



THE 2024 G20 RECOMMENDATIONS FOR CREDIBLE, ROBUST AND JUST TRANSITION PLANS



RECOMMENDATION 1 High-Level Principles for credible, robust, and just transition plans

These sector-neutral principles represent good practice for financial institutions and corporations. Transition plans should:

1 | GOALS AND OBJECTIVES

Clearly state a firm's climate goals and objectives, and include steps for decarbonization across scope 1, 2, and, when material and as it becomes possible, scope 3 emissions. Plans should include targets, metrics, and accountability mechanisms.

2 | IMPLEMENTATION STRATEGY

Integrate climate goals into core business processes, identifying key decarbonization actions, potentially involving creating new products, service, policies, or leveraging existing ones.

3 | GOVERNANCE AND RISK MANAGEMENT

Be regularly reviewed by senior management and the board and embedded in firms' governance and risk management systems. Plans should be updated to reflect new developments, address implementation challenges and identify and mitigate related risks.

4 | ENGAGEMENT WITH VALUE CHAINS

Include firms' strategies to engage with value chains and relevant stakeholders, such as civil society, encouraging and supporting their alignment with decarbonization pathways, as well as their pursuit of transition their plan goals.

5 | TARGETS, METRICS, AND MONITORING

Include credible and science-based short-, medium-, and long-term targets, with verifiable metrics, with a consideration of both backward and forward-looking metrics. Progress should be monitored and adjustments made as necessary.

6 | TRANSPARENCY AND DISCLOSURE

Bring credibility to the transition finance landscape by providing an appropriate level of transparency and disclosure including qualitative and quantitative information with respect to progress and changes to plans. External assurance may be obtained where relevant.

7 | JUST TRANSITION CONSIDERATIONS

Demonstrate firms' understanding of the social impact on different stakeholders, focusing on just transitions as defined by national governments as applicable. Safeguards may be put in place to mitigate negative effects and maximize positive social outcomes.



RECOMMENDATION 2 Identify metrics for transition plans

Relevant IOs and initiatives should identify comparable metrics to support financial institutions and corporates communicate their transition plan progress credibly and consistently. These metrics should balance the benefit of information provided with the cost or difficulty of producing the metric.



RECOMMENDATION 3 Support firms' transition plan development

Relevant IOs, DFIs, initiatives and networks should coordinate their efforts to support firms in developing transition plans. This includes providing capacity-building services, improving transparency, and offering tools, technologies and methodologies, and platforms for knowledge and data sharing.



RECOMMENDATION 4 Support transition plans' uptake

Jurisdictions should foster financial institutions and other corporates to uptake transition plans by creating enabling environments (e.g., using capacity building tools, policy levers, mandatory approaches, etc.) Standards for transition plans should aim for comparability and interoperability while maintaining flexibility for country-specific circumstances.