

BUSINESS

Transition Plan Index Resource Document Version 2

September 2025

This resource guide accompanies the enhanced Real Economy Transition Plan Index and the newly developed Financial Institution Transition Plan Index. It contains sector-specific use cases, best practice instructions, guidance on choosing a disclosure framework, and additional resources.

Developing Organizations



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Introduction and Purpose

Thousands of companies have set ambitious, interim 2030 carbon reduction goals and pledged net zero emissions by 2050.¹ 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. Some companies have transition plans that are not contained in a stand-alone document – instead, plan elements are found in an existing publication, 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 undermines the goal of clearly communicating to stakeholders the corporate transition strategy (i.e., actions and investments) to achieve stated net zero ambitions.

To address these concerns, a group of NGOs came together in July 2024 to develop the first corporate transition plan index.

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

¹ Net Zero Tracker, “Net Zero Stocktake 2023,” Energy & Climate Intelligence Unit, Data-Driven EnviroLab, NewClimate Institute, and Oxford Net Zero, last modified November 2023, <https://zerotracker.net>.

What's New in Version 2

Version 2 of the Transition Plan Index includes updates to the real-economy frameworks found in Version 1 and expands coverage to include finance sector guidance. Specific updates include:

- Added new templates for real economy companies and financial institutions. As a result, a separate financial sector index was created. Figure 1 below lays out the different frameworks, their applicability, and which index they are included in. Frameworks included in both indices can be applied to both the real economy companies and financial institutions.
- Updated the ISSB Index Template to align with the June 2025 ISSB Guidance titled [“Disclosing information about an entity’s climate-related transition, including information about transition plans, in accordance with IFRS S2”](#)
- Updated the EFRAG: EFRS S1 and S2 template to improve alignment with the other transition plan frameworks included in the index. Added clarification that this template does not include all the requirements of EFRAG: EFRS S1 and S2.
- Made minor formatting improvements to the templates.
- Added the section: “Use Case” to better articulate the different ways companies and financial institutions can leverage the transition plan index.
- Added the section: “Which Index and Template to Use” to help companies and financial institutions decide which template to use.

Figure 1: Transition Plan Index, Version 2 Updates

Frameworks	Included in Both Indices	Real-Economy Index	Financial Institution Index	Version Notes
GFANZ – Real Economy		●		Included in V1
ISSB	●			Updated in V2
TPT	●			Included in V1
ESRS	●			Updated in V2
HLEG	●			Added in V2
CDP	●			Added in V2
GFANZ – Finance			●	Added in V2
ICAPS			●	Added in V2
NZIF			●	Added in V2

Sector Use Cases for the Transition Plan Index

The purpose of the index is to provide an easy-to-use tool that enhances the transparency and comparability of transition plans for stakeholders. Through a year of implementation and engagement with companies and financial institutions, we have identified several new use cases for the index tool that fulfill that purpose.

Real Economy Companies

- **Companies with a stand-alone transition plan**

For companies with a transition plan that follows one of the frameworks in the index, adding a complete index to the end of their plan can provide stakeholders with an easy, digestible way to assess completeness and find specific elements within the plan. For companies that did not align their transition plan with a specific framework, they can use the tool to quickly assess and publish an index of their plan against one or more frameworks, assuring their stakeholders of the completeness and credibility of their plan.

- **Companies updating or amending a transition plan**

For these companies, the index can be used as a screening tool to identify what elements are missing based on one or more frameworks. Guidance on what frameworks to use in what instance is provided in the following section. It should be noted that while completeness is one element of a good transition plan, additional consideration should be given to how well the actions laid out in the transition plan align with the company's goals.

- **Companies without a stand-alone transition plan who think the current disclosure is adequate**

For these companies, the tool can first be used to assess their current disclosure against a framework or frameworks. The company can then decide to add any missing elements to their current reports and publish the index, which will allow stakeholders to quickly locate the elements of their transition plan and have confidence in its credibility. They may also decide, after assessing their disclosure against the frameworks, to publish a standalone plan.

- **Companies developing their first transition plan**

For these companies, identifying a framework to base your transition plan on would be a first step. Look to what your stakeholders are requesting, or to what peer companies are using to develop their plans. Once you have settled on a framework, the index tool provides an easy-to-reference guide and checklist as you build out your plan. For more guidance on transition planning that can be used to supplement the framework templates, look to the resources shared at the end of this document.

Financial Institutions

Plan Disclosure

- **Financial Institutions disclosing their own transition plan**

Like real economy companies, financial institutions are being asked to develop transition plans. For those who already have a plan, either as a standalone document or as part of other disclosures, the index can be included as its own disclosure to provide an easy, digestible way

to assess completeness and find specific elements within the plan. For example, Morgan Stanley published an Index aligning with GFANZ for FI on [page 80 of their 2023 ESG report](#). Clearbridge included an Appendix with their alignment to the ICAP expectation ladder. Both frameworks are included as templates in this version of the index.

- **Financial Institutions updating or amending a transition plan**

For financial institutions updating plans, the index can be a screening tool to ensure completeness and credibility. And for financial institutions just getting started, the frameworks are a clear reference guide to use with their corresponding guidance.

- **Financial institutions developing their first transition plan**

For these institutions, the first step is to select a framework to guide the structure and content of the plan. Consider stakeholder requests, regulatory expectations, and what peer institutions are using. Financial institutions looking to create a plan for the first time should do so in line with frameworks such as the Net Zero Investment Framework developed by the Institutional Investors Group on Climate Change (IIGCC) and the Investor Climate Action Plans Expectations Ladder developed by Ceres. Once a framework is chosen, the index serves as a practical reference and checklist for building the plan, ensuring all key elements are included and clearly disclosed.

- **Financial institutions without a stand-alone transition plan that believe current disclosure is adequate**

For these institutions, the index can be used to review current disclosures in sustainability reports, regulatory filings, or other public documents against one or more recognized frameworks. The institution can then decide to address any gaps by adding missing elements to existing reports and publishing the completed index. This enables stakeholders to easily locate the components of the institution's transition plan and have confidence in its completeness and credibility. Following this review, the institution may also decide to prepare and publish a stand-alone transition plan.

Third Party Assessment and Engagement

The Real Economy Transition Plan Index is not only a tool for corporate disclosure and transition plan enhancement and development. It is also a resource for financial institutions that can be used as part of investment stewardship, engagement, screening, and due diligence activities. It offers a structured way to evaluate and track the quality and completeness of portfolio company transition plans and to compare them across entities and sectors. Financial institutions can use the index to set consistent expectations, track progress over time, and screen prospective investments for alignment with transition-related objectives.

- **Financial Institutions engaging with managers, clients, and portfolio companies**

Investors and banks are key stakeholders driving real economy companies to develop credible transition plans. The index can be shared with portfolio companies to support disclosure, whether they already have a plan or need a framework to get started. Asset owners can use the Real Economy Company Index to guide asset managers in their engagements with portfolio companies, and request that managers disclose their own transition plans using the Financial Institution Index. For universal owners, this dual application enables consistent oversight of both corporate and financial sector exposures, strengthening transparency and alignment across the

investment chain.

- **Financial Institutions making investment decisions**

Assessing whether a company has a transition plan is an important screening tool for investors and banks looking to do business with companies that are managing transition risks. Beyond disclosure, transition plans help investors evaluate whether a company is well-positioned to succeed in a low-carbon economy and whether it is effectively identifying and managing material risks and opportunities. Investors can use these plans to assess the credibility of a company's strategy, the alignment of capital expenditures, and the clarity of implementation timelines. Transition plan data can also inform portfolio construction, product design, and engagement priorities. The index supports these use cases by providing a consistent, comparable reference point across companies and sectors.

Which Transition Planning Framework to Use

While there is general alignment across many of the transition plan frameworks in terms of required elements, there can be different reasons why a company or financial institution may choose a specific framework. Some of the most common reasons include:

- **Regulatory Requirement**

If a company is required by regulation to use specific transition planning guidance, that should be considered a determinant. For example, as of June 2025, 16 jurisdictions have adopted ISSB on a voluntary or mandatory basis, and 20 more are in the process of adoption. While the CSRD regulations are still being finalized, some companies are already aligning their reporting to the European Sustainability Reporting Standards (ESRS). While the index cannot be used to claim compliance with either standard, companies can include the index aligned with ISSB or CSRD in their reporting to help stakeholders easily identify the transition plan elements in their disclosure.

- **Stakeholder Request**

A stakeholder may ask for alignment with a specific framework. Analysis of 25 recent shareholder proposals filed by investors asking for transition plans showed that while they often cite several different frameworks to avoid being prescriptive, TPT was cited most often at 64%, followed by TCFD/GFANZ (56 %) and CDP (48 %).

- **Peer and Sector Preferences**

If peer companies have coalesced around a certain framework, that can be a good choice to support comparability. TPT has developed sector-specific guidance that can be added to the general TPT index. Financial institutions should consider one of the finance-specific templates included in the financial institutions template.

If you are still unsure of which framework to use, TPT offers what is generally considered the most comprehensive framework. Companies that start with TPT should be able to access their disclosure against the other frameworks with general ease.

Best Practices and Instructions

The UK TPT October 2023 Disclosure Framework identifies as best practice the development of a standalone 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.¹

Whether companies produce a standalone plan or include plan elements in another document, best practice is to complete and include a transition plan index.

The Transition Plan Index templates are contained in two Microsoft Excel workbooks, one that covers real-economy company frameworks and one that covers frameworks specific to financial institutions. The Index workbooks include instruction and reference tabs, as well as tabs that contain the index template for each of the selected transition planning frameworks. Companies and financial institutions using the Index templates should:

- Indicate whether the disclosure element is included in the transition plan
- For each element that is not included, provide an explanation for its absence, 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
- The index should be included as an Appendix to the source document, and labeled clearly as a transition plan index
- The transition plan index should be included in its entirety – no portions of the index should be edited or removed
- The transition plan index appendix should be included in the source document table of contents

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

Figure 2: Sample Indexed ICAPS Disclosure

FOCUS AREA	SUB FOCUS AREA	TIER	DISCLOSURE ELEMENT	REFERENCE	ELEMENT DISCLOSED (Y/N/NA)	ELEMENT LOCATION	NOTES
Target Setting		4	Measure portfolio greenhouse gas (GHG) emissions.	P.3	Y	2025 ESG Report pg. 22 -23	NA
		3	Set portfolio emissions reduction and/or asset alignment targets aligned with domestic policy goals or NDCs and in consideration of portfolio climate risks and opportunities.	P.3	Y	2026 ESG Report pg. 22 -23	NA
				P.3	Y	2027 ESG Report pg. 22 -23	NA
		2	Set portfolio emissions reduction and/or asset alignment targets aligned with global net zero emissions by 2050 in support of the ambition to achieve a 1.5°C outcome.	P.3	Y	2028 ESG Report pg. 22 -23	NA
				P.3	Y	2029 ESG Report pg. 22 -23	NA

REFERENCE	ELEMENT DISCLOSED (Y/N/NA)	ELEMENT LOCATION	NOTES
P.3	Y	2025 ESG Report pg. 22 -23	NA
P.3	Y	2026 ESG Report pg. 22 -23	NA
P.3	Y	2027 ESG Report pg. 22 -23	NA
P.3	Y	2028 ESG Report pg. 22 -23	NA
P.3	Y	2029 ESG Report pg. 22 -23	NA

Figure 3: Transition Plan Index listed in Table of Contents

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Appendix 1: Transition Plan Frameworks

Understanding that there are many different frameworks that companies use for transition plan development, a core set of leading frameworks were included in the initial version of the index. Framework selection does not represent an endorsement, but the attempt to choose the frameworks with the greatest coverage of existing transition plans.

The following frameworks were included in V2 of the Transition Plan Index Tool:

Framework	Audience	About
GFANZ	Real Economy	This document is a report of a workstream of the Glasgow Financial Alliance for Net Zero ("GFANZ"), which aims to provide voluntary guidance for real-economy companies to refer to when developing transition plans and disclosing progress against them.
UK TPT	Real Economy & Financial Institutions	The Transition Plan Taskforce (TPT) was launched in March 2022 with a mandate to bring together leaders from industry, academia, and regulators to develop good practice for transition plan disclosures for finance and the real economy. The TPT has developed a sector neutral Disclosure Framework for best-practice transition plan disclosures, alongside implementation guidance and sector guidance.
CSRD	Real Economy & Financial Institutions	CSRD is the EU's regulatory requirement for companies to disclose their environmental and social impact, to increase their transparency, and to hold businesses accountable for their sustainability efforts. It originally applied to > 50,000 companies, including non-EU companies operating in the EU.
European Sustainability Reporting Standards (ESRS) Set 1	Real Economy & Financial Institutions	ESRS 1 was developed by EFRAG in 2022 for companies subject to the EU Corporate Sustainability Reporting Directive (CSRD), and it provides the general principles for sustainability disclosures, including materiality assessment and reporting boundaries.
European Sustainability Reporting Standards (ESRS) Set 2	Real Economy & Financial Institutions	ESRS 2 (European Sustainability Reporting Standard 2), also issued by EFRAG in 2022, is mandatory for all in-scope companies and outlines specific disclosure requirements on the governance, strategy, and impact, risk, and

		opportunity management of sustainability issues.
ISSB: IFRS S2 Climate-related Disclosures	Real Economy & Financial Institutions	IFRS S2 was published by the International Sustainability Standards Board (ISSB) under the IFRS Foundation in 2023, and it is designed for investors and capital market participants, focusing on climate-related disclosures including governance, strategy, risk management, and metrics and targets. This template is aligned with the June 2025 Guidance titled “Disclosing information about an entity’s climate-related transition, including information about transition plans, in accordance with IFRS S2.”
CDP Technical Note: Reporting on Climate Transition Plans	Real Economy & Financial Institutions	This technical note provides guidance on how organizations disclosing through CDP can demonstrate that they have a credible climate transition plan in place — as described in CDP’s climate transition plan discussion paper.
United Nations’ High-Level Expert Group (HLEG) on the Net Zero Emissions Commitments of Non-State Entities	Real Economy	Published in 2022 by the UN High-Level Expert Group (HLEG) provides guidance for businesses, financial institutions, cities, and regions to make credible, science-based net zero commitments that align with the goals of the Paris Agreement and is intended for both non-state actors and the stakeholders who evaluate their climate claims.
ICAPS Expectations Ladder and Guidance	Financial Institutions	Developed by Ceres in 2021 for institutional investors, providing a tiered framework to assess and advance climate action plans in areas like governance, targets, stewardship, policy advocacy, and portfolio decarbonization.
IIGCC NZIF 2.0: Net Zero Investment Framework 2.0, March 2024	Financial Institutions	The standard created in 2021 by the Paris Aligned Investment Initiative (PAII), convened by the Institutional Investors Group on Climate Change (IIGCC), to guide asset owners and managers in aligning their portfolios with net zero emissions by 2050 through target setting, asset allocation, stewardship, and disclosure.
GFANZ: Financial Institution Net-Zero Transition Plans	Financial Institutions	The standard was released in 2023 by the Glasgow Financial Alliance for Net Zero (GFANZ) for banks, insurers, asset owners, and asset managers, providing sector-specific guidance on developing credible transition

		plans that align financing activities with a 1.5°C pathway.
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Appendix 2: Additional Resources

Credibility

- **United Nations:** [Integrity Matters: Net Zero Commitments by Businesses, financial institutions, cities and regions](#)
- **Institutional Investors Group on Climate Change:** [Investor Expectations for Corporate Transition Plans: From A to Zero](#)

Ambition

- Benchmark and CTP Gap Assessment
- **Ceres:** [Blueprint for Implementing a Leading Climate Transition Action Plan](#)
- **We Mean Business Coalition, Ceres, CDP, Environmental Defense Fund:** [CLIMATE TRANSITION ACTION PLANS: ACTIVATE YOUR JOURNEY TO CLIMATE LEADERSHIP](#)

Just Transition

- **World Benchmarking Alliance:** [Just Transition Assessment](#)
- **International Labor Organization:** [Guidelines for a Just Transition](#)
- **Center for Climate and Energy Solutions:** [Perspectives on a Just Transition within the Electric Utilities Sector Resource](#)
- **BSR:** [Just Transition Toolkit](#)
- **The London School of Economics:** [Financing a Just Transition](#)

Nature

- **World Wildlife Foundation:** [Nature in Transition Plans](#)
- **World Wildlife Foundation:** [Criteria for Credible Climate and Nature Transition Plans for Financial Institutions](#)