecting too much unnecessary data? Which 3–5 indicators should really be key for us?

Task for the Family Business: “Audit of Challenges and Pitfalls”

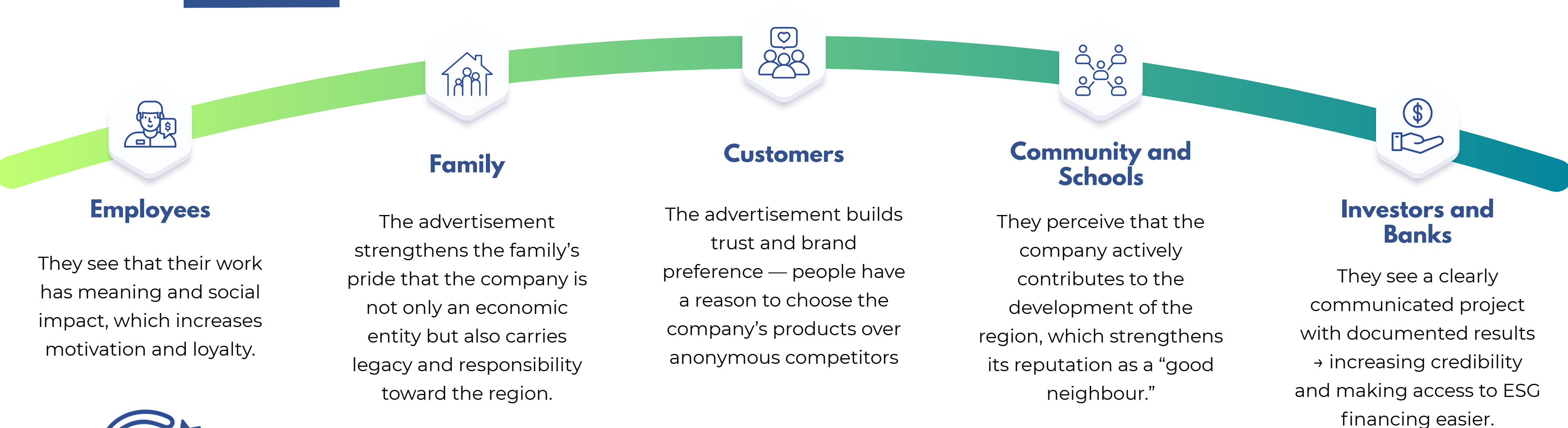
Choose one ongoing or planned project. Identify 5 main pitfalls (e.g. greenwashing, lack of data, ROI vs. legacy, differing stakeholder expectations, bureaucracy). For each pitfall, state:

- Why is it relevant for our company?
- What specific real-life example relates to it?
- What measures can we take to mitigate the risk?

Record the answers in a simple “risk table” and discuss them at the family council. Finally, agree on 3 priority steps that will immediately improve the quality of your impact assessment. The outcome is a practical family action plan that will help the company avoid the most common pitfalls and increase the credibility of its green transition.

Impact Assessment of Corporate Communication of the Green Transition

Communication itself is one of the most important “impacts” of the green transition. **The stakeholders must understand take ecological steps you are taking, trust them, and feel their meaning.** Impact assessment of corporate communication therefore determines whether the company is truly strengthening trust and motivation, or whether there is a risk of greenwashing.



Economic and Reputational Impacts of Communication

01

- **Benefit:** Better reputation attracts customers and makes access to financing easier.
- **Indicators:** Growth in sales of “green” products, number of media mentions, ESG rating.
- **Example:** The company transparently shares CO₂ data and thereby obtains a more favourable loan from the bank.

Social Impacts of Communication

02

- **Benefit:** Employees understand the purpose of the transition and feel pride.
- **Indicators:** Results of internal surveys, level of participation in eco-projects.
- **Example:** An internal newsletter explains the meaning of each investment — employee turnover decreases.

Impacts on Customers and the Community

03

- **Benefit:** Customers and the community trust the brand and perceive it as a “good neighbour.”
- **Indicators:** NPS (Net Promoter Score), share of customers citing ecology as a reason for purchase, feedback from the municipality.
- **Example:** A family-owned brewery presents its tree-planting project — the community strengthens loyalty, and customers identify more with the company.

Task for the Family Business: “Audit of Communication Impacts”

Choose three specific communication activities of your company (e.g., press release, social media post, internal newsletter, etc.). Evaluate them from the perspective of stakeholders (family, employees, customers, community, bank). Answer:

- Are the messages understandable?
- Are they supported by concrete data or only by slogans?
- Do they give stakeholders a sense of trust and meaning?

Create a table assessing the impacts of communication and propose 2–3 steps for improvement.



Final Thought

Impact assessment is not just a technical tool but above all a way to give meaning to the entire green transition. Family businesses, thanks to their values and long-term perspective, have a unique opportunity to show that success is not measured by financial results alone. Equally important are environmental benefits, social cohesion, customer trust, and reputation in the community. *“The true legacy of a family business is not counted only in numbers, but in the kind of world it leaves to its children and the community in which it operates.”*



More to explore (Resources & Further reading)

- **ESG News.** (2025). ESG News – Sustainability News, ESG Investing, Events ... ESG News.

A website full of current news, reports, and analytical articles on ESG trends, green technology, regulation, and climate finance. Link to the website: <https://esgnews.com/>.

- **FamilyBusiness.org.** (2025). Family Business – Improving entrepreneurship and family business effectiveness through research and sharing of best practices.

International portal with a rich database of articles, research, and case studies on family businesses, their values, succession, and sustainability. Link to the website: <https://familybusiness.org/>.

- **IMD – Institute for Management Development.** (2024). How green are family businesses? iBy IMD.

Blog and research studies dedicated to how family businesses approach ecological transformation, including their specific advantages and challenges. Link to the website: <https://www.imd.org/>.

- **Family Firm Institute (FFI).** (2025). Family Business Review & FFI Practitioner.

Professional association with access to the peer-reviewed journal Family Business Review and practical newsletters focused on strategy, governance, and sustainability in family businesses. Link to the website: <https://www.ffi.org/>.

- **Circular Economy Alliance.** (2025). Circular Economy Alliance: Home.

A platform focused on education, knowledge sharing, and supporting the adoption of circular economy principles in businesses, including family firms. Link to the website: <https://circulareconomyalliance.com/>.

- **IESE Family Business Blog.** (2025). The “S” in ESG: Social commitment in family business.

University blog reflecting on the role of social responsibility and values in family businesses, offering practical insights on the connection between ESG and family dynamics. Link to the website: <https://blog.iese.edu/family-business3/>.

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- Miller, D., & Le Breton-Miller, I. (2011). Managing for the Long Run: Lessons in Competitive Advantage from Great Family Businesses. Harvard Business School Press.
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