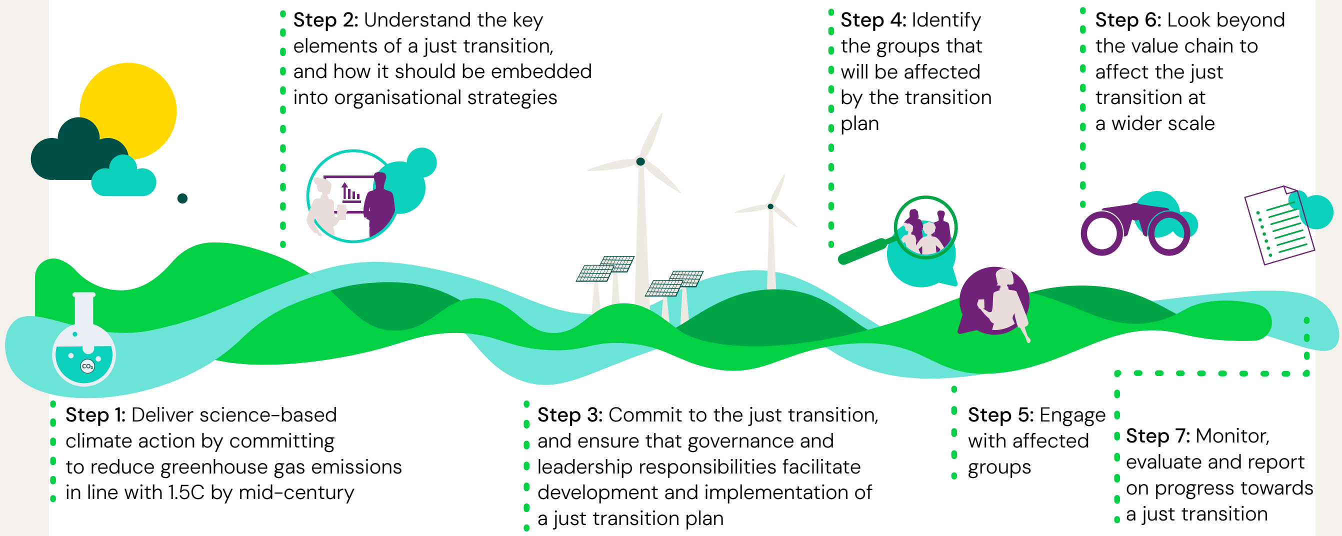
Enterprise brief

Making corporate climate transitions work: business guidance for implementing just and equitable transition plans



Summary

Companies have positive and negative impacts on people's wellbeing. The decisions companies make ripple through communities including their workers, supply chains and customers.

As increasing numbers of companies set voluntary net zero targets, the impacts of business transformations are coming under scrutiny. The political and social headwinds companies encounter whilst on the path to corporate climate action makes managing impacts on people key not only to delivering a 'just transition', but also for ensuring the sustainability of long-term business transformations.

In this context, a narrow focus on emissions reductions - so-called "carbon tunnel vision", risks undermining broader sustainability goals: corporate climate transition plans that neglect social or environmental dimensions can lead to long-term setbacks.

Integrating justice and equity principles affords companies more holistic and durable transition plans that prioritise maintaining public support, broaden constituencies of interest in successful climate goals, and remove barriers to action.

Across seven steps, the Brief sets out a roadmap to help companies understand how and why just transition plans should be created and implemented. The guidance is intended to support companies through the process of deciding, in partnership with groups affected by climate transition plans, what the outcomes of the just transition should be for their organisation.

June 2025

Matilda Becker, Alexis McGivern, Margaret Chilinda, Salew P Kadena, Samantha Gonsalves Wetherell, Martín luvaro, Pauline Owiti, Ritaj Kalaskar, Tom Maitland, Isadora Cardoso, Bashir Dan, Paula Kuls, Oghenechovwe Okolosi, Seruni Salsabila

Disclaimer

The contents of this brief and views expressed solely represent those of the authors and do not necessarily represent those of the Smith School of Enterprise and the Environment and Oxford Net Zero, or any other institution. It has been reviewed by at least one internal referee.

Background

Net zero is ultimately about people. While recent research shows strong public support for climate action,[1] successful climate action depends on earning support and buy-in from communities most affected by the societal transformations associated with the transition. As climate action competes with other political priorities, both globally and at the local level, it is more important than ever to implement practices that generate and maintain support for the changes businesses are implementing. Only by putting people at the centre can we ensure the long-term success and sustainability of climate action.

Justice and equity are important to the durability and success of corporate transition plans. A just transition is both an organising principle and a key part of navigating climate action today. Ensuring that different perspectives of the risks, impacts and opportunities of the net-zero transition are heard and addressed is essential. Taking people's diverse experiences of climate change seriously, and responding to these concerns, helps build inclusive solutions and transition plans that are resilient to shifts in political leadership and priorities.

The just transition is a pragmatic and strategic approach to reducing transition and climate risks for businesses, their workers and the communities they operate within, while also reflecting and enacting core ethical values for a business. Many of these elements may already be present under existing corporate social responsibility work or broader sustainability and stakeholder engagement. This lens can therefore help connect these existing areas of work and your climate transition plans.

What is the 'Just Transition'?

The concept of 'Just Transition' was first introduced in the 1970s by Tony Mazzocchi, a US labour leader and environmental activist.[2] He championed the creation of a superfund to provide workers exposed to toxic chemicals with basic income support and educational opportunities, to help shift away from jobs hazardous to their health and the environment.

The term has since expanded in scope from a focus simply on workers and into examining multiple dimensions of inequality, vulnerability and opportunity. The London School of Economics (LSE) defines the just transition as one that "centre[s] the interests of those that are most affected by the low-carbon transition, including workers, vulnerable communities, suppliers of goods and services, specifically small and medium-sized enterprises (SMEs), and consumers".[3] This also already forms a Work Programme at the UNFCCC level,4 encouraging the integration of just transition principles into country-level commitments to net zero.

We define the following elements as being crucial to a 'just transition':

The impact of net-zero transition plans on communities and vulnerable groups

The impact of net-zero transition plans on workers, including workers along supply chains, and the level of support given to those workers as transition plans are implemented

The impacts of lessening further vulnerabilities for others by transitioning quickly

Maximising co-benefits of the net-zero transition, including social equity, environmental restoration and others.

Note on language: *'Justice and equity' principles refer to the recognition that climate change is inherently unfair, both in terms of who is responsible and who is most affected. We also acknowledge that climate action can also engender other vulnerabilities, and therefore the 'how' of climate transitions must also be inherently fair. We choose 'equity' rather than 'equality' to acknowledge the different circumstances and needs between different affected groups and different organisations implementing transition plans. When integrating these principles into climate plans, they become a part of the 'just transition' lens of a corporate transition plan.*

Just transition guidance

In order to support organisations to put justice principles at the centre of their climate transition plans, the guidance that follows in this Brief focuses on identifying and engaging with groups affected by the net-zero transition.

The guidance within this document was created by the Oxford Net Zero Youth Advisory Board (YAB),[5] a coalition of 12 youth from 11 countries. The YAB synthesised existing guidance for businesses, and integrated their own professional and lived experiences of the transition to net zero. This guidance prioritises procedural justice in planning and delivering the net-zero transition. The YAB's vision is to transform economies away from at-times-harmful relationships between nature, workers, communities and businesses, and repair harms of past activities.

This work not only brings forward the voices of youth as a historically underrepresented group in corporate climate transition planning, but also sends a clear message: that justice-aligned corporate transition plans are not only vital to future generations, but also achievable.

The YAB's vision for a just transition is reflected by the following definition of 'climate justice':

> *"Climate Justice is the recognition that* ***climate change is a human-made crisis*** *that has primarily been wrought by those with economic* ***power and privilege****, while the effects of climate change have a disproportionately* ***negative impact on the historically marginalised and underserved*** *– primarily people of colour and low-income communities around the world. Climate Justice means* ***advancing climate solutions*** *that link* ***human rights*** *and development in a* ***human-centred approach****, placing the* ***needs, voices and leadership of those who are most impacted*** *at the forefront."*[6]

The just transition is both a process and an outcome, and we encourage organisations to use the principles contained within this document to 1) develop and 2) implement their transition plans. Our guidance focuses most on the processes of creating and implementing a just transition plan, rather than dictating the outcomes that should come from such processes.

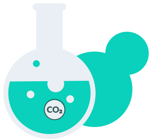
To contextualise guidance within this document, we include examples from businesses that have implemented some of these processes. While we mark our different sections as "steps", we note that these will not necessarily be sequential for all businesses.

This document is intended for use by businesses seeking to develop or sharpen their existing just transition plans, and should be used alongside other guidance for corporate just transitions (see Appendix 1 for a full list of resources). This guidance is intentionally broad, to enable use by companies of different sizes and in different sectors. Readers may note where some guidance is more applicable to their business operations than others.

Table 1: Significant opportunities exist from integrating just transition priorities into climate action plans, and risks are created from inaction.

Opportunities of developing a just transition-aligned plan	Risks of not developing a just transition-aligned plan
Societal opportunity – uplifting and including communities so that they benefit from economic transformations of the net-zero transition, building support and trust in corporate plans	**Societal risk** – existing inequalities and vulnerabilities are further entrenched, deepening the divide between those who benefit from, and those who are impacted by, a transitioning economy
Business opportunity – proactively addressing skills gaps and preparing the workforce and supply chain for strategic shifts, allowing businesses to strengthen their resilience and gain a competitive edge in procurement and innovation	**Business risk** – issues such as skills gaps are overlooked, with the workforce or supply chain unprepared for shifts in business strategy; commercial opportunities that set companies apart from competitors are missed, for example in procurement processes
Financial opportunity – enhancing transparency and climate risk management meets growing investor expectations on disclosure, builds trust with investors and positions companies to attract sustainable investment, and adapt smoothly to regulatory changes	**Financial risk** – investors increasingly want disclosure of climate risks, poor transparency and management may deter investors, and leave companies vulnerable to changes in regulation and policy
Regulatory opportunity – staying ahead of ESG disclosure requirements, and ensuring readiness to comply with emerging policies	**Regulatory risk** – disclosure initiatives require major companies and their suppliers to disclose environmental, social and governance risk. A just transition plan can help mitigate these and prepare organisations for new policies
Reputational opportunity – demonstrating a commitment to fairness and community enhances reputation among workers, customers, government procurers and the public makes operations more efficient and products and services more appealing	**Reputational risk** – amongst workers, communities, customers and governments makes operations harder and more expensive, and products & services harder to sell
Legal opportunity – engaging proactively with affected communities, including workers, helps to prevent conflict, reduce legal exposure and strengthens stakeholder relationships	**Legal risk** – affected communities including workers
Operational/resilience opportunity – recognising justice-related risks uncovers hidden vulnerabilities in the supply chains, allowing businesses to address physical and environmental threats early, strengthening long-term operational resilience	**Physical risk** – not accounting for justice risks missing out key physical and environmental risks existing in the supply chain, which compromise business operations.

Sources: *International Labour Organization and LSE Grantham Research Institute on Climate Change and the Environment (2022)* ***Just Transition Finance Tool for banking and investing activities.*** *Available from:* https://www.ilo.org/publications/just-transition-finance-tool-banking-and-investing-activities; *Just Transition Centre and The B Team (2018).* ***Just transition: a business guide.*** *Available from:* https://www.bteam.org/our-thinking/reports/just-transition-a-business-guide; *We Mean Business Coalition (2023)* ***Business in the just transition: why, what and how?*** https://www.wemeanbusinesscoalition.org/blog/business-in-the-just-transition-why-what-and-how/



Step 1: Deliver science-based climate action by committing to reduce greenhouse gas emissions in line with 1.5C by mid-century

A climate transition plan must **meet global responsibilities for greenhouse gas emissions reductions**, as defined within the 2015 Paris Agreement and by local and regional regulations, policies and standards. This principle underpins creating a just transition plan, which should be **woven into the climate transition plan**.

Step 2: Understand the key elements of a just transition, and how it should be embedded into organisational strategies

A just transition plan should set out a vision and strategy to **identify, eliminate, minimise and repair past and existing harms** that a corporate organisation's activities have had on people and nature. The just transition plan should also anticipate harmful effects of any future business operations. This also means **recognising nature as a distinct actor**, to which companies have specific duties to protect and restore,[7] and consideration of how the transition plan will impact ecosystems and human-nature relations. It is important to **work with stakeholders** to assess where and how these harms have taken place, and engage with experts and peers to better understand the just transition and its specific impacts and challenges.

When thinking about the positive and negative effects of a climate transition plan, the following kinds of justice should be considered:

- **Procedural**: ensuring meaningful participation of affected groups in decision-making
- **Distributive**: guaranteeing fair allocation of benefits and burdens
- **Restorative**: addressing historical and structural inequalities

In doing this work, the plan should be **sensitive to the place-based social, economic, political and historical contexts** within which the organisation's operations take effect.

Consider the following elements as parts of your transition plan

Good Work[8]	Affected Communities[9]	Co-benefits[10]	Financing[11]	Transformation[12]
Creating opportunities for 'good' work that is safe, meaningful and sustainable. Ensure social protection and safe working conditions for your employees. Invest in upskilling and reskilling workers as labour needs transform with your transition. Engage suppliers and customers by creating policies that encourage responsible employment. Consider the balance between quality, quantity and diversity in work available. Identify material impacts of your net-zero transition. Identify the people and groups who will be affected by your transition plan. Ensure that climate transition plans do not exacerbate existing inequalities. With affected communities, plan to mitigate the differential impacts your transition plan may have on different groups and stakeholders.		In partnership with affected stakeholders and vulnerable groups, identify and pursue opportunities to maximise co-benefits of your transition. Ensure that these co-benefits are distributed equitably by prioritising the needs of vulnerable communities. Strengthen local resilience to climate impacts and transitions away from carbon-intensive economies. Where possible, support opportunities for long-term ownership by affected communities.	Identify and utilise financing mechanisms that can aid value-chain decarbonisation efforts. Support suppliers and customers to manage the effects of, and transition to, net zero. This may include supporting capacity development or training needs to meet your decarbonisation demands. Consider adopting an internal carbon price as a mechanism for generating revenue for financing just-transition activities.	Reducing your impact on global climate change means shifting your business towards low-carbon services and products. Strategise for your business to move away from carbon-intensive products and services, towards regenerative and low-carbon opportunities.

Further resources:

BLab – Climate Justice Playbook[13]: this resource leads readers through the multi-dimensional thinking required to understand the role an organisation can play in the just transition. It supports organisations wanting to reflect deeply on their climate impacts and the legacies they wish to leave. Within this Playbook, examples from multinational companies explain a variety of approaches to just transition, including implementation practices and outcomes.

Step 3: Commit to the just transition, and ensure governance and leadership responsibilities facilitate development and implementation of a just transition plan.

An organisation should **publicly and explicitly commit to a 'just transition'** as part of its transition plan.

Part of this commitment means **ensuring that internal capacity and governance mechanisms exist** within your organisation to enable a just transition. An organisation can achieve this by e.g.,

- Setting up a Board level committee, or giving responsibility to an existing **committee**, to be tasked with **overseeing** the just transition plan
- Ensuring the **climate and justice-literacy** of the Board and/or persons responsible for the delivery of the just transition plan by providing appropriate training from a reputable source
- Embedding **intergenerational justice into company culture** by e.g., creating apprenticeships or partnering with youth organisations to develop opportunities to access green jobs, retraining opportunities for entry-level, existing employees and returning workers.

Example:

SpeedyHire, a plant hire company, has provided ESG training to its Sustainability Committee, Executive Board and Senior Leaders.[14] Across the company, SpeedyHire's target is to deliver diversity, equity and inclusivity and sustainability training to 100% of its workforce by 2025.[15] To help young people, marginalised groups and under-represented groups into employment, the company is working with partners including Youth Group and Not Going to Uni, as well as targeting Armed Forces, ex-offenders and victims of modern slavery into work.

AngloAmerican[16] has embedded just transition principles across its responsible mining and sustainability practice, including its "Anglo American Social Way"[17] policy, which outlines governance responsibilities across all scales of the company. Part of ensuring that the just transition is delivered includes appropriately staffed, qualified, and resourced social performance teams. Leaders are responsible for encouraging all staff to integrate social performance in their work.

Step 4. Identify the groups that will be affected by the transition plan.

To support a just transition, it is important for an organisation to understand **who will be impacted by its decarbonisation plans.** Organisations should consider the groups that might a) be affected by its current environmental risk trajectory by virtue of special characteristics (as below), and/or b) by the implementation of its transition plan, by virtue of their proximity to its operations and sphere of influence.

Understanding **impacts, risks and opportunities**, and identifying affected groups, is an iterative process that requires engagement across an organisation and value chain. Organisations should make use of global standards and guidance to create an internal system to identify affected groups.

Organisations should **disaggregate risks and opportunities into environmental, social and governance,** for example by following the double materiality guidance of the European Sustainability Reporting Standard (ESRS AR 16),[18] for each affected group identified.

Identifying Affected Groups

An **affected group** is defined by the World Benchmarking Alliance as: *"Groups of individuals with a specific condition or characteristic (e.g., economic, physical, political, social) that could experience negative impacts as a result of the organization's activities more severely than the general population."* Entities may also follow the list of affected groups given ISO 26000:2010.

These groups may include (in no particular order):

- Those working in the informal economy
- Women
- Indigenous Peoples
- Rural communities
- People with disabilities
- Younger and older people
- People from lower socioeconomic backgrounds
- Migrants and refugees
- Ethnic minorities
- Displaced communities
- Unskilled workers
- Children of on-site workers
- Religious minorities
- LGBTQ+ communities
- Frontline workers in transition industries
- Populations from SIDS (Small Island Developing States) and LLDCs (Landlocked Developing Countries)

As well as the communities affected by virtue of a specific condition or characteristic, such as the communities listed above, affected groups can also include those with the potential to suffer negative consequences within the entity's value chain and sphere of influence, including employees, workers unions, consumers, and communities surrounding operational locations.

Example:

Ørsted maps its material impacts, risks and opportunities on affected communities along its supply chain.[19] It outlines how the described risk is managed, for example using early and ongoing engagement with affected communities, establishing grievance and complaints processes, and developing Codes of Conduct for suppliers and partners to implement. Ørsted has developed a Stakeholder Engagement Policy,[20] outlining nine principles for engaging with individuals, groups and communities, including e.g., creating opportunities for sustainable long-term benefits for communities it operates in; engaging in early dialogue with stakeholders to assess impact; and communicating transparently with stakeholders.

Further resources:

PwC[21], ESRS (AR16)[22], ISO 26000:2010[23], International Labour Organization[24], World Benchmarking Alliance[25].

Step 5: Engage with affected groups

An organisation should publicly commit to transparently engaging and reporting on meaningful and ongoing **social dialogue** with affected stakeholders at a cadence agreed by both parties.

Engagement approaches should be applied that are **appropriate** for the affected groups identified, with **justification** of how these groups were engaged. An organisation should ensure it has sufficient **resources** and is adequately **skilled** to conduct inclusive and effective social dialogue.

When engaging with Indigenous Peoples, the principle of **free, prior and informed consent (FPIC)** must be upheld, as outlined in the UN Declaration on the Rights of Indigenous Peoples.[26]

To remove barriers to participation and ensure equity in social dialogue, organisations should **cover reasonable participation costs by affected groups**. This builds trust by providing proper acknowledgement for time, efforts and knowledge given. An organisation should transparently report compensation given, and prioritise non-monetary support, such as capacity building and resources, to ensure meaningful and unbiased engagement.

Organisations should ensure the **inclusivity and diversity of voices of engaged stakeholders** (e.g., in consideration of gender, seniority, ethnicity, and geography), and **consider the establishment of committees with clear mandates as an appropriate route for long-term engagement and social dialogue with affected groups.** Transparency can be fostered by reporting on meetings with these committees, and their outcomes.

Organisations should consider **how affected groups can communicate with them**, beyond direct engagements, and establish communication channels with affected groups.

Examples of engagement techniques that can be used by organisations:

Unilever uses a **Board Workforce Engagement Policy** to outline which workers should be engaged; when, how, and to what end[27] Unilever uses a variety of engagement avenues including:

- Surveys, including the UniVoice Survey (annually engaging around 100,000 office- and factory-based employees on topics including culture, engagement, strategy, safety, careers and sustainability), and UniPulse (quarterly engaging smaller groups of employees)
- Unilever Live sessions between CEO & Unilever Leadership Executive members and their employees
- Virtual 'town hall' meetings to engage employees
- Site visits, which include interviews with direct and third-party workers
- Through joint working groups and formal consultations with trade unions and employee representatives

The **European Commission** provides **guidance on engaging with vulnerable groups** for the purposes of a Just Transition, particularly in partnership with local governments and civil society organisations.[28] Approaches include:

- Focus group discussions
- Participatory action research - which describes a method of involving organisations and affected groups in collaboration to bring about social change
- Capacity building mechanisms, to empower groups to advocate for their needs and engage with organisations during consultation and decision-making processes

Learnings on engagement from the extractives industry:

The **Extractive Industries Transparency Initiative (EITI)** shared learnings from engaging with communities affected by mining for energy-transition related activities.[29] These learnings include ensuring the relevance of information shared with the community, the accessibility of shared data and sustaining community participation in dialogue and decision-making.

Aims of social dialogue with affected groups:

Social dialogue should be used by an organisation both while it is creating the just transition plan, *and* when it is implementing the plan itself.

- When creating the climate transition plan, **engaging in social dialogue with workers** will help an organisation to set the objectives and outcomes of a just transition. including:
- understanding workers' needs and aspirations
- identifying opportunities and co benefits
- mitigating against negative impacts
- establishing timelines on which the transition is feasible
- identifying gaps where action is needed to support workers with e.g., skills development as your organisation transitions.

Once the climate transition plan is in place, social dialogue should be a key component of business operations. Specifically, social dialogue should be used to:

- **understand and communicate the impacts of climate change and the entity's operations on affected groups**. As appropriate, set out clear, actionable, and progressive steps to mitigate those risks through **meaningful and mutual engagement with those affected groups.** These should be regularly updated based on stakeholder feedback and evolving circumstances
- **consult and generate social license** to conduct activities that are part of the entity's business operations
- establish whether human rights and due diligence concerns can be addressed through cooperation and engagement, and as **part of the process for considering whether disengagement is a necessary final step for eliminating risk to people from the business's operations**. Further guidance from e.g., UN Office for the High Commissioner on Human Rights[30] and OECD Guidelines[31] should be followed.

Organisations should ensure they are prepared to engage with affected groups, who may be diverse. This can be done by providing **cultural sensitivity training** to representatives responsible for and involved in engaging with and responding to affected groups.

Social dialogue:

"includes all types of negotiation, consultation and exchange of information between or among representatives of governments, employers and workers on issues of common interest relating to economic and social policy." (ILO and GRI, 2022)

Further guidance on conducting social dialogue can be sourced from ISO 26000:2010.

Further resources:

BSR Just Transition Planning Toolkit provides an overview of the types of objectives for engaging different stakeholders, and the focus of engagement with them.[32]

Step 6: Look beyond your value chain to affect the just transition at a wider scale

While transition plans can significantly impact an organisation's workers and value chains, they also offer opportunities to create positive impacts *beyond* their direct operations. Approaching just transition planning on a company-by-company basis is likely to deliver more limited impacts than when collaboration across societal actors and regions takes place. This provides an opportunity for a new and necessary response to the climate transition.

By working together on shared challenges, organisations can amplify their influence and drive broader, more meaningful change within their spheres of influence[33]. Many climate justice issues require systemic transformation to be addressed and repaired. Companies can **actively collaborate with a wide range of stakeholders** to help maximise wider impact beyond an organisation itself.

Beyond value chain interventions are a positive step to take once a just transition plan for the organisation, its workers, supply chain and immediately-affected communities is put in place.

Examples of beyond value chain interventions that can help mitigate climate injustice and repair existing harms include:

Ceasing lobbying efforts that undermine equity, and ending associations with organisations whose activities hinder net-zero goals. Instead, engaging in just-transition 'positive' lobbying and advocacy initiatives that support transformation of the economic, social, ecological, and political systems in which climate injustice occurs.

Actively supporting environmental and human rights defenders, grassroot organisations, and front-line activists by publishing a set of Principles or a Policy in support of these marginalised groups, recognising and responding to their unique vulnerabilities - socially, physically and economically.

Carbon credits are often used by organisations to address their residual emissions at the net-zero target date. However, organisations must **prioritize real emissions reduction first,** avoiding practices that delay or displace internal decarbonization. If using carbon credits for residual emissions, credits must be high integrity: verifiable, additional, and durable - see the Oxford Offsetting Principles for further guidance.[34]

Due diligence must be undertaken when sourcing carbon credits, following guidance from e.g., the Integrity Council for the Voluntary Carbon Market's (ICVCM's) Assessment Framework to ensure safeguards are in place for credit programmes, and that carbon credits meet sustainable development aims.[35] This includes ensuring that carbon credits support and do not negatively affect vulnerable groups, including Indigenous Peoples. Credits should deliver co-benefits in line with just transition principles.

Example

Unilever has published pioneering Principles in Support of Human Rights Defenders and guidance for existing commitments and requirements.[36] These principles recognise the importance of human rights defenders (HRDs), their vulnerabilities, the roles of states and businesses in preventing and responding to harms, the need to engage with HRD and addressing grievances raised. These Principles are crucial, particularly where supply chains depend on sourcing from vulnerable areas including rainforests or jurisdictions where civic freedoms are restricted.

The Brazilian cosmetics company **Natura &Co** has prioritised a robust, science-based target to reduce its emissions in line with a 1.5C pathway.[37] In addition, it has a plan in place for compensation for its unabated remaining emissions through the purchase **of offsets that prioritise socio-environmental co-benefits.** By working with local partners and agencies in Brazil, Natura &Co has ensured alignment with all of the ICVCM's 10 key principles for determining projects with genuine positive impact. The company has set a target that by 2030, 50% of its carbon credits must originate from partner communities in the Amazon.

The utilities company Enel engages with the just transition in policy and governance space. It is a member of the UN Global Compact Just Transition Think Lab, and is involved in the CSR Europe Business Roadmap for Just Transition.[38] "CSR Europe's ambition is to join forces with the European Commission and other leading organisations to launch a European Business Alliance for Just Transition with local footprints. The Alliance will act as an accelerator for business transformation, engagement, and collaboration towards a fair and Just Transition."[39]

Step 7. Monitor, Evaluate and Report on Progress towards a Just Transition

To ensure accountability and actionable outcomes, monitoring, evaluating and reporting (MER) should be used to:

- demonstrate how an organisation created its just transition plan
- prioritise and pinpoint action on delivering the just transition plan
- outline the effectiveness of the organisation's actions for achieving a just transition.

The MER method should involve developing specific, measurable, achievable, relevant and timebound (SMART) objectives as related to the just transition. Clear baseline metrics and interim targets aligned with the entity's climate targets should be set and be subject to regular review.

Time-bound and **measurable Objectives and Key Results (OKRs) should be created that align with strategic just-transition goals and address social, environmental, and governance dimensions.** These OKRs should provide direction and be complemented by Key Performance Indicators (KPIs) to track specific metrics and set milestones for implementing just transition plans. Organisations should choose KPIs based on relevant regulatory frameworks and voluntary guidance, and work with affected communities to identify additional KPIs that are salient to them.

Organisations can foster transparency by **consistently and regularly reporting progress towards OKRs and KPIs back to affected stakeholder groups**, suppliers, partners, and the public, ensuring reports are accessible, detailed, and include stakeholder-specific impacts.

An organisation should report to affected groups in a manner that is consistent with previously established and communicated modes of inclusive information-sharing e.g., by including provisions for simplifying technical terms without diluting its meaning and conveying the accurate information in regional or local dialects.

Organisation should **demonstrate how MER is influencing revisions, refinement and progression of its transition plans**, ensuring these processes are iterative, transparent, and informed by stakeholder feedback.

The LSE's Just Transition Finance Lab has a compendium of Just Transition Metrics that are regularly updated.[40] From this resource, you can find metrics that relate to the scale at which Impact, Risks and Opportunities have been identified.

Further principles, actions and associated KPIs can be found at Business for Inclusive Growth – Just Transition Indicators.[41]

Example:

SSE Just Transition Strategy brings together a "basket of KPIs" that are both quantitative and qualitative.[42] One of the key principles underpinning the strategy is "consult and co-create with stakeholders", and SSE lists that the revision of their JT strategy took place in consultation with the Joint Nature Conservation Committee, key policy influencers, the Scottish Government, and Unions.

Appendix

Axelsson, K., Wagner, A, Johnstone, I., Allen, M., Caldecott, B., Eyre, N., Fankhauser, S., Hale, T., Hepburn, C., Hickey, C., Khosla, R., Lezak, S., Mitchell-Larson, E., Malhi, Y., Seddon, N., Smith, A., Smith S. (2024) Oxford Principles for Net Zero Aligned Carbon Offsetting – Revised Edition https://www.smithschool.ox.ac.uk/research/oxford-offsetting-principles

BLab et al (2021) *Climate Justice Playbook: How to centre climate action in Climate Justice*. Available from: https://www.bcorpclimatecollective.org/climate-justice-playbook

BSR (2023) *The Just Transition Planning Process for Business*. Available from: https://www.bsr.org/en/reports/just-transition-planning-process-for-business-toolkit

Business for Inclusive Growth (2023) *B4IG publishes 13 indicators to analyse and measure the social challenges of the Just Transition*. Available from: https://www.b4ig.org/b4ig-publishes-its-indicators-to-analyse-and-measure-the-social-challenges-of-the-just-transition/

Council for Inclusive Capitalism (2024) *Just Transition Framework for Company Action*. Available from: https://www.inclusivecapitalism.com/just-energy-transition-company-framework/

EFRAG (2024). *ANNEX I to Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards, published in the Official Journal of the European Union on 22 December 2023 and including the corrigendum published on 18 April 2024*. Available from: https://xbrl.efrag.org/e-esrs/esrs-set1-2023.html

Environmental Defense Fund (n.d.) *Net Zero Action Accelerator: Foster Equity, Justice and Community Engagement*. Available from: https://netzeroaction.org/pathways/foster-equity-justice-and-community-engagement/?conversion_pg=business.edf.org%2Finsights%2Fhow-a-just-transition-can-strengthen-corporate-net-zero-strategy%2F

European Commission (2023) *Just Transition Platform Working Groups. Action 7: Guidelines to engage with people living in vulnerable situations*. Available from: https://ec.europa.eu/regional_policy/sources/funding/just-transition-fund/guidelines-engage-people-vulnerable-situations.pdf

Exponential Roadmap Initiative, Oxford Net Zero (2024) *Climate Solutions Framework (CSF): Defining climate solutions and climate solutions companies*. Available from: https://exponentialroadmap.org/climate-solutions-framework/

Extractives Industry Transparency Initiative (2023) *Engaging communities in a just transition* Available from: https://eiti.org/sites/default/files/2023-10/EITI_Report_Engaging%20communities%20in%20a%20just%20transition.pdf

Grantham Research Institute on Climate Change and the Environment (2024) *A compendium of Just Transition metrics*. Available from: https://justtransitionfinance.org/publication/a-compendium-of-just-transition-metrics/

Integrity Council for the Voluntary Carbon Market (2024) Assessment Framework: Section 4. Available from: https://icvcm.org/wp-content/uploads/2024/02/CCP-Section-4-V1.1-FINAL-15May24.pdf

International Labour Organisation (2015) *Guidelines for a just transition towards environmentally sustainable economies and societies for all*. Available from: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_emp/@emp_ent/documents/publication/wcms_432859.pdf

International Labour Organization and LSE Grantham Research Institute on Climate Change and the Environment (2022) *Just Transition Finance Tool for banking and investing activities*. Available from: https://www.ilo.org/publications/just-transition-finance-tool-banking-and-investing-activities

International Labour Organisation and United Nations Environment Programme Finance Initiative (2023). *Just Transition Finance: Pathways for Banking and Insurance*. Available from: https://www.ilo.org/publications/just-transition-finance-pathways-banking-and-insurance

International Organization for Standardization (2020). *ISO26000: Social Responsibility*. https://www.iso.org/iso-26000-social-responsibility.html

Just Transition Centre and The B Team (2018). *Just transition: a business guide*. Available from: https://www.bteam.org/our-thinking/reports/just-transition-a-business-guide

OECD (2023) OECD Guidelines for Multinational Enterprises on Responsible Business Conduct https://www.oecd.org/en/publications/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_81f92357-en.html

PwC (2024) *CSRD Double Materiality Assessment*. Available from: https://www.pwc.nl/en/topics/sustainability/esg/corporate-sustainability-reporting-directive/csrd-double-materiality-assessment.html

Reay, D. (2024). The uneven foundations of a just transition for workers: a UK perspective. *Frontiers in Climate. 6:1498156*. https://doi.org/10.3389/fclim.2024.1498156

Robins N, Muller S and Szwarc K (2021) *From the grand to the granular: translating just transition ambitions into investor action*. London: Grantham Research Institute on Climate Change and the Environment and Centre for Climate Change Economics and Policy, London School of Economics and Political Science. Available from: https://www.iso.org/publication/PUB100258.html

UNFCCC (2015) Paris Agreement. Available from: https://unfccc.int/documents/184656

United Nations Global Compact (2023) Introduction to Just transition: A Business Brief. Available from: https://unglobalcompact.org/library/6093

UN Office for the High Commissioner on Human Rights (2023) *Business and Human Rights in Challenging Contexts Considerations for Remaining and Exiting* https://www.ohchr.org/sites/default/files/documents/issues/business/bhr-in-challenging-contexts.pdf

We Mean Business Coalition (2023) *Business in the just transition: why, what and how?* https://www.wemeanbusinesscoalition.org/blog/business-in-the-just-transition-why-what-and-how/

World Benchmarking Alliance (2021) *World Benchmarking Alliance Just Transition Methodology* Available from: https://assets.worldbenchmarkingalliance.org/app/uploads/2021/07/Just-Transition-Methodology.pdf

World Benchmarking Alliance (2025) Assessing the 'just' in corporate transition plans: framework and guidance. https://www.worldbenchmarkingalliance.org/research/assessing-the-just-in-corporate-transition-plans-framework-and-guidance/

Endnotes

1 University of Oxford (2024). 80 percent of people globally want stronger climate action by governments according to new survey. https://www.ox.ac.uk/news/2024-06-20-80-percent-people-globally-want-stronger-climate-action-governments-according-new https://www.ox.ac.uk/news/2024-06-20-80-percent-people-globally-want-stronger-climate-action-governments-according-new; IPSOS (2025). The public want climate action - are the government doing enough? https://www.ipsos.com/en-uk/public-want-climate-action-are-government-doing-enough

2 Pinker, A., (2020) Just Transitions: a comparative perspective. The James Hutton Institute & SEFARI Gateway. https://www.gov.scot/binaries/content/documents/govscot/publications/independent-report/2020/08/transitions-comparative-perspective2/documents/transitions-comparative-perspective/transitions-comparative-perspective/govscot%3Adocument/transitions-comparative-perspective.pdf

3 Grantham Research Institute on Climate Change and the Environment (2024). What is the just transition and what does it mean for climate action? https://www.lse.ac.uk/granthaminstitute/explainers/what-is-the-just-transition-and-what-does-it-mean-for-climate-action/

4 UNFCCC, (2025) United Arab Emirates Just Transition Work Programme. https://unfccc.int/topics/just-transition/united-arab-emirates-just-transition-work-programme

5 Oxford Net Zero (2025). Unlocking the Power of Youth to Develop Equity in Net-Zero Governance. https://netzeroclimate.org/youth-cohort/

6 BLab et al (2021) Climate Justice Playbook: How to centre climate action in Climate Justice. Available from: https://www.bcorp-climatecollective.org/climate-justice-playbook p. 11

7 Heinrich Böll Stiftung (2025) Seven Points on Rights of Nature. https://www.boell.de/en/2025/01/24/seven-points-rights-nature

8 International Labour Organisation (2015) Guidelines for a just transition towards environmentally sustainable economies and societies for all. Available from: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_emp/@emp_ent/documents/publication/wcms_432859.pdf; United Nations Global Compact (2023) Introduction to Just transition: A Business Brief. Available from: https://unglobalcompact.org/library/6093 ; Reay, D. (2024). The uneven foundations of a just transition for workers: a UK perspective. Frontiers in Climate. 6:1498156. https://doi.org/10.3389/fclim.2024.1498156

9 International Organization for Standardization (2020). ISO26000: Social Responsibility. https://www.iso.org/iso-26000-social-responsibility.html ; World Benchmarking Alliance (2021) World Benchmarking Alliance Just Transition Methodology Available from: https://assets.worldbenchmarkingalliance.org/app/uploads/2021/07/Just-Transition-Methodology.pdf

10 Environmental Defense Fund (n.d.) Net Zero Action Accelerator: Foster Equity, Justice and Community Engagement. Available from: https://netzeroaction.org/pathways/foster-equity-justice-and-community-engagement/?conversion_pg=business.edf.org%2Finsights%2Fhow-a-just-transition-can-strengthen-corporate-net-zero-strategy%2F

11 Robins N, Muller S and Szwarc K (2021) From the grand to the granular: translating just transition ambitions into investor action. London: Grantham Research Institute on Climate Change and the Environment and Centre for Climate Change Economics and Policy, London School of Economics and Political Science. Available from: https://www.iso.org/publication/PUB100258.html

12 Exponential Roadmap Initiative, Oxford Net Zero (2024) Climate Solutions Framework (CSF): Defining climate solutions and climate solutions companies. Available from: https://exponentialroadmap.org/climate-solutions-framework/

13 BLab et al (2021) Climate Justice Playbook: How to centre climate action in Climate Justice. Available from: https://www.bcorp-climatecollective.org/climate-justice-playbook

14 Speedy Hire (2025). Sustainability Report 2024. https://assets.speedyhire.com/download/assets/ESG+Sustainability+Report+2024.pdf/1199af62a11011ef941d0238c162accd

15 Speedy Hire (2025). Women in Construction Week. https://www.speedyservices.com/news/celebrating-women-in-construction#:~:text=Speedy%20Hire%20has%20a%20target,95%25%20were%20trained%20in%20DEI

16 AngloAmerican (2025) Sustainability Report 2024. https://www.angloamerican.com/~/media/Files/A/Anglo-American-Group-v9/PLC/investors/annual-reporting/2025/sustainability-report-plc-2024.pdf

17 AngloAmerican (2025) AngloAmerican Social Way. https://socialway.angloamerican.com/~/media/Files/A/Anglo-American-Group-v5/Social-Way-Toolkit/socialway_en.pdf

18 EFRAG (2024). ANNEX I to Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards, published in the Official Journal of the European Union on 22 December 2023 and including the corrigendum published on 18 April 2024. Available from: https://xbrl.efrag.org/e-esrs/esrs-set1-2023.html

19 Ørsted (2025). Ørsted Annual Report. https://cdn.orsted.com/-/media/annual2024/orsted-annual-report-2024.pdf?rev=e2d1485c254f4274aa6d7752c8947560&hash=65FE890EC7C5CF6867B36C7F626F727B

20 Ørsted (2022) Ørsted Stakeholder Engagement Policy. https://cdn.orsted.com/-/media/www/docs/corp/com/sustainability/stakeholder-engagement-policy-2022.pdf?rev=c91d75b255e24ff68305756ca214f01b&hash=04391415BD7849C938B9598445202F61

21 PwC (2024) CSRD Double Materiality Assessment. Available from: https://www.pwc.nl/en/topics/sustainability/esg/corporate-sustainability-reporting-directive/csrd-double-materiality-assessment.html

22 European Commission (2023) Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202302772#anx_I

23 International Organization for Standardization (2020). ISO26000: Social Responsibility. https://www.iso.org/iso-26000-social-responsibility.html

24 International Labour Organisation (2015) Guidelines for a just transition towards environmentally sustainable economies and societies for all. Available from: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_emp/@emp_ent/documents/publication/wcms_432859.pdf

25 World Benchmarking Alliance (2021) World Benchmarking Alliance Just Transition Methodology Available from: https://assets.worldbenchmarkingalliance.org/app/uploads/2021/07/Just-Transition-Methodology.pdf

26 United Nations (2007), United Nations Declaration on the Rights of Indigenous Peoples https://social.desa.un.org/issues/indigenous-peoples/united-nations-declaration-on-the-rights-of-indigenous-peoples

27 Unilever (2025) Unilever Annual Report and Accounts 2024. https://www.unilever.com/files/unilever-annual-report-and-accounts-2024.pdf ; Unilever (2023) Unilever Board Workforce Engagement Policy. https://www.unilever.com/files/bd8f5dbf-517a-432a-ba78-2b928ea36482/board-workforce-engagement-policy-2023.pdf

28 European Commission (2023) Just Transition Platform Working Groups. Action 7: Guidelines to engage with people living in vulnerable situations. Available from: https://ec.europa.eu/regional_policy/sources/funding/just-transition-fund/guidelines-engage-people-vulnerable-situations.pdf

29 Extractives Industry Transparency Initiative (2023) **Engaging communities in a just transition** Available from: https://eiti.org/sites/default/files/2023-10/EITI_Report_Engaging%20communities%20in%20a%20just%20transition.pdf

30 UN Office for the High Commissioner on Human Rights (2023) **Business and Human Rights in Challenging Contexts Considerations for Remaining and Exiting** https://www.ohchr.org/sites/default/files/documents/issues/business/bhr-in-challenging-contexts.pdf

31 OECD (2023) OECD Guidelines for Multinational Enterprises on Responsible Business Conduct https://www.oecd.org/en/publications/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_81f92357-en.html

32 BSR (2023) **The Just Transition Planning Process for Business.** Available from: https://www.bsr.org/en/reports/just-transition-planning-process-for-business-toolkit

33 Axelsson et al, 2024. Is impact out of scope? A call for innovation in climate standards to inspire action across companies' Spheres of Influence. **Carbon Management**. 15:1.

34 Axelsson, K., Wagner, A, Johnstone, I., Allen, M., Caldecott, B., Eyre, N., Fankhauser, S., Hale, T., Hepburn, C., Hickey, C., Khosla, R., Lezak, S., Mitchell-Larson, E., Malhi, Y., Seddon, N., Smith, A., Smith S. (2024) Oxford Principles for Net Zero Aligned Carbon Offsetting - Revised Edition https://www.smithschool.ox.ac.uk/research/oxford-offsetting-principles

35 Integrity Council for the Voluntary Carbon Market (2024) Assessment Framework: Section 4. Available from: https://icvcm.org/wp-content/uploads/2024/02/CCP-Section-4-V1.1-FINAL-15May24.pdf

36 Unilever (2023). **Unilever Principles in Support of Human Rights Defenders and implementation guidance for existing commitments and requirements** https://www.unilever.com/files/a9ee0484-3dad-4f48-9f0b-69cea560ebba/unilever-principles-in-support-of-human-rights-defenders-sept-2023.pdf

37 Natura &Co (2024) **Climate Transition Action Plan July 2024** https://api.mziq.com/mzfilemanager/v2/d/67c3b7d4-64ea-4c2f-b380-6596a2ac2fbf/256f5088-6b44-fd2f-e379-a56ac48fe42d?origin=1

38 Enel, 2022 **Open Power for a Brighter Future**. https://www.enel.com/content/dam/enel-com/documenti/investitori/sostenibilita/2022/executive-summary-2022_en.pdf

39 CSR Europe. N.d. **Business for a Just Transition** . https://www.csreurope.org/download-business-for-just-transition

40 Grantham Research Institute on Climate Change and the Environment (2024) **A compendium of Just Transition metrics**. Available from: https://justtransitionfinance.org/publication/a-compendium-of-just-transition-metrics/

41 Business for Inclusive Growth (2023) **B4IG publishes 13 indicators to analyse and measure the social challenges of the Just Transition**. Available from: https://www.b4ig.org/b4ig-publishes-its-indicators-to-analyse-and-measure-the-social-challenges-of-the-just-transition/

42 SSE (2024) **Embedding a just transition. Strategy update June 2024**. https://www.sse.com/media/4qfjjgvu/just-transition-strategy-update.pdf

Acknowledgements

We thank the Advancing Capacity for Climate and Social Science (ACCESS) research programme for providing the funding for this research; Shana Gallagher (BSI) for her collaboration as partner throughout the research project; Caroline Lytton, Dr Anupama Sen, Kaya Axelsson (Smith School), Grace Wright (School of Geography), Prof. Tom Hale, Ali Sheridan, Dr Yixian Sun and Camila Fernández Silva (Race to Zero) for their comments on previous drafts; and Liliana Resende for support with the graphic design, and the Smith School Comms Team for support and strategic communication.