Company disclosures and metrics as tools for just transition monitoring: investor, rightsholder and policy perspectives

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Policy insight

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The Just Transition Finance Lab was launched in February 2024 with the goal of being a centre for experimentation and excellence in the financial solutions needed for a just transition. The Lab is grateful for the core support of its Founding Funders: Antin Infrastructure Partners, Barclays, HSBC and Laudes Foundation.
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Summary

Defining metrics and indicators is a key priority for initiatives on just climate action by private, non-state actors. Concurrently, there are also priorities for monitoring the just transition towards environmentally sustainable economies and societies to improve public policy and coordination around societal goals. This policy insight links these two agendas by exploring how information about companies' transition plans and activities can contribute to mobilising finance for a just transition.

Currently, monitoring of companies is focused on corporate disclosure frameworks and specialised assessment frameworks that use publicly available data. While these tools can provide useful information for decision-makers, their ability to shape action in the private sector faces significant limitations.

Investors can influence the commitments of the companies they invest in – and the implementation and outcomes of those commitments. They can also ensure that financially-material social risks and opportunities are reflected in transition investment strategies. However, investors still have a patchy understanding of just transition guidance and principles, and even those who are moving ahead need to increase their capacity to handle relevant information across their decision-making processes.

Rightsholders – i.e. stakeholder groups impacted by company activities under transition plans in ways that affect their human rights – can share critical perspectives on impacts and processes to improve the information landscape, including through legal challenge. However, they are not always involved in the process of monitoring or in the design of frameworks themselves, which raises questions over procedural justice and the reliability of reported data.

We conclude that users need a clearer understanding of the frameworks and information that already exists, and to find creative ways of filling critical gaps. Our findings suggest priorities for the development of new sources of information, both through disclosure frameworks and other kinds of institutions and policies. We make the following recommendations to advance these needs.

Summary recommendations

- National and regional policymakers and regulators should embed just principles into transition monitoring policies. These should include domestic implementation for targeted transition areas, alongside adopting international guidance and standards for corporate disclosure.
- Multistakeholder working groups developing new monitoring frameworks should allow rightsholders to share and integrate their perspectives.
- Policymakers and industry associations should seek greater collaboration with worker representatives, investors and civil society organisations to establish forums to define transition pathways that can set metrics and thresholds.
- Just transition monitoring institutions – such as national climate coordinating bodies, climate and environment ministries, just transition observatories and national statistical agencies – should promote international sharing and consolidation of data, particularly on the impacts of transition activities.
- Companies should identify and report robust and meaningful just transition information. By doing so, they can attract investment from engaged investors and improve their own prospects by managing risks and opportunities. To do this, they should work closely with rightsholders, investors and their other stakeholders, and draw on support from advisory organisations.
- Investors should identify ways to boost the integration of information from just transition monitoring into their operations, including through their internal structures and processes, mapping just transition hotspots, and engaging with the policy and multistakeholder efforts described in our other recommendations.

1. Introduction

Companies can play a crucial role in the just transition towards environmentally sustainable economies and societies by incorporating its principles into clear and actionable transition plans. Their roles and responsibilities are set out in the International Labour Organization's (ILO) *Guidelines for a Just Transition*, the Resolution on Just Transition of the 111th International Labour Conference, and the UN Guiding Principles on Business and Human Rights (ILO, 2015, 2023; United Nations Office for the High Commissioner on Human Rights, 2011). However, such roles and responsibilities have not yet been embedded systematically in climate action (Higham et al., 2024). Incorporating just transition principles into corporate activities is essential for transition plans to be credible and robust (UN HLEG, 2022).

Public monitoring and scrutiny of the just transition content of companies' transition plans – including actions and their impacts – is critical to ensure such credibility and robustness. Focusing on companies can provide indicators for decision-makers tracking the just transition at the macro level and allow them to identify hotspots at the micro level. It will also enable evaluation of specific initiatives and improve accountability for positive and negative impacts. Transparency, both of actions and of the frameworks used to monitor them, is also critical to identify and prevent 'justice-washing' where decision-makers use just transition language or labels to promote their actions without any justifiable basis for doing so.

Because of the systemic nature of the transition and the interdependencies that affect robust climate action, the information landscape for the just transition needs to cover multiple levels, including system, institution, activity and place (Robins et al., 2024). Direct and indirect impacts both matter, reflecting the interconnected nature of the just transition and the ways in which company activities can impact vulnerable groups and stakeholders across international borders (Taskforce on Net Zero Policy [TNZP], 2024).

Monitoring and transparency can lead to more finance for transition activities designed to have positive social impacts. This is because, firstly, better information can improve decision-making in financial institutions. It can do this by enabling them to support companies that deliver positive and mitigate negative societal impacts, and to improve financial products and portfolios to incorporate social factors. Secondly, other 'users' of company plans and information, including rightsholders and policymakers (including regulators), can drive improvements in finance for just transition. Rightsholders (see box) can legitimately challenge companies on their plans and actions, including through 'just transition litigation' (Savaresi et al., 2023) and reputational impacts. Policymakers can shape company behaviour (including that of financial institutions) through policy incentives, rules, sectoral and regional plans, and public investment (Macquarie et al., 2023). Collectively, these groups can enable financial flows to companies, which subsequently contribute to just processes and outcomes.

The key to raising and enhancing finance for the just transition through transparency is not just to generate better and more data but also to use it more skilfully, both on the part of individual institutions and on a collective basis. To date, corporate disclosure requirements have been the primary mechanism to shine a light on companies' actions related to the just transition. Public policy can also generate relevant data on the just transition and give monitoring frameworks

> **Rightsholders are defined as stakeholder groups impacted by company activities under transition plans in ways that affect their human rights.** These groups can include workers in the company's workforce; workers in the value chain; local communities and Indigenous Peoples; households as consumers (e.g. where provision of basic needs like food or shelter is affected by transition); young people; and other systemically vulnerable groups.
>
> **This report focuses on rightsholders instead of stakeholders** to acknowledge the close links between the just transition agenda and broader efforts to embed human rights into business practices, suggesting that monitoring activities should consolidate these areas of progress.

direction, structure and objectives rooted in social value (e.g. Atteridge et al., 2023; Initiative for Climate Action Transparency [ICAT], 2025; Kime et al., 2023). However, it is only recently that linkages between public tracking initiatives and company plans have begun to be explored (Roth, 2025). Social impacts related to decarbonisation are in the foreground of this, reflecting the current focus on net zero goals in companies' transition planning and the need for them to incorporate just transition principles to address risks and opportunities.[1]

Aims and methods of this research

This report seeks to identify how monitoring and scrutiny can be an effective tool for enhancing just transition finance. Its aim is to identify gaps and use cases for the metrics and monitoring space. It also seeks to respond to key questions, including:

- What information is needed about companies' plans and activities to enable a just transition?
- How can this be obtained effectively and efficiently?
- What role can different actors play by using this information to mobilise transition finance and improve the justice of processes and outcomes?

The report presents the different needs of investors and rightsholders for just transition metrics. Investors are generally seeking information on how companies' just transition plans and activities affect business prospects and their own (diversified) portfolios through risks and opportunities. Rightsholders typically need to see more specific information, often at a more granular level, which reflects their interests and rights, and they need the *process* of monitoring to be just in itself.[2]

Therefore, the report also explores policy options that can meet both groups' needs while also remaining feasible and viable – including for companies, which will need to provide much of this information. The research focuses on large, listed companies and their assets while acknowledging that there are different considerations for small and medium-sized enterprises (SMEs) and privately-owned entities.

Attention to geographical differences is also warranted for a globally just transition. Companies in developing economies might need more time to refine suitable metrics due to their social and economic context and data availability, and an overemphasis on metrics in the near-term might disincentivise investment in these actors and economies, with negative social consequences overall. This report does not systematically compare approaches across different jurisdictions. However, it encourages users of metrics, particularly investors, to take a confident yet patient approach and to support companies to improve their monitoring over time, setting up the conditions for a successful just transition.

The report draws on engagement-led research focused on the users of company plans and data. This evidence base included:

- Key informant interviews with investors including **asset owners and asset managers**. These were chiefly based in the UK, with global exposure to varied real economy sectors, and are already engaged with what a just transition means for their business and so can share lessons for others.
- Key informant interviews with groups representing international rightsholders, including **labour union federations** representing workers' rights and **civil society organisations** (CSOs) advocating for human rights of local communities and Indigenous Peoples.
- Consultations with **experts on just transition metrics and monitoring** to explore priorities, including staff in voluntary disclosure and just transition assessment initiatives and business coalitions for climate action.

[1] Just transition monitoring is also relevant and necessary for climate adaptation activities. For example, it is important to understand (and act on) who benefits, and who is excluded and might be subject to maladaptation by a company's investments to make its supply chain infrastructure resilient to climate risks (including physical and transition risks). Insight in this report can also be applied in adaptation contexts and related elements of transition plans.

[2] Our findings can be compared with existing research on investors' needs for data from companies on human rights (Dannhauser et al., 2024).

- Engagement with **policymakers** at a just transition monitoring workshop convened by the Initiative for Climate Action Transparency, the World Resources Institute (WRI) and the Presidential Climate Commission of South Africa in February 2025, attended by international stakeholders and experts.

Interviews were carried out between November 2024 and January 2025. All interviews, consultations and workshop discussions were held under the Chatham House Rule.

Structure of the report

Section 2 discusses the current landscape for just transition company disclosures and metrics. It finds that data is becoming more available, while emphasising that substantive further development is needed to pursue, integrate, monitor and achieve a just transition. Terminology on monitoring and metrics is drawn from the erstwhile UK Transition Plan Taskforce (TPT) and other sources (see Box 1.1).

Sections 3 and 4 present findings from the research interviews with investors and rightsholders respectively as to their needs and the related gaps in this current landscape.

In **Section 5**, the report concludes that while substantial progress has been made, current frameworks have not been clear enough about the form best practice should take for information to promote a just transition. Furthermore, some initiatives have been led by company and investor needs with insufficient incorporation of systemic risks and of the needs of rightsholders. It makes recommendations for remedying these issues.

Box 1.1. Terminology related to monitoring for companies

Monitoring is the overarching process of collecting relevant indicators to understand social and socioeconomic processes and impacts in the transition, related to different dimensions of justice (i.e. distributive, procedural, restorative, intergenerational). Monitoring is carried out by state and non-state actors and can draw on a wide range of data sources and types.

Indicators are specific values or variables that are elected to represent a broader concept or phenomenon.

Metrics are standardised, quantifiable measures based on raw data used to assess, track or evaluate a specific aspect of a system or process. They can capture underlying information that is quantitative or qualitative.

Data point is a term this report uses to refer generically to an indicator or metric contained in any kind of framework.

Guidance frameworks offer guidelines and principles to shape just transition action by companies and to raise just transition finance. The ILO Guidelines and ILC Resolution, UN Guiding Principles, and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct are key examples from the international system; business coalitions like the Council on Inclusive Capitalism and rightsholder groups like the International Trade Union Confederation have also produced guidance in this field.

Disclosure frameworks provide detailed advice on what companies could and should publish on the just transition as part of corporate reporting regimes. They can be voluntary or mandatory.

Assessment frameworks provide methodologies and indicators to evaluate the just transition performance of entities such as companies or financial institutions. Examples include the Climate Action 100+ Net Zero Benchmark and the World Benchmarking Alliance's Just Transition Assessment.

2. The current landscape of monitoring just transition action by companies

Growth in initiatives focusing on just transition disclosure and monitoring

There are various initiatives and legal instruments that aim to provide a rich information landscape on climate action to inform decision-making. Many standards now have elements that are relevant to just transition, and these can be linked either to instruments tailored to climate change or to companies' wider social impacts. The Just Transition Finance Lab has compiled a compendium of 14 frameworks which give structure to just transition information. These include market-specific regulatory disclosure frameworks, global voluntary disclosure initiatives, and assessment tools or guidance tailored specifically to just transition. The compendium showed that a range of information is already available to demonstrate business impacts and activities on one or more stakeholder groups and action types central to just transition (Transition Plan Taskforce Just Transition Working Group, 2024; Wang and Robins, 2024).

The number of initiatives focusing on just transition disclosure continues to grow. For example, in 2023, the UK's Transition Plan Taskforce (TPT) made a significant step forward by embedding just transition elements into its disclosure framework for entity-level climate transition plans (TPT, 2023).[3] Other jurisdictions expect or have introduced disclosure requirements related to various forms of inequality (Bauer et al., 2024).

The EU has seen advances and setbacks related to corporate disclosure. The Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) have increased expectations for large companies to report information on their efforts to identify and address human rights and environmental impacts in their operations and supply chain (Chan and Tuson, 2024). This includes requirements to report factors associated with its business from a double materiality perspective – which is to say, impacts on their business prospects and impacts of their business on society – under the European Sustainability Reporting Standards (ESRS), which include just transition. Draft implementation guidance for companies reporting transition plans notes that companies "can leverage requirements [across ESRS social standards S1 to S4] to integrate social considerations into their transition plan reporting" (EFRAG, 2024, p. 16).[4] However, the EU requirements are expected to be curtailed by the European Commission's 'Omnibus' package, tabled in February 2025 for the European Parliament to consider. The package delays the date for regulated companies to submit their first reports, narrows the coverage by changing the size thresholds which determine whether a company will be regulated and limits the scope of reporting – including "streamlining" the definition of affected stakeholders to only workers in the company's own workforce and groups (e.g. local communities) that are "directly" affected by products, services and operations (European Commission, 2025).

The just transition is also coming into the scope of other corporate reporting initiatives. Some global voluntary disclosure initiatives are explicitly incorporating the targeting of a just transition within their frameworks, including the Global Reporting Initiative's draft climate change standard (CC-3) (Global Reporting Initiative, 2023).

Throughout 2025 and 2026 the recently launched Taskforce for Inequality and Social-related Financial Disclosures (TISFD) will develop a framework for companies and financial institutions to identify, assess and report social and inequality-related impacts, dependencies, risks and opportunities for their businesses. Just transition is named in the design principles for TISFD and its founding partners recommend that the taskforce "Identify a set of metrics specific to the just transition that could accompany climate and nature-related disclosures in line with the Taskforce for Climate-related

[3] The TPT was active from April 2022 to October 2024. The IFRS Foundation is now responsible for the TPT's disclosure-specific documents, while additional documents – including advisory inputs on just transition – are hosted by the International Transition Plan Taskforce.

[4] EFRAG, which produced the implementation guidance, is a private association working in the public interest to provide Technical Advice to the European Commission on sustainability reporting. This includes drafting the ESRS and amendments to those standards.

Financial Disclosures (TCFD), the Taskforce for Nature-Related Financial Disclosures, and leading reporting standards" (TISFD, 2025, pp.39-41).

The International Sustainability Standards Board (ISSB) of the International Financial Reporting Standards (IFRS) Foundation aims to serve as a global baseline for sustainability disclosures to meet the information needs of investors by clarifying the link to financial performance at entity level. It has integrated past standards, such as TCFD. The two inaugural IFRS Sustainability Disclosure Standards have been adopted by some jurisdictions in their domestic regulation; they were endorsed by the International Organization of Securities Commissions (2023) and welcomed by the G20 in the New Delhi Leaders' Declaration, which added that "it is important that flexibility, to take into account country-specific circumstances, is preserved in the implementation of those standards" (G20, 2023, p.16).

ISSB has been progressing with research into potential disclosures and information associated with human capital – encompassing people in a company's workforce and workers in its value chain – with a particular focus on where risks and opportunities affect an "entity's cash flows, its access to finance or cost of capital over the short, medium or long term" (IFRS Foundation, 2025, p.1). The IFRS has also assumed responsibility for the outputs from the TPT, suggesting a pathway to international regulation for transition plan reporting guidance – although the strength of social elements that will be taken forward remains to be seen.

Civil society organisations have also developed targeted assessment frameworks. An example is the Renewable Energy Human Rights Benchmark (Business & Human Rights Resource Centre [BHRRC], 2023). This assessment framework is a composite of several other data sources, including the World Benchmarking Alliance (WBA) Just Transition Assessment. The results, which show a patchy record for renewable energy firms' respect for human rights, demonstrate the importance of just transition monitoring to 'transitioning in' activities as well as those which should be 'transitioned out'.

Shift (2025) has recently proposed a series of sector-agnostic, quantitative metrics for companies to use in transition plans and other specific activities. The resource is intended as a work in progress to explore how to build consensus and was designed with input from a range of organisations (including the Just Transition Finance Lab).

Classifications and suggested metrics for decision-makers have also been developed at the level of instrument, transaction, sector, region and activity. Examples include the World Bank (2024) Just Transition Taxonomy (which focuses on coal plant closures) and the Sustainability Linked Bond Principles illustrative KPI registry (International Capital Market Association, 2024). These initiatives do not directly inform or draw on the use of metrics from corporate disclosure or assessment frameworks but they represent other elements in the ecosystem of just transition monitoring that provide sources of data and frames of thinking that can ultimately inform better decision-making. Another important example is the Impact Investing Institute's (2023) Just Transition Criteria, which are particularly relevant to the mobilisation of transition finance: they enable investors to design strategies, funds and products and review the just transition credentials of investments while not being prescriptive about indicators or metrics.

Characteristics of data and their implications

In general, users of company information and plans need to identify relevant data points for their just transition priorities (depending on their use cases, which are discussed further in the following sections) and to combine that data into a coherent picture. Information also needs to be dynamic to remain useful as economies and societies transform in response to climate change.

Indicators and metrics within monitoring frameworks provide signals on how the just transition is progressing. These signals can capture positive or negative impacts that have already occurred – in other words, they are 'lagging'. Alternatively, they can flag actions that represent the preconditions for change at the level of structures, incentives, relationships and behaviours. These can include internal corporate governance and links between different entities, such as industry initiatives or lobbying. Such metrics are 'leading'.

Data can also correspond to different 'phases' of companies' development on just transition:

1. **Commitments** where companies state intentions to carry out certain actions through their transition plan
2. **Implementation** to turn commitments into tangible measures, which include governance arrangements, expenditures and inclusive processes like social dialogue
3. **Outcomes** that result from the economic activities and any related processes that a company carries out; these can include impacts like effects on resource stocks or measures of stakeholder wellbeing, or they can be more directly related to the business, such as employee retention.[5]

Table 2.1 presents a selection of examples of data points demonstrating these categories, along with metrics and indicators mentioned throughout this report.

Table 2.1. Characteristics of data for companies on just transition actions and impacts

Phase Scope of action	Commitment *= stated intentions*	Implementation *= measures established in operations*	Outcome *= impacts and results*
Broader (entity)	• Public commitment to decarbonise in line with just transition • Public commitment to gender equality • Signatory to principles or member of initiative	• Human rights and environmental due diligence • Board accountability for human rights policies and transition plan • Coverage of workers by collective bargaining (%)	• Workforce by demographic (%)
Narrower (places or areas of transition)	• Public commitment to consult and seek consent from communities for new projects • Public commitment to retain, retrain or redeploy workers	• Representation of communities on project committees • Action plans and resources on retraining programmes	• Jobs redeployed versus jobs eliminated as a result of transition plan (ratio) • Job creation in local areas • Suppliers from women-owned businesses/SMEs

Source: Authors

Quantitative indicators and metrics are important especially to allow comparisons across companies and to support investor decision-making. These can include:

- Financial value (for instance, CapEX or OpEX)
- Numerical counts (such as the number of people impacted)
- Ratios and proportions (such as the percentage of people impacted in a certain way)

[5] In the language of the impact investing world, 'outcomes' are differentiated from 'outputs', which have less information about what a measure means for people's lives – yet research suggests that the interpretation and measurement of 'impact' can be idiosyncratic across investors and outputs are often used in lieu of outcomes (Golka, 2024). Our report avoids setting out a strict definition or aligning with a specific typology on actions and impacts by businesses. We prefer to address these concepts in a general way, to show how the just transition concept can be adopted by a range of different groups.

Quantitative data of these types provide rich signals on outcomes and can be malleable for analysis. However, to compare and evaluate a metric reliably across multiple contexts, it needs to be specific, clear and consistent.

There is also an important role for qualitative information to describe social and climate risks, opportunities and responses. This is because the just transition, like sustainable development more broadly, is context-specific. To allow decision-makers to properly understand outcomes, frameworks need to capture how an impact relates to its setting and the consequences for affected stakeholders and their needs (Baue and Thurm, 2022).

Implementation of robust measures at the company level might also need richer description to be interpreted correctly by users (see Roth, 2025, for a full discussion). For example, disclosures might include narrative analysis about how a company has informed its transition plan based on consultation with affected communities, how roles and responsibilities are established for existing governance bodies, or discussion of the socioeconomic and political context of their activities in different jurisdictions.

Box 2.1. An example of a quantitative framework: Climate Action 100+

Climate Action 100+ (CA100+) is an investor-led initiative that provides an assessment framework for monitoring just transition activity at the company level. CA100+ publishes annual updates on the climate performance of some of the world's largest (non-financial) corporate greenhouse gas emitters through its Net Zero Company Benchmark.

The Benchmark includes nested indicators, sub-indicators and metrics that describe qualitative information, including on just transition activity (Indicator 9). The assessment is carried out based on publicly available information reported by companies, providing a temperature check on how far companies have gone in terms of integrating the just transition into their plans and strategies, including whether they have consulted affected stakeholders. For instance, in 2024 three-quarters of companies had *not* committed to transitioning to net zero in accordance with just transition principles (Ashraf et al., 2024).

Indicator 9 also demonstrates the layered nature of information about just transition activity, above all through its inclusion of metric 9.2.c, which asks whether a company "discloses the quantified key performance indicators (KPIs) it uses to track its progress towards the objectives of its just transition plan". These KPIs will necessarily be more granular than the entity-wide information described by the Benchmark's binary metrics. Therefore, CA100+ only shows whether KPIs are present, without making any judgement over their content; this lets the assessment be consistent even while the KPIs themselves can vary widely. However, granular and contextual KPIs can also be highly valuable for users in specific circumstances, such as investor engagement with an investee company or sustainability-linked debt transactions.

Although CA100+ evaluates companies across consistent indicators, its coverage of approximately 150 companies is not broad enough to be used by investors with very large and diverse portfolios. Investors interviewed for this research noted that the Benchmark serves as their starting point for tailored engagements with investee companies. However, it also plays a role as a concerted signal from investors for companies to report their transition plans more reliably and consistently, to encourage greater transparency and enable better monitoring.

Note: The Institutional Investor Group on Climate Change (IIGCC), which leads CA100+, also uses the Net Zero Banking Assessment Framework, built around 10 areas similar to CA100+, which supports investor engagement with banks. See Box 3.2 for more on banks.

Binary indicators abstract and standardise information to make it more useful for decision-making, allowing qualitative information to be comparable. However, it is a challenge to retain nuance and context specificity while doing this. Box 2.1 above provides an example of this based on the investor-led initiative Climate Action 100+, for which the Transition Pathway Initiative Centre at LSE provides data and analysis.

Sectors and geographies in monitoring frameworks

Several contributors to this research agreed that country- and sector-specific guidance, disclosure and assessment frameworks are needed to interpret the just transition in specific contexts. Therefore, depending on the use case, metrics and indicators need to be nuanced enough to apply to these different settings. Developing suitable sectoral frameworks that are flexible and viable for users and companies will require substantial work programmes grounded in multistakeholder collaboration (a detailed discussion of which is beyond the scope of this report). An example of a specialised assessment framework is the Net Zero Standard for Diversified Mining, based on the CA100+ benchmark.

Global principles and frameworks need to reflect the context of developing and emerging economies and incorporate a greater role for local actors in their design. Such economies are undergoing structural transformation and need to balance economic development, climate change mitigation and climate change adaptation in relation to policy and the use of resources in both the public and private sectors. In addition, they typically have substantially different sociopolitical environments, institutional capacities and financing constraints – all of which need to be reflected in just transition approaches (e.g. Kozul-Wright, 2024). Assessment frameworks covering multinational companies therefore need to ensure that interregional comparisons are appropriate and fair.

Domestic disclosure frameworks can provide more reliable information. For instance, the Just Transition Finance Lab's research shows that India's Business Responsibility and Sustainability Reporting (BRSR) disclosure framework also contains many data points that can be helpful for users seeking to understand where Indian companies stand on the fundamentals of the just transition. Examples include safety-related incidents, input materials sourced from micro, small and medium-sized enterprises (MSMEs), and jobs created in smaller towns. These are important to the Indian context given weaknesses in worker rights, the dominance of MSMEs in the economy, and the need for greater geographical equality in economic development and job creation (Selvaraju, 2025). Another strong example of a domestic framework is Trade and Industrial Policy Strategies' Just Transition Project Tagging Tool for South Africa (Lowitt et al., 2023), which includes illustrative indicators for transaction drivers to use. Such a tool can be particularly useful for policy banks and domestic financial institutions seeking to support local just transition activities and align their decision-making with relevant national and regional approaches.

However, frameworks that are specific to countries or regions need to address the challenge of familiarising international investors with their structure and content if they are to be effective at raising finance for domestic companies.

Effective use of data from any framework requires users to have a strong underlying grasp of the kinds of information that are relevant in the first place. In turn, the developers of new information sources (including disclosure frameworks, assessments and other kinds of institutions, policies, and rules) should consider what users need to act effectively. Building this shared understanding is a core aim of this report and the Just Transition Finance Lab's ongoing work under its metrics workstream.

3. Investor requirements

Integration of just transition information into decision-making processes is critical to enabling investors to pursue their mandates. The just transition interacts with investment risks and opportunities – including financial, reputational and litigation risks as well as climate risks. For impact investors, such metrics lie at the heart of their ability to assess investments against their mandates, which focus on double materiality in terms of social, community and sustainability co-benefits. In addition, investors need to prepare for emerging regulatory standards in relation to just transition impacts. Banks will also be affected by new policy instruments, such as the European Banking Authority's Guidelines on the management of ESG risks, and have their own considerations; these are discussed briefly in Box 3.2.

This section sets out investors' requirements from just transition metrics and discusses gaps in this regard in relation to the current landscape discussed in Section 2, based on findings generated by the key stakeholder interviews.

Principles

Many investors are still unclear on what just transition principles mean and what the implications are for corporate action. This constrains progress in the effective use of metrics for monitoring. The just transition is a relatively novel concept for many private actors. Investors need a consensus definition and core principles to use in their strategy and operations, and to connect these to the reality of what companies are doing in terms of transition planning. One investor described a "substantive hole when it comes to what we should be engaging on around just transition".

Showing how just transition monitoring and metrics can be directly relevant to investors' activities and objectives requires further innovation in guidance and improved communication with investors. The investor case to address just transition has been set out, including by the Just Transition Finance Lab (e.g. Robins et al., 2018). The World Benchmarking Alliance (WBA) and CA100+ frameworks also provide a structured translation of principles into key indicators based on publicly available data. Related initiatives, like the Net Zero Investment Framework, published and maintained by the Institutional Investors Group on Climate Change (IIGCC) in Europe, have the opportunity to establish agreed principles based on international guidelines (including the leading ones from the ILO). Other examples include the Investor Group on Climate Change (IGCC) in Australia and New Zealand, which has recently published a guide for investors to engage with companies on their plans for a just transition to net zero (IGCC, 2024), and the Asia Investor Group on Climate Change, which has launched a working group focused on the just transition in emerging markets and how investors can incorporate climate and social considerations into investment strategies. Nevertheless, further development and outreach is needed to raise awareness and support the implementation of relevant tools, particularly with investors who are not already currently members of these groups.

Materiality

Investors need deeper and clearer understanding of the social risks and opportunities created by transition activities and how material and relevant these are likely to be for investments. For example, just transition actions and impacts – such as improving relevant skills of workers or navigating local community consent or opposition to projects – can affect a company's financial prospects. They also have wider impacts on society and can result in a build-up of system-level social risks (see Box 3.1). Examples offered in our interviews included the automotive and airline sectors: both face many potential risks and opportunities of these kinds in their own operations and throughout their supply chains.

Investors can acquire such information through direct engagement with companies (however, they also need to make a judgement on materiality to target engagement in the first place). Therefore, many are seeking actions and impacts through a range of channels.

Box 3.1. The just transition and systemic risks

Our report adopts the Taskforce for Inequality and Social-related Financial Disclosures' (TISFD) definition of 'system-level risks' as both 'systematic risks' and 'systemic risks': "non-diversifiable risks to the portfolios of providers of capital originating from the market's dependencies on people and society; and ... any major disturbance in social systems that results in cascading effects for the economy and financial system and which can be of particular importance for financial institutions and macroprudential authorities", respectively (TISFD, 2024a, p.10).

As noted, social and community impacts can also create system-level risks. Understanding and measuring these presents significant empirical and theoretical challenges, as the pathways between corporate actions, social outcomes and systemic financial dynamics are not often clearly understood or quantified (Calice and Demekas, 2024).

The founding partners of the TISFD are collecting evidence to bolster understanding in this area (TISFD, 2025, p.17-18, 30). However, some respondents to the TISFD stakeholder consultation called for the initiative to focus initially exclusively on financial materiality and to de-emphasise impact and systemic risks (TISFD, 2024b).

Translating societal outcomes into financial outcomes is key. As one interviewee noted: "Financial materiality can come from lots of different drivers. It could be reputational; it could be exposure to policy risk. You can be quite creative. But... we would be thinking about it as something that can have a material impact on the valuation of the company, on its revenues, on its costs." Another investor shared that their institution takes a dual approach, by selecting companies in the high emitting sectors for a specific engagement programme, while also looking to address wider risks and opportunities through another programme with companies in other sectors.

A constraint on operationalising metrics that was flagged by interviewees is that many companies have not yet reached the stage of measuring outcomes. Since outcomes often lag behind company actions, this limits their use for investors seeking to pre-empt material impacts (at the entity or systemic level) in their decision-making.

In response to this dilemma, some interviewees stressed the importance of implementation metrics and indicators as signals that companies are taking the just transition seriously – in other words, putting in place measures that will affect the likelihood of positive outcomes. As one investor noted: "we're looking at the numbers, like how much investment is there in workforce training; evidence of consultations with communities; what proportion [of CapEX or OpEX of their climate strategy] is actually being allocated to the social aspects; are they talking to governments or policymakers about transition finance mechanisms?" Board-level accountability and remuneration linked to the commitments and KPIs in transition plans were also named as important.

Concurring with this framing, a respondent from a CSO pointed to human rights and environmental due diligence (HREDD) as a critical entity-level metric, saying whether "a company has a robust risk management system in place... should be a no-brainer in terms of being financially material". One investor said that it is important to raise transparency for firms and newer industries, like renewable energy developers, 'transitioning in', where "there might not be as much scrutiny on human rights and labour practices".

Engagement

Several investors shared the value of holding a dialogue with each investee company that can produce more detailed and nuanced information than is publicly available. Stewardship teams in several institutions interviewed noted that identification of material risks and opportunities is a gradual process, and that a shared understanding of the company's transition pathway needs to be established first. According to one interviewee, through their engagement they seek for companies to "acknowledge and understand their position and that they are actively managing the social risks, considerations, opportunities… usually metrics will come as almost one of the last steps".

Related to this, some interviewees voiced concerns about the ability of disclosure frameworks to generate suitable data for decision-making in the short term. For instance, one highly diversified investor noted that "for years and years we've been talking about just transition-specific metrics, but I don't think we will get companies to report it, with the exception of very few." Another supported the idea that rolling out broader and more in-depth disclosure frameworks would benefit decision-making but added that "right now the most effective way to get the information we need from a just transition perspective is in corporate engagement because of a *lack of* disclosure" (emphasis added). Importantly, they added that "collective efforts by investors and… multilateral corporate engagement efforts [are required] to get the information we need."

Consistency

Greater harmonisation and integration of disclosure frameworks is needed to enable a shift in investor practice. This shift requires consistent quantitative and qualitative disclosures and metrics. These would allow investors to compare, evaluate and aggregate idiosyncratic investments and risks, and allow high-quality scoring-based asset allocation, portfolio management and manager selection for asset owners. Dynamic portfolio management is also needed, which would in turn interact with incentives for company action and investment. One interviewee described a "gold standard" where "[just transition would be] a completely integrated part of investment research".

However, contextual factors can hinder this – including different risks and opportunities across sectors and the variety of social practices, customs and expectations across geographies. As one interviewee put it, "we want to understand just transition risk across different sectors because we're invested as universally minded owners." Another noted that "the type of metrics we look out for on just transition are quite difficult to aggregate at a portfolio level across multiple asset classes."

Diversified portfolio management would be helped by improving their understanding of which metrics are critical for just transition from widely used ESG [environmental, social, governance] datasets and disclosure frameworks. To facilitate this, investors have called for the TISFD to aim for its adoption as an IFRS Sustainability Disclosure Standard, like the TCFD. One interviewee said, "we want to see a consolidation of the different reporting frameworks." They raised the question of how, if mandatory transition plans and the TISFD join the TCFD and ISSB standards through regulation, different elements would be packaged together in reporting by companies. Another potential step is for ESG data providers to highlight relevant information for just transition in their datasets, provided that they offer caveats and invite feedback to avoid misleading information for users.

Capabilities

Building skills, familiarity and knowledge internally, as well as external peer learning and exchange, are key for investors to navigate the complex information landscape on just transition.

Structures and responsibilities within financial institutions determine which exchanges are needed to improve their just transition monitoring capabilities (see Box 3.2). For some, just transition sits under teams responsible for climate themes, meaning exchanges are needed with teams working on social themes to effectively navigate social data, while for other investors, the opposite is true. Some investors need to scale up internal support from sustainability specialists with briefs across net zero and social impacts for investment analysts and asset managers. Stewardship teams can convey lessons from their deeper engagement with companies to investment specialists. One interviewee noted: "the stewardship team is becoming more and more well equipped; we're educating the investment teams… What would help is just scaling up internally."

However, investors need to be literate in a range of different sources of information to use data in a coherent and robust way. This is especially because geographical disparities in disclosure frameworks are not neatly aligned with investment team remits, given the cross-border and international nature of many investment portfolios. Reconciling the benchmarks and frameworks that exist is important. One sustainability specialist said, "we want our analysts and investment teams to be as skilled in all areas as they possibly can be… on policy developments and frameworks, we make sure we bring those findings, insights, data sets back internally… and again if that requires the training and capacity building, we make sure that's something they can also use in their work."

Box 3.2. How banking institutions are addressing these needs

Banks are developing just transition approaches and defining their needs for information for metrics and indicators in relation to corporate finance (ILO and United Nations Environment Programme Finance Initiative, 2023).

One example is Barclays, which has piloted just transition elements in its Client Transition Framework to screen whether companies' decarbonisation plans include supportive actions for stakeholders, including involvement in decision-making (Institute for Human Rights and Business [IHRB] and Just Transition Finance Lab, 2025). These elements include, "how [companies] manage the impacts of the transition on people through their human rights policies and due diligence processes and their plans for workforce transition" (Barclays PLC, 2025, p. 118). Another example institution is Sumitomo Mitsubishi Banking Corporation, which names just transition as one of four key principles underpinning its approach to transition finance. It includes assessment of transition strategies for "general corporate purpose" financing, although a weakness is that it does not clearly define social impacts (Sumitomo Mitsui Financial Group, 2023).

Banks also need to report data to demonstrate the progress of just transition within their own business. As an example of how this is evolving, an investor consortium (Border to Coast Pensions Partnership, Royal London Asset Management and Friends Provident Foundation) has identified process and outcome metrics (Border to Coast Pensions Partnership et al., 2024).

Across the banking sector overall, there is a need to deepen just transition reporting. The Transition Pathway Initiative Centre's Net Zero Banking Assessment, which provides commitment and implementation indicators, reports that, by December 2024, only four out of 26 banks assessed had disclosed actions to incorporate just transition principles into their decarbonisation strategy (Jahn et al., 2024).

4. Rightsholder requirements

Rightsholders' interest in information about companies' transition plans is driven by their concerns over whether and how they will be involved in making decisions that affect them and what the impacts will be on their wellbeing, basic needs and rights, rather than financial materiality. This is of particular importance because it is possible for a company's prospects – and financial returns for investors – to increase in the near-term from harm to rightsholders: for example, by cutting overhead costs leading to poorer working conditions.

System-level materiality is turned on its head from the perspective of rightsholders compared with that of investors. *Direct* impacts leading to system-level risks (or positive opportunities from transformation) can create additional concerns for rightsholders to the extent that they have impacts on their wellbeing and rights. The mechanism could still be financial: for example, because a company becomes insolvent and cannot hire its workers. However, company actions can have system-level consequences (for example, by creating environmental and climate damage, impacting community prosperity or influencing public policy and opinion) and affect rightsholders *indirectly* but in material ways (TNZP, 2024).

Since in general rightsholders' use case for information differs from that of investors, their needs from monitoring are also different. However, there are touchpoints to explore that might be able to reconcile these interests. This section unpacks these considerations, based on research interviews and additional sources.

Enhancing and broadening reporting

Many companies see the just transition as primarily a skills and workforce question, yet monitoring of processes and impacts for workers still needs improvement. Several stakeholders interviewed, including investors, confirmed that company reporting on social dialogue and delivery of just outcomes for workers needs to become more granular and tangible. Social dialogue and worker voice is considered a prerequisite for a transition plan as well as a critical tool to use on a continual basis for implementation. For example, union representatives noted that environmental and social impact assessments should address labour impacts and involve workers when they are carried out – with special measures to involve those who are marginalised. Indicators describing these measures should integrate these aspects, whether they take place at the corporate level or are coordinated at the sectoral level.

Union representatives also noted the centrality of the International Labour Organization (ILO) for their interpretation of just transition: for instance, one noted that "we would really take the ILO fundamental labour rights as the basis to develop further metrics." This also means decent work should guide metrics on jobs – as one interviewee asked, "[with] workers being transferred, is the new work as good as the old work or are you seeing labour rights being got rid of in the transition?"

Beyond workers, companies often do not look beyond first tier suppliers, meaning that human rights and impacts among value chain workers, communities and other groups need more attention. Companies therefore need to widen the lens of their just transition reporting to encompass these groups. This is of particular importance in contexts beyond decommissioning in high-emission sectors such as in sustainable agriculture and forestry or in SME support (especially in developing countries). However, this is constrained by the metrics and indicators in existing frameworks. The Just Transition Finance Lab's compendium produced for the TPT showed that almost 40 per cent of data points it captured were focused on workers (with 27 per cent for communities, 19 per cent for suppliers, and 15 per cent for consumers) (Wang and Robins, 2024). Impacts on systemically vulnerable groups like young people, women and marginalised groups are rarely captured in disclosures or other entity-level monitoring tools. One interviewee from a CSO noted that important indicators on companies' less obvious and indirect impacts are typically missing from the disclosure and monitoring discourse regarding companies: "the scope of metrics that are useful to capture what a company is doing on just transition needs to very clearly encompass a supply chain approach"; they also added that "aspects around responsible political engagement are missing in this conversation."

There is a clear case that impacts on rightsholder groups can be financially and systemically material:

- On the side of risks, community conflicts related to transitioning-in activities like renewable energy deployment or critical mineral sourcing can result in negative impacts for a company, including operational delays, financial losses, litigation and reputational damage, as well as positive ones like smooth operations and project development, an enhanced skilled workforce, and reputational enhancement (BHRRC, 2022; Miller et al., 2023).
- Opportunities and positive impacts for rightsholders can also have financial implications. Mechanisms might include improved productivity from raising workers' green skills (at the entity level) and economic diversification in local areas leading to stronger demand and income growth (at the system level) (see e.g. Stone and Cameron, 2018), driven by company actions like training and local procurement. However, the Just Transition Finance Lab's research suggests that data points in existing frameworks covering risks are more than double the number of those addressing opportunities (Wang and Robins, 2024).

Rightsholders might often want to see detailed information from companies on specific projects, sites and locations, which generally might not be well captured in disclosure frameworks and reporting. In fact, investors may have better access to such data through investee engagement, raising the question of how rightsholder groups and investors might be able to communicate with each other to learn about material impacts.

Promoting procedural justice

Rightsholders need a voice to be able to shape what counts as just transition, on an activity, place or impact basis. To build on the earlier example of labour impact assessments, unions in some contexts train worker representatives to assess company transition plans with respect to working conditions and job prospects. Their findings should be used to test information that companies provide, but according to one interviewee, this "definitely doesn't happen enough".

Indicators about processes should also convey *how* engagement was carried out, since power relations can sway outcomes (Wilton Park, 2022). 'Justice-washing' can result if metrics only capture the incidence of (or commitments to) social dialogue and stakeholder engagement without further explanation. Companies should provide groups with the opportunity to verify or contest information and demonstrate the options available for submitting and addressing grievances. One interviewee noted, for example, that social dialogue indicators should "make sure that marginalised workers trust in that process and are engaged so that you actually produce a result that takes their needs into account in how you move forward". Results from CA100+ show that only 3 per cent of companies assessed have a just transition plan that was developed in consultation with key stakeholders (Ashraf et al., 2024).

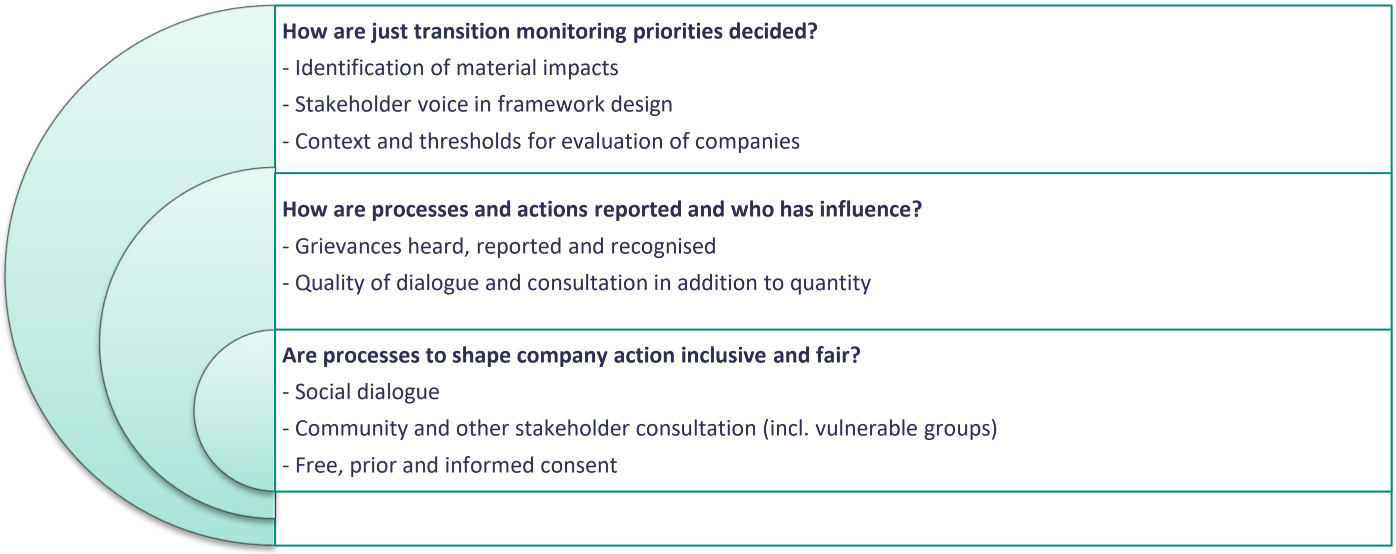
Monitoring to date shows limited steps towards qualitative judgment on stakeholder engagement. Shift (2024) finds no ESG indicators in use for evaluating stakeholder feedback about company engagement. Indicators such as the proportion of communities reporting respectful engagement would provide a stronger causal link between company-level data and outcomes. Certain dedicated just transition frameworks attempt to capture these nuances, such as the Just Transition Assessment by the WBA, which has separate elements covering whether a company discloses categories of stakeholders, identifies the steps taken to engage with them, and shows how transition plans are subsequently developed on the basis of that engagement. In its most recent assessment of 450 companies, the WBA found that while only 20% of companies assessed have a commitment to social dialogue, only a quarter of those set out the steps they took to ensure that engagement was meaningful (Roth, 2025). Similarly, a review of sovereign green, social and sustainability (GSS+) bonds found only a small minority had meaningful provision for stakeholder engagement (Scheer et al., 2025).

Procedural (in)justice also relates to how monitoring frameworks are designed. To defend and advocate for their rights, rightsholders need both access to justice and the ability to shape frameworks and priorities for monitoring. Typically, they cannot hold companies accountable alone so need reinforcement from other actors, including researchers, policymakers and coalitions. An interviewee from a CSO explained how, by benchmarking company performance on just transition, "local groups and [other] rightsholders will have this additional research in their arsenal to be able to say, 'this company isn't acting in a way that it should'. [And] we are increasingly looking to be in those forums to be able to say to policymakers where the gaps are in company performance; if they have the evidence base then it's very hard for them to say that regulation on this is not needed."

Figure 4.1 clarifies thinking among framework developers on how rightsholders need their voices to be heard in corporate plans *and* monitoring. It summarises the above by portraying 'degrees' of process and procedural justice. Firstly, at the basic level, a company should promote processes that are inclusive; secondly, rightsholders should be able to shape how those processes are judged; and thirdly, rightsholders should also be involved in governance processes for just transition monitoring frameworks.

A positive example is the Initiative for Responsible Mining Assurance, which gives six stakeholder types equal voting rights (including organised labour; affected communities; non-governmental organisations; investors; companies that purchase minerals; and mining companies), requires comprehensive, independent audits of mine sites and makes these reports publicly available (Scheer and Robins, 2024).

Figure 4.1. Degrees of process in just transition monitoring for companies



System-level engagement with rightsholders

A key reason that rightsholders should be involved in governance of monitoring frameworks is to contribute to setting meaningful thresholds and contextual factors for the interpretation of metrics and indicators. Factors like community engagement and fair treatment are based on a common foundation of human rights and decent work, yet appropriate measurement can vary. As a CSO representative put it in an interview: so that "a company isn't just measuring itself against itself year after year, you really need to understand the context. Those context-based elements of thresholds… are really, really hard to do and are not at all common in metrics today." They pointed to TISFD "as a multi-stakeholder initiative… the ideal setting in which to have those conversations that are inherently political".

Rightsholders should also have strong representation in regional or national-level processes that set objectives, frameworks and parameters for a just transition in a given place or sector, whether these are carried out by dedicated commissions, taskforces or government bodies (e.g. Manning et al., 2024). One interviewee from a union federation backed an approach centred on sectoral plans, with outputs and finally metrics and indicators derived from those in a coordinated way. In fact, some investors are also considering the role of coordinated action by companies in a given sector to engage with policymakers and financial institutions to define "aggregate investment plans" and "enabling environments" that can support their collective transition, where "they are all coming up against the same social problems." In fact, some investors have also indicated that "credible and decision-useful" sector decarbonisation roadmaps "are informed by forums that allow for meaningful dialogue with stakeholders across a value chain" (IIGCC, 2025, p.8).

These perspectives suggest that rightsholder and investor interests might converge through the design of effective monitoring institutions. Firstly, greater procedural justice in monitoring can help the search for consistent metrics that serve for evaluation, comparability and aggregation, which would help investors to proactively allocate capital for just transition investment. Secondly, hearing credible perspectives from rightsholders might enable investors to take a more assertive posture in their engagement with investee companies. Examples might include raising concerns over worker treatment around plant closures, or encouraging consultations with, and investments for, local communities linked to projects, to make supply chains more robust and improve community impacts.

5. Conclusions and recommendations

The value of monitoring and scrutiny in delivering a just transition is widely recognised. There is already a rich landscape of initiatives seeking to drive corporate, disclosure and metrics in support of this and, critically, growing dialogue about how to interpret the just transition for finance and investment. However, a meaningful evidence base of reporting and accountability is still missing, and the agenda remains at a formative stage. This report has discussed this landscape and reviewed the needs of investors and rightsholders.

Further, there is a need to facilitate greater uptake of just transition monitoring and metrics among investors. Gaps are particularly notable in relation to building awareness of clear just transition principles, and a deeper and more nuanced understanding of the social risks and opportunities that they seek to address. There also needs to be a deepening of capabilities of users of corporate disclosures and plans, including to implement processes that can operationalise existing and new information frameworks.

The report has also highlighted that frameworks and initiatives are not always serving the needs of rightsholders. Most notable in this regard are a lack of worker voice in some measures companies use in transition plans; limited engagement with issues affecting rightsholders in supply chains; and a need for greater depth and scope in terms of what constitutes effective engagement and representation for procedural justice.

A further challenge is a mismatch between the characteristics of data that investors are currently capable of using effectively, and the granular and context-specific information on processes and outcomes that sufficiently represent rightsholders. To close this gap, investors can use broad foundational and implementation-related data points to capture fundamental drivers of (double materiality) impacts. Examples include whether a company conducts human rights and environmental due diligence, the share of expenditure for transition plans allocated to social aspects like training, and track records on policy advocacy and lobbying related to human rights and climate action. Investors should also be aware that groups representing affected stakeholders – such as unions, civil society organisations, consumer alliances or supplier associations – can hold important information to help with these issues. An important priority is also to improve tools that investors can use for typologising and translating the *content* (not just the *incidence*) of company-, sector- and geography-specific reporting into consistent measurements across diversified portfolios.

There is a need for a clearer roadmap to align the just transition across investors and rightsholders and to develop a deeper insight into system-level dynamics that unite impact on rightsholders, stakeholders and business prospects. The latter in particular remains unclear and under-researched, despite the importance of system-level processes for a just transition including two-way feedback between the actions of corporate entities and investors and the social and community environment in which they act.

Recommendations

Against this, we propose the following specific policy recommendations which aim to develop such a roadmap and framework.

- **National and regional policymakers and regulators should embed just principles into policies to monitor the transition to environmentally sustainable economies and societies – including but not limited to corporate disclosures – as they implement domestic frameworks and adapt international guidance and standards.**
    - As governments and regulatory agencies design ‘soft’ and ‘hard’ instruments such as business conduct guidelines and corporate disclosure requirements, they should ensure that these bring to the surface risks and opportunities across all rightsholder groups, their financial implications, and, to the extent possible, their system-level impacts. Key guidelines include whether measures entail high-quality due diligence, create the right incentives within companies, and will lead to meaningful positive outcomes (Shift, 2024).

The International Transition Plan Network is a potentially important initiative for promoting effective standards and inclusive processes across multiple jurisdictions.

  - Data collected by dedicated just transition monitoring bodies (such as the EU's proposed Fair Transition Observatory) can help investors seeking to engage with companies more proactively. Such bodies should engage with financial institutions to provide mutual learning over the timing, quantity and nature of information that might enable investment. They should also hold ongoing dialogue with rightsholders to triangulate needs for information and prevent justice-washing (ICAT, 2025).

- **Working groups within multistakeholder bodies that develop new monitoring frameworks should allow rightsholders to share their perspective on proposals and see that these are incorporated.** For example, TISFD governance structures should develop guidance on implementation and outcomes that are co-created with rightsholders. These rightsholders also need processes to allow for challenges to information that companies provide and to update benchmarks and frameworks.
- **Policymakers and industry associations should collaborate with worker representatives, investors and CSOs to establish forums to agree transition pathways by sector or region.** Once pathways are established, appropriate indicators and metrics to measure progress can be agreed and implemented. Such sector plans need to be interdependent to be effective. For example, an integrated transport sector plan would highlight relationships between road and other on-land forms of transport and sets indicators for actors to follow that are suitable for each sub-sector (see e.g. International Transport Workers' Federation and International Road Transport Union, 2023).
- **Just transition monitoring institutions should promote international sharing and consolidation of data, particularly on impacts.** These institutions can include national transition coordinating bodies (like interministerial committees), climate and environment ministries, just transition observatories, and national statistical agencies (or some of these working in concert). This can be an important tool to highlight cross-border impacts of companies' activities and to establish cross-border accountability for multinational corporations and enable users to make decisions (i.e. policies, rules, investment choices, legal action) that take account of a company's entire just transition footprint.
- **Companies' transition plans and disclosures should integrate just transition principles into their business and report on robust implementation measures, mechanisms for dialogue and stakeholder consultation and outcomes.** To do this, they should work with rightsholders, investors and their other stakeholders, drawing on support from advisory organisations. Key steps are to identify and assess material impacts, understand the strengths and weaknesses of their existing commitments, strategies and plans, and advocate for public policy to raise disclosure standards. There should also be a stronger focus on the steps companies take to engage stakeholders.
- **Investors should identify ways to boost the integration of information from just transition monitoring into their decision-making.** To do so, they can engage with companies to better understand how the just transition is playing out in tangible form in sectors within the real economy. They should also address how their internal structures and processes support or hinder raising awareness of just transition factors across their investment teams. Finally, they can engage with the policy bodies and other initiatives described above to present their needs and learn about forms of data they can use.

The Just Transition Finance Lab will continue to research, convene and experiment with the design of effective institutions and collaborations for monitoring and evaluating just transition practices. We invite feedback – including from the ongoing important initiatives discussed. Situating companies' just transition efforts within a broader societal and economic transformation can support developments that benefit all stakeholders. The Lab will continue to support diverse actors (including investors, banks, real economy alliances, civil society groups and policymakers) to adapt these concepts to develop and apply effective frameworks for just transition monitoring.

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