







A climate transition plan is a **time-bound action** plan which:

- ▼ **Supports a strategy** to align with the latest and most ambitious climate science recommendations, i.e., halving greenhouse gas emissions by 2030 and reaching net-zero by 2050, thereby limiting global warming to 1.5°C.
- ▼ **Clearly outlines how an organization will pivot** its existing assets, operations, and entire business model.
- ▼ **Demonstrates** that the business model will remain relevant in a net zero economy.

## SIX GUIDING PRINCIPLES

-  **Forward-looking:** The plan's orientation trends towards 2050, with an emphasis on the near-term (the next five years).
-  **Complete:** The plan covers the whole organization i.e., any exclusions from the plan must not be material to the company and/or the environment.
-  **Internally coherent:** The plan is integrated into the overall business strategy and linked to the profit and loss statement.
-  **Time-bound and quantitative:** The plan's KPIs are quantifiable and outlined for defined timeframes.
-  **Accountability:** The plan has clearly defined roles and responsibilities, including within board and C-levels.
-  **Flexible and responsive:** The plan is reviewed and updated regularly (at least every five years) with stakeholder (including shareholders).

## ELEMENTS OF A CREDIBLE CLIMATE TRANSITION PLAN

- ✓ Complete, accurate, transparent, consistent, relevant, and third-party **verified annual Scope 1, 2 and 3 emissions inventory**.
- ✓ Verified near-term (5-10 years) **science-based targets** (emissions reduction targets in line with 1.5°C pathways) and Net Zero long-term SBT (for 2050 at the latest). See [CDP insight note - Science-based targets & the Net-Zero Standard](#)
- ✓ Time-bound **actions to decarbonize business and value chain processes:** (1) supply chain engagement (2) increasing portfolio of low carbon products and services (3) customer engagement and (4) emissions reduction initiatives in direct operations.
- ✓ Identification of potential substantive climate-related risks and opportunities underpinned by a robust **scenario analysis**. Process for minimising identified risks and maximising opportunities.
- ✓ Outline of time-bound **financial planning** details to support the transition (CAPEX, OPEX, revenue, etc.).
- ✓ Verifiable and quantifiable **key performance indicators (KPIs)** which measure the success of an organization's transition; tracked regularly and reported annually.
- ✓ Robust **governance** mechanisms to make the board and C-suite executives accountable for delivery of the plan, and effective **stakeholder feedback mechanism** (e.g., AGMs).
- ✓ Integration into existing mainstream filings, and alignment of public **policy**

\*direct indicators – forward-looking and quantitative

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Integration into existing mainstream filings, and alignment of public **policy** and commitments.

**C4.1\*, C4.1a\*, C4.1b\***  
(Emissions reduction targets)

**C4.2a\*, C4.2b\***  
(Other climate related targets)

**C4.2c\*** (Net-zero target)

**C3.2, C3.2a, C3.2b**  
(Details of scenario analysis)

**C2.1, C2.2** (Process for identifying climate related risks & opportunities)

**C2.3, C2.3a, C2.4, C2.4a** (Climate related risks and opportunities)

**C3.3** (Link between identified climate related risks, opportunities & company strategy)

**C1.1, C1.1a, C1.1b** (Board level oversight)

**C1.1d** (Climate related Board expertise)

**C1.3, C1.3a** (Executive remuneration linked to climate KPI's)

**C1.2, C1.2a**  
(Senior management accountability & feedback mechanism)

**C5.2, C6.1, C6.3, C6.5, C10.1a, C10.1b, C10.1c** (Comprehensive and third-party verified emissions accounting)

**C4.5, C4.5a** (Low-carbon products or services)

**C4.3b** (Low carbon initiatives – direct operations)

**C12.1, C12.1a, C12.1b, C12.1d, C12.2, C12.2a** (Value chain engagement)

**C3.4, C3.5\*, C3.5a\*** (Financial planning details associated with a 1.5°C world)

**C3.1\*** (Existence of "1.5°C world" aligned transition plan within business strategy & shareholder feedback)

**C12.3, C12.3a, C12.3b, C12.3c**  
(Alignment of public policy engagement with climate ambition & strategy)