



Department for Energy Security & Net Zero
London
3-8 Whitehall Place
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United Kingdom

Date: 17.09.25

DESNZ consultation on transition plan requirements

We refer to the invitation to comment on the Department for Energy Security and Net Zero's consultation on transition plan requirements. We appreciate the opportunity to contribute our investor perspective on the possible implementation routes for transition plan requirements in the UK.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank and is responsible for investing the Norwegian Government Pension Fund Global (the fund). NBIM is a globally diversified investment manager with 19,754 billion Norwegian Kroner at end 2024, of which 1,137 billion (ca GBP 80 billion) invested in the United Kingdom. As a long-term investor, we consider our returns over time to be dependent on sustainable economic, environmental and social development, as well as on well-functioning, legitimate and efficient markets.

As a diversified and long-term investor, we are highly exposed to financial risks stemming from climate change. We have therefore included this topic in our responsible investing strategy over a decade ago, first through climate change expectations addressed at portfolio companies and then through a dedicated Climate Action Plan in 2022. Our strategy is to address climate risk and opportunities at the market, portfolio and company level. At the market level, we have supported the development of strong reporting frameworks for corporate climate risk disclosures. Better information from companies enables better investment decisions, more informed company engagements and tailored voting decisions. In particular, we have long encouraged regulators and standard setters to set mandatory requirements for climate-related disclosure, focusing first on the TCFD recommendations and on the IFRS S2 climate standard since 2023. We have also engaged in standard setting efforts related to transition planning, notably the UK Transition Plan Taskforce.

At the company level, the core of our work is to support companies in setting science-based targets and transition plans. We set out our approach to owning companies through the climate transition and engaging them on net zero targets, transition plans and emission reductions in our Climate Action Plan. We further clarified our expectations of companies on climate change in 2024, significantly strengthening our expectations on transition plans. In particular, we set as a core expectation that companies should implement time-bound and quantified transition plans, designed to deliver on their interim emission reduction targets, and annually disclose progress against pre-established and consistent KPIs¹.

¹ [Climate change](#)

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We believe that the Transition Plan Taskforce (TPT) “gold standard” disclosure recommendations are very helpful for entities which are at an advanced stage of their transition planning journey, however they are overly granular to be embedded into a mandatory disclosure framework for a broad scope of entities at this stage. Therefore, the TPT materials should be used as a source of guidance and best practice, but we believe that mandatory TPT-aligned transition plan disclosures are not necessary if IFRS S2 and the transition plan related IFRS guidance are properly applied. More broadly, we believe that a specific obligation to develop a standalone transition plan might not be necessary, as entities will in future have to disclose transition plan-related information as part of their annual reporting, once SRS S2 is mandated. We do, however, strongly support mandatory disclosure of the most decision-useful elements of transition plans, which include decarbonisation levers and financial implications. Our own expectations on climate change, targeted at our portfolio companies, do not explicitly require companies to publish a standalone transition plan document, but rather focus on implementation and disclosure of specific decarbonization actions, integration of transition planning into broader strategy and business planning, and annual progress reporting.

We thank you for considering our perspective and remain at your disposal should you wish to discuss these matters further.

Yours sincerely

Signed by:

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Consultation questionnaire

Section A: The benefits and use cases of transition plans

1. To what extent do you agree with the assessment of the benefits and use cases of transition planning set out in Section A? Are there any additional benefits or use cases for transition plans? Do you have any further insights and evidence on the purpose, benefits and use cases of increased and improved transition planning – including economy-wide impacts?

We agree with the assessment of the benefits and use cases set out in Section A. We believe that the primary benefit of transition plans and transition planning is to support companies' decarbonisation strategies and emission reductions. Additionally, the development and disclosure of transition plans has wide benefits for investors, as it can support stewardship engagement, risk management and capital allocation decisions. Specifically, transition plans help us assess which companies will be able to successively navigate the energy transition and represent critical tools to support our net zero dialogues with portfolio companies.

2. For preparers of transition plans: Does your organization already produce, or intend to produce, a transition plan and disclose it publicly?
 - a. [If yes] What specific drivers have motivated your entity to engage in transition planning?
 - b. [If yes] Based on your experience, do you have any reflections on the purpose, benefits and costs (e.g. additional FTE, setup costs, etc) of developing your own transition plan?
 - c. [If yes] What specific challenges or obstacles (e.g., regulatory, organizational, market-related, guidance), if any, did or do you face in preparing your transition plan?
 - d. [If yes] Did you make use of the TPT's materials (now managed by the ISSB), and if so, how? Were there any challenges in doing so? Are there any further pieces of guidance or support that you feel would be helpful?
 - e. [If no] If no, what are the main barriers preventing your organization from developing a transition plan? Please provide any evidence where available to support your answer.

N/A

3. For users of transition plans: How do you use transition plans? E.g. if you are an investor, do you use transition plans to inform your investment strategy (both in terms of how you identify opportunities where to invest, and how to identify, manage and assess risks to investment portfolios)

We use transition plans for active ownership and engagement, portfolio risk management and investment decision-making. Transition plans form the backbone of our climate engagements with portfolio companies. We examine the robustness of companies' transition plans, including governance structures, capital allocation frameworks, carbon price assumptions, and use of carbon offsets. This assessment directly informs engagement priorities and voting decisions; for instance, we may vote against directors or file shareholder proposals when companies lack credible transition plans. In 2024, we additionally started scoring companies against our

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climate expectations, with transition plan quality being a significant factor. Our analysis indicates that companies on our internal focus list of highest emitters that meet most of our expectations, as measured by our expectation scores in 2024, have reduced their emissions (since the Paris Agreement was reached in 2015), while emissions have increased at companies that fall short of most of our expectations². We additionally use transition plans to assess companies' alignment with net zero pathways and their ability to manage transition risks, and we analyse systematic risk in our portfolio by tracking what share of our financed emissions are covered by credible net zero targets. Strong transition plans help us identify companies which are well-positioned to benefit from the low-carbon transition. On the other hand, we may divest from a company if we assess that its long-term market valuation may be adversely affected by its mismanagement of sustainability issues, including climate risk. We use this tool for relatively small investments, and divested from 5 companies in 2024 because of climate-related risk, out of a total of 49 risk-based divestments³. We may also reverse our risk-based divestment decisions if companies become more sustainable by making changes to their business models and practices. Finally, companies with high climate-related financial risk and inadequate or missing transition plans may be candidates for exclusion under our climate-related conduct exclusion criterion⁴.

4. Do you have any reflections on the additional costs and challenges of using transition plans? Please provide evidence where available to support your answer.

The key challenge we encounter when analysing transition plans from our portfolio companies is lack of comparability. Given that transition plans are voluntary in most jurisdictions, we face challenges linked to the low comparability of the plans disclosed by our portfolio companies in different markets. This includes key information on time-bound and quantified strategies with specific abatement measures, and the capital allocation linked to such decarbonization levers. Additionally, we observe sector-specific data gaps, with better quality of disclosures across emissions-intense sectors and lower data quality in technology and financials. We also face challenges with the quality of GHG emissions data. While we use corporate emissions data from S&P Global Trucost, if available, we rely on emissions data reported by companies as it is assumed to have a higher degree of accuracy than data estimates provided by vendors. We use PCAF methodology to measure data quality on a scale of 1-5. As indicated by our analysis, scope 1 and 2 data averages 2.97, while scope 3 upstream emissions data averages 3.87 (close to lowest quality).

5. Do you have any reflections on how best to align transition plan requirements with other relevant jurisdictions?

We believe that the best approach for alignment of transition planning requirements across jurisdictions is the full adoption of IFRS S2, coupled with consideration of the transition plan disclosure guidance recently published by the IFRS Foundation⁵. We have been strongly

² [Climate and nature disclosures 2024](#).

³ [Responsible Investment 2024](#).

⁴ [\[1\] Guidelines for Observation and Exclusion](#) of Companies from the Government Pension Fund Global (GPF), Section 4: "Companies may be excluded or placed under observation if there is an unacceptable risk that the company contributes to or is responsible for [...] acts or omissions that on an aggregate company level lead to unacceptable greenhouse gas emissions."

⁵ [IFRS - IFRS Foundation publishes guidance on disclosures about transition plans](#)

advocating for globally aligned climate-related financial disclosures, and are therefore encouraged to see the jurisdictional progress in adopting the IFRS climate standard S2. The dedicated IFRS guidance also provides a useful reference point for jurisdictions, as it builds upon the TPT materials with some minor modifications made to ensure its global applicability.

Section B: Implementation options

6. What role would you like to see for the TPT's disclosure framework in any future obligations that the government might take forward? If you are a reporting entity, please explain whether you are applying the framework in full or in part, and why.

We believe that the IFRS transition plan disclosure guidance published in June 2025, itself based on TPT materials, is a useful starting point as it helps entities with a transition plan comply with the relevant disclosure requirements in IFRS S2. If an entity has a transition plan and uses this guidance, the information that would be disclosed is quite comprehensive and would meet our core information needs. We believe that the TPT "gold standard" disclosure recommendations are very useful for entities which are at an advanced stage of their transition planning journey, however they are overly detailed to be embedded into a mandatory disclosure framework for a broad scope of entities at this stage. Therefore, the TPT materials should be used as guidance and best practice.

7. [Climate mitigation] To what extent do the requirements in the draft UK SRS S2 provide useful information regarding the contents of a transition plan and how the entity is preparing for the transition to net zero? If you believe the draft UK SRS S2 does not provide sufficient information, please explain what further information you would like to see.

While UK SRS S2 does not require entities to have a transition plan or to set a specific climate target, the standard does require disclosure of a significant proportion of the information which typically features in a transition plan and is recommended by frameworks like the TPT. Transition-plan related disclosures in SRS S2 include key assumptions used in developing the plan and dependencies on which it relies, how the entity plans to achieve any climate-related target, how it is resourcing its activities, and information about progress. We find the information on current anticipated direct and indirect mitigation efforts, changes to business models and resource allocation, investment and disposal plans to be particularly valuable. This information is crucial to enhance connectivity with information included in the financial statements, which in turn can enable better investment decision-making. Similarly, for entities setting climate targets, the standard requires disclosure of comprehensive information on such targets, including planned use of carbon credits. However, the TPT framework goes further than IFRS/SRS in requiring specific disclosure on organizational readiness and stakeholder engagement (e.g. with suppliers and communities, but also policy engagement) and in providing additional detail in other areas. We expect companies to align their lobbying activities with the objectives of the Paris Agreement and address membership of trade bodies or associations that is or may appear incongruent with the company's climate change policy. We also expect them to consider their current and planned engagement with peers, suppliers, customers and regulators, and how this supports their business and execution of their climate

plan⁶. We therefore value the additional disclosures included in the TPT framework on areas such as value chain engagement and policy engagement, which are particularly relevant for companies operating in complex value chains or regulated industries.

8. [Climate adaptation and resilience] To what extent do the requirements in the draft UK SRS S2 provide useful information regarding the contents of a transition plan and how an entity is adapting and preparing for the transition to climate resilience? If you believe IFRS S2 does not provide sufficient information, please explain what further information you would like to see.

The draft SRS S2 includes several useful elements related to entities' adaptation and climate resilience. These include disclosures about climate scenario analysis, current and anticipated direct adaptation efforts, and physical risk disclosures including "the amount and percentage of assets or business activities vulnerable to climate-related physical risks". However, the standard includes no requirement for location-specific or asset-level risk assessments, limited guidance on supply chain resilience, and no differentiation between acute and chronic physical risk. We would welcome disclosures on asset-level exposure mapping to specific climate hazards, as well as adaptation investment roadmaps and operational resilience measures such as workforce protection, insurance and risk transfer. In our climate expectations, we encourage companies to analyse and disclose how increasing physical climate risk could drive the need for investments and adaptation in their operations and value chains, including the long-term viability of assets; similarly, we expect companies with concentrated physical assets to disclose location data⁷.

Section B1: Developing and disclosing a transition plan

Given the links between the above options and any requirements under UK SRS, we will account for your answers to questions 7 and 8 in considering your responses to the following questions.

9. What are the most important, decision-useful elements of a transition plan that the government could require development and/or disclosure of? Please explain why and provide supporting evidence.

We set out the key elements of transition plans in a dedicated section of our climate change expectations of portfolio companies⁸. The most important elements in our view comprise decarbonization strategy, carbon credits, carbon lock-in, abatement costs, procurement, adaptation and resilience, financial planning, financial analysis, internal carbon pricing, acquisitions and divestments, decarbonization feasibility, climate lobbying, impacts and dependencies, and stakeholder engagement. In particular:

- *Decarbonisation strategy: companies should implement and disclose time-bound and quantified decarbonization strategies, including detail on specific abatement measures*

⁶ [Climate change](#), p. 12

⁷ [Climate change](#), p. 8

⁸ [Climate change](#), p. 11-12.

needed to reach their interim targets. We find waterfall charts a particularly useful form of disclosure.

- *Carbon credits: companies can use carbon credits as a supplement to signal high climate ambition, but should prioritise reducing emissions and follow the mitigation hierarchy. We expect companies to disclose details over the use of carbon credits, including the volume (credit retired), price (or price range), certification standard, and description of mitigation activity.*
- *Carbon lock-in: companies should ensure that their interim targets and transition plans are consistent with net zero 2050.*
- *Abatement costs: emission-intensive companies should construct and analyse their abatement cost curve or a simplified equivalent to help quantify long term decarbonization costs.*
- *Procurement: companies should provide an overview of the products and services they plan to procure.*
- *Adaptation and resilience: companies with concentrated physical assets or heightened physical climate risk in their value chains should include adaptation and resilience as part of their transition plans.*
- *Financial planning: companies should allocate adequate financial resources to their transition plan and disclose the associated capital expenditure and R&D expenditure.*
- *Financial analysis: companies should analyse and disclose expected changes to their financial model from their decarbonization strategy including operating costs and capital structure.*
- *Internal carbon pricing: companies should implement internal carbon pricing mechanisms.*
- *Acquisition and divestments: companies should consider the climate implications of major acquisition or divestments*
- *Decarbonisation feasibility: for major emissions sources not included in a company's decarbonization strategy, companies should explain why they have chosen not to pursue them and the feasibility challenges acting as barriers to decarbonization.*
- *Climate lobbying: companies should align their lobbying activities with the objectives of the Paris Agreement and address incongruency with their climate change policy. They should also be transparent about where they advocate for specific policy and legislative support.*
- *Impacts and dependencies: transition plans should consider impacts and dependencies with adjacent sustainability topics, such as the natural environment, workforces and impacted communities.*
- *Stakeholder engagement: companies should consider their current and planned engagement with peers, suppliers, customers and regulators, and how this supports their business and execution of their climate plan.*

Among the above-listed key elements, we would most benefit from disclosure of time-bound and quantified strategies with specific abatement measures (ideally in the form of waterfall charts), financial allocation with disclosed capital expenditure, and annual progress reporting against pre-established decarbonization KPIs. This information is crucial to enhance connectivity as it is directly linked to the company's financial information.



10. Please state whether or not you support Option 1, which would require entities to explain why they have not disclosed a transition plan or transition-plan related information. Please explain the advantages and disadvantages of this option.

We believe that Option 1 would increase transparency on a company's reasons for not developing a transition plan or transition-plan related information. Whilst this approach would not mandate entities to develop or disclose a transition plan, mandatory reporting aligned with SRS S2 would result in entities disclosing related decision-useful information in their annual reports, thus enhancing the quantity and quality of information we currently receive.

11. Please state whether or not you support Option 2, which would require entities to develop a transition plan and disclose this. Please further specify whether and how frequently you think a standalone transition plan should be disclosed, in addition to transition-plan related disclosures as part of annual reporting? When responding, please explain the advantages and disadvantages of this option.

We believe that a specific obligation to develop a standalone transition plan might not be necessary, as entities will in future have to disclose transition plan related information as part of their annual reporting, using SRS S2 and the recently published IFRS guidance. We do, however, support mandatory disclosure of the key elements of transition plans as highlighted in our response to question 9. Our own expectations on climate change, targeted at our portfolio companies, do not explicitly require companies to publish a standalone transition plan document, but rather focus on implementation and disclosure of specific decarbonization actions, integration of transition planning into broader strategy and business planning, and annual progress reporting. We are therefore format-agnostic regarding on whether transition plans are published as standalone documents or integrated into other climate disclosures and/or annual reporting, and also recognize the risk of duplication inherent in requiring standalone transition plan disclosures. We do not have a specific expectation on how frequently a plan should be disclosed but expect our portfolio companies to provide annual progress updates.

12. If entities are required to disclose transition plan-related information, what (if any) are the opportunities to simplify or rationalize existing climate-related reporting requirements, including emissions reporting, particularly where this may introduce duplication of reporting? These responses will support the government's review of the non-financial reporting framework.

N/A

Pension funds

13. How do you think any new transition plan requirements should integrate with the existing requirements in UK law for some larger schemes to produce TCFD reports and to calculate the portfolio alignment metric?

N/A

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14. To what extent does your pension scheme already produce transition plans? What are their intended purposes, what information do they draw on, and what challenges have you encountered in developing them?

N/A

Section B2: Mandating transition plan implementation

15. To what extent do you support the government mandating transition plan implementation and why? When responding, please provide any views on the advantages and disadvantages of this approach.

As noted in the consultation paper, to the best of our knowledge, the only jurisdiction which currently mandates transition plan implementation for a set of companies is the European Union, where the current text of the Corporate Sustainability Due Diligence Directive (CSDDD) requires Member States to ensure that companies in scope “adopt and put into effect” transition plans. The spirit of this requirement, i.e. to ensure that companies take action in line with their transition plans, is aligned with our focus on engaging with portfolio companies on their decarbonisation efforts, which goes beyond seeking disclosure. At the same time, we are conscious that there are many uncertainties and dependencies that may impact the deliverability of a plan, including consumer demand, local and global policy action, and technological developments, so it would be very challenging for any governmental authority to narrow companies’ accountability for those elements of their transition plans that are under their operational control. Whilst we believe that an accountability mechanism is in principle desirable, we therefore doubt that such a requirement would be workable in practice.

16. In the absence of a legal requirement for companies to implement a plan, to what extent would market mechanisms be effective mechanisms to ensure that companies are delivering upon their plan?

We believe that market mechanisms, including investor stewardship and pressure from other stakeholders including civil society, can be partially effective in holding companies accountable on the delivery of their plans. As part of the implementation of our climate action plan, a key indicator we have been tracking is the share of the fund’s financed emissions covered by net zero 2050 targets. At the end of 2024, 74 percent of the fund’s financed Scope 1 and 2 emissions were covered by net zero targets for 2050 or sooner, up 32 percentage points since 2021. Given the absence of a legal obligation to adopt a net zero target in the jurisdictions we invest in, we see this as a positive outcome of the engagement that we and other investors have been undertaking, whilst being careful not to claim any attribution. However, we believe that the most important factor in the delivery of global climate goals and companies’ transition is the development of government policy, and market mechanisms cannot on their own ensure the decarbonisation of the economy.

Section B3: Aligning transition plans to net zero by 2050

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17. What do you see as the potential benefits, costs and challenges of government mandating requirements for transition plans that align with Net Zero by 2050, including the setting of interim targets aligned with 1.5°C pathways? Where challenges are identified, what steps could government take to help mitigate these?

We expect companies to commit to net zero by 2050 or sooner and align their activities with the objectives of the Paris Agreement. Whilst we do not place a specific expectation on individual companies to align with a 1.5°C pathway, we use this scenario for our own stress testing and portfolio analysis.

18. Which standards and methodologies are effective and reliable for developing and monitoring climate-aligned targets and transition plans, in particular those that are aligned with net zero or 1.5°C pathways? Where possible, the government would welcome evidence from entities that have used such methodologies, explaining how they have arrived at that conclusion.

We expect our portfolio companies to set science-based emission reduction targets, and value the Science Based Targets Initiative (SBTi)'s role in providing a credible framework for corporate climate ambition. We have therefore for years encouraged companies to submit their targets for validation by SBTi, where industry guidance exists. However, we have observed growing challenges with the implementation and verification of science-based targets that we believe merit consideration, and have recently shared our key recommendations in our response to SBTi's revised net zero standard consultation⁹. We are monitoring developments at the SBTi and the forthcoming ISO Net Zero Standard. We also shared some industry-specific expectations on target setting. For instance, we encourage companies whose methane emissions represent a material portion of their overall emissions to set standalone methane targets in line with the Global Methane Pledge. Companies in real estate are encouraged to set targets in line with the SBTi and Carbon Risk Real Estate Monitor (CREEM) pathways, while companies with agriculture, forestry and land use activities should consider frameworks such as the TNFD and Science Based Targets Network (SBTN)¹⁰.

19. What are the unique challenges faced by hard-to-abate sectors in setting and achieving targets in transition plans aligned to net zero by 2050 – including interim targets? What methodologies or approaches would enable transition planning to support hard-to-abate sectors to achieve net zero by 2050?

N/A

20. For entities operating in multiple jurisdictions, what are your views on target setting and transition planning in global operations and supply chains?

N/A

⁹ [Consultation response to SBTi's Net Zero Standard | Norges Bank Investment Management](#)

¹⁰ [Climate change](#), p. 9-10.

Section B4: Climate adaptation and resilience alignment

21. What is your view on the role of climate adaptation in transition plans? Is there a role for government to ensure that companies make sufficient progress to adapt, through the use of transition plan requirements?

We expect companies with concentrated physical assets or heightened physical climate risk in their value chains to include adaptation and resilience in their transition plan. We also have specific disclosure expectations on adaptation and resilience. First, companies should analyse and disclose how increasing physical climate risk could drive the need for investments in adaptation and resilience in their operations and value chains, including the long-term viability of assets. Second, companies with concentrated physical assets should disclose location data. Third, companies should explain whether their main adaptation needs are likely to be met by government investment. For this to be feasible, it is important that governments clarify the parameters of national adaptation plans so that companies can plan their own strategies accordingly.

22. How can companies be supported to undertake enhanced risk planning in line with a 2°C and 4°C global warming scenario? Are these the right scenarios? To what extent are these scenarios already being applied within company risk analysis and how helpful are they in supporting companies in their transition to climate resilience?

We expect companies to undertake scenario analysis and disclose the results to assess the resilience to a range of future outcomes, including those for 1.5°C and high physical damages. We do not have specific expectations for portfolio companies to undertake scenario analysis in line with a 2°C and 4°C scenario and believe that companies should select a range of scenarios which is appropriate for their circumstances.

Section B5: Nature alignment

23. To what extent do you think that nature should be considered in the government's transition plan policy? What do you see as the potential advantages and disadvantages? Do you have any views on the potential steps outlined in this section to facilitate organisations transitioning to become nature positive?

We welcome the government's intention to consider nature holistically alongside climate in transition plans. It is becoming increasingly clear that climate systems and ecosystems are closely linked and mutually dependent. We have therefore been integrating how we address climate and nature risks and opportunities in our responsible investment processes, and this year made combined disclosures on climate and nature for the first time¹¹. Similarly, we believe that companies' transition plans should consider impacts and dependencies with adjacent sustainability topics such as the natural environment¹². We have been closely engaged in nature standard setting through our participation in the Taskforce for Nature-related Financial Disclosures, and are contributing to its work on nature transition planning.

¹¹ [Climate and nature disclosures 2024](#)

¹² [Climate change](#), p. 12.



We expect companies to explain how nature strategy is consistent with climate strategy, explaining synergies and trade-offs that exist. Companies should explain how nature strategy accounts for climate co-benefits, including carbon sequestration, avoided emissions from ecosystem protection, and alignment with climate targets.

We believe that consideration of nature within the government's transition plan policy would have several advantages. These include enabling companies to identify and manage interconnected risks, capture synergies between climate and nature solutions, and avoid unintended consequences where climate actions might harm ecosystems or vice versa.

Disadvantages might include issues with data quality and immature methodologies.

We therefore support a phased approach that builds capability over time. Initially, this could focus on companies assessing their material nature-related impacts and dependencies using frameworks like TNFD, progressively moving towards integrated nature transition plans as methodologies mature and market capacity develops. This would allow organizations to build necessary foundations while the government can refine requirements based on emerging best practices.

Section B6: Scope

24. Do you have any views the factors the government should consider when determining the scope of any future transition plan requirements?

N/A

25. We are interested in views about the impact on supply chains of large entities that may be in scope of transition plan requirements. Do you have views on how the government could ensure any future requirements have a proportionate impact on these smaller companies within the supply chain?

N/A

26. Do you have any views on how the government could redefine the scope to protect the competitiveness of the UK's public markets?

N/A

Section B7: Legal risk

27. Do you have views on the legal implications for entities in relation to any of the implementation options and considerations as set out in sections B1-B4 in this consultation?

N/A

28. In the UK's wider legal framework what – if any – changes would be necessary to support entities disclosing transition plans and forward-looking information?

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N/A

Section C: Related policy and frameworks

29. What role could high integrity carbon credits play in transition plans? Would further guidance from government on the appropriate use of credits and how to identify or purchase high quality credits be helpful, if so what could that look like?

Whilst we expect companies to prioritise reducing their own GHG emissions, we believe that carbon credits can help finance mitigation and sequestration opportunities globally, and that carbon removals will be needed by many companies seeking to achieve net zero emissions by 2050. We believe that carbon credits should represent additional and verified emission reductions, and support efforts to improve the integrity of the carbon markets.

30. Are there specific elements of transition plan requirements or broader policy and regulatory approaches from other jurisdictions that the government should consider?

N/A

31. How can transition planning contribute to achieving the UK's domestic net zero targets while ensuring it supports sustainable investment in EMDEs, where transition pathways may be more gradual or less clearly defined?

N/A

32. How could transition planning account for data limitations, particularly in EMDEs, where high-quality, comparable sustainability reporting may be less available?

N/A

33. What guidance, support or capacity building would be most useful to support effective transition planning and why? For respondents that have developed and/or published a transition plan, what guidance, support or capacity building did you make use of through the process? Please explain what additional guidance would be helpful and why?

N/A

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