

# Transition Plan Index Resource Document

September 2024

## Introduction

Thousands of companies have set ambitious, interim 2030 carbon reduction goals and pledged net-zero emissions by 2050. Yet, corporate net-zero goals are insufficient in the absence of transition plans that are science-based, transparent, verifiable, and accompanied by aligned actions and investments. Many companies have a transition plan, but it is often not contained in a stand-alone document — instead, plan elements are most often found in an existing disclosure such as an annual sustainability report or on a company website. Companies that do publish stand-alone plans utilize a variety of formats and plan elements. This lack of uniformity frustrates the goal of clearly communicating to stakeholders the corporate strategy around transition plans (i.e., actions and investments) to achieve stated net-zero ambitions.<sup>1</sup>

To address these concerns, a group of non-governmental organizations (NGOs) came together in July 2024 to develop the concept of a transition plan index. These NGOs include:

- BSR
- Center for Climate and Energy Solutions (C2ES)
- Ceres
- Environmental Defense Fund (EDF)
- We Mean Business Coalition (WMBC)

## Purpose

The purpose of the index is to enhance transparency and comparability by providing a tool for companies to explicitly indicate where all the elements of their transition plan can be found, whether the plan is stand-alone or integrated with an existing sustainability publication. It is also designed to allow companies to provide details for elements not disclosed in a plan. The index should be included in the company's relevant documents so that stakeholders can quickly find and review elements of interest. A secondary benefit of using the transition plan index template is that it serves as a check on the completeness of the plan for both the company and stakeholders (Table 1).

Understanding there are many different guidance that companies use to guide transition plan development the group identified a core set of leading frameworks to include in the initial version of the index. Frameworks selection does not represent an endorsement, but the attempt to choose the guidance with the greatest coverage of existing transition plans. Guidance included in the first version (V1.0) of the index template published on September 18, 2024 are:

- Glasgow Financial Alliance for Net Zero (GFANZ)
- the International Sustainability Standards Board (ISSB)
- Transition Plan Taskforce (TPT)
- European Sustainability Reporting Standards (ESRS).

**Table 1: Benefits of Publishing Transition Plan Elements**

Benefit	Companies	Investors	Customers	NGOs
Clearly and efficiently communicates transition plan information	•	•	•	•
Communicates element ambition	•	•	•	•
Enhances transparency	•	•	•	•
Helps SME's and beginners communicate action	•	•	•	•
Enables comparability	•			
Distinguishes climate leadership	•		•	
Enables regulatory compliance	•			

## Best Practices & Instructions

The UK Transition Plan Taskforce (TPT) October 2023 Disclosure Framework identifies as best practice the development of a stand-alone transition plan, and updating the plan whenever there are significant changes, or every three years at the latest.

*In addition to including transition plan disclosures as part of its general purpose financial reports, the TPT regards it as good practice for an entity to publish its transition plan in a single standalone document that sits alongside its general purpose financial reports.*

*We recognize that this carries an additional reporting burden for entities and may lead to the duplication of some information. However, presenting the transition plan in a standalone document will enable an entity to include information that elaborates on, and provides a deeper evidence base for, the material information included in the entity's general purpose financial report. An entity may also consider including some information in a standalone report that may not be material to users of its general purpose financial reports, but may nevertheless be decision-useful to other stakeholders.*

*A standalone version of an entity's transition plan may also help a preparer to communicate more clearly the nuances of its strategy, improving the ability of external audiences to understand how the entity is managing the complexities of the transition. It will also allow users to analyze, compare, and aggregate plans across entities more effectively and to hold entities to account.<sup>2</sup>*

Whether companies produce a stand-alone plan or include plan elements in another document, best practice should also incorporate completing and including a transition plan index.

The transition plan index for the initial frameworks is contained in a spreadsheet-based workbook. The index workbook includes instruction and reference tabs, as well as tabs that contain the index template for each of the selected transition planning frameworks (Figure 1).

Companies using the index templates should:

- indicate whether the disclosure element is included in the transition plan
- provide an explanation for the absence of each element not included, including:
  - a brief explanation for why the element is missing
  - plans for including the element in the future
  - the timeline for including missing elements
- fill in the location for each transition plan element in the reference document
- include it as an appendix to the source document, and label it clearly as a transition plan index
- include it in its entirety (i.e., no portions of the index should be edited or removed)
- include it in the source document table of contents

**The transition plan index should be updated annually in cadence with other relevant sustainability disclosures.**

### **The Transition Plan Index is hosted on:**

The Center for Climate and Energy Solutions (C2ES) Index Webpage at:

<https://www.c2es.org/corporate-low-carbon-transition-planning/transition-plan-content-index>

Ceres Transition Plan Webpage at:

<https://www.ceres.org/transition-plans>

Figure 1: Steps to Index a Transition Plan



## Examples of Transition Plan Index Disclosure and Inclusion in Source Document Appendix and Table of Contents

Example 1: Transition Plan Index disclosure with location information for included elements and additional context for omitted elements

THEME	DISCLOSURE	SUB-COMPONENT	DISCLOSURE ELEMENT	REFERENCE	ELEMENT DISCLOSED (Y/N)	ELEMENT LOCATION	NOTES
Foundations	Objectives and Priorities	Objectives and over-arching strategy	The company's climate objectives, including interim goals	Section 4.1	Y	<a href="#">pg. 10</a>	
			The rationale for the selected level of ambition	Section 4.1	Y	<a href="#">pg. 22</a>	
			How the transition strategy will be embedded within the company's overall business strategy	Section 4.1	N		Identify opportunities for plan integration into enterprise strategy
		Governing principles	The company's objective to ensure a just transition and a nature-positive economy	Section 4.1	N		We are in the process of creating our first Just Transition disclosure
			How these principles are embedded throughout each component of the transition plan	Section 4.1	Y	<a href="#">pg. 28</a>	

  

REFERENCE	ELEMENT DISCLOSED (Y/N)	ELEMENT LOCATION	NOTES
Section 4.1	Y	<a href="#">pg. 10</a>	
Section 4.1	Y	<a href="#">pg. 27</a>	
Section 4.1	N		Identify opportunities for plan integration into enterprise strategy
Section 4.1	N		We are in the process of creating our first Just Transition disclosure
Section 4.1	Y	<a href="#">pg. 28</a>	

Example 2: Inclusion of Transition Plan Index in Appendix and Table of Contents in source document

**Appendix**  
 SASB, GRI and TCFD Framework Alignment pg. 14-19  
**Transition Plan Index pg. 20**  
 CDP Report pg. 21  
 UN Sustainable Development Goals pg. 22  
 Non-GAAP Financial Measures pg. 23

## Resources

### Transition Planning Frameworks

GFANZ Expectations for Real Economy Transition Plans (September 2022)

<https://assets.bbhub.io/company/sites/63/2022/09/Expectations-for-Real-economy-Transition-Plans-September-2022.pdf>

Transition Plan Taskforce Disclosure Framework (October 2023)

[https://transitiontaskforce.net/wp-content/uploads/2023/10/TPT\\_Disclosure-framework-2023.pdf](https://transitiontaskforce.net/wp-content/uploads/2023/10/TPT_Disclosure-framework-2023.pdf)

Corporate Sustainability Reporting Directive (CSRD) (2022)

<https://eur-lex.europa.eu/eli/dir/2022/2464/oj>

European Sustainability Reporting Standards (ESRS) Annex 1 (April 2024)

<https://xbrl.efrag.org/e-esrs/esrs-set1-2023.html>

European Sustainability Reporting Standards (ESRS) Set 2 (May 2023)

[https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/ESRS%20%20Delegated-act-2023-5303-annex-1\\_en.pdf](https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/ESRS%20%20Delegated-act-2023-5303-annex-1_en.pdf)

International Sustainability Standards Board: IFRS S2 Climate-related Disclosures (June 2023)

<https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s2-climate-related-disclosures.pdf?bypass=on>

### Credibility

**United Nations:** Integrity Matters: Net Zero Commitments by Businesses, financial institutions, cities and regions (November 2022)

[https://www.un.org/sites/un2.un.org/files/high-level\\_expert\\_group\\_n7b.pdf](https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf)

**World Benchmarking Alliance:** Assessing companies Transition Plans Collective Guidance (2024)

<https://www.worldbenchmarkingalliance.org/news/for-consultation-assessing-companies-transition-plans-collective-atp-col-guidance-document/>

**Institutional Investors Group on Climate Change:** Investor Expectations for Corporate Transition Plans: From A to Zero (March 2023)

<https://www.iigcc.org/resources/investor-expectations-of-corporate-transition-plans-from-a-to-zero>

### Ambition

**Ceres:** Blueprint for Implementing a Leading Climate Transition Action Plan (June 2024)

<https://www.ceres.org/resources/reports/blueprint-for-implementing-a-leading-climate-transition-action-plan>

**Transform to Net Zero:** Climate Transition Action Plans (September 2022)

<https://transformtonetzero.org/wp-content/uploads/2022/09/TONZ-Climate-Transition-Action-Plans-Transformation-Guide-Sept-2022-Pages.pdf>

**We Mean Business Coalition, Ceres, CDP, Environmental Defense Fund:** Climate Transition Action Plans: Activate Your Journey to Climate Leadership (October 2022)

<https://www.wemeanbusinesscoalition.org/wp-content/uploads/2022/10/WMBC-Climate-Transition-Action-Plans.pdf>

## Just Transition

**International Labor Organization:** Guidelines for a Just Transition (February 2016)

<https://www.ilo.org/publications/guidelines-just-transition-towards-environmentally-sustainable-economies>

**Center for Climate and Energy Solutions:** *Perspectives on a Just Transition within the Electric Utilities Sector Resource* (August 2024)

<https://www.c2es.org/wp-content/uploads/2024/07/Perspectives-on-a-Just-Transition-in-the-Electric-Utilities-Sector.pdf>

**BSR:** Just Transition Toolkit (2023)

<https://www.bsr.org/reports/BSR-Just-Transition-Planning-Toolkit.pdf>

**BSR:** Why Climate Transition Plans Must Support a Just Transition (2023)

<https://www.bsr.org/en/blog/why-climate-transition-plans-must-support-a-just-transition>

**World Benchmarking Alliance:** Just Transition Assessment (September 2023)

<https://www.worldbenchmarkingalliance.org/just-transition/#:~:text=In%20light%20of%20the%20crucial,social%20challenges%20of%20a%20lo>

**The London School of Economics:** Financing a Just Transition

<https://www.lse.ac.uk/granthaminstitute/financing-a-just-transition/>

## Nature

**World Wildlife Foundation:** Criteria for Credible Climate and Nature Transition Plans for Financial Institutions (November 2022)

[https://wwfint.awsassets.panda.org/downloads/wwf\\_credible\\_transition\\_final.pdf](https://wwfint.awsassets.panda.org/downloads/wwf_credible_transition_final.pdf)

**World Wildlife Foundation:** Nature in Transition Plans (January 2023)

<https://www.wwf.org.uk/our-reports/wwf-nature-transition-plans>

## Endnotes

- 1 UK Transition Plan Task Force (2023). Disclosure Framework, p. 42. [https://transitiontaskforce.net/wp-content/uploads/2023/10/TPT\\_Disclosure-framework-2023.pdf](https://transitiontaskforce.net/wp-content/uploads/2023/10/TPT_Disclosure-framework-2023.pdf).
- 2 Nicholas Franco & Naila Karamally, Corporate Low-Carbon Transition Planning: Best Practices & Recommendations to Support Credible Action (Arlington, VA: Center for Climate and Energy Solutions, 2024), <https://www.c2es.org/document/corporate-low-carbon-transition-planning-best-practices-recommendations-to-support-credible-action>.