

Stay the Course: Advancing Integrated Transition Plans


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Acknowledgements



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This report contains research, findings, and recommendations, the content may be revised as the context, topic and company action on the climate transition, and stakeholder expectations evolve and advance.

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Introduction

CTPs as the Anchor of Corporate Climate Strategy

Climate Transition Plans (CTPs) have become key in guiding companies from commitments to concrete action. Some companies are facing political headwinds and stakeholder backlash in some regions, while others are going full steam ahead on CTP development. As some businesses consider slowing down on climate commitments, recent data from the Science Based Targets initiative shows that the number of companies setting climate targets and commitments continues to grow ([SBTi, 2025](#)).

Charting What Comes Next

This report looks back at the key developments in the climate transition plan landscape during 2025, exploring how regulators, investors, and companies have evolved their expectations and approaches. It also looks forward and offers perspectives on how the future of CTPs may unfold. This report is a call to stay the course, positioning CTPs as the cornerstone for strategic integration of climate, nature, and people goals and the flagship disclosure vehicle in times of accelerated change.

Winds at Play in 2025



Five Key Highlights on Climate Transition Plans

2025 marks a turning point in how companies approach climate transition plans. Global standards are converging, and investor scrutiny is intensifying. Looking ahead, the scope of expectations is set to expand further to include nature, adaptation, and the just transition.

In this report, we present **five key highlights** that capture the CTP evolving landscape and the implications for business strategy and disclosure:

1



A Wave of New CTPs, Yet Credibility and Rigor Remains Limited

2



Transition Plan Regulations: Progress Amidst Pushback

3



Institutional Investor and Regulatory Pressure Remains Strong

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Voluntary Standards Keep Raising the Bar

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Expanding Scope: Integrated Approaches

A Wave of New CTPs, Yet Credibility and Rigor Remains Limited



The regulatory drive from the EU and global frameworks is fueling a surge in CTPs



More than half of CSRD preparers declare having a transition plan for climate change mitigation (55%).

The EU legal framework is driving progress in corporate sustainability reporting, with climate transition planning becoming a **mainstream exercise**.

41% of large companies worldwide have published a transition plan for climate change mitigation.



Despite progress on disclosure, CTPs are often missing key elements affecting their credibility



Many CTP disclosures lack key elements required by the ESRS, such as:

- Defined decarbonization levers
- Explanation of alignment with the 1.5°C target
- Robust information on investment strategies
- Assessment of external factors

Almost all of the 2,000 highest-emitting publicly listed companies evaluated by the TPI Centre show significant shortcomings in their transition planning and execution.

Companies often fall short on the quantification of transition plan actions and the alignment of future capital expenditure with decarbonization goals.

Transition Plan Regulations: Progress Amidst Pushback

Despite challenges to CSRD, CSDDD, and SEC climate rules, momentum toward CTPs continues to build globally.

- ❑ Within the European Union, the proposed Omnibus Simplification Package seeks to clarify and align climate and transition plan reporting requirements. Notably, the draft ESRS E1 now explicitly identifies dependencies as core components of corporate transition plans which better aligns with IFRS S2.
- ❑ In 2025, new guidance on transition plan disclosure under IFRS S2 was released, drawing heavily on the UK Transition Plan Taskforce (TPT) framework, which is the most comprehensive CTP framework. Several major economies are now adopting or aligning with IFRS S2 in some capacity (see the map).
- ❑ At the same time, legislators in other jurisdictions are actively consulting on climate transition plan disclosure requirements. In Australia, the government ran a Climate-Related Transition Planning Guidance Consultation from August to September 2025, while in the United Kingdom, the Climate-related Transition Plan Requirements Consultation ran from June to September 2025.

Together, these developments signal a clear and accelerating trend toward globally consistent and transparent transition planning standards.



Image Credit: Istock, BianAJackson

Transition Plan Regulations: Progress Amidst Pushback

This map highlights some selected transition plan developments.

In the **UK**, companies disclose against the TCFD recommendations, which includes CTP considerations since FY2022. In June 2025, the UK government published draft UK SRS (aligned with IFRS S1 and 2). They also launched a Transition Plan Requirements Consultation (June – September 2025).



In the **EU**, the CSRD requires issuers in scope to disclose their CTP. In the updated ESRS E1 draft post-Omnibus proposal, dependencies has been added as part of the core elements of a CTP.

Modeled after the UK TPT, the Canadian Transition Task Force launched in October 2024 with the aim of developing CTP criteria for adoption by regulators.



ISSB IFRS S2

Climate-Related Disclosures (IFRS S2) require companies to provide information about transition plans. In 2025, guidance on transition plan disclosure under IFRS 2 was published.



Hong Kong
In 2025, new climate-related disclosure requirements (aligned with IFRS S2) for issuers under the Hong Kong Stock Exchange take effect.



Effective from FY2023, the Aotearoa **New Zealand** Climate Standards requires large listed companies to disclose the transition plan aspects of their strategy.



In **Australia**, AASB S1 and S2 (based on IFRS S1 and S2) became effective from January 2025. AASB S2 contains the same CTP disclosures as IFRS S2. The Australian Treasury also launched a Climate-Related Transition Plan Guidance Consultation (August – September 2025).



Independent Mandates in Effect*



IFRS Aligned Mandates in Effect



IFRS Aligned Mandates Under Consideration

*Some countries have both independent and IFRS aligned mandates.



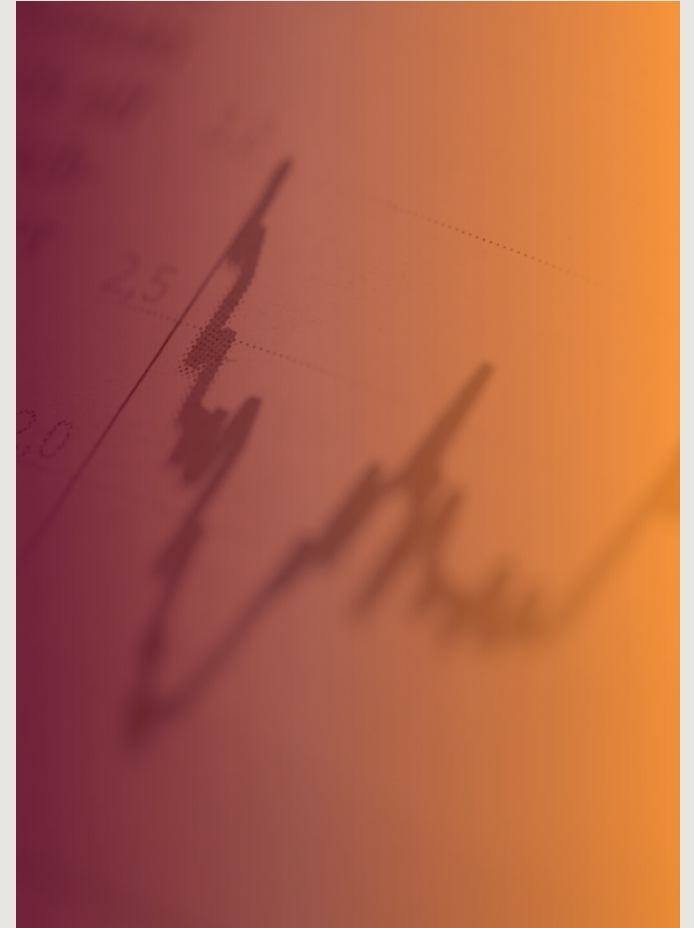
You can track Global Transition Plan Requirements using [ITPN interactive map](#).

Institutional Investor and Regulatory Pressure Remains Strong

Investor and supervisory expectations around credible climate transition plans (CTPs) continue to intensify in 2025.

- ❑ **Investors increasingly rely on CTPs to guide capital allocation, portfolio construction, risk assessment, company valuation, and stewardship activities, viewing them as ‘material business imperative.’**
- ❑ **Leaders of major government pension funds and the broader institutional investor community now expect—and are calling for requirements that—companies publish credible, time-bound climate transition plans and use them to judge the credibility of decarbonization strategies and exposure to climate risk.**
- ❑ **At the same time, financial authorities emphasize the role of CTPs in maintaining financial stability and reducing systemic risk to the financial system. Supervisors and regulators are moving from recommendation to expectation, signaling that transition planning is becoming a standard feature of corporate governance and disclosure.**
- ❑ **This global momentum is reinforced by political and diplomatic signals. The COP30 Presidency has explicitly called for credible transition plans from the private sector, affirming that “*the private sector is both a beneficiary of the climate transition and an indispensable partner in driving its implementation.*”**

Pressure is unified and persistent as companies are expected to prove credible, time-bound transition plans for a climate resilient economy.

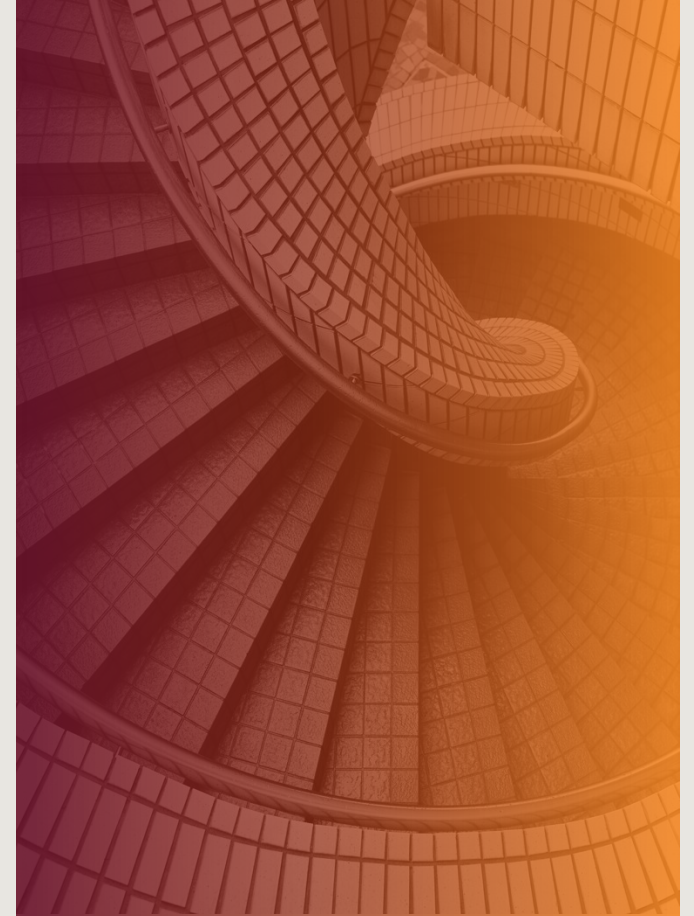


Voluntary Standards Keep Raising the Bar

Key reporting frameworks are cementing transition planning as a core element of corporate accountability.

- ❑ The latest **SBTi Corporate Net-Zero Standard draft** introduces an expectation for companies to publish a CTP. Companies without a formal transition plan should disclose information providing strong context for their climate transition, signaling a shift toward greater accountability and transparency in corporate climate action.
- ❑ Similarly, the **upcoming 2025 update to the GRI 102 Standard** expands disclosure requirements to cover transition planning, climate adaptation, and the just transition, reflecting growing expectations for comprehensive and equitable climate strategies.

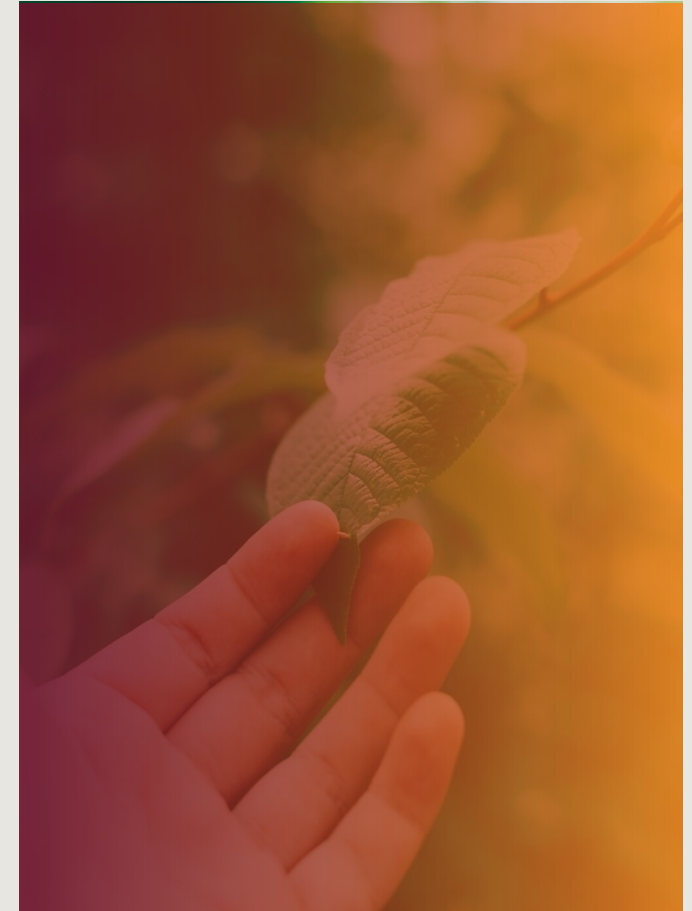
Together, these frameworks do more than reinforce regulatory developments—they shape market norms and peer expectations. By embedding transition planning into mainstream reporting and target-setting standards, they establish benchmarks that companies cannot afford to ignore, driving competition, scrutiny, and continuous improvement across sectors.



Expanding Scope: Integrated Approaches

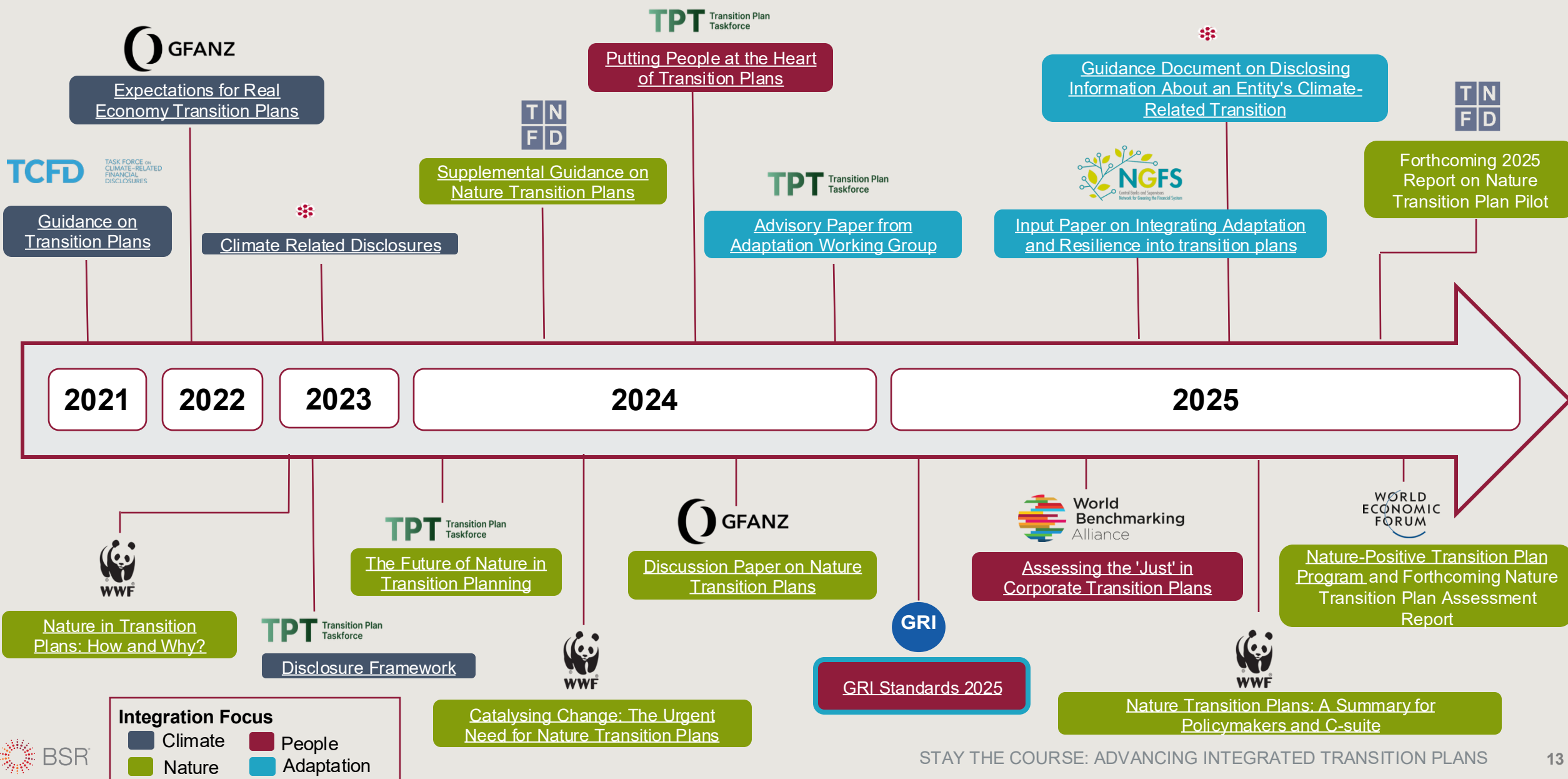
The scope of transition planning is widening as companies move toward integrated approaches that link climate, nature, and social goals—though this integration remains at an early stage.

- ❑ **As climate transition plan disclosures mature and guidance becomes clearer, transition planning is moving beyond target setting updates toward integrated disclosure that sits at the heart of corporate strategy.** Companies are connecting mitigation with adaptation, nature, and people, and are explaining governance, capital allocation, value chain engagement, and impacts on ecosystems and communities in one coherent plan. Early practice shows this shift in action. PepsiCo, General Mills, and Unilever pair deforestation-free supply chains, regenerative agriculture, and landscape restoration with farmer partnerships and just transition commitments that strengthen rural resilience. **Climate transition plans are becoming the blueprint that links strategy, products, and risk management to credible delivery in a net zero and climate resilient economy.**
- ❑ **As shown by the proliferation of frameworks pushing for people, adaptation and nature integration into CTPs, the direction of travel is unmistakable: toward integrated business strategies that align climate, nature, and social objectives, guiding genuine business model transformation and positioning companies to thrive in a just, net-zero, and nature-positive economy.**





The CTP Ecosystem Moves Toward Integration



Transition Plans of Tomorrow: Moving toward Integration



From Climate-Only to All-In: The Next Evolution of Transition Planning

- ❑ **After years of setting commitments, many companies are beginning to publish transition plans.** Most are still work in progress, but disclosures now look more like actionable plans than high-level commitments, signaling a clear shift from pledging to delivering. Even when the emphasis is mitigation, nature and people are not being ignored; these efforts are advancing in parallel, often in separate silos.
- ❑ **Getting to a truly integrated CTP can be considered the North Star.** Yet the path is rarely linear. It likely is complex and will benefit from being iterative, because companies are confronting systemic challenges that cut across climate, nature, and human rights, compelling them to revisit and redefine what progress means, and to reimagine goals that serve all three dimensions jointly.
- ❑ **Achieving integration requires breaking down internal silos** and integrating subject matter expertise on the three dimensions across relevant business functions.



The TPT Framework as a Powerful Entry Point for Integration

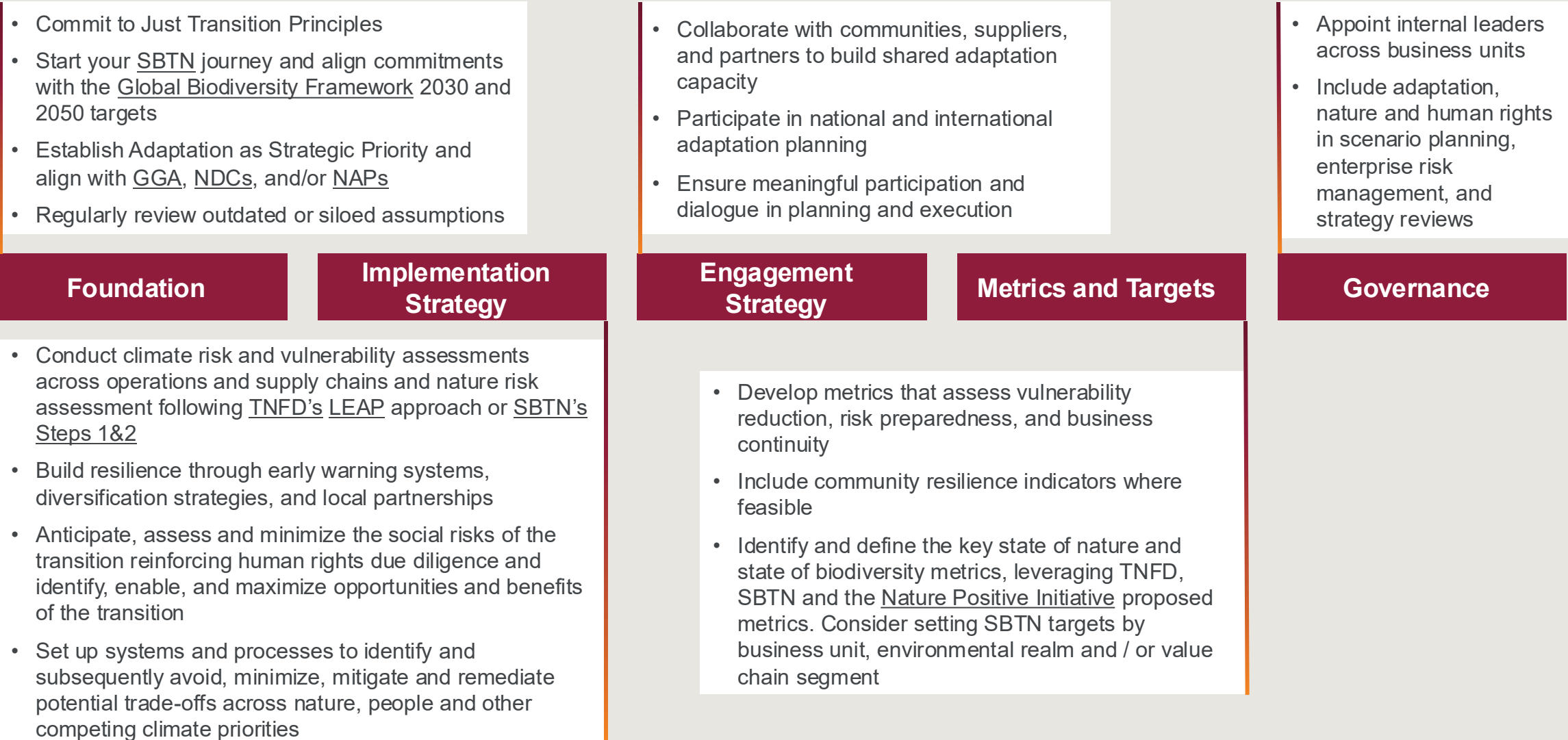
The **TPT framework** offers a comprehensive, modular structure that helps companies operationalize transition planning in a way that naturally accommodates broader sustainability considerations.

Its core pillars—*Foundations, Implementation Strategy, Engagement Strategy, Metrics and Targets, and Governance*—create natural touchpoints for integrating social, environmental, and resilience dimensions. Adaptation, nature, and human rights can strengthen nearly every sub-element, from governance to financial planning.

Foundation	Implementation Strategy	Engagement Strategy	Metrics and Targets	Governance
Strategic ambition	Business operations	Engagement with value chain	Governance, engagement, business and operational metrics and targets	Board oversight and reporting
Business model and value chain	Products and services	Engagement with industry	Financial metrics and targets	Management roles, responsibilities, and accountability
Key assumptions and external factors	Policies	Engagement with government, public sector, communities, and civil society	Carbon credits	Incentives and remuneration
	Financial Planning		GHG metrics and targets	Culture
				Skills, competencies and trainings



Where and How to Embed Human Rights, Adaptation, and Nature Into Your CTP?



Continuum of Integrated Transitioning

Today Future

Climate Strategies Alongside Nature and Human Rights Strategies

For most organizations, it is **pragmatic to begin with distinct plans** for climate, nature, and human rights while progressively building the connections among them. These separate streams allow for depth and focus but also create the foundation for future integration where strategies evolve from coexistence to coherence.

Considerations of trade-offs and synergies

Even in the **early stages**, companies can begin to identify interdependencies and manage trade-offs across domains, for instance:

- How do decarbonization efforts affect people and communities? What does a just transition look like through workforce reskilling and upskilling?
- How can protecting and restoring ecosystems contribute to decarbonization objectives?

Integrated Planning

The ultimate goal is **holistic integration**—a single, strategic plan in which climate, nature, and social dimensions are inseparable. In this model, climate objectives are embedded within nature strategies, and social goals are treated as integral rather than additive. Such integration enables organizations to evaluate synergies and trade-offs dynamically, supporting credible and resilient transition pathways.

Case Studies



Grundfos | Integrating People into Climate Transition Plans

The Why

- Grundfos views people as integral to its net-zero transition and recognize the importance of a just and equitable transition. As a leading global pump manufacturer and water solutions company, the company's transition to its 2050 targets therefore must consider impacts on workers and communities across its value chain.

The What

- Developed a Climate Transition Action Plan* that includes a Just Transition lens
- Conducted a climate risk and opportunity assessment, incorporating a qualitative just transition analysis across the value chain
- Defined three pillars for just transition: (1) respecting human rights, (2) advancing decent work and focus on living wage, and (3) collaborating with stakeholders
- Drafted a Just Transition Statement including ten guiding principles to articulate their approach.

The How

- Cross-functional collaboration included sustainability, climate, human rights, human resources, strategy, finance, and procurement teams
- Participated in BSR's Just Transition Learning Lab to build internal knowledge and foster dialogue
- Leveraged climate risk assessment to identify key areas like supply chain, circularity and skills development
- Delivered expert-level training to local water operators, especially in underserved regions.

“For Grundfos, climate and people are closely connected, and people are an integral part of our climate transition plan. We see many opportunities, but for Grundfos, it really is about moving from bold ambitions and targets to concrete actions that make a real impact for people on the ground across the value chain.”



Gry Saul
Group Human Rights and
Social Sustainability Lead

GRUNDFOS 

Vattenfall | Developing a Nature Transition Plan

The Why

- As one of Europe's leading energy companies, Vattenfall has significant impacts on and dependencies upon nature. From land use to reliance on natural systems like water cycles and wind patterns, the company recognizes that achieving net zero is not possible without addressing nature-related risks and opportunities.

The What

- Vattenfall launched a dedicated Biodiversity Transition Plan in 2025 to embed nature more strategically into its energy transition.
- This followed several years of groundwork, including a full value chain biodiversity footprint assessment using the Global Biodiversity Score.
- The plan outlines three areas of focus: direct operations, supply chain, and broader ecosystems, including the aspiration to achieve collective restoration efforts

The How

- The plan was developed based off a clear understanding of Vattenfall's nature risks, opportunities and dependencies and an internal Environmental Action Plan covering climate, biodiversity, and circularity that all business units contributed to.
- Actions and targets were gathered from across the organization and consolidated into a living roadmap that will continue to develop.
- Internal awareness was supported through engagement tools such as a company-wide nature photo app and annual photo competition to inspire employees

“We have a high dependency on nature, including its ability to regulate the climate. For us, there is no question—nature and biodiversity are clearly strategic topics and go hand in hand with our commitment to work for a fossil free future.”



Helle Herk-Hansen
Vice President Environment
VATTENFALL 



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