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Inside the Playbook:
How are Financial
Firms Supporting
Clients on Transition
Planning?

Contents

4 EXECUTIVE SUMMARY

6 INTRODUCTION

FINANCIAL INSTITUTIONS' USE OF TRANSITION PLANS

9 WHAT DO FINANCIAL INSTITUTIONS LOOK FOR IN BORROWER AND INVESTEE TRANSITION PLANS?
HOW DO FINANCIAL INSTITUTIONS ASSESS TRANSITION PLANS?
HOW DO FINANCIAL INSTITUTIONS USE TRANSITION PLANS TO SUPPORT ENGAGEMENT AND CAPITAL ALLOCATION?

16 RECOMMENDATIONS



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Executive Summary

An aerial photograph of a tropical island. The island is covered in dense green forest and has a long, narrow sandy beach on its right side. A small boat is visible in the shallow turquoise water near the beach. The surrounding water is a deep blue-green color. The text 'Executive Summary' is overlaid in white serif font on the left side of the image.

Climate transition plans are a core element of business strategy, setting out an entity's ambitions, actions, and accountability in supporting the transition to a low-carbon, climate-resilient economy.¹ Financial institutions are increasingly using transition plans to understand borrowers' and investees' transition journeys, to assess associated risks and opportunities, and to inform their own long-term business strategies. Transition plans are thus becoming a key facilitator for flows of capital to net zero-aligned—and aligning—companies, assets, jurisdictions, and activities. Accordingly, financial institutions' expectations for the quality and scope of these transition plans are quickly evolving.

This brief is intended to distil current practice and key lessons on how financial institutions are using borrower and investee transition plans, to contribute to the ongoing and iterative improvement of transition planning and practice, particularly as international standard setting around transition planning and disclosure continues to take shape.

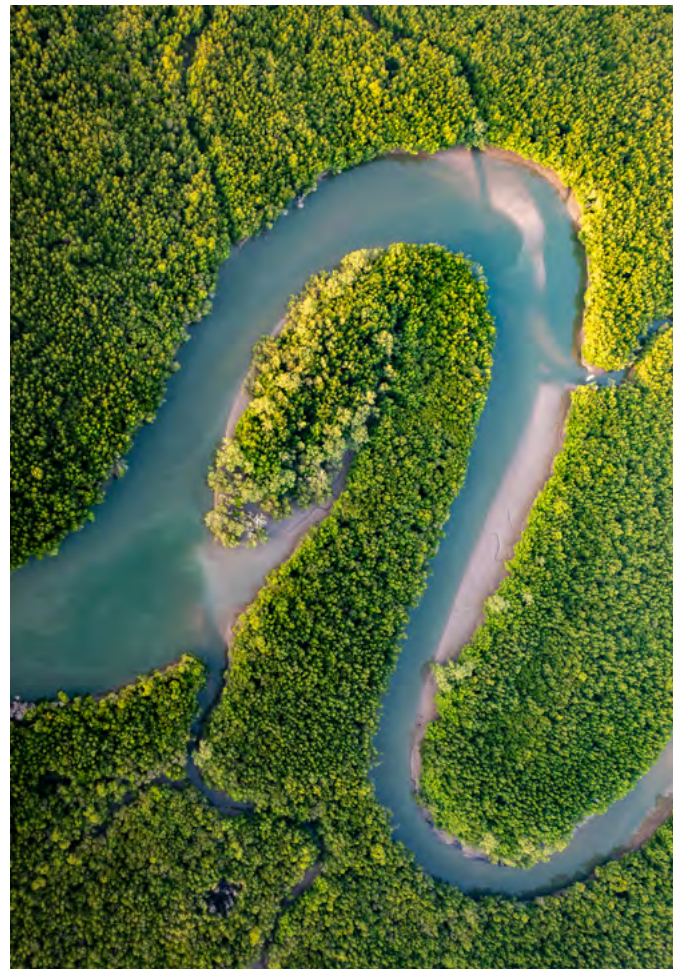
Financial institutions are referring to transition plans and related disclosure to inform their own business strategies around the climate transition. As financial institutions mature in their transition journeys and some expand consideration of climate opportunities and risks to broader social and nature-related factors, they expect borrower and investee transition plans to likewise mature and expand. Borrowers and investees should strive to produce comprehensive transition plans with clear evidence of implementation, that demonstrate the actions they are taking and progress they are making in implementing their plan.

Sovereigns have double duty in this regard. They are being assessed directly by financial institutions as issuers on the same elements, but they are also the single most important entity in setting the speed, scale, and shape of national climate transitions—and are thus a benchmark against which financial institutions can assess the credibility of corporate transition plans. In this regard, financial institutions may view government policies as the most important indicator and shaper of national transitions, though the foundational elements of ambition and pathways are also important. In many cases, investors systematically assess the sovereign transition as an integral step of assessing corporate transition plans, as if there were a "sovereign ceiling" on climate transition credibility (analogous to a sovereign credit rating serving as an effective ceiling for domestic corporate credit ratings).

At present, financial institutions are fundamentally capacity constrained in their ability to assess transition plans and engage borrowers and investees on transitioning planning. They are increasing efficiency by leveraging central teams, internal tools, and third-party data and services, and by prioritizing engagement with high-emitting sectors. They are ultimately still reliant, however, on information provided by borrowers and investees, so they need comparable, high quality, and easily accessible information.

To achieve that, financial institutions and other users of transition plans can encourage and collaborate with policy makers and standard setters, such as the International Sustainability Standards Board (ISSB), as they drive harmonization and alignment on a common set of clear, targeted, and realistic guidelines for transition plan disclosure. That collaboration should improve consistency and comparability of borrower and investee transition plans, while minimizing the reporting burden, thus improving the efficient flow of public and private capital for investments aligned and aligning with the net-zero transition.

Climate change is upon us and the level of investment needed to mitigate greenhouse gas (GHG) emissions and to adapt and build resilience to the locked-in impacts of climate change is multiples of the current level of investment. Transition plans are a critical instrument at the interface between supply and demand of financial capital to enable the transition. Early experience with transitions plans is laudable, but they must evolve rapidly to help enable finance to flow at the speed and scale required to address the global climate challenge.



1. Transition Plan Taskforce (2023) [Disclosure Framework](#)



Introduction

Scaling private capital to support the global climate transition is only possible with sufficient demand for transition finance.² The transition to a net-zero world will require an additional USD 8-10 trillion in annual investment through 2050³. While financial intermediation cannot drive the economic transformation to net zero, it plays a crucial role as an enabler of this process. But financial institutions must have sufficient information to identify both opportunities and risks associated with financing and investing in transition activities to effectively allocate capital for it.

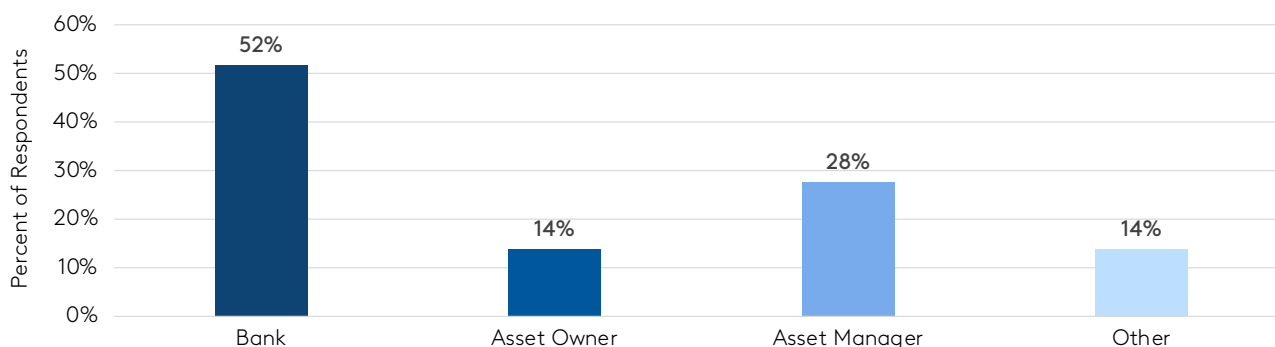
Transition planning and disclosure of transition plans are accelerating. A quarter of the over 23,000 companies disclosing to CDP in 2023 said they had a 1.5°C-aligned climate transition plan in place – a 44% increase on 2022 – and another third intended to develop a plan within two years.⁴

Financial institutions are increasingly referring to transition plans to gain information on borrower and investee objectives, efforts, and progress to align with net zero. Financial institution demand is a key driver of the increase in transition planning and plan disclosure. That demand manifests directly through engagement with borrowers and investees and indirectly as disclosure standards and regulatory requirements are driven in large part by providing information to inform investment decisions.

The quality of borrower and investee transition plans needs to improve and there is a lack of alignment among non-regulatory guidance and among regulatory requirements relevant to transition plans. Financial institutions generally find that borrower and investee transition plans are “still nascent, their quality is variable and often inadequate, and key data points are lacking”.⁵ There are dozens of sets of materials – disclosure standards, policy guidance, industry standards, NGO standards, frameworks from international bodies – providing guidance on transition planning, disclosure of transition plans, and net-zero credibility.⁶

Transition plan users should provide feedback on how they use transition plans to provide clarity to producers of plans and inform nascent efforts to standardize guidance. Experience and feedback on provision and use of transition plans will help improve transition planning guidance and related disclosure standards broadly. That includes, for example, the International Financial Reporting Standards (IFRS) Foundation efforts to support consistent application of the International Sustainability Standards Board (ISSB) which include a disclosure requirement for entities that have a transition plan, which will refer to guidance developed by the UK Transition Plan Taskforce (TPT).⁷

Figure 1. Business activities of survey respondents (N=25).



Source: Pollination/IIF survey

2. IIF (September 2024) [Resetting the debate on the role of private finance in the net zero transition](#)

3. IIF and McKinsey (January 2023) [Financing the net-zero transition: from planning to practice](#); Climate Policy Initiative (November 2023) [Global Landscape of Climate Finance 2023](#)

4. CDP (June 2024) [The State of Play 2023: Climate Transition Plan Disclosure](#)

5. IIF (October 2023) [The Role of The Financial Sector in the Net Zero Transition: Assessing Implications for Policy, Supervision and Market Frameworks](#)

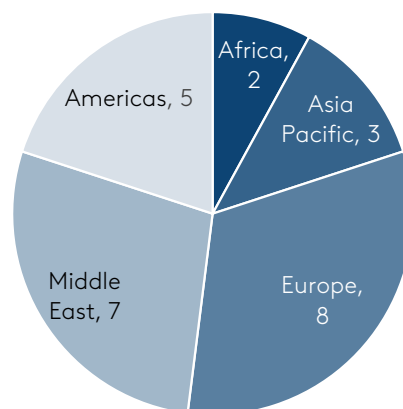
6. E.g., University of Oxford (October 2022) [Defining Net Zero for organisations](#) reviewed 33 materials on net zero; Pollination reviewed two dozen materials to develop its Transition Planning Assessment Framework.

7. The TPT published its transition plan disclosure framework and supporting materials in 2023 and 2024, and the International Financial Reporting Standards (IFRS) Foundation has now taken responsibility for the TPT’s disclosure-specific materials. In the near term, the IFRS Foundation plans to provide educational materials to ensure alignment of the TPT materials with the ISSB climate disclosure standard, and over time the ISSB may consider enhancing application guidance for its climate standard drawing on the TPT materials..

This research brief contributes to the iterative improvement of transition planning and practice to support the effective allocation of capital to net zero-aligned and aligning companies⁸, assets, activities, and public entities. The brief presents information and lessons on financial institution use of borrower and investee transition plans based on a survey of IIF membership with 28 responses from 26 firms⁹, structured interviews with eight IIF members (five of which also responded to the survey), a systematic review of transition plan-related materials,¹⁰ and a broader unstructured literature review. The survey respondents were weighted towards banks (Figure 1) and institutions headquartered in Europe and the Middle East (Figure 3). Interviews were weighted toward asset owners and managers and institutions in the Americas, Asia Pacific, and Africa, to draw out perspectives that would help balance the survey results.

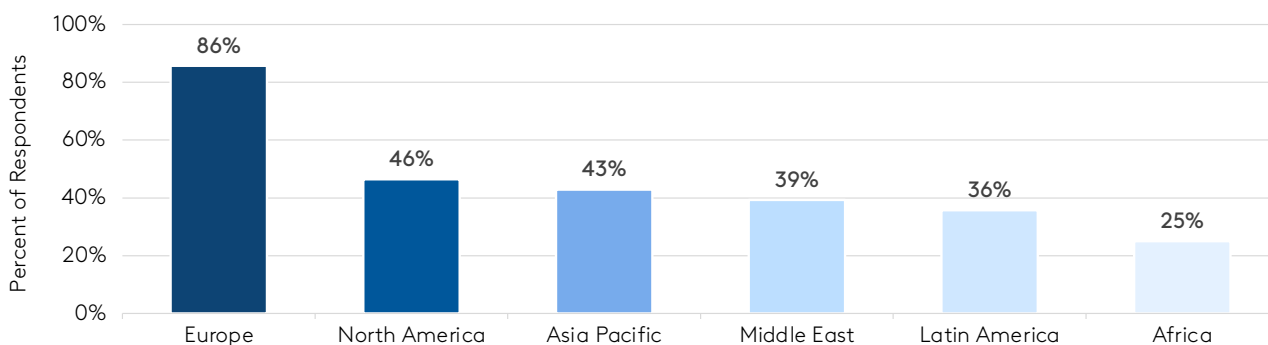
The results of the survey and interviews are strictly focused on financial institution use of borrower and investee transition plans. This brief is a complement to IIF’s policy position and materials on the role the financial sector in the net-zero transition¹¹ and does not address transition planning for financial institutions. Results presented here should not be extrapolated to cover financial institutions’ own transition plans.

Figure 3. Headquarters region of survey respondents (N=25).



Source: Pollination/IIF survey

Figure 2. Regions in which survey respondents are active (N=26).



Source: Pollination/IIF survey

8. “Aligned” and “aligning” refer to companies or assets that are on or working to get on a net-zero pathway and so are actively “transitioning” to net zero. These terms are used consistent with the Institutional Investors Group on Climate Change’s Net Zero Investment Framework 2.0 and the Glasgow Financial Alliance for Net Zero’s transition finance categories.

9. Most firms responded based on their single or primary business, three responses provided a consolidated view across 2-3 business lines, and one firm provided three responses from different business lines.

10. Pollination reviewed about two dozen materials to develop its own Transition Planning Assessment Framework.

11. As set out in IIF (October 2023) [The Role of The Financial Sector in the Net Zero Transition: Assessing Implications for Policy, Supervision and Market Frameworks](#) and IIF (2024) [IIF Staff Paper: Resetting the debate on the role of private finance in the net zero transition](#).

Financial Institutions' Use of Transition Plans

The background of the slide is a night sky filled with stars, with a faint view of the Milky Way galaxy. At the bottom, there is a dark landscape featuring a lake, silhouetted mountains, and some distant lights from a town or city.

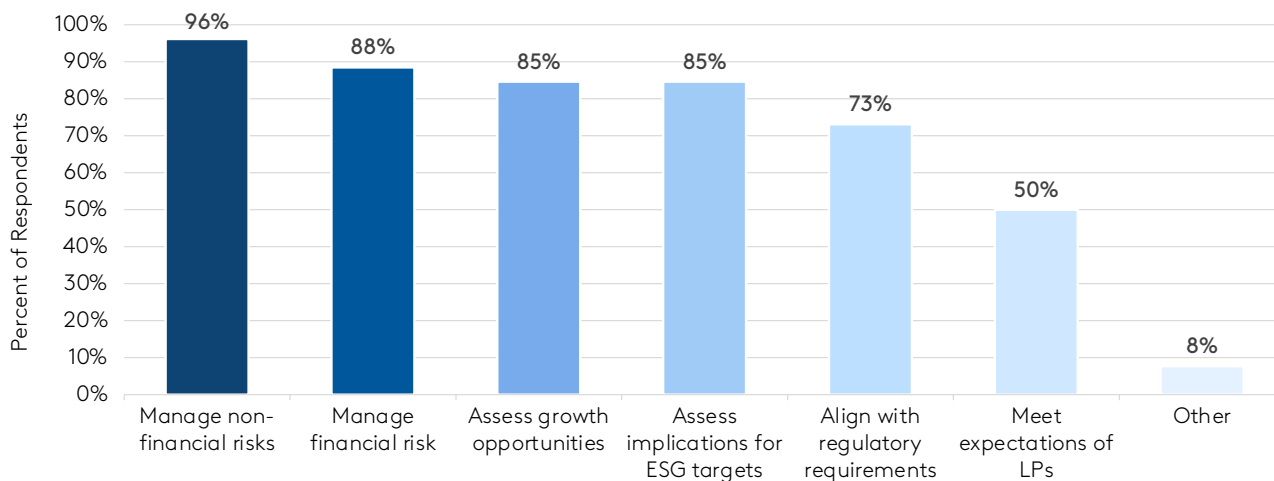
All survey respondents agreed that credible transition planning and plans can enhance a firm’s ability to create value for shareholders and stakeholders. There are various, related transmission channels through which this may occur, including (1) shoring up revenue and profit based on consumer or client preferences and market share; (2) reducing a range of risks, which can lead to direct cost reduction (e.g., insurance premiums) and improvement of intangible value (e.g., reducing policy or reputational risks); and, ultimately, (3) lowering the costs of capital through this alignment with climate goals and reducing perceived or real investment risks. More broadly, credible transition plans reduce information asymmetries, allowing shareholders and stakeholders to make better informed decisions and improving overall market efficiency and the social value of companies.

Most financial institutions surveyed have multiple motivations for using borrower and investee transition plans, with a primary focus on risk management as an integral part of their own forward-looking strategy. Over half of respondents stated they are motivated by at least four reasons for assessing borrower and investee transition plans – meaning that transition plans must serve multiple

purposes. The most widely cited motivations (Figure 4) are to help manage non-financial risks, manage financial risk, and assess opportunities, all of which are essential components of financial institutions’ own forward-looking strategies. Through open-ended survey responses and bilateral interviews, emerging market financial institutions highlighted the importance of leveraging borrower and investee transition plans to help inform and communicate their own transition planning to mobilize domestic and international resources, including maintaining access to capital markets, international funding, and correspondent banking relationships.

As such, most financial institutions expect borrower and investee transition plans to focus on climate, but still cover more than climate strategy. In addition to detailing how an entity plans to realize its climate strategy, 71% of respondents stated transition plans should also cover climate risk management, and 50% said plans should cover social and nature aspects of the transition. Both financial institutions and borrowers and investees are relatively early in figuring out how to address adaptation, just transition, and nature in their climate transition plans, but work is underway to support these efforts, and some material is already available.¹²

Figure 4. Motivation for looking at transition plans of borrowers or investees (N=26).



Source: Pollination/IIF survey on financial institution use of real-economy transition plans. Percentage for “To meet expectations of LPs” is only percentage of asset manager respondents, not percentage of all respondents.

12. E.g., UK Transition Plan Taskforce Working Groups’ outputs on integrating [adaptation and physical resilience](#), [just transition](#), and [nature](#).

What do financial institutions look for in borrower and investee transition plans?

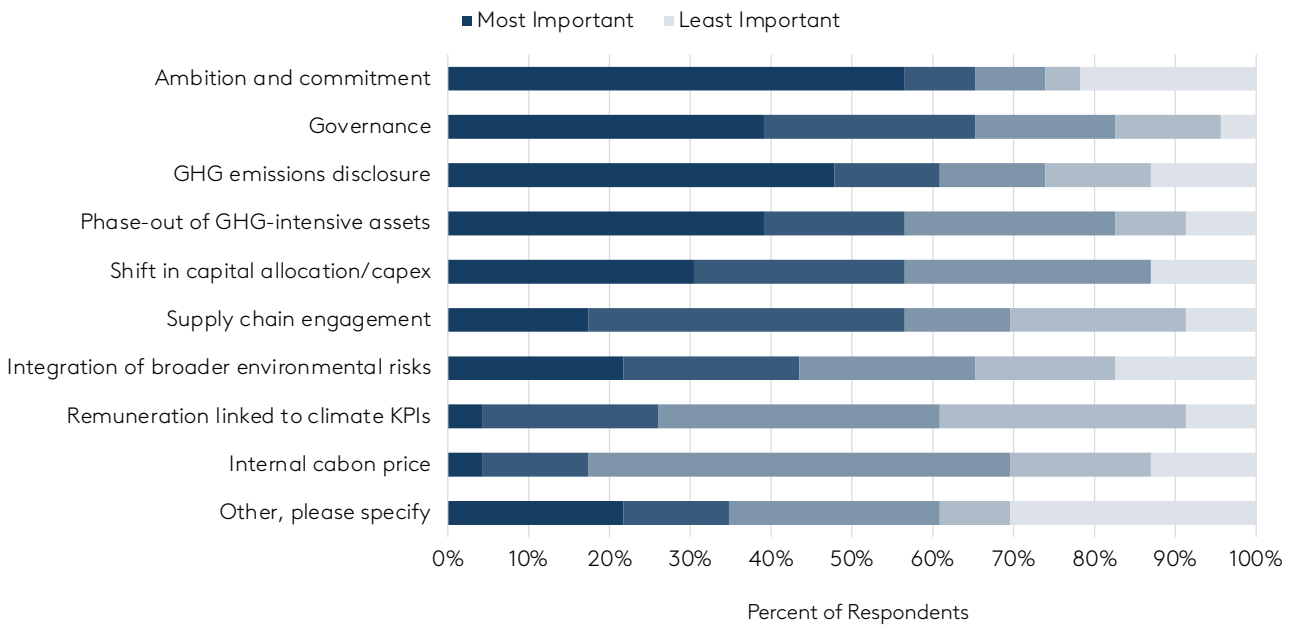
When assessing transition plans, financial institutions first focus on ambition, governance, and GHG emissions. Ambition (broadly, including commitments and targets) and governance were each ranked by 65% of respondents, and disclosure of GHG emissions ranked by 61% of respondents, as the highest or second highest priority elements of a transition plan (Figure 5). When asked what is least helpful in a transition plan, half of respondents stated they do not want to see transition plans with targets or other commitments that are vague, low ambition, unachievable, or focused on the wrong priorities. There are three justifications for focusing on governance, ambition, and GHG emissions:

Credibility hierarchy – The quality of ambition, governance, and disclosed GHG emissions data (which allows assessment of targets and monitoring of progress), forms the foundation for a transition plan to be considered credible.

Common denominator – Ambition, governance, and disclosed GHG emissions data are the elements most regularly cited across transition plan guidance and disclosure requirements.

Maturity curve – Entities generally start transition planning with ambition, governance, and GHG emissions data, and as they progressively embed transition planning within the organisation, they expand their disclosures to include components related to implementing their transition plan.

Figure 5. Priority components of transition plans to inform investment and engagement strategies (N=23).



Source: Pollination/IIF survey

As the practice of transition planning is maturing and becoming more common, financial institutions are increasingly focused on (1) indicators that borrowers and investees are implementing their transition plan, and (2) information about management actions to drive transition plan execution.

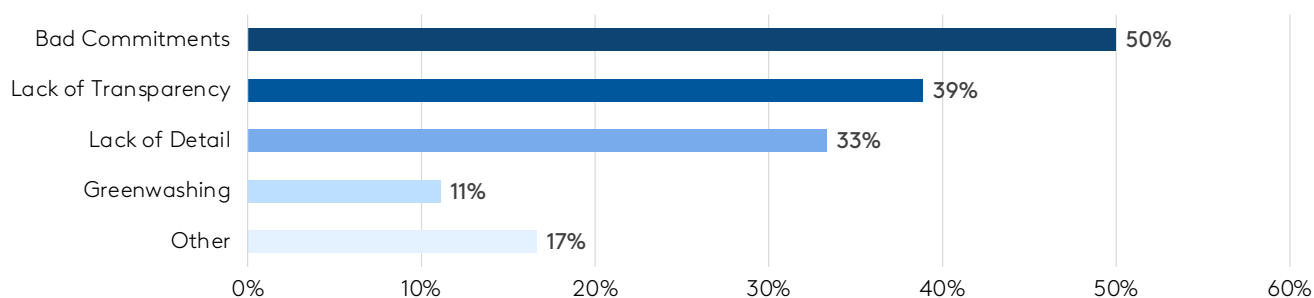
- After ambition, governance, and GHG emissions, most respondents next prioritize one or two of (1) evidence of capital allocation for the transition, such as growing green revenue, green capex, or other indicators of alignment with taxonomies, (2) the phase-out of stranded assets and the switch to low-carbon alternatives, and (3) decarbonization of the supply chain (Figure 5). These indicators all provide evidence of progress on the transition in relation to traditional business value drivers, such as capex, assets, and purchased goods and services.
- Remuneration linked to climate key performance indicators (KPIs) and use of internal carbon prices are actions the borrower or investee can take to internally incentivise or facilitate the transition. Survey respondents generally did not rank them as the most important components of a transition plan (Figure 5), but 60-70% of respondents rated them as at least moderately important. Interviewees further emphasized that

financial institutions are increasingly focused on seeing management actions put in place to help implement the transition and prioritizing them when assessing borrower and investee transition plans just as much as seeing clear indicators of progress on implementation (see previous bullet). Among the management activities included in the survey, interviewees highlighted linking remuneration to climate KPIs as a particularly strong signal of dedication to implementing a transition plan.

- These expectations also hold true for sovereigns, where investors want to see sufficient ambition relative to 1.5°C alignment and fair share; nationally determined contributions (NDCs) and related strategies and plans enacted through legislation and policy; and evidence of absolute emissions reductions or, for emerging markets and developing countries, reduced emissions intensity.

When asked about what they do not want to see in borrower and investee transition plans, survey respondents focused on a lack of clarity on the means and evidence of implementation. About a third of respondents cited challenges when there is a general lack of transparency about the transition plan or about specific indicators, such as financing the plan or the use of carbon credits (Figure 6). About a third also cited challenges when commitments are made, but the transition plan lacks sufficient detail on how the borrower or investee will implement those commitments or monitor progress.

Figure 6. Investor concerns regarding transition plans (N=18).



Source: Pollination/IIF survey

How do financial institutions assess transition plans?

Many financial institutions, particularly banks, have developed or are developing internal tools to assess transition plans. The tools tend to focus primarily on decarbonization, but some financial institutions are incorporating nature and social considerations. The function

of these tools is primarily risk identification at the point of refinancing, underwriting, or investing. They are also used to support data collection for financial institutions' own transition goals and to identify potential opportunities. Many financial institutions cross-reference data provided by third

parties to support their assessment: over half of respondents do so at least somewhat frequently (i.e., respond with six or more on a 10-point scale) (Figure 7).¹³

Financial institutions are generally developing their own assessment of whether a transition plan is high quality by drawing on various transition plan frameworks. Most guidance or regulation on transition plans is grounded in disclosure, so focused on credibility of transition plans based on what information is covered or what good practice is in transition planning. Financial institutions are concerned with the quality of borrowers' and investees' disclosures and transition planning process, which are critical to provide quality information and context to assess credibility. However, building on that information, financial institutions ultimately need to judge whether borrowers and investees are doing enough to transition. In doing so, financial institutions have the challenges of (1) assessing what information to consider based on the variety of relevant transition plan guidance, net-zero guidance, and disclosure materials that exist (as noted above), and (2) determining how to balance criteria being precise and deep versus simple and able to be consistently applied across transition plans. Dealing with a range of standards and guidance, which are then used differently among capital providers, also presents a challenge to borrowers and investees in trying to prioritize what steps to take in their transition planning and what information to disclose.

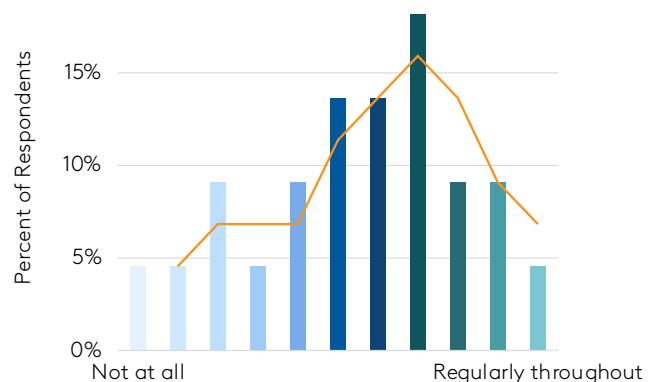
Verifying a borrower's or investee's plan requires understanding the sectoral and national direction of travel, for which legislation and policy is seen as the strongest determinant. Assessing credibility of transition plans requires reference to what 1.5°C alignment looks like and progress will vary across sectors. For example, companies in sectors without viable and cost-effective decarbonization routes such as aviation or maritime, may show limited progress, not necessarily due to a lack of ambition but rather due to existing technological and market constraints. More broadly, the mitigation pathways developed by international institutions are inherently global,¹⁴ making them complex to apply at the single company level and requiring strong assumptions and caveats.

Financial institutions are hungry for information about whether the transition of a borrower or investee or even whether a specific transaction is in line with the direction of

the market in any given jurisdiction. Ambition set through a national policy, strategy, or plan is a good starting point, and credible and regularly updated national transition plans and pathways can be a helpful reference.¹⁵ But through open-ended survey responses and bilateral interviews, respondents stressed that the greatest indicator of the national trajectory is legislation and policy – including climate change framework legislation, carbon pricing, fossil fuel subsidies, and industrial policy – that drive progress along those pathways and toward achieving national climate objectives.

As such, investors are assessing and engaging with sovereigns on transition planning both as issuers and for their role setting the foundation for understanding the credibility of corporate transition plans. Some investors have developed specific frameworks to assess sovereign transition that they apply to sovereign issuers and as the first stage of assessing corporate transition plans. Others are relying on publicly available data and tools, notably Assessing Sovereign Climate-related Opportunities and Risks (ASCOR).¹⁶

Figure 7. Key considerations for engaging borrowers or investees on their transition plans (N=28).



Source: Pollination/IIF survey

13. Many financial institutions take active roles in voluntary initiatives such as [Impact Disclosure Taskforce](#) and [ASCOR Project](#) (Assessing Sovereign Climate-related Opportunities and Risks); to help creditors, and corporate and sovereign debtors measure and disclose their efforts to reduce the information and research gaps.

14. See, e.g., IPCC (May 2018) [Summary for Policymakers – Global Warming of 1.5 °C](#) or IEA (September 2023) [Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach](#)

15. For example, in Japan, the government has a specific [plan to reduce emissions by 46% by 2030](#), with sector-specific [transition finance and technology roadmaps](#). Some Japanese financial institutions may refer to these detailed government plans as a credible reference point, while others feel the plan and roadmaps are not detailed, precise, or quantifiable enough.

16. [ASCOR Project](#)

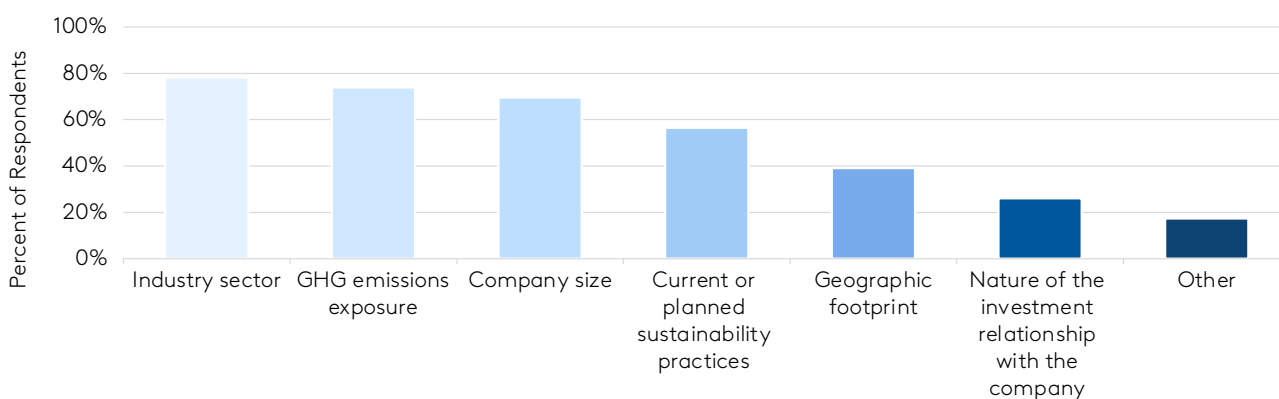
How do financial institutions use transition plans to support engagement and capital allocation?

Most financial institutions surveyed are engaging directly with borrowers and investees on transition planning. Over 80% of all respondents said they are directly engaging borrowers and investees. Many respondents also indicated that they engage indirectly through industry coalitions or policy engagement that shape market expectations and standards. Among the investors in the survey, most said they also use shareholder voting.

Financial institutions cannot engage all their borrowers and investees, so generally prioritize by targeting high-emission sectors or jurisdictions, then prioritizing based on company emissions or size. Across most financial institution portfolios, the bulk of emissions are concentrated in a limited set of companies. Nearly 80% of respondents said they prioritize engagement by sector, which is the dominant trend among financial institutions and a clear proxy for identifying high emitting companies or assets that likely face systematic climate risk (e.g., policies often apply across a sector). Financial institutions further refine their prioritization based on several factors, with respondents stating that GHG emissions and company size are the next most often used. Similarly, for sovereign engagement, investors tend to prioritize the largest emitters.

The engagement process is relatively similar on the front end among different types of financial institution; the main difference is actions they can take and the degree to which this process can lead to changes in asset allocation. Most financial institutions follow the same basic steps: (1) confirming their own institutional position, including institutional policies and strategies; (2) analysing borrower or investee transition plans; (3) engaging with borrowers and investees to improve their transition strategies, either directly or indirectly, and following established escalation strategies; and (4) monitoring progress. The largest difference in approach is what actions financial institutions can take to enable or incentivize improvements in the strategy. The toolkit is mainly comprised of carrots. For example, banks can structure and finance transactions to support specific transition opportunities and good performing entities may be able to secure favourable terms from investors and maintain a larger, more diverse investor pool. Active divestment is infrequently an option, since financial capital is needed to support the transition; significant divestment in certain contexts (e.g., emerging markets) could be more broadly destabilizing; or lenders and investors are constrained by their own financial management or regulatory requirements (e.g., insurance company duration and currency matching).

Figure 8. Key considerations for engaging borrowers or investees on their transition plans (N=28).



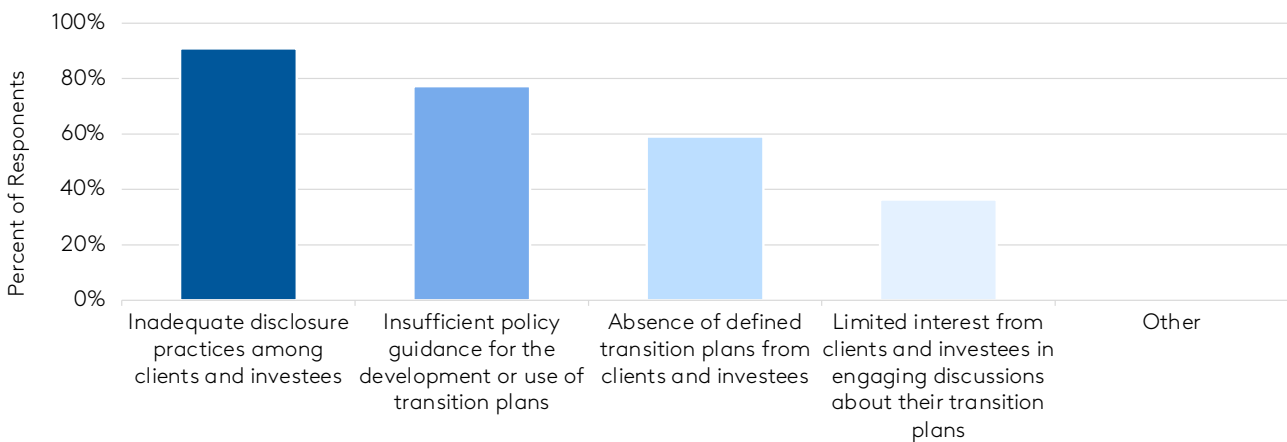
Source: Pollination/IIF survey

More frequently, transition planning affects capital allocation by influencing initial investment and lending decisions or decisions about renewal, (e.g., institutional investors with a long-term horizon may choose not to reinvest in bonds of a poor performer after their current exposure matures).

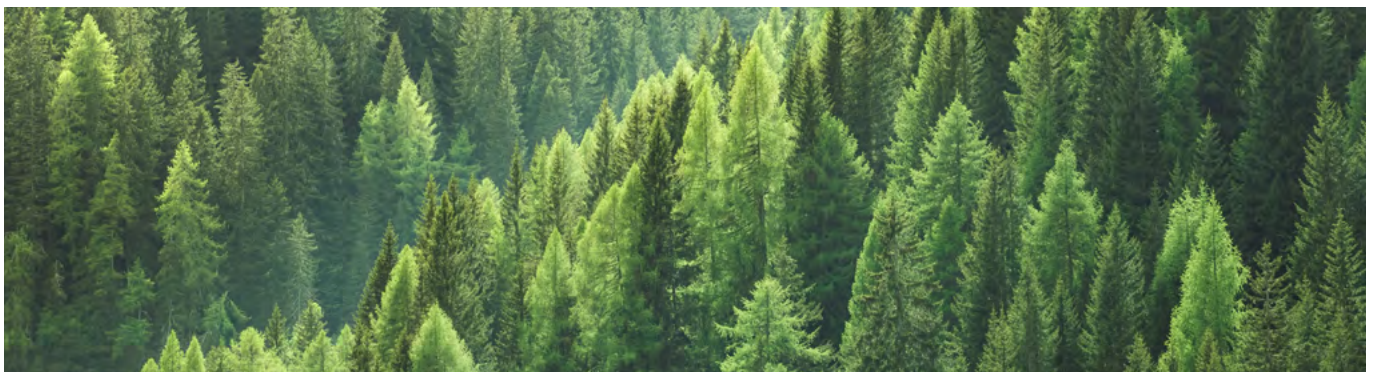
Inadequate disclosures and lack of internal capacity remain the major challenges for financial institutions to effectively engage borrowers and investees on their climate transition.

- Over 90% of respondents said insufficient disclosure by borrowers and investees was a key challenge (Figure 9). Many also said that the related challenges of insufficient policy guidance on transition plans or even the absence of transition plans were key challenges. Only about a third of respondents said that limited interest among borrowers or investees to engage was a key challenge, implying that they mostly find borrowers or investees do not object to engagement on transition planning.
- Through open-ended survey responses and bilateral interviews, many participants raised insufficient capacity within financial institutions as a lingering challenge, particularly for engaging in hard-to-abate sectors. Most institutions have or are establishing central teams and tools to support transition plan assessment and borrower and investee engagement. But there is still a fundamental capacity constraint: financial institutions must assess and engage on the climate transition across a large number of borrowers or investees, but they have lean sustainability teams and relationship managers juggling multiple other priorities. Lack of capacity means that financial institutions often must accept the information that borrowers or investees present, without much interrogation, hence the need to rely on external data and the urgent demand among financial institutions for standard and high-quality information.

Figure 9. Key challenges in formulating engagement strategies with borrowers and investees on transition plans (N=22).



Source: Pollination/IIF survey



An aerial photograph of a rugged coastline. The top left shows a rocky cliffside with sparse green vegetation. Below it, the ocean is a vibrant turquoise color, with white foam from waves crashing against large, light-colored rocks. The bottom of the image shows more rocks, some covered in dark seaweed, with waves continuing to break. The overall scene is dynamic and scenic.

Recommendations

Credible national ambition and transition planning, and policy to back them up, are fundamental to credible borrower and investee transition plans. There are multiple transmission mechanisms through which national actions affect the credibility of company transition planning.¹⁷ Many financial institutions will check alignment with national climate strategies or investment plans as an indicator of credibility of borrower and investee transition plans, and of lower risk for specific transition-related investments. Country-specific sectoral transition plans can help to further define credibility of borrower and investee transition plans by illuminating local factors such as technology and resource availability and countries' differentiated responsibilities. But it is policies enacting ambition and pathways that are the most essential element of determining whether a transition plan is in line with a real, tangible country transition.

Countries have an opportunity through and building on their forthcoming revised NDCs to provide additional clarity on the pathways and means of implementation which would enable credible company transition plans. It is equally important to enhance the alignment of sectoral policies with NDCs. In this context, using sovereign investor relations programs to communicate national ambition, transition planning, and related sector-specific policies and other means of implementation to market participants could play an important role in bridging information gaps.¹⁸ This would support directly mobilizing private capital for sovereign transition investment and help market participants anchor their assessment of non-sovereign borrower and investee transition credibility.

Borrowers and investees should strive to produce comprehensive transition plans that go beyond foundational requirements, describe how they are enacting the transition, and be transparent about their progress.

Financial institutions are demanding transition plans that cover climate opportunities, climate risks, a just transition, and in some cases, nature-related considerations. Addressing these topics concurrently helps to ensure a comprehensive approach to mitigating risks and capitalizing on opportunities related to climate change and key overlapping sustainability issues. Establishing commitments, governance, and basic transparency on these issues is the core, foundational information borrowers and investees need to provide, but most borrowers and investees (should) have already established those foundational requirements. They should now focus on providing information on actions they are taking to enact the transition and their progress.

Users of transition plans, collaborating with standard setters, need to converge on a common set of transition plan requirements to reduce the transition planning and disclosure burden and to improve consistency and comparability across transition plans. Financial institutions have a key role to play in continuing to use, iterate, and communicate back to borrowers and investors what information is most useful for their decision making. The codification of information requirements has occurred in various forums¹⁹ and requires ongoing focus and effort as (1) the expectations around transition plans evolve to cover a broader scope of sustainability themes and shift from acceptance of foundational information to needing to see more evidence of implementation (i.e., management actions and progress indicators), and (2) disclosure standards are increasingly pointing to transition plans and standard setting around transition plans becomes more detailed.

Ultimately, harmonization of transition plan guidance would support a more consistent approach to credibility and provide clarity for borrowers and investees. Greater harmonization of guidance would also help both financial institutions and their borrowers and investees converge around which information or criteria are most important for ensuring that a transition plan is credible. A core set of information, including emissions baselines, interim targets, and alignment with sector-specific pathways, is required. More work needs to be done, however, to determine which granular indicators and information are most important and to develop requirements in emerging markets that are consistent with global practice but adapted to local context. The ISSB will likely help with this over time, but more market experience and feedback are needed first. Financial institutions can help by collaborating to see if there is opportunity to converge and home in on priority information and setting more consistent expectations for borrowers and investees.

17. University of Oxford (May 2024) [Credible firm-level transition plans need credible national actions](#); IIF (October 2023) [The Role of The Financial Sector in the Net Zero Transition: Assessing Implications for Policy, Supervision and Market Frameworks](#)

18. For more on sovereign investor relations and transition finance see IIF (July 2024) [Investor Relations and Debt Transparency Report: The Vital Role of Investor Relations in Supporting Stable Capital Flow](#)

19. E.g., [Glasgow Financial Alliance for Net Zero: Climate Action 100+](#)



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