



Integrated transition: the next stage of corporate delivery and accountability

White paper

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An evolution from the seven systems transformations

The World Benchmarking Alliance's (WBA) benchmarking and engagement build on the awareness that sustainable development by 2030 and beyond requires a system-based approach that can only be achieved through transformational change. Reflecting this, our work has been focused on seven systems where companies can play a key role by creating sustainable, inclusive and innovative practices and solutions. These systems transformations have been discussed in a series of earlier publications.

Building on the seven systems transformations series, this white paper puts the intellectual and strategic evolution of WBA's approach to corporate accountability and integrated transition planning in the context of earlier works. The paper thus builds on this foundation while shifting the analytical emphasis. Rather than focusing primarily on what needs to be transformed, it centres on how these transformations can be credibly pursued, measured and integrated into company-level transition planning, building on the benchmarking expertise, data and insights we have already gathered.

The seven systems transformations series has evolved over three publications:

2019 release: established the strategic framework for WBA's work and introduced the seven systems transformations as a way to drive corporate accountability (WBA, 2019).

2021 release: moved from concept to implementation, setting out how WBA translated the seven systems into a comprehensive benchmarking programme (WBA, 2021).

2023 release: revisited the seven systems in light of new global dynamics and megatrends, including slow progress towards the sustainable development goals (SDGs), climate extremes and accelerating biodiversity loss. This highlighted the continued relevance of the systems approach while underscoring the need for deeper analysis of interactions, trade-offs and synergies across systems (WBA, 2023a).



Executive summary

The quest for a better corporate model for sustainable development

The world is heading in a direction that cannot be sustained. Policy and market failures are exacerbating global crises across climate, nature and social dimensions and shifting the costs onto vulnerable groups and future generations, and increasingly also onto more affluent countries. These are present realities, now interacting with artificial intelligence (AI) and its profound, cross-cutting effects. In parallel, political aspirations have diminished as focus has moved from climate and the Sustainable Development Goals (SDG) to security, defence and economic resilience. In this context, and alongside a rise in nationalism and, in some countries, a political backlash against multilateralism and sustainable development, political and financial support for sustainability has narrowed in several regions, and some sustainability policies have taken a step backwards. At the same time, companies' own risks linked to climate change, nature loss and adverse social impacts are more visible and more consequential than ever.

The need to act has never been more urgent, from both risk and impact perspectives. Companies have a significant opportunity to chart a more sustainable and resilient path forward by taking more decisive, integrated action to advance their targets and commitments linked to sustainable development, thereby reducing their own risks in the near and long term. This cannot be achieved through a siloed approach, given the well-documented, inherent dependencies between social and environmental impacts. The companies that WBA assesses and benchmarks are the world's most influential ones. They wield enormous power, with combined revenues equivalent to almost half of global GDP. Employing hundreds of millions of people across their supply chains, they account for a disproportionate share of global emissions, land use, and use of other resources. How these companies plan, invest and operate over the next decade will determine whether alignment with global agendas and safeguarding people and the planet succeeds or stalls. It will also determine their own long-term ability to thrive.

Against this backdrop, this white paper lays out how companies must take ownership of their transition and shift focus from commitments to delivery, and from fragmented strategies to an approach that addresses all climate, nature and social impacts as well as the interdependence between them and their interaction with AI and other technology shifts. As transitions are time sensitive, both speed and direction are the main differentiators of credible and relevant planning and delivery. While this is true for our ability to thrive on the planet, it is also a financial reality. Delayed transition is associated with stranded assets and declining competitiveness, making transition planning and delivery a business imperative as well as an impact necessity. Moreover, taking ownership goes beyond own operations and requires business model adjustments as well as overall value chain considerations.

When focus shifts to integrated transition planning, implementation and delivery, so must the attention of the stakeholders that hold companies accountable. This is why the world needs a new approach to assessing companies, documenting progress and supporting the closing of the corporate accountability gap through a reliable methodology and robust data on the state of companies' transition planning, implementation and performance. That is the aim of WBA's Integrated Transition Assessment. Alignment with global agendas like the Paris Agreement is



important to give transitions a shared direction and credibility and to ensure that transitions support broader societal commitments. Hence, while standards are still emerging, WBA has turned to global agendas for a conceptual foundation for the new assessment methodology.

To assess the full transition maturity, WBA's Integrated Transition Assessment methodology will identify where companies are in their transition planning, implementation and performance, how well they understand and address interdependence between sustainability topics, and whether they are credibly positioned to contribute to real-world transitions by fully embedding the transition in their operations and business. This will help define what credible, connected and consequential corporate action looks like. Critically, the methodology not only assesses value chain sustainability performance and impacts but also assesses how sustainability considerations are embedded in governance, business strategy, and investments. Once available, assessments based on this methodology will provide stakeholders with a dataset showing whether companies' plans are credible and resulting in actual performance improvements. Applying an integration lens will also allow stakeholders to evaluate whether companies' plans are coherent across dimensions, helping to identify inefficiencies and strengthen accountability.

In short:

The world's most influential companies must **move from commitments and targets to planning, implementation and performance improvements**. This can no longer be achieved in silos. Both the urgency to act on global challenges and companies' own risks underscore the need to address climate, nature and social dimensions in an integrated way.

Integration must happen both **horizontally, by considering interdependence between dimensions, and vertically**, by embedding the transition in operations, business and financial processes.

Transition planning is ultimately a question of **business credibility**. It involves testing whether a company's strategy, operations and capital allocation, revenue model and overall value creation are genuinely aligned across climate, nature and social dimensions, or whether sustainability commitments are detached from how a company operates and creates value.

WBA's mission is to **hold companies accountable for their impacts on people and the planet**. Our Integrated Transition Assessment methodology therefore goes **beyond financial materiality** to keep companies' sustainability impacts at its core. The assessments will continue to fuel stakeholder action.

Building on global agendas for sustainable development, WBA's Integrated Transition Assessment methodology creates the blueprint for a corporate post-2030 agenda by helping companies and stakeholders to identify a minimum set of priorities while focusing on both pace and direction.

This will give **company boards and those financing companies** (banks, investors, insurance providers) a comprehensive view of their exposure to mid- to long-term risks, without the blind spots that can arise from considering individual dimensions in isolation. Meanwhile, the resulting datasets will enable **policymakers and regulators** to understand where progress is being made and where gaps remain. Moreover, **civil society organisations** will gain a holistic understanding of concerns and prospects that helps them direct and prioritise their efforts to hold companies accountable.



1. Integrated transition planning

1.1 The accountability gap: between commitments and credible delivery

The 2000 companies that WBA assesses and benchmarks are the world's most influential ones. They wield enormous power, with combined revenues equivalent to almost half of global GDP. Employing hundreds of millions of people across their supply chains, they account for a disproportionate share of global emissions, land use and other resource use, and shape the economic systems upon which billions of people depend (WBA, 2025). How these companies plan, invest and operate over the next decade will determine whether alignment with global agendas and safeguarding people and the planet succeeds or stalls. This power now extends to the development and deployment of AI, a force that must be managed responsibly to ensure technological advancement does not come at a social and environmental cost.

At the same time, companies' own risks linked to climate change, nature loss and adverse social impacts are more visible and more consequential than ever (IPBES, 2026; Munich Re, 2025; TIFSD, 2026; WEF & PwC, 2020; WMO, 2023). Extreme weather is disrupting supply chains, and ecosystems that underpin entire industries are degrading. Without careful policies, workers and communities that are already bearing the brunt of a more unstable climate could also end up bearing the costs of the transitions, if not managed fairly and inclusively. These are not future risks. They are present realities, now interacting with the rise of AI and its profound, cross-cutting effects on the environment, labour markets and society.

Although uptake of corporate commitments and targets is growing, WBA's benchmarking data shows that real-world delivery is lagging far behind across sectors and sustainability dimensions, despite the urgency to act. This is an accountability gap, and it is found across climate, nature and social dimensions.

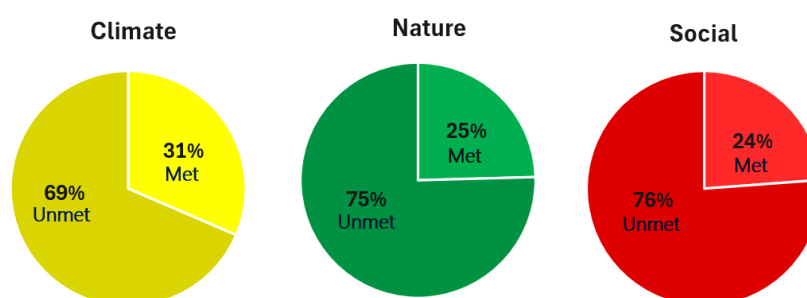


FIGURE 1: COMPANIES' CURRENT SCORES ACROSS ASSESSED ELEMENTS WITHIN CLIMATE, NATURE AND SOCIAL DIMENSIONS. RESULTS ALSO SHOW THAT ONLY 2% OF ASSESSED COMPANIES SIMULTANEOUSLY MET AT LEAST HALF THE ELEMENTS IN ALL DIMENSIONS.¹

¹ This refers to an analysis of results for transition-related elements from WBA's Climate, Nature and Social benchmarks. The analysis is based on 750 real-economy companies. The results should be interpreted with caution, as comparing results at element level can miss nuances, such as accounting for performance for some indicators but not for all. However, they still give an important indication of companies' transition maturity. Results at element level should not be confused with benchmark scores.



When WBA launched in 2018, the SDGs served as the primary reference point (UNGA, 2015a). There was broad recognition that business had a role to play in achieving sustainable development outcomes, reinforced by frameworks such as the United Nations (UN) Guiding Principles on Business and Human Rights (UN OHCHR, 2011) and growing business engagement following the Paris Agreement (UN, 2015b). Since then, the global context has shifted, with the COVID-19 pandemic and the wars in Ukraine and Gaza, among other factors, drawing attention away from the climate and sustainable development.

Governments, investors and civil society are increasingly focusing on priorities such as security, defence and the resilience of supply chains and the global economy, while their dependence on a stable climate, healthy ecosystems and social stability is very often overlooked despite the severe consequences and increasing risks caused by inaction. Since the signing of the Paris Agreement in 2015, the World Meteorological Organization (WMO) has reported the 11 hottest years on record, yet emissions keep rising, not declining. At the same time, for every dollar invested in protecting nature, around 30 dollars are spent on activities that damage it. Moreover, only 36% of measured SDG targets are on track to be met or are making moderate progress, while many others are stagnating or even regressing. (WMO, 2026; UNEP, 2025a; UNEP, 2025b; UNEP, 2026a; UNDESA, 2026).

Political and financial support for the broad sustainability agenda has narrowed, although investments in renewable energy continue to expand (IRENA, 2026). Following the rise in nationalism and, in some countries, a political backlash against multilateralism and sustainable development, political and financial support for sustainability has narrowed in several regions, and some sustainability policies have taken a step backwards. This has created a more challenging political and regulatory environment with growing resistance to corporate sustainability regulation, including delays and revisions to European legislation and shifting policy priorities in several major economies. Many companies are, despite their significant financial and organisational capacity, reacting with silence and reduced transparency, while failing to show that ambition remains and is translated into credible, coordinated action. Moreover, while many companies have targets, progress towards those targets varies, and almost none have plans that connect action across the full scope of their impact on people and the planet. Only 15 out of 750 companies in our assessment¹ of transition maturity met half or more of the elements across climate, nature and social, suggesting that giving equal – and sufficient – consideration to these three dimensions is still rare. The data also show that, although companies acting on climate are consistently more likely to act on nature, improvements in social performance do not necessarily correlate with improvements in environmental outcomes. A more integrated transition approach is thus needed to prevent uneven progress and drive meaningful change across the board.

While the prospects seem bleak, and the prerequisites increasingly challenging, it is not too late. Many companies quietly continue to advance their sustainability efforts, and all companies have the opportunity to chart a more sustainable and resilient path forward by taking more decisive, integrated action to advance their targets and commitments linked to sustainable development, thereby reducing their own risks in the near and long term (Farnworth & Ruhweza, 2026; WEF, 2026; CISL, 2026). However, to be accountable and credible to stakeholders, company commitments and targets must be reflected in transition planning, implementation and performance improvements. This cannot be achieved in siloes, given the inherent dependency between social, environmental and economic impacts (Bustamante et al., 2025; Fronza et al.,



2023; Fuso Nerini et al., 2019; Weitz et al., 2018). A company cannot decarbonise sustainably if it deteriorates ecosystems or passes the cost onto workers and communities. Neither can its commitment to human rights be credible if it is infringing on people's right to a safe and healthy environment. Similarly, a company cannot claim to respect human rights and continue contributing to climate change which directly and indirectly threatens the full and effective enjoyment of a range of human rights, including the rights to life, safe drinking water and sanitation, food, health, housing, self-determination, culture, work and development (UN HRC, 2019; UN OHCHR, 2026).

These are the main reasons why the world needs a new approach to close the corporate accountability gap. Companies must take ownership of their transition and shift focus from commitments to delivery, and from fragmented strategies to an integrated approach that addresses all of their climate, nature and social impacts as well as the interdependence between them. Hence, the next stage of corporate accountability needs to focus on credible, integrated transition planning and implementation of plans to deliver real-world progress.

1.2 The integrated transition plan concept

While the concept of an integrated transition plan has gained traction over the last few years (BSR 2025; WBCSD/ERM, 2025a), it still lacks a universal definition. In a broader sense, the transition perspective is not new to the sustainable development discourse. However, transition research emerged as a field in the early 2000s in recognition of the need to address major sustainability challenges, such as climate change, biodiversity loss and resource scarcity. This body of research acknowledges that transitions concern complex, multidimensional socio-technical system changes as well as their integrated nature in terms of the interaction and the interconnectedness of society and technology (STRN, 2026).



From a sustainability perspective, the term ‘transition plan’ is used, particularly in relation to climate, by several prominent organisations. They include the International Financial Reporting Standards Foundation (IFRS Foundation), Glasgow Financial Alliance for Net Zero (GFANZ), Science Based Targets initiative (SBTi), the Transition Plan Taskforce (TPT) and CDP (see section 2 for details). However, attempts to define its meaning, even for climate, are rare. IFRS Foundation is the most formal exception with its definition of ‘climate transition plan’. Lacking a standardised definition of ‘**integrated transition plan**’, WBA defines it as follows (see Appendix A for further details):

A time-bound action plan with predefined outcomes embedded in an entity’s overall strategy that lays out the targets, actions and resources needed for the entity’s alignment with science-based and globally agreed goals and norms across climate, nature and social dimensions while considering their interdependence.

Note: The term ‘plan’ refers to an agreed and documented description of how to achieve something. Currently, WBA considers both standalone transition plans and the combination of targets, actions and resources embedded in an entity’s overall strategy, which together form a comprehensive plan.

Note: ‘Actions’ refers to processes and activities targeting the entity’s own operations as well as its upstream and downstream value chain, including adjustments of portfolios and business models as needed.

Note: ‘Resources’ refers to financial and human resources as applicable.

Note: ‘Globally agreed goals and norms’ refers to those goals and norms of global agendas aiming for sustainable development.

This definition highlights an important aspect of integrated transition: it must be both horizontal (by integrating sustainability topics because of their interdependence) and vertical (in terms of embedding transition responsibilities and activities in the organisation’s structures, processes and business strategies.).

1.3 Transition planning: the latest milestone in the corporate sustainability and accountability journey

Integrated transition planning did not emerge in isolation. It is the latest step in a broader evolution of how companies, regulators, investors and society understand corporate responsibility, long-term value creation and systemic risk. This has continuously interacted with global crises, environmental shocks and social disruptions that have exposed weaknesses in global systems and shown how narrow and fragmented approaches to corporate sustainability leave economies and societies exposed. In parallel, policy frameworks, disclosure standards and investor expectations have progressively expanded what companies should disclose, manage and ultimately deliver. The advent of integrated transition planning is thus part of an ongoing and stepwise shift from initial awareness of corporate responsibility, voluntary reporting and standalone commitments towards more embedded, holistic and forward-looking plans, as shown below and further detailed in Appendix B.

Recognition of corporate responsibility: The embryo of corporate responsibility and accountability thinking dates back to the years of the second industrial revolution as awareness of the connection between the industrial system, social inequalities and dependence on natural systems grew. Over time, the interdependence of environmental, social and economic systems was increasingly recognised, and the link between environmental protection, economic



development and human rights and the concept of ‘sustainable development’ was formalised at the UN level (WCED, 1987). At this point, international agreements established global ambitions. Yet despite the acknowledgment that businesses have a responsibility that extends beyond short-term financial performance, international agreements like the Rio Earth Summit (UN, 1992) and the Kyoto Protocol (UNFCCC, 1998) offered little guidance on *how* companies should embed ambitions in governance, management or decision-making.

Business principles, management systems and reporting frameworks: The next stage translated broad sustainability principles into corporate practice with important milestones. These included the establishment of Global Compact principles (UN Global Compact, 2000), managements systems like ISO 14001 (ISO, 1996) and reporting frameworks like GRI (GRI, 2000) and the GHG Protocol (GHGP, 2001) which brought the expectation for companies to embed sustainability in their operations and disclose their status transparently. Next, the launch of the UN-supported Principles for Responsible Investment (PRI, 2006) and development of financial materiality assessments and combining environmental, social and governance (ESG) analysis linked sustainability to corporate risks and investment decisions.

Forward-looking commitments and target setting: Growing awareness of the consequences of climate change and biodiversity loss, as well as an understanding of the vulnerability of the financial system after the 2008 financial crisis, brought a more risk-aware and forward-looking perspective. Together with goals, norms and principles from global agendas such as the UN Guiding Principles on Business and Human Rights, the Paris Agreement and the SDGs (UN OHCHR, 2011; UNFCCC, 2015; UNGA, 2015), this widened the anticipated role of companies from risk management and disclosure to actors foreseeing and addressing adverse sustainability impacts but also opportunities, further acknowledged by the rise of double materiality (EC, 2019) and impact reporting (GRI, 2021). In parallel, the understanding of sustainability-related financial risks grew stronger (TCFD, 2017). These developments led to many of today’s collaborative business initiatives and a rapid growth in corporate target setting, including the advent of science-based emissions targets, net-zero commitments and broader sustainability goals, even as attempts to address their interlinked nature remained limited.

Moving from targets to implementation: The pandemic and wars of this decade have exposed vulnerabilities in global supply chains, labour systems and critical infrastructure. Simultaneously, accelerating climate impacts, biodiversity decline and geopolitical instability have reinforced the severity, urgency and interconnected nature of societal risks. As a result, corporate commitments are increasingly scrutinised for evidence of credible implementation plans, leading investors, regulators and civil society to place greater emphasis on delivery. At the same time, fields such as a just transition, human rights due diligence (HRDD) and nature-related risks have begun to operationalise the complex links between climate, biodiversity and social outcomes.

The emergence of transition planning: Transition planning emerged in response to the implementation gap. Initially developed around climate transition and net-zero commitments, it asks organisations to explain how governance, strategy, portfolios, business models, capital allocation and incentives will evolve over time to achieve stated objectives. Increasingly, transition planning is expanding beyond climate to incorporate nature, human rights, resilience and broader system transformation, recognising that progress in one area may depend upon, or create consequences for, others. Moreover, a plan is not in itself a guarantee of progress, so the focus on transition planning implicitly also calls for measuring performance outcomes. Against



the backdrop of a more challenging political and regulatory environment, these developments reinforce the importance of corporate accountability and stakeholders to drive approaches that demonstrate implementation and help organisations remain credible and focused.

The underlying integration trajectory: While the corporate sustainability focus has changed over time – from responsibility to risk, impact reporting and now transition planning – the underlying trajectory is one of increasing integration, both horizontally between topics and vertically within business operations. Initial corporate responsibility approaches highlighted the social role of corporations but remained separate from their core business. ESG introduced greater investor focus and measurability of sustainability topics but concentrated on static disclosures and risk management rather than transformation and real-world impacts. Climate transition plans advanced forward-looking planning but focused exclusively on decarbonisation. Today, there is a shift towards frameworks that emphasise pathways, coherence and delivery, and approaches that can address climate, nature, social and digital transitions simultaneously. A prominent example is how the concept of human rights due diligence (HRDD) is evolving towards human rights and environmental due diligence (HREDD), recognising the interconnected nature of environmental degradation and adverse human rights impacts.

1.4 Why transition plans matter to companies and stakeholders

Transition plans turn commitments and targets into a concrete roadmap. They help companies to direct their transitions and investors to see not just where a company is going but how it will get there. Alignment with global agendas (see Appendix C) like the Paris Agreement (UNFCCC, 2015) gives transition plans a shared direction and credibility. This helps to ensure that plans support broader commitments on climate, nature, human rights and labour rights. Together with detailed, transparent and accurate reporting of sustainability performance, they enable companies to streamline efforts and demonstrate how they operationalise their ambitions and deliver progress while giving policymakers, investors and civil society the information they need to hold companies accountable for their impact on people and the planet.



The transition perspective is well aligned with business and change-management thinking because of its forward-looking perspective. While disclosures of current performance clarify the effect of strategies, a transition plan puts focus on where to go next, how to get there and when to take action if intended progress is falling behind. Companies that understand how sustainability risks, opportunities, dependencies and impacts affect their business are generally better positioned to anticipate market shifts, respond to stakeholder expectations and remain competitive in changing operating environments. Importantly, both speed and direction are the main differentiators of credible and relevant planning and delivery. While this is true for our ability to thrive on the planet, it is also a financial reality. Delayed transition is associated with business model lock-ins, stranded assets and declining competitiveness, making transition planning and delivery a strategic business imperative. From this perspective, integrated transition planning can be framed as a tool for long-term business resilience and value creation (see also section 1.5).

As the dependencies between climate, nature and social dimensions are complex, integrated transition planning is important. This means understanding these complexities and how to benefit from synergies and address trade-offs, so that efforts are coordinated and avoid negative outcomes and sub-optimisations. However, while integration is about the interdependencies between sustainability goals, no transition is effective or successful if sustainability thinking remains siloed and removed from business plans. As such, integrated transition planning is not a side-activity for sustainability departments but needs to be vertically integrated with strategy, business and financial processes. Investments, business plans and product portfolio decisions are the points where transition plans become tangible and measurable.

1.5 Business models for integrated transitions

A plan is only as good as its execution. Therefore, a transition plan should indicate how the business's strategy, portfolio, revenue model and overall value creation align with evolving demands to deliver on decarbonisation, adaptation and a nature-positive and socially just transition. Business models indicate the 'how' to the 'what': companies need to consider both what needs to change as per the transition plan and how this change will take place while ensuring the continued viability of the business through business model transformation (WBCSD, n.d.).

Many traditional business models are linear, extractive and focused on delivering short-term gains and are at odds with limited resources and a warming climate (Berruti et al., 2025). Companies often emphasise incremental progress, efficiencies and reduced footprint per unit of production, with less focus on the viability of the business model in a world where a net-zero, nature-positive and just transition are required. While these changes are positive, they do not guarantee a required and timely transition². Transitions are time-sensitive and hence require consideration of the business strategy and value creation from day one. Delaying this process increases the risk of locking businesses into models, assets and capabilities that become costly and misaligned with the transition.

² Incremental improvements are usually insufficient if the model itself needs to change. Examples include business models based on fossil fuels and non-renewables, polluting technologies, intensive farming, built-in obsolescence and marketing-driven overconsumption (Bocken and Short, 2021).



However, rethinking a company's business model involves fundamental reconsideration of parts of the business environment that a company cannot control and only partly influence, such as suppliers, customers, financiers, regulators and partners. This reality underlines the need for coordination. Business model innovation is also often perceived as riskier than technological innovation. Companies willing to adopt cleaner technologies may remain reluctant to reconsider how they create, deliver and capture value, particularly when assets, physical infrastructure and business relationships are tied to the current model. Adjusting business models becomes even less attractive when the existing business model is profitable and a clear vision of what a profitable transition-aligned alternative looks like is lacking.

Still, rethinking business models will have to accompany any serious attempt to keep a business relevant in the long run as the business environment changes. Trust et al. (2023) estimate that current global warming patterns risk a 50% GDP loss sometime between 2070 and 2090. Although many business models remain partly viable while environmental and social impacts are still externalised, these externalities are posing growing risks that cannot be ignored. Additionally, regulatory and reporting pressure is increasing, requiring companies to disclose how they plan to adapt their business models to achieve their transition targets³. Together, these developments are making business model transformation an increasingly important part of corporate transition strategies rather than an optional longer-term consideration.



³ CSRD/ESRS (how sustainability matters affect the business model and strategy, and whether adjustments are planned or underway); IFRS S1 and S2 (effects of sustainability-related risks and opportunities on business model and value chain); GRI 2 (activities, products/services, markets, supply chain, downstream activities and business relationships); TCFD (climate risks and opportunities, strategy, resilience of the business model); EU Taxonomy (Revenue, CapEX and OpEX of taxonomy-eligible economic activities).

2. Transition planning in frameworks and standards

2.1 A growing body of frameworks and standards

The evolution has gradually raised the bar for companies to provide more transparent and comprehensive sustainability disclosures, target setting and commitments. More recently, this has also encompassed more credible transition planning, which is increasingly becoming the main mechanism for assessing the credibility of corporate accountability, as will be further expanded upon in this section. Over the past decade, climate transition planning has built a maturing and, in some cases, mandatory architecture – establishing the frameworks, target-setting methodologies and regulatory requirements that now define the field. By inheriting that blueprint, and focusing on adding nature to existing transition plans, transition-planning frameworks and tools in the nature dimension have developed more rapidly while also broadening the thinking to capture nature-specific intricacies, including the importance of locations and the diverse range of metrics needed to measure impacts across different natural resources. Social considerations are incorporated to a varying degree into both climate and nature frameworks, as well as in an established body of human rights frameworks, and will be strengthened by the forthcoming Taskforce on Inequality and Social-related Financial Disclosures (TISFD) framework (TISFD, 2026). However, integrated transition planning, which brings all three dimensions together in a coherent and accountable framework, is only just emerging as a development area for corporate sustainability, and the transition implications of AI and digital technologies are not yet very visible in transition frameworks.

While a comprehensive framework for integrated transition planning is still lacking, a consensus is growing that transition plans should follow the principles of ambition, action and accountability. Moreover, a common understanding of the components needed to constitute a credible transition plan has been established for climate. However, the same structure can be expanded and is equally relevant for other dimension-specific plans as well as for integrated plans.

TABLE 1: TRANSITION PLAN COMPONENTS GUIDED BY TPT DISCLOSURE FRAMEWORK (TPT 2023)

Component	What it covers
Foundations	The company's overall strategic ambition for its transition, including its commitments, priorities and how the transition plan is embedded in its business strategy and planning processes
Implementation strategy	The specific actions, policies and portfolio and business model changes the company is undertaking or planning to deliver on its transition objectives, including capital allocation, product and service changes and operational adjustments
Engagement strategy	How the company works with value chain partners, industry peers, policymakers and affected stakeholders – including workers and communities – to support the broader transition



Metrics and targets	The quantitative targets the company has set, the metrics used to track progress and how these are aligned with its transition objectives and relevant science-based pathways
Governance	The board and management structures responsible for overseeing and delivering the transition plan, including accountability mechanisms and how climate-related performance is linked to remuneration

Source: adapted from the TPT Disclosure Framework (TPT, 2023).

2.2 Climate transition-planning frameworks

The Paris Agreement (UNFCCC, 2015) created the expectation that the transition to a low-carbon economy would require coordinated action across the entire economy, including the corporate sector. It sent the message that companies and financial institutions, not just governments, would need forward-looking strategies, not only improved sustainability disclosures. The first years after the Paris Agreement saw different types of parallel initiatives emerging, with attention mostly focused on climate-related disclosures, financial risk management and target setting. However, the initial concepts around climate transition planning were already formed in 2015, with ACT Initiative (ACT, n.d.) pioneering the establishment of **frameworks to evaluate companies' climate transition plans** (ACT, n.d.).

Regarding **target setting**, SBTi provided its original criteria and recommendations in 2015 (SBTi, 2015). This was gradually refined over the following years, providing the basis for the first net-zero standard (SBTi, 2021), recently updated to V2.0 (SBTi, 2026). In parallel, the Task Force on Climate-related Financial Disclosures (TCFD, 2017) defined the **climate disclosures needed from a financial risk perspective**, referring to a four-pillar disclosure structure covering governance, strategy, risk management, and metrics and targets. While neither initiative focused on transition planning at that time, these frameworks established some of the components and quality thresholds that laid the foundation for transition plans. Another important step towards the definition of transition plans was the introduction of risk **scenario analysis** as a methodology for stress-testing company strategies against different climate futures, helping companies to understand how their portfolios and business models might perform under a range of transition and physical risk pathways (TCFD, 2017). This was followed by the launch of several practical tools (WBCSD, 2024; A4s, 2020; CDP, 2023).

Moving towards **comprehensive climate transition** plans as they are understood today, early attempts to structure them include CDP's discussion paper (CDP, 2021) written to support its reporting companies, and the Glasgow Financial Alliance for Net Zero's (GFANZ) recommendations for financial institutions (GFANZ, 2022). This was followed by the Transition Plan Taskforce's (TPT) framework establishing transition plan components: foundations, implementation strategy, engagement strategy, metrics and targets, and governance (TPT, 2023), supported by sector guidance for a high number of industries⁴ (TPT, 2024). Most recently, guidance has expanded the scope of transition planning beyond mitigation to incorporate

⁴ Sixty-seven of the SASB SICs industries, organised into sector summaries and deep-dive pieces of guidance. For financial sectors, the TPT relies on the categorisation set out by the TCFD and GFANZ, ensuring consistency with global financial sector transition-planning frameworks. Entities are expected to apply the relevant sector guidance to their business model, and those with horizontally integrated operations or vertically integrated value chains may need to draw on multiple pieces of guidance.



climate adaptation and resilience alongside transition risks (NGFS, 2025). From an assessment perspective, ACT Initiative provides sector-specific assessment methods for key sectors (ACT, n.d.), in addition to the horizontal ACT Core assessment methodology (ACT, 2025) for assessment based on public data.

In terms of **regulation**, more than 30 jurisdictions representing over half of global GDP have committed to making climate transition plan disclosure mandatory for companies' climate-related financial risks in line with IFRS S2 (IFRS Foundation, 2023). The European Union's (EU) CSRD/ESRS E1 (EC, 2023b), applying originally to around 50,000 companies, but reduced by 80% following renegotiations (EU, 2025), goes further by also considering impact.

TABLE 2: FRAMEWORKS, GUIDANCE, TOOLS AND REGULATIONS HELPING COMPANIES TO CONSIDER THE CLIMATE DIMENSION IN TRANSITION PLANNING

FRAMEWORKS & GUIDANCE	PLAN DEVELOPMENT SUPPORT & TOOLS	REGULATIONS
CDP's discussion paper (CDP, 2021)	Climate scenario analysis (WBCSD Climate Scenario Catalogues (WBCSD, 2024);	IFRS S2 (IFRS Foundation, 2023)
SBTi (SBTi, 2015, 2021, 2026)	A4S Guide (AFS, 2020);	
TCFD TP Guidance (TCFD, 2021)	CDP Technical Note (CDP, 2023))	CSRD/ESRS E1 (EC, 2023b)
GFANZ NZ TP Framework for FI (GFANZ, 2022)		
TPT Disclosure Framework (TPT, 2023)		
NGFS Adaptation and Resilience in TP (NGFS, 2025)		
ISO NZ TP for FI (ISO, 2026a)		
ISO NZ aligned organisations (ISO, 2026b - draft)		
ACT Initiative (ACT, n.d., 2025)		

2.3 Nature transition-planning frameworks

Supporting the Kunming-Montreal Global Biodiversity Framework (UN CBD, 2022)⁵ and building on the foundations established for climate, equivalent transition-planning approaches for nature have evolved more rapidly. Building on TCFD (2017), the corresponding **nature-disclosure framework** by the Taskforce for Nature Disclosure (TNFD) has been created to capture not only corporate risks and opportunities but also their impacts and dependencies on nature⁶ (TNFD, 2023a). Acknowledging the local dimension across these perspectives, TNFD has also established

⁵ In particular Target 15, which calls on business and finance to assess, disclose and reduce nature dependencies and impacts.

⁶ Dependencies, impacts, risks and opportunities are often referred to by the acronym DIRO.



an **assessment approach**, LEAP, for companies to *locate* their nature interface, *evaluate* dependencies and impacts, *assess* nature-related risks and opportunities, and *prepare* to act and report. TNFD has also provided **scenario-analysis** guidance, to support companies in exploring how nature loss trajectories might affect their strategies and operations (TNFD, 2023b). From a **target-setting perspective** and with SBTi as a blueprint, the Science Based Targets for Nature (SBTN, 2023) developed the first science-based target-setting methodology for nature in 2023, initially covering land and fresh water. Looking ahead, the Nature Positive Initiative (NPI, forthcoming) is developing science-based **global metrics to provide a quantitative reference point for companies to evaluate nature-positive outcomes** across land, fresh water and ocean dimensions.

In 2024, WWF published a report advocating **nature transition plans** (WWF, 2024). It urged companies to assess their nature dependencies and impacts, identify transition levers and implement actions to reduce their nature footprint while also embedding social due diligence in nature transition plans.

In terms of **regulation**, nature lags behind climate. The EU's CSRD ESRS E4 requires biodiversity disclosure under CSRD (EC, 2023c). In addition, mandatory nature transition plan disclosure has been proposed under the CSRD revision, but it is not yet law. The International Sustainability Standards Board (ISSB) (IFRS Foundation, 2026) is working to propose nature-related disclosures concerning nature-related risks and opportunities in a Practice Statement⁷ using TNFD recommendations as a basis (TNFD, 2023a).

TABLE 3: FRAMEWORKS, GUIDANCE, TOOLS AND REGULATIONS HELPING COMPANIES TO CONSIDER THE NATURE DIMENSION IN TRANSITION PLANNING

FRAMEWORKS & GUIDANCE	PLAN DEVELOPMENT SUPPORT & TOOLS	REGULATIONS
TNFD Recommendations (TNFD, 2023a)	LEAP assessment approach (TNFD, 2023c)	CSRD/ESRS E4 (EC, 2023c)
SBTN Initial Guidance (SBTN, 2023)	TNFD Guidance on Scenario Analysis (TNFD, 2023b)	ISSB nature-related Practice Statement (exposure draft expected October 2026)
WWF Need for Nature in TP (WWF, 2024)		(ISSB, 2026)
NPI global metrics for nature (NPI, forthcoming)		

⁷ Expected October 2026. See also TNFD, 2025b.



2.4 People-centred transition-planning frameworks

Human rights are universal, and the normative foundation for people-centric transition planning is rooted in internationally recognised frameworks that establish what this means for business and employment. These frameworks include the Universal Declaration of Human Rights (UN, 1948), the United Nations Guiding Principles on Business and Human Rights (UN OHCHR, 2011), the International Labour Organization’s fundamental principles (ILO, 2022) as well as the Organisation for Economic Co-operation and Development’s Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD, 2023). Together, these frameworks establish the expectation that companies identify, prevent, mitigate and account for adverse impacts on people throughout their operations and value chains, whether they are transitioning or not.

Moreover, as climate and nature transition planning has evolved, frameworks have increasingly reflected the social dimension through the concept of a **just transition**. The ILO Guidelines for a Just Transition (ILO, 2015) establish the policy framework for a transition to environmentally sustainable economies, the OECD’s Responsible Business Conduct for a Just Transition (OECD, 2026) provides guidance to apply due diligence principles to the transition context, while GFANZ (GFANZ, 2022) recognises just transition considerations for financial institutions.

Existing **disclosure and transition-planning frameworks** increasingly recognise that credible transitions require companies to consider impacts on people. The TPT Disclosure Framework (TPT, 2023) encourages companies to explain how they engage workers, communities and civil society. TNFD’s LEAP assessment approach (TNFD, 2023c) and the Kunming-Montreal Global Biodiversity Framework’s Target 22 (UN CBD, 2022) similarly recognise the rights and participation of Indigenous Peoples and local communities as integral to successful nature outcomes. These expectations build on aforementioned fundamental standards (UN OHCHR, 2011; ILO, 2022; OECD, 2023). Companies can therefore satisfy these disclosure recommendations without a substantive commitment to managing social impacts, and few require companies to demonstrate whether transition strategies improve livelihoods, reduce vulnerability or strengthen economic resilience for affected people.

However, despite an emerging body of disclosure standards incorporating measurable just transition outcomes (GRI, 2025; Shift, 2024), from a broader social perspective many frameworks continue to focus primarily on governance, engagement and process rather than whether transition strategies lead to improved outcomes for workers, communities and other affected stakeholders. In addition, implementation of outcome-related disclosure is still at an early stage.

Practical guidance is also evolving. The Business Leader’s Guide to a Just Climate Transition, published by WBCSD and ERM in 2025 (WBCSD & ERM, 2025), offers **practical guidance** for senior leaders on integrating people and just transition considerations into climate transition strategies, including how to **track progress**. Emerging initiatives such as the Taskforce on Inequality and Social-related Financial Disclosures (TISFD) seek to strengthen the social dimension by providing **guidance on how companies identify, assess and disclose** their impacts, dependencies, risks and opportunities relating to equality, human rights, decent work and living standards, helping move beyond process towards greater accountability for social outcomes (TISFD, 2026; TISFD, forthcoming).



TABLE 4: FRAMEWORKS, GUIDANCE, TOOLS AND REGULATIONS HELPING COMPANIES TO CONSIDER THE SOCIAL DIMENSION IN TRANSITION PLANNING

FRAMEWORKS & GUIDANCE	TRANSITION PLANNING & GUIDANCE	DISCLOSURE/REGULATION
UN Guiding Principles on Business and Human Rights (UN OHCHR, 2011) ILO Fundamental Principles and Rights at Work (ILO, 2022) OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD, 2023) TISFD – Taskforce on Inequality and Social-related Financial Disclosures (final framework expected late 2027) (TISFD, 2026, forthcoming)	ILO Guidelines for a Just Transition (ILO, 2015) OECD Responsible Business Conduct for a Just Transition (OECD, 2026) BSR Just Transition Planning Toolkit (BSR, 2023) WBCSD/ERM Business Leader’s Guide to a Just Climate Transition (WBCSD & ERM, 2025)	EU Corporate Sustainability Due Diligence Directive – CSDDD (EU, 2024)



2.5 Integrated transition-planning frameworks

Integrated transition planning helps manage complex synergies and trade-offs between dimensions while addressing challenges such as uneven maturity of measurement tools and limited understanding of tipping points. Not only are impacts interlinked but supply chains are also dynamic, shared and difficult to disentangle, reinforcing the case for a non-siloed approach to transition planning. Acknowledging this, the Institution of Environmental Science's Nexus Assessment (IPBES, 2024) is one of the strongest institutional articulations of the need for integrated governance approaches rather than isolated interventions to address the interlinked, cascading and compounding challenges the world is facing, also referred to as the polycrisis. In the same year, the Integrated Transition Plan Network (ITPN, 2024) was launched at COP29, creating the first dedicated body focused on integrated transition planning across climate and nature dimensions. Integrated transition planning also began emerging as a topic in corporate sustainability frameworks and guidelines (see Table 5).

While the awareness of the interconnected nature of climate, nature and social dimensions is growing, existing approaches are still crude, and there is no formal framework or standard outlining a systematic approach for identifying, addressing and disclosing synergies and trade-offs between dimensions within a company's materiality assessment, strategy or implementation.

Although no framework yet considers integration comprehensively, progress is being made in integrating the just transition perspective with the climate agenda and in considering climate and nature together. An example of the integration of climate and justness perspectives is given by the ISO Net Zero Guidelines (ISO, 2022), which refer to a just transition as the basis for governance and target-setting ambition. For the climate-nature nexus, GFANZ's guidance on nature in net-zero transition plans (GFANZ, 2024) reframes nature as an enabler of net zero, and TNFD's guidance on nature in transition plans (TNFD, 2025a) provides the first comprehensive framework for designing plans covering both climate and nature. While current frameworks and guidelines do not yet consider the full complexity of integration, the consideration of such specific integration aspects serves as an interim step, enabling further progress towards full consideration of the interdependencies between dimensions.

Additionally, taking a wider perspective, the WBCSD and ERM Integrated Transition Planning Primer (WBCSD & ERM, 2025) provides initial practical guidance for developing integrated transition plans covering governance, decision rules and key performance indicators spanning six different integration perspectives⁸ between climate, nature and social dimensions. Building on this and experiences from current frameworks, the next step in standards development must focus on fully embedding integrated transition planning in management and reporting standards and other accountability frameworks for a broader uptake of integrated plans and to support awareness, knowledge building, quality and alignment. Moreover, the impact on transition planning from digital technologies and AI development is not yet addressed in any framework or guideline, although the connection has been established in academic and corporate literature (Fornabaio et al., 2026; EY, 2025).

⁸ Climate in relation to physical risk and adaptation, just transition and nature respectively and physical risks and adaptation together with each of just transition and nature, and nature in relation to just transition, outlining high-level business benefits and trade-offs for each pair.



Based on the substantive experience of benchmarking and constant learning from the methodology development processes, assessments and consultations, WBA brings extensive knowledge that can benefit such standardisation processes. With climate transition-planning frameworks leading the way, learnings from the practical implementation of building and assessing plans can help iteratively refine dimension-specific standards, e.g. by introducing sector guidance or considering regional perspectives. Knowledge regarding transition planning for climate may also accelerate the further development of transition-planning standards for other areas. While this development has already started, integration needs ongoing attention from the standards community, with regard to both management and reporting.

TABLE 5: FRAMEWORKS, GUIDANCE, TOOLS AND REGULATIONS HELPING COMPANIES TO DEVELOP INTEGRATED TRANSITION PLANS

FRAMEWORKS & GUIDANCE	PLAN DEVELOPMENT SUPPORT & TOOLS	REGULATIONS
INTEGRATION (specific aspects)		
TNFD Guidance on Nature in TP (TNFD, 2025a) GFANZ Nature in FI NZ TP (GFANZ, 2024) ISO Net Zero Guidelines (ISO, 2022)	<i>No dedicated integrated assessment tools yet</i>	<i>No integrated regulatory requirement</i>
INTEGRATION (general)⁹		
WBCSD/ERM ITP Primer (WBCSD/ERM, 2025a)	<i>No dedicated integrated assessment tools yet</i>	<i>No integrated regulatory requirement</i>

⁹ Several other frameworks such as WBCSD-AICPA-CIMA (2023), IFRS Foundation (2022) and the Capitals Coalition (2025) promote the integration of financial and non-financial capitals, long-term value creation and strategic decision-making across climate, nature, social and economic dimensions without explicitly referring to integrated transition planning.



3. Introducing WBA's Integrated Transition Assessment

3.1 How assessing transition planning helps hold companies accountable

When focus shifts to integrated transition planning, implementation and delivery, so must the attention of the stakeholders that hold companies accountable. This is why the world needs a new approach to assessing companies, documenting progress and supporting the closing of the corporate accountability gap through a reliable methodology and robust data on the state of companies' transition planning, implementation and performance: **WBA's Integrated Transition Assessment**.

This is the starting point for WBA's strategic shift from assessing companies from the perspective of seven systems transformations (see section 4) to focusing instead on their integrated transition across climate, nature and social dimensions. Impact on people and the planet has always been at the core of WBA benchmarks, and the methodologies WBA has developed and worked with so far remain important to identify where change needs to happen and to understand the role sectors¹⁰ and companies play in the transitions. However, WBA's new approach can be considered as more normative and will further emphasise the importance of embedding ambition in operations and investments, and how companies are delivering on these ambitions and global agendas.

WBA's Integrated Transition Assessment framework (further detailed in section 5) will provide a way to assess where companies are in their transition planning, implementation and performance, how well they understand and address interdependence between sustainability topics, and whether companies are credibly positioned to contribute to real-world transitions by fully embedding the transition in their operations and business. The framework will help define what credible, connected and consequential corporate action looks like. It will also provide company stakeholders with a broader and more comparable assessment across sectors, with a focus on operationalisation and delivery. This responds to a need expressed by stakeholders who, despite the growing abundance of reporting standards, lack reliable, comparable data at scale on progress against these standards. Moreover, the framework enhances clarity and simplicity by identifying the main priorities and focusing attention. The integrated approach can give company boards a clearer understanding of the state of their business and help investors identify companies that are performing well across dimensions, without blind spots that present mid- to long-term risks. The integrated approach can also enable stakeholders to work in less siloed ways themselves, creating efficiency gains while strengthening stakeholders' ability to hold companies accountable.

¹⁰ Although WBA organises companies into sectors, industries and sub-industries, 'sector' is used here as an umbrella term unless otherwise stated.



3.2 Building on global norms and goals for sustainable development

Global agendas, such as the SDGs (UNGA, 2015a) and Paris Agreement (UNFCCC, 2015), set out the internationally agreed direction for sustainable development. They increasingly recognise business and finance as central to delivering on the agendas' aims and emphasise the importance of whole-of-society approaches. This is most clearly reflected in Action 55(c) of the 2024 Pact for the Future (UNGA, 2024a), which calls for a greater contribution and accountability from the private sector in implementing internationally agreed commitments.

In turn, these agendas provide companies with a legitimate basis for defining and implementing their own sustainability strategies, whether through science-based climate targets aligned with the Paris Agreement's 1.5°C goal (UNFCCC, 2015), commitments to halt and reverse nature loss (UN CBD, 2022) or respect for human rights in line with the UN Guiding Principles on Business and Human Rights (UN OHCHR, 2011). However, no single global agreement defines what corporate transition means. Instead, expectations of business are distributed across multiple multilateral agreements and institutional processes, making it difficult for companies to understand the international community's collective expectations. With standards still emerging, WBA turned directly to global agendas to provide a solid foundation for its Integrated Transition Assessment by identifying the global goals and norms for sustainable development most relevant to corporate transition, synthesising the corporate-relevant expectations embedded within them (see Appendix C).

The mapping was guided by four criteria:

1. **Sustainable development relevance:** The agenda addresses environmental, social and economic dimensions of sustainable development.
2. **Intergovernmental legitimacy:** The agenda has been negotiated, endorsed or adopted by UN Member States globally and is intended to guide national implementation.
3. **Corporate-sector relevance and accountability:** The agenda includes an explicit or implicit role for business, finance and/or the corporate sector in achieving its objectives, consistent with the direction set out in Action 55(c) of the Pact for the Future.
4. **Cross-sector applicability:** The agenda is relevant across multiple industries and economic sectors rather than being limited to a specific issue, geography or industry.



Applying these criteria identifies a set of agendas that combine intergovernmental legitimacy with a substantive, cross-sector role for companies in delivering sustainable development outcomes. These include the **SDGs** (UNGA, 2015a) and the **Pact for the Future** (UNGA, 2024a), alongside the **Paris Agreement** (UNFCCC, 2015), the **Kunming-Montreal Global Biodiversity Framework** (UN CBD, 2022), the **Doha Political Declaration** (UN, 2023) and the **UN Guiding Principles on Business and Human Rights** (UN OHCHR, 2011). The **Sevilla Commitment** (UN, 2025) further reinforces that progress across these outcomes depends on mobilising private finance at scale. Rather than constituting a separate sustainability dimension, finance acts as an enabling system. Therefore, financial Institutions require the same integrated transition lens as companies in the real economy.

Digital technologies and AI have more recently emerged as a cross-cutting dimension within this landscape. Their growing intergovernmental legitimacy is reflected in the **Global Digital Compact** (UNGA, 2024b) and the subsequent **Global Dialogue on Artificial Intelligence** (UN, 2026). AI increasingly shapes outcomes across climate, nature and society, from the energy and resource intensity of digital infrastructure to labour markets and human rights. As a result, AI functions as a cross-cutting driver through which opportunities, trade-offs and risks across the other transition dimensions are increasingly mediated.

It is worth noting that health outcomes are also important to sustainable development. This is consistent with the UN General Assembly's 2022 resolution recognising the right to a clean, healthy and sustainable environment (A/RES/76/300) (UNGA, 2022), which frames health as inseparable from environmental and social conditions. Companies across sectors influence health outcomes through their impacts on environmental quality, working conditions, products and services. However, unlike climate, nature and social outcomes, health is generally not framed within international corporate sustainability frameworks as a distinct economy-wide transition. Rather, health is treated as an important outcome that is advanced through progress across environmental and social systems, while specific responsibilities relating to disease prevention, treatment and healthcare provision remain concentrated in particular sectors, notably healthcare and pharmaceuticals.

The resulting mapping forms the conceptual foundation of WBA's Integrated Transition Assessment, which aims to translate a fragmented multilateral architecture into a coherent corporate transition framework. Applying these criteria identifies climate, nature and social outcomes as the core dimensions of corporate transition, recognising AI as a cross-cutting aspect that increasingly shapes developments across all three. By doing so, the assessment framework enables companies to understand their role as implementers of internationally agreed objectives rather than organisation-specific interpretations of sustainability.

3.3 The dimensions in scope: climate, nature and social

The coherent corporate-transition framework derived from the goals and norms of global agendas thus provides a basis for all three dimensions of WBA's Integrated Transition Assessment as well as for the necessity of integration.

Climate: Rooted in the Paris Agreement (UNFCCC, 2015) and the scientific emphasis on the importance of limiting the average global temperature increase to below 1.5°C compared to pre-industrial levels, climate transition plans are already well-established. They are also the most developed with reference to frameworks, standards and corporate maturity, as further elaborated



in section 2. As limiting warming to 1.5°C appears increasingly unlikely (UNEP, 2026b), the urgency of accelerating the transition and minimising any overshoot cannot be overstated, given the risk of triggering irreversible Earth system tipping points.

Nature: The climate transition is closely connected to the nature transition and cannot be managed without it, as they are part of the same interconnected Earth system. The resilience of ecosystems determines not only their capacity to absorb and store carbon but also to regulate water cycles, maintain soil fertility, support biodiversity and buffer communities against climate impacts. Conversely, ecosystem degradation creates reinforcing feedback loops that accelerate both climate change and biodiversity loss. As stipulated by the Kunming-Montreal Global Biodiversity Framework (UN CBD, 2022), 30% of Earth's land and ocean area shall be protected by 2030, highlighting the need for stronger transition planning. This is reinforced by Target 15, which calls on companies and financial institutions to take action. Beyond its importance for the climate, the Global Biodiversity Framework emphasises nature's intrinsic value and how the corporate sector needs to consider that in their transition planning and delivery alongside climate.

Social: While both climate and nature transitions are prerequisites for people to thrive, a transition that does not put people at its centre is not only morally flawed but also unlikely to be feasible or last, given strategic, political and material realities. However, the social dimension extends beyond ensuring that climate and nature transitions are people-centred and leave nobody behind. It also includes the enduring responsibilities companies have towards people, reflecting the continuous need to improve well-being, advance equity and resilience, and enable people and communities to thrive, as outlined by the 2025 UN World Summit on Social Development (UNDESA, 2025) and the subsequently adopted Doha Political Declaration (UN, 2023).

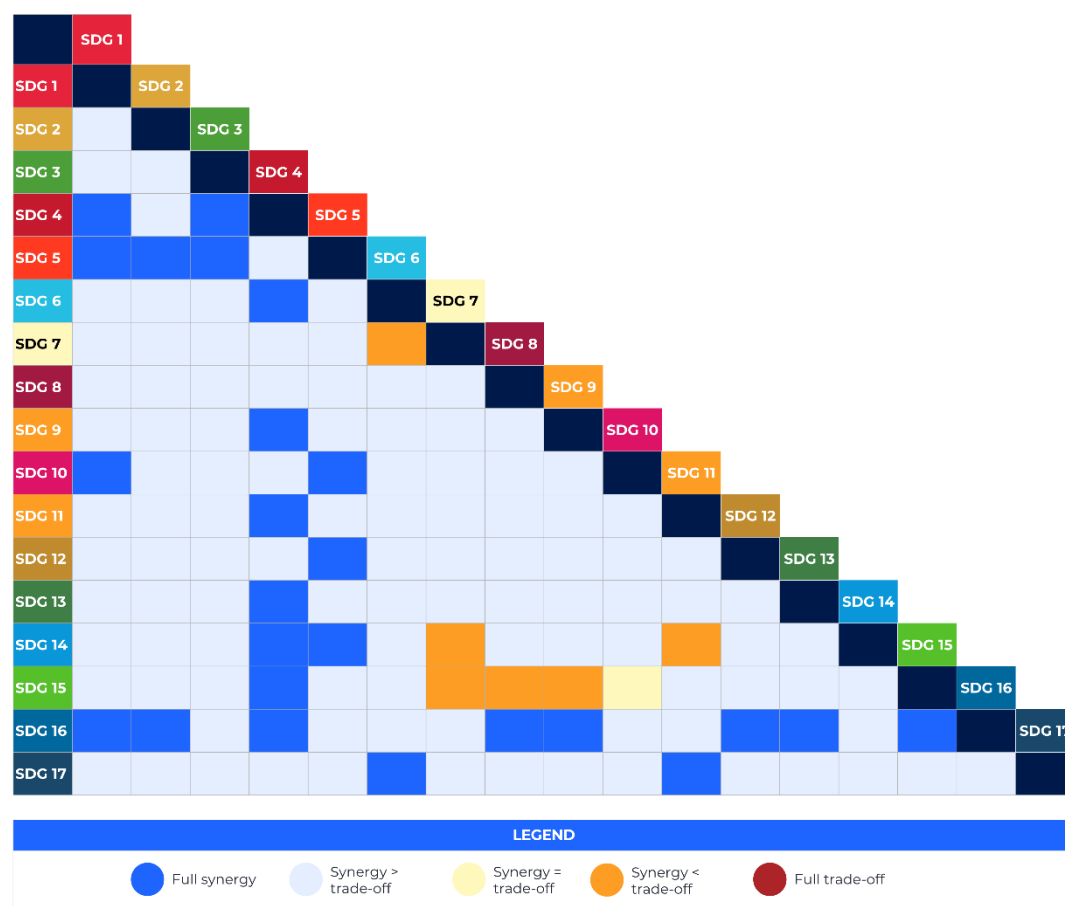
The social dimension thus draws on a normative foundation with people at the centre that determines whether companies develop in ways that respect human rights, decent work, resilient livelihoods and shared prosperity and carries the same expectations of companies whether they are transitioning or not. Human rights are universal under the Universal Declaration of Human Rights (UN, 1948), while the United Nations Guiding Principles on Business and Human Rights (UN OHCHR, 2011) and the International Labour Organization's fundamental principles (ILO, 2022) establish what this means for business and employment.

However, unlike climate and nature, the social dimension is not defined by a separate objective or transition pathway. Companies' responsibilities towards people remain constant. What changes is how these responsibilities must be applied as transitions reshape business models, jobs and communities. The transition lens changes the context, not the standard. Climate and nature transitions therefore cannot be judged solely by reductions in greenhouse gas emissions or improvements in biodiversity outcomes. Both must also improve outcomes for people and leave no one behind. The same logic extends to AI and the digital transformation, which carry comparable risks of job displacement, algorithmic bias and widening inequality if not governed responsibly. Consequently, decarbonisation and nature-positive strategies should not shift costs onto workers, communities or vulnerable groups, but should instead create opportunities for decent work, resilient livelihoods and shared prosperity.

The **integration** perspective also has a strong foundation in global agendas. This perspective is already articulated in the SDGs (UNGA, 2015a), which are positioned as integrated and indivisible



and balance the economic, social and environmental elements of sustainable development. Meanwhile, the Paris Agreement (UNFCCC, 2015) establishes the relationship between climate action, sustainable development and poverty eradication. UNGA Resolution A/RES/76/300 (UNGA, 2022) further recognises a clean, healthy and sustainable environment as a human right, and the Pact for the Future (UNGA, 2024a) affirms that global challenges are interconnected and require integrated responses across environmental, social, economic and governance domains.



Source: Adapted from the full dataset of SDG Interlinkages Tool based on Fronza, V., Barbero Vignola, G., Borchardt, S. et al., (2023) <https://data.europa.eu/doi/10.2760/711960>

Note: Only interactions with clear direction of impact included. Goal-pairs are non-directional (e.g., Goal 1 + 2 and Goal 2 + 1 synergies count as one). Counts reflect distinct studies (by publication ID) identifying each synergy/trade-off per goal-pair.

FIGURE 2: THE DEPENDENCIES BETWEEN CLIMATE, NATURE AND SOCIAL ASPECTS FROM AN SDG PERSPECTIVE

Sustainable development does not exist in an ivory tower; an integrated transition must consider how **technology shifts change the context**. It has long been acknowledged that digital technologies and AI can speed up the transitions or hinder them, depending on how they are used (Falk et al., 2020; EC JRC, 2022). When planned carefully, digital technologies may help society transition faster and more fairly. When not planned carefully, they risk amplifying environmental and social problems and creating new ones. The environmental impacts of AI have also gained traction in the Global Digital Compact (UNGA, 2024b), in the Pact for the Future (UNGA, 2024a) and also more widely at UN level (UNU, 2026a; UN 2026b). Together, this reinforces the need for an integrated transition approach where technological transformation is assessed alongside its impacts on people and the planet rather than treated as a standalone issue.



4. WBAs evolution: the integrated transition in focus

4.1 Recap of the seven systems transformations framework

WBA's seven systems approach, our previous assessment lens, was based on the understanding that achieving the Paris Agreement and Agenda 2030 requires system-level transformational shifts encompassing institutions, technologies, policies, business practices, societal behaviours and ways of thinking. It reflected the interconnected nature of global challenges – from climate change and biodiversity loss to inequality, food insecurity and digital inclusion – and offered a practical way to organise the broad and complex SDG goals for companies. Through extensive research as well as detailed feedback from our Allies, WBA identified the seven systems that were most critical for putting society, the planet and economy on a more sustainable and resilient path and accomplishing Agenda 2030: social, food and agriculture, decarbonisation and energy, nature and biodiversity, digital, urban and financial systems. These systems, and the transformations they needed to undergo, helped us clarify what matters most for corporate accountability and define the key sustainability issues companies should address and the expectations for disclosure, governance and action. They also enabled us to identify the companies with the greatest influence over system-level outcomes, focusing on those whose decisions have the greatest potential to accelerate or hinder progress. In this way, the seven-systems framework provided both a lens for understanding systemic change and a foundation for benchmarking companies' contributions to that change.

4.2 How learnings from seven systems benchmarks are driving the pivot to assessing integrated transition

Over the last eight years, WBA has developed and launched a high number of benchmarks across these seven transformations, some with up to six iterations. This has generated a comprehensive database on corporate sustainability disclosures and performance, with some important lessons on how to consider and measure transition. Based on benchmarking companies through a transformation lens with methodologies built for depth and specificity, WBA increasingly sees how topics and crises connect and has concluded that assessing one transformation at a time is no longer enough. First, there is a growing convergence of corporate sustainability issues, where climate, nature and social topics are increasingly valid for all benchmarks. This makes separate topic-based assessments insufficient to capture company readiness fully. While topic-specific assessments can capture performance within each dimension, integrated approaches are needed to show whether companies identify and manage the interdependencies, synergies and trade-offs between them.

Second, while some sustainability challenges are increasingly being addressed together, integration remains uneven. WBA's data shows that companies acting on climate are consistently more likely also to act on nature: companies with climate transition plans are three times more likely to set nature-related targets or support nature-related policies than those without. No company has yet developed a nature transition plan without first having a climate one; and the presence of a climate transition plan is associated with higher progress overall on nature. Social



performance tells a different story. Improvements in social performance and improvements in environmental outcomes do not necessarily correlate, suggesting that many companies are still prioritising certain sustainability issues over others. A more integrated approach to assessments is needed to prevent uneven progress and drive meaningful change across the board.

Third, WBA has consistently observed the gap between disclosure and commitments, and implementation and performance. Many companies now publish sustainability strategies, targets and policies, but these are frequently not matched by robust processes or measurable progress towards real-world outcomes, nor do they bring sustainability issues together into a coherent strategy. These gaps, combined with evolving stakeholder expectations and a rapidly changing policy landscape, suggest that achieving the desired change requires a greater assessment focus on how companies deliver results in practice, not simply what they commit to on paper.

4.3 How the Integrated Transition Assessment builds upon the seven systems

These insights have shaped the next stage of WBA's strategy. Where transformations helped to translate the SDGs into a business agenda, transitions focus on the practical, actionable steps to get there and whether companies are moving at the pace and scale required to get there. This is why WBA is now shifting its focus to evaluating how climate, nature and social dimensions are considered together, and it is uniquely positioned to do so through its benchmarking experience and cross-sector knowledge and datasets.

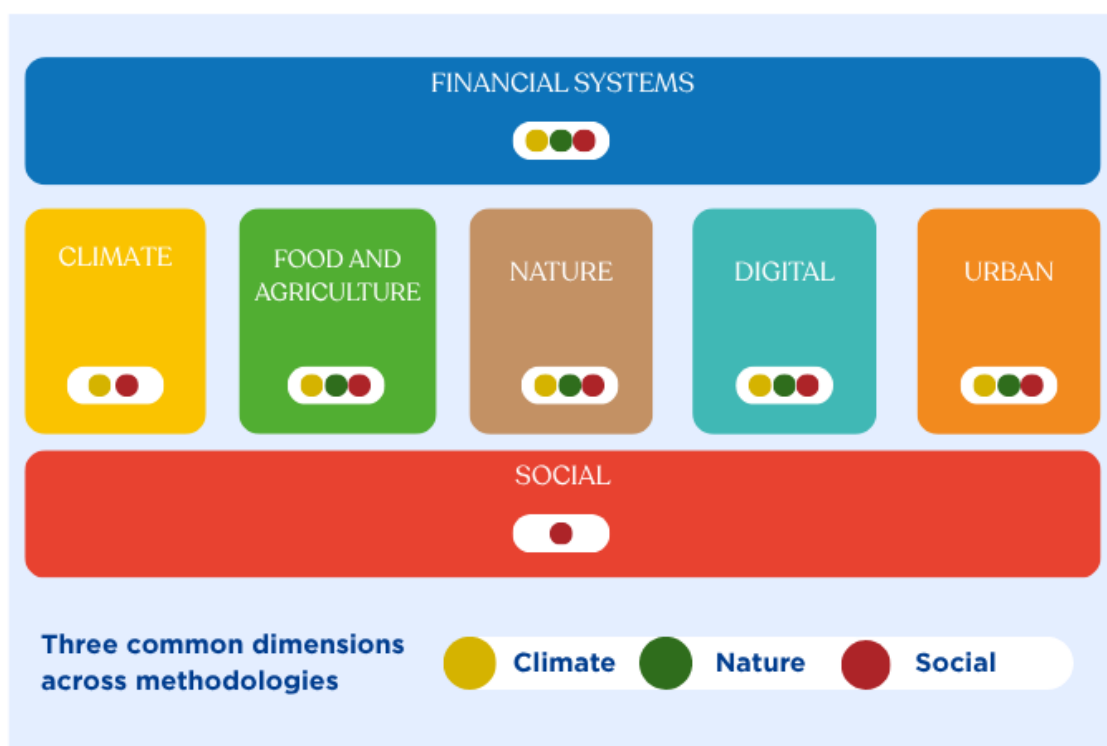


FIGURE 3: MAPPING THE SEVEN SYSTEMS TRANSFORMATIONS AND THE COVERAGE OF PREVIOUS BENCHMARKS ONTO THE CLIMATE, NATURE AND SOCIAL DIMENSIONS

WBA's Integrated Transition Assessment thus builds on the foundations established by the seven systems approach by bringing together climate, nature, social and emerging technology considerations within a single framework for corporate action. Moreover, the assessment recognises the profound impact of technology on sustainable development by extending the assessment of AI and digital technologies from digital companies to all companies.

Rather than assessing these dimensions in isolation, the Integrated Transition Assessment emphasises the interdependencies, synergies and trade-offs between them, encouraging companies to manage transitions in a coherent and integrated way. This is not a departure from WBA's previous work but builds on the lessons learned from eight years of benchmarking and further operationalises systems thinking, recognising that change in one area (e.g. energy) affects others (e.g. social equity). Previous benchmarks also share a common set of themes and indicators relevant for assessing transitions, such as governance, strategy, risk management, stakeholder engagement, implementation and performance, which provide an important basis for the Integrated Transition Assessment. The assessment thus retains the underlying systems perspective and ambition for transformational change while shifting the focus towards assessing whether companies have coherent, credible and integrated transition approaches that recognise interdependencies and translate commitments into action across people, the planet and long-term value creation.



5. Assessing transition plans - first steps and long-term direction

5.1 Building WBA's Integrated Transition Assessment methodology

5.1.1 A methodology for assessing transition maturity

With frameworks and guidance for transition planning maturing across climate, nature and social dimensions, and with the integration aspect emerging as the next frontier, an understanding of how companies are navigating this changing landscape is lacking. This is the starting point for the Integrated Transition Assessment. To build this knowledge, expectations must be translated into an assessment methodology and subsequent assessments of transition-planning quality, implementation and delivery.

The climate, nature and social dimensions of the Integrated Transition Assessment methodology build on the benchmarking of WBA's seven systems transformations, drawing on the indicators, sectoral expertise and corporate performance data accumulated over the years as well as the evolving standards landscape for transition planning described in section 2. In this work, WBA benefits particularly from the experience gained from the ACT assessments, which have already evaluated transition planning in the climate space across the 2,000 companies that WBA assess, but also from assessments of aspects related to transitions in WBA's Nature and Social benchmarks. Moving from seven systems to integrated transition assessments allows WBA to develop a more prescriptive and targeted methodology while staying grounded in that strong foundation.

Critically, the Integrated Transition Assessment methodology not only assesses value-chain sustainability performance and footprints but also assesses how sustainability considerations are embedded in governance, strategy and investments. Transition planning is ultimately a question of business credibility, testing whether a company's strategy, operations and capital allocation are genuinely aligned with what is required across climate, nature and social dimensions, or whether sustainability commitments are detached from how a company operates and creates value. This said, WBA's mission is to hold companies accountable for their impacts on people and the planet, so the methodology goes beyond financial materiality to keep company's sustainability impacts at its core.

Once available, assessments based on the Integrated Transition Assessment methodology will provide stakeholders, whether investors, policymakers or civil society, with a dataset showing whether companies' plans are credible and resulting in actual performance improvements. Applying an integration lens will also allow stakeholders to evaluate whether companies' plans are coherent across dimensions, helping to identify inefficiencies and strengthen accountability.

5.1.2 The Integrated Transition Assessment structure, perspectives and content

To assess full transition maturity, the Integrated Transition Assessment methodology is structured around the three measurement areas **planning, implementation and performance**. *Planning* explores whether companies have a credible strategy for transition. It covers ambition



and commitments, targets, governance structures and impact assessments. *Implementation* assesses whether the systems are in place to deliver on those plans – including monitoring systems, risk mitigation efforts, stakeholder engagement and resource allocation. *Performance* considers whether plans are translating into real-world outcomes – using quantitative, trackable metrics assessable against science-based pathways and/or global agendas. All three areas are necessary to understand transition maturity: with performance development arguably the end goal, performance improvements demand planning, and plans are of little use if they are not implemented.

The planning and implementation areas thus build on the emerging consensus in transition-planning guidance and the components of credible transition plans outlined by TPT (2023) while aiming to assess the full transition status, from planning to implementation and on to performance progress. As an assessment methodology, however, not another disclosure framework, the Integrated Transition Assessment methodology goes further than assessing transition plans to understand their translation into action on the ground and, ultimately, how performance changes over time.

While aiming for a coherent assessment and the same ambition across climate, nature and social dimensions, the current differences in maturity of disclosure infrastructure and the need to build deeper knowledge on how to address some impacts calls for nuances in the assessments of climate, nature and social topics (see Appendix D, Table D.1 for details), with climate arguably being the most well-defined transition topic. An example of such a difference is the alignment with performance pathways, which is available and can be requested only for climate. As the maturity of topics evolves over time, and nature and social dimensions catch up with climate, future versions of the methodology will consider these evolutions. The current difference in approach should not be interpreted as justification for lower ambition in some dimensions but as recognition of their greater complexity and the need to build the necessary groundwork in these areas. Over time, approaches and criteria will be sharpened for those areas to reflect the normative nature of benchmarking. With this balance between ambition and practical limitations, the methodology also helps stakeholders to see what they can expect and need to push for at any given moment.

WBA's Integrated Transition Assessment aims to use the same methodology and indicators across sectors. Yet while the same set of indicators applies to all companies, the assessment itself is sector-sensitive to reflect differences in what constitutes material topics, key value chain impacts, business models and relevant stakeholder engagement for each sector (see Appendix D, Table D.2 for details). This ensures that assessment is comparable across companies but still meaningful within their specific contexts.



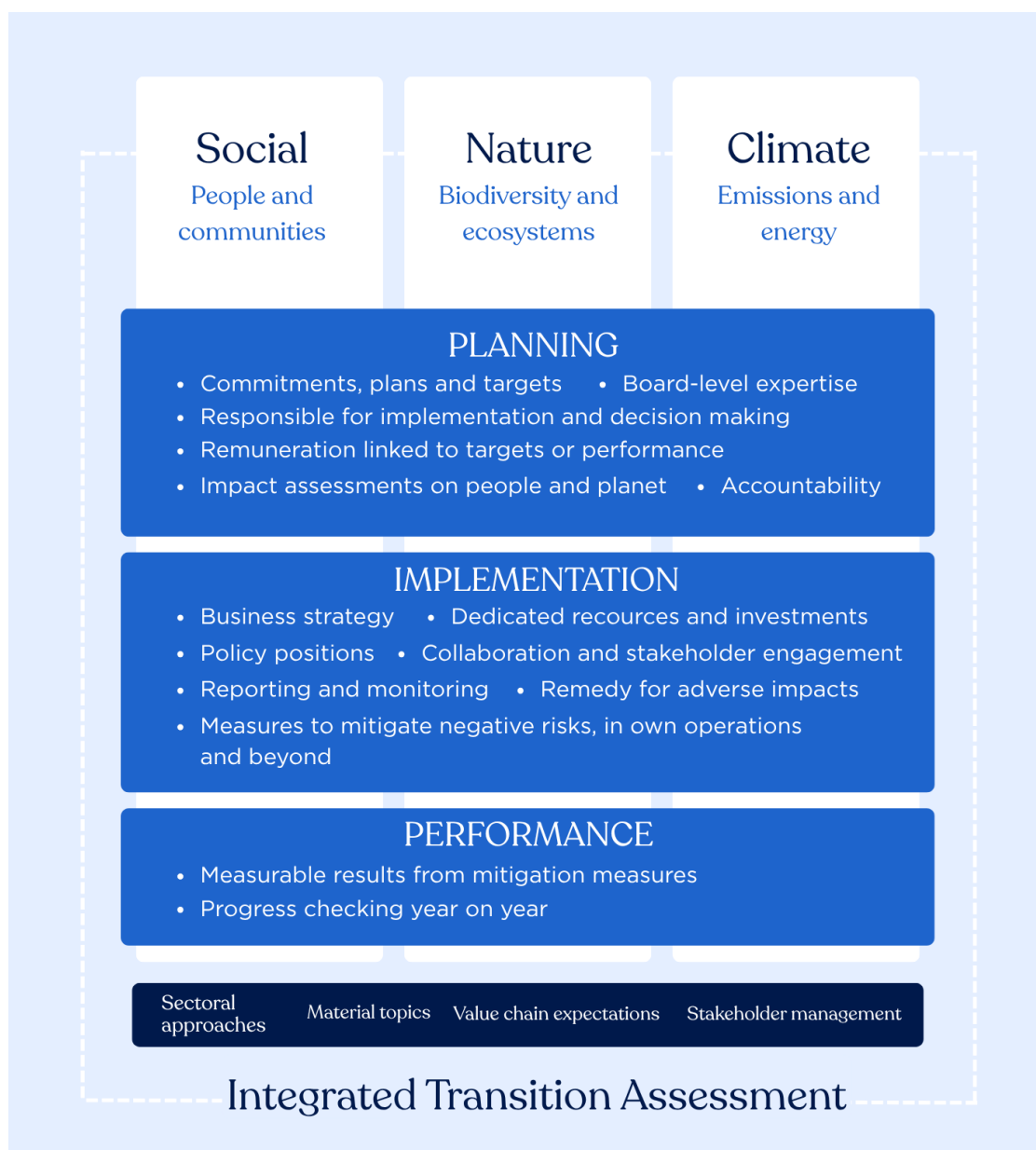


FIGURE 4: THE STRUCTURE OF THE INTEGRATED TRANSITION ASSESSMENT METHODOLOGY

5.1.3 Addressing integration

Integration is not just about creating a horizontal overview between companies' commitments and targets on climate, nature and people. Companies need to ensure these commitments and targets are vertically integrated into business planning and decision-making. That is why the Integrated Transition Assessment will also look at capital allocation, governance, supply chain engagement as well as the development of sustainable products and services. Together, these elements demonstrate whether a company is meaningfully positioned to deliver the transition.

The methodology will in its first iteration focus on the fundamental aspects of integration that are already identified as critical for transitions. Our initial approach to integration within the Integrated Transition Assessment methodology includes five such aspects:



- **Strategy coverage:** Indicators that look at whether companies are embedding multiple climate, nature and social issues in their portfolios and business models, strategies and decisions. Examples are capital allocation, procurement planning and merging of sustainability and financial disclosures.
- **Integrated governance:** Looks at whether companies' governance structures are set up in ways that enable them to manage sustainability risks, opportunities and impacts effectively for all three areas. For example, whether the board has sufficient expertise and incentives across the full breadth of climate, nature and social issues.
- **Inclusion of specific integration indicators:** These are indicators that consider the dependencies between specific dimensions of sustainability. For example, some indicators look at whether companies assess the impacts that transitioning away from fossil fuels and increased risks from climate change have on people and take action to reduce negative impacts through activities such as reskilling. Other indicators look at whether companies apply environmental dimensions in processes to assess their human rights risks and impacts, or if companies implement adaptation measures to protect workers exposed to extreme conditions and provide related health and safety trainings.
- **Value chain integration and impact:** For each topic assessed, we will consider whether an industry has significant upstream or downstream impacts or dependencies that companies must address when reporting and acting on that topic. In this way, integration is not only captured in terms of topic but also from a value chain perspective. Moreover, by looking at the same topic across value chains, the indicators assess all contributors of an impact chain which helps identify bottlenecks and amplifications.
- **Interaction with digital technology and AI development:** AI and digital technologies are treated as cross-cutting drivers that increasingly shape outcomes across climate, nature and people. The Integrated Transition Assessment methodology therefore considers both the risks they create and the opportunities they offer to accelerate integrated transitions, rather than assessing them as a separate sustainability dimension.

While this starting point reflects the minimum that companies need to do, given the urgency of transitions, future versions of the methodology may consider integration from a broader perspective, for example, by including more cross-dimensional indicators, deeper value chain requirements or marking integration as an explicit component in the scoring algorithm. Over time, as frameworks and standards evolve to solidify the expectations of companies around integration, the methodology can also be scaled and adapted to capture or measure integration as an additional pillar covering the existence of systematic approaches to identifying and addressing interdependencies, trade-offs and synergies between dimensions. While the first version of the Integrated Transition Assessment methodology might not cover all of these to their fullest extent, there is room to expand them as standards and expectations evolve.

5.1.4 Assessing business model transformation

Business model transformation is assessed by considering the extent to which a company is adjusting its core activities in response to material sustainability challenges. The assessment incorporates sector-specific criteria to capture the differing transition journeys that companies across industries must undertake to achieve sustainable alignment. It attempts to capture key industry-specific transition priorities, including operational improvements, adoption of material



sustainability strategies, offerings of sustainable products and services that underpin the company's business model. For example, for oil and gas companies' climate transition, the assessment expects that a company has a time-bound fossil fuel phase-out strategy, the share of renewable or lower carbon activities is material and growing, and its reliance on fossil-fuel reserves and repositioning is reduced in its portfolio. For motor vehicle companies, the indicators reflecting the sector's transition priorities include a time-bound strategy to phase out internal-combustion-engine vehicles, a material and growing share of electric vehicle production or sales, and evidence of a broader strategic shift towards low-carbon mobility.

While the specific expectations vary by industry, the assessment is structured around three overarching dimensions:

1. **Commitment to transition away from high-impact activities:** The company demonstrates a credible and time-bound commitment to significantly reduce, phase out or otherwise transform activities that exert the highest impact on the relevant sustainability challenge.
2. **Relative scale of more sustainable activities:** Activities, products or services that contribute to the transition represent a material and, where relevant, growing share of the company's overall business. This dimension considers not only the presence of such activities but also their scale relative to the company's broader business model.
3. **Strategic alignment with the transition:** The company demonstrates that the transition is embedded in its broader business strategy, evidenced by a quantitative/qualitative metric, i.e. financial/investment, operational or practice-based, such as green building certification for buildings, moving away from a high-volume sales strategy in apparel. Depending on the sector, this may include changes in capital allocation, product strategy, production models, sourcing practices or other strategic decisions that support the transition.

5.2 Identifying companies with the greatest influence on the transitions

Benchmarking companies according to the Integrated Transition Assessment methodology will provide the knowledge base to understand how the business sector is approaching its transition and how it has progressed its planning, implementation and performance. While assessing this would be interesting for all companies, the most relevant companies to assess and hold accountable from a systemic perspective are those that have a disproportionately large influence on social-ecological systems because of their dominance, connectivity and ability to shape governance and industry practices, i.e. those that can be considered keystone companies (Österblom et al., 2015). Benchmarking such companies provides investors, civil society organisations, standard-setters and policymakers with the data they need to maximise their impact. Selecting companies to assess thus requires a careful approach.

Until now, the assessed company universe has consisted of 2,000 companies identified as having the greatest potential to influence the seven systems transformations through their impact on the SDGs across social, environmental and economic dimensions. The shift to WBA's Integrated



Transition Assessment requires a targeted recalibration of this universe to ensure the industries¹¹ and companies that have the greatest ability to shape outcomes across climate, nature and social dimensions are included in the assessment.

5.2.1 From system relevance to transition influence: rethinking industry inclusion

The shift from system transformation-driven benchmarks to a transition focus requires a corresponding shift in how industries are selected. Under the previous framework, industry inclusion was anchored to the seven systems transformations: an industry was in scope because of its relevance to one or more of those system transformations. This framing is less suited to identifying industries that structurally shape transition pathways across climate, nature and social dimensions.

Structural influence can be understood through three main mechanisms:

- **Direct transition impacts** emerging from industries with activities, products or services directly affecting outcomes in one or more of the climate, nature and social dimensions.
- **Long-term lock-in effects** relating to industries that own or operate long-lived physical assets, infrastructure or those making long-term capital allocation decisions commit future emissions, biodiversity impacts and social trajectories for decades.
- **System connectivity** associated with industries that function as critical nodes, bottlenecks or enablers across global value chains, financial flows, digital systems or infrastructure.

Together, these criteria capture industries with structural leverage across integrated transitions, industries whose decisions today determine what transitions are possible tomorrow. These mechanisms also form the conceptual basis for the framework introduced in the following subsection.

5.2.2 A differentiated view of transition influence

Industries differ significantly in how they contribute to or hinder the transitions, not just in the scale of their impacts but also in terms of the nature of their influence. Some industries directly shape physical systems and outcomes through their operations, whereas others enable or constrain transitions through finance, technology or design. A third group influences outcomes primarily through supply chains and consumer-facing practices. A uniform approach to company selection would obscure these differences and reduce the analytical credibility, relevance and practical usefulness of the resulting company list.

¹¹ While other parts of this paper use 'sector' as an umbrella term encompassing 'industries' and 'sub-industries' without specification, this part refers to industries specifically to reflect the level of detail of the analysis.



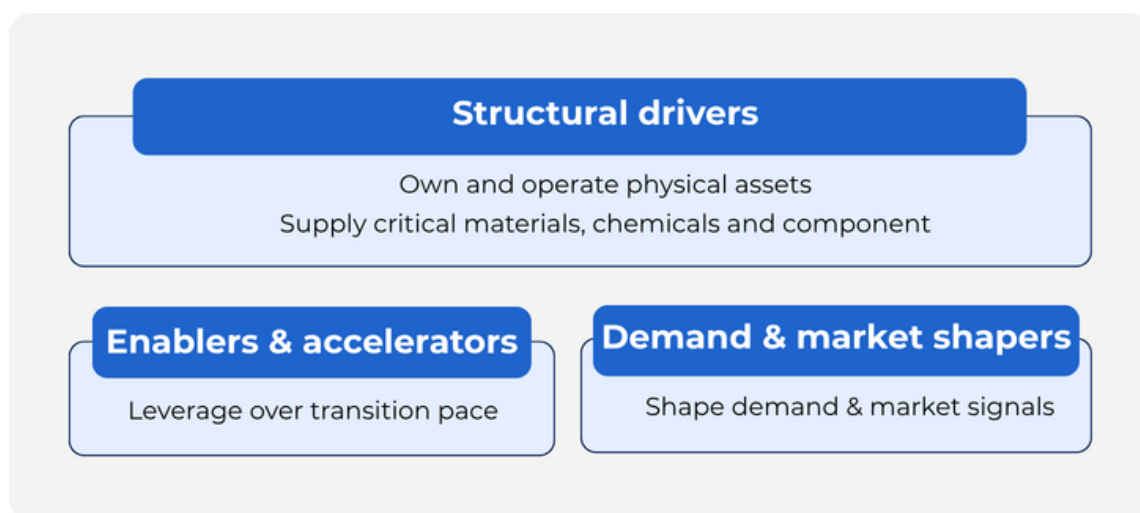


FIGURE 5: THREE CATEGORIES OF ACTORS SHAPING THE TRANSITION

To reflect this reality, industries are classified and selected according to their structural role in shaping transition pathways. The classification is informed by how transition pathways, financial system influence and nature-related dependencies and impacts are discussed in external frameworks such as IPCC, GFANZ and TNFD. Three categories are proposed:

- **Structural drivers:** This category covers industries that own and operate the physical assets and infrastructures underpinning the real economy – energy, transport, land, buildings and industry – and whose decisions directly determine emissions trajectories, resource use and long-term infrastructure lock-in. It also includes upstream sectors that shape the cost, availability and performance of these systems, such as suppliers of critical materials, chemicals and components.
- **Enablers and transition accelerators:** This category captures actors that do not directly control physical assets but exercise significant cross-sector leverage over the speed and scale of transitions. It includes financial institutions, whose capital allocation and risk-pricing decisions determine which assets and technologies get built or retired, and infrastructure and digital actors, whose platforms, grids and data systems coordinate and enable system-wide change.
- **Demand and market shapers:** This category covers consumer-facing industries, such as consumer goods, retail, hospitality and digital consumer platforms, that shape procurement decisions, consumption patterns and market signals at scale. While they do not directly control backbone systems or determine transition feasibility, they influence transition direction and speed through the signals they send upstream.NI

These categories are grounded in the concepts of **control**, **leverage** and **influence** over transition outcomes, not industry importance in isolation. They recognise that transition risks, impacts and responsibilities differ materially across industries, and that assessment expectations should be calibrated accordingly. Importantly, the categories are not a ranking of importance. They describe different mechanisms of influence across climate, nature and social dimensions: some industries carry greater weight from a climate or nature perspective, whereas others are more material from a social, access, labour or demand-shaping standpoint.



5.2.3 Revised criteria for keystone selection

WBA's five keystone criteria for selecting the most influential companies within each industry remain broadly consistent with the original selection logic but have been refined to place greater emphasis on structural influence over transition pathways. In practice, scale and influence remain the main starting point for company selection while giving clearer attention to whether a company materially shapes transition outcomes.

- **Scale and industry relevance** considers the company's economic, operational or service footprint within industries that are material to transitions from a climate, nature and social perspective.
- **Influence over transition pathways** considers whether the company can enable, accelerate, constrain or lock in transition outcomes through its assets, products, services, financing or strategic decisions.
- **System connectivity** considers the company's role as a node, enabler or bottleneck across value chains, capital flows, infrastructure or digital systems.
- **Market, norm and policy influence** considers whether the company shapes market expectations, industry standards, regulation or transition-related norms.
- **Global footprint and exposure** consider the company's presence and exposure across regions, including where transition risks, social impacts and uneven transition costs and benefits are most pronounced.

These criteria guide both industry review and company selection, ensuring that industry composition and company selection follow the same coherent logic. The resulting company universe is expected to retain many existing companies while refining how they are organised and prioritised according to their transition role and structural influence.



6. Conclusion

The world's most influential companies must move from commitments and targets to planning, implementation and performance improvements. This can no longer be done in a siloed fashion. Both the urgency to act on global challenges and companies' own risks underscore the need to address climate, nature and social dimensions through an integrated approach.

This integration must happen both horizontally, by considering interdependence between dimensions, and vertically, by embedding the transition in operations, business and financial processes.

Transition planning is ultimately a question of business credibility. It involves testing whether a company's strategy, operations and capital allocation are genuinely aligned across climate, nature and social dimensions, or whether sustainability commitments are detached from how a company operates and creates value.

WBA's mission is to hold companies accountable for their impacts on people and the planet. The Integrated Transition Assessment methodology therefore goes beyond financial materiality to keep companies' sustainability impacts at its core.

Building on global agendas for sustainable development, WBA's Integrated Transition Assessment methodology creates the blueprint for a post-2030 agenda by helping companies and stakeholders to identify a minimum set of priorities.

This will give company boards and those financing companies (banks, investors, insurance providers) a comprehensive view of their exposure to mid- to long-term risks, without the blind spots that can arise from considering individual dimensions in isolation. Meanwhile, the resulting datasets will enable policymakers and regulators to understand where progress is being made and where gaps remain. Moreover, civil society organisations will gain a holistic understanding of concerns and prospects that helps direct and prioritise their efforts to hold companies accountable.



7. Glossary

The definitions in this section come from the WBA Glossary (WBA, 2024) unless otherwise stated.

Global agendas: A global agenda is an internationally agreed set of priorities, goals, commitments or directions for action that has been endorsed by governments through multilateral processes and is intended to guide collective action on issues of global significance.

Note: These may take different forms, including agendas, frameworks, declarations, agreements, framework conventions and treaties.

Integrated transition: The process of advancing climate, nature and social outcomes to align with science-based and globally agreed goals and norms through a coherent approach that considers the interdependence of these aspects as well as their interaction with other societal and technological developments, and addresses both risks and impacts.

Note: 'Globally agreed goals and norms' refers to goals and norms of global agendas aiming for sustainable development.

Integrated transition plan: A time-bound action plan with predefined outcomes embedded in an entity's overall strategy that lays out the targets, actions and resources needed for the entity's alignment with science-based and globally agreed goals and norms across climate, nature and social dimensions while considering their interdependence.

Note: The term 'plan' refers to an agreed and documented description of how to achieve something. Currently, WBA considers both standalone transition plans and the combination of targets, actions and resources embedded in an entity's overall strategy, which together form a comprehensive plan.

Note: 'Actions' refers to processes and activities targeting the entity's own operations as well as its upstream and downstream value chain, including adjustments of portfolios and business models as needed.

Note: 'Resources' refers to financial and human resources as applicable.

Note: 'Globally agreed goals and norms' refers to those goals and norms aiming for sustainable development.

Just transition: Greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.

Note: A just transition involves maximising the social and economic opportunities of climate action while minimising and carefully managing any challenges – including through effective social dialogue among all groups impacted and respect for fundamental labour principles and rights.

Source: WBA (2024) based on ILO (n.a.b).

Net-zero transition: The transition of a company towards a net-zero state.

Sector: A segment of the economy consisting of companies, institutions or organisations that operate in similar markets or perform related business activities.

Note: A sector (industry sector) consists of industries composed of sub-industries.

Note: While WBA organises companies into sectors, industries and sub-industries, this paper stays at a principle level and uses sector as an umbrella term unless otherwise stated.



Transition plan¹²: A time-bound action plan with predefined outcomes embedded in an entity's overall strategy that lays out the targets, actions and resources needed for the entity's alignment with science-based and globally agreed goals and norms.

Note: The term 'plan' refers to an agreed and documented description of how to achieve something. Currently, WBA considers both standalone transition plans and the combination of targets, actions and resources embedded in an entity's overall strategy, which together form a comprehensive plan.

Note: 'Actions' refers to processes and activities targeting the entity's own operations as well as its upstream and downstream value chain, including adjustments of portfolios and business models as needed.

Note: 'Resources' refers to both financial and human resources as applicable.

Note: 'Globally agreed goals and norms' refers to those goals and norms aiming for sustainable development.

¹² This definition replaces the definition in WBA (2024).



8. Abbreviations

AI	artificial intelligence
BSDC	Business and Sustainable Development Commission
CDP	formerly Carbon Disclosure Project
DIRO	dependencies, impact, risks and opportunities
EC	European Commission
ESG	environmental, social and governance
EU	European Union
FI	financial institution
GDP	gross domestic product
GFANZ	Glasgow Financial Alliance for Net Zero
GRI	Global Reporting Initiative
HRDD	human rights due diligence
HREDD	human rights and environmental due diligence
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
ITP	integrated transition planning
LEAP	locate, evaluate, assess and prepare
NZ	net zero
PRI	Principles for Responsible Investment
SBTi	Science Based Targets initiative
SBTN	Science Based Targets Network
SDG	sustainable development goal
TCFD	Task Force on Climate-related Financial Disclosures
TISFD	Taskforce on Inequality and Social-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
TP	transition plan/transition planning
TPT	Transition Plan Taskforce
UN	United Nations
UNEP	United Nations Environment Programme
WBA	World Benchmarking Alliance
WMO	World Meteorological Organization



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Appendix A. Defining the concept of an integrated transition plan

The concept of a transition plan is not unique to sustainability and can broadly be described as a plan that outlines the steps, responsibilities and timeline for moving from one state, role or system to another, ensuring a smooth and organised change.

From a sustainability perspective, organisations such as IFRS Foundation, GFANZ, TPT, CDP, SBTi and the UN High-Level Expert Group on Net-Zero Commitments refer to the concept, often with a climate lens, but few define it. When defined, it usually refers to climate transition plans exclusively. Notably, there is not yet an ISO definition, but the most widely accepted definition at this point is the one from IFRS Foundation (2023):

An aspect of an entity's overall strategy that lays out the entity's targets, actions or resources for its transition towards a lower-carbon economy, including actions such as reducing its greenhouse gas emissions.

Using the language of a formal definition, US EPA (2025) refers to:

An action plan where an organisation describes its strategy to transition all its processes, operations, and business models to meet its public commitments within a specified timeframe.

Lacking a universally recognised definition, WBA previously developed its own definition (WBA, 2024) from a climate perspective:

A time-bound action plan that clearly outlines how an organisation will pivot its existing assets, operations and entire business model towards a trajectory that aligns with a predefined outcome.

At this point, this definition will be expanded to incorporate nature and social dimensions while also considering other definitions above. Moreover, the integration perspective is important to acknowledge, in which the transition is performed in a coherent and mutually reinforcing way rather than through parallel or siloed approaches. Hence, the intention is to provide a definition which is grounded in global agendas and considers WBA's mission to measure how businesses (simultaneously) impact people and the planet, with the aim of holding companies accountable for contributing to sustainable development. The definition will also consider that sustainability requires embedding in companies' wider business plan, acknowledging that some companies need to pivot their entire business model, whereas others need to adjust their product portfolio. Based on these perspectives, this paper suggests and refers to the definition of an **integrated transition plan** defined in section 1.2.



Appendix B. Corporate responsibility and sustainability approaches – an evolution

Integrated transition planning did not emerge in isolation. It is the latest step in a broader evolution of how companies, regulators, investors and society understand corporate responsibility, long-term value creation and systemic risk. Over the past three decades, global crises, environmental shocks and social disruptions have continually exposed weaknesses in global systems and shown how narrow and fragmented approaches to corporate sustainability leave economies and societies exposed. In parallel, policy frameworks, disclosure standards and investor expectations have progressively expanded what companies should disclose, manage and ultimately deliver. Each phase addressed an important limitation of the previous one, moving from recognising corporate responsibility, to measuring impacts, to setting commitments and targets, and more recently to demonstrating how those ambitions will be achieved. The result has been a gradual shift from voluntary reporting and standalone commitments towards more holistic, forward-looking plans embedded within governance, strategy, portfolios and business models.

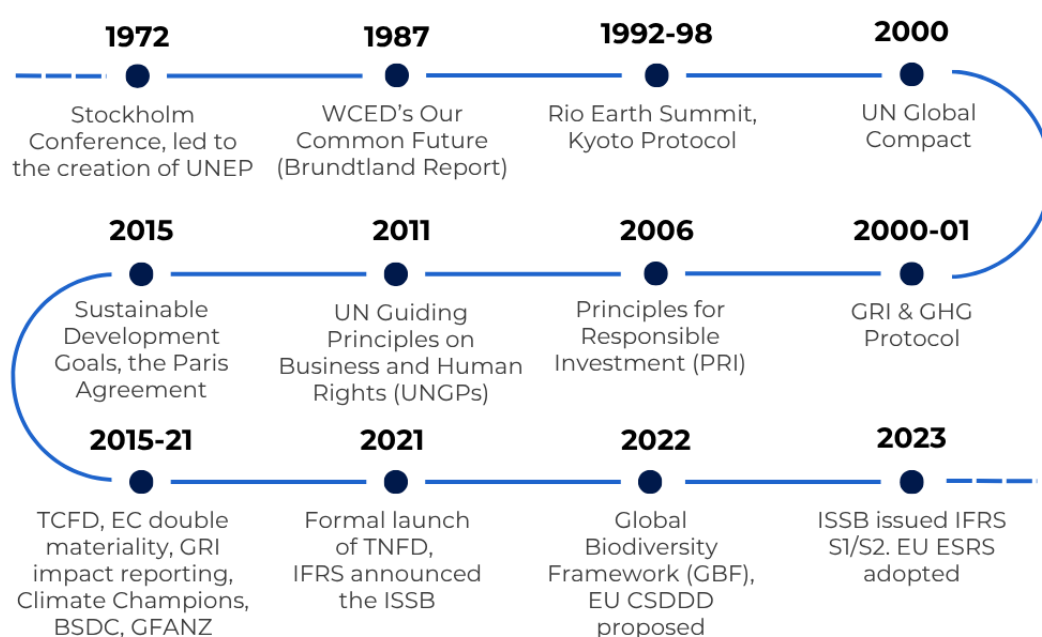


FIGURE B.1: SELECTED DEVELOPMENTS FRAMING CORPORATE SUSTAINABILITY AND RESPONSIBILITY

B.1 From recognising corporate responsibility to operationalising sustainability

The foundations of corporate accountability emerged long before modern sustainability reporting. Early research highlighted the links between the industrial system, social inequality, labour conditions and dependence on natural systems (Marx, 1867; Marsh, 1864; Leopold, 1949).



By the mid-20th century, there was increased recognition that corporations substantially influence social welfare, and that industrial activity generates interconnected environmental and public health impacts (Bowen, 1953; Carson, 1962). These ideas converged in systems thinking, which emphasised the interdependence of environmental, social and economic systems and the limits of unchecked economic growth (Meadows et al., 1972). During the same period, the first UN conference of its kind, the Stockholm Conference (1972), led to the creation of the United Nations Environment Programme (UNEP) and established the link between environmental protection, economic development and human rights at the UN level. This was eventually formalised as 'sustainable development' and recognised as an urgent issue requiring coordinated action by governments, businesses and society (WCED, 1987).

This period established the principles that continue to underpin corporate accountability today: businesses create value within broader social and ecological systems and therefore have a responsibility that extends beyond short-term financial performance. International agreements like the Rio Earth Summit (UN, 1992) and the Kyoto Protocol (UNFCCC, 1998) translated these principles into global ambitions but offered little guidance on how companies should embed them into governance, management or decision-making. The challenge therefore shifted from defining corporate responsibility to operationalising it.

B.2 From principles to transparency and comparability

The 1990s and early 2000s focused on translating broad sustainability principles into measurable corporate practice. Initiatives emerged that moved beyond philanthropy and minimising local harm towards managing environmental and social impacts as part of business operations (Elkington, 1994; UN Global Compact, 2000). At the same time, in response to a need for companies to manage their environmental activities and growing investor demand for comparable information, management systems like ISO 14001 (ISO, 1996) and reporting frameworks like GRI (GRI, 2000) and the GHG Protocol (GHGP, 2001) emerged that enabled companies to align their work with established management practices and measure greenhouse gas emissions, labour practices and other sustainability issues using more consistent methodologies.

During this period, sustainability issues came to be viewed not only as reputational concerns but also as risks and opportunities affecting long-term business performance. The launch of the UN supported investor initiative (PRI, 2006) and development of financial materiality assessments and combining environmental, social and governance (ESG) analysis helped link sustainability information to corporate risks and integrate them into investment decisions. By the late 2000s, sustainability had become more measurable, comparable and relevant for financial decision-making. However, reporting largely remained backward-looking, focusing on individual topics and existing risks for companies rather than explaining how businesses should reduce their impact on people and the planet and respond to long-term interconnected challenges.

B.3 From disclosure to commitments and target setting

During the 2010s, attention shifted from measuring sustainability performance towards defining the changes needed to achieve global agendas. The 2008 financial crisis exposed failures in governance and risk oversight and reinforced the importance of long-term thinking while climate change and biodiversity loss became increasingly visible through intensifying natural disasters and ecosystem degradation. Subsequently, international agreements such as the UN Guiding



Principles on Business and Human Rights (UN OHCHR, 2011), the Sustainable Development Goals (UNGA, 2015) and the Paris Agreement (UNFCCC, 2015) provided shared societal objectives against which companies should align their strategies and broadened sustainability from a matter of disclosure and risk management to one of contributing to wider system transformations. The rise of double materiality (EC, 2019) and impact reporting (GRI, 2021) acknowledged the necessity to go beyond the near-term financial risk perspective in reporting, to consider companies' accountability for natural, human and social capital as well as their importance for long-term value creation. Meanwhile, climate-related disclosure frameworks like the Task Force on Climate-related Financial Disclosures (TCFD, 2017) strengthened the understanding of sustainability-related financial risks.

This was the time when many business-related initiatives such as Glasgow Financial Alliance for Net Zero (GFANZ, n.a.) and the Climate Champions (Climate Champions n.a. a; Climate Champions n.a. b; UNFCCC, 2021) were established, and initiatives like the Business and Sustainable Development Commission (BSDC, 2017) framed climate mitigation, in particular, as a business opportunity. This period also saw the rapid growth of corporate target setting. Science-based emissions targets, net-zero commitments and broader sustainability goals became increasingly common, reflecting growing expectations that companies should contribute to wider system transitions rather than simply disclose their impacts. Target setting created greater accountability and clearer direction, but guidance remained fragmented and also exposed a new challenge: companies often managed climate, nature and social commitments through separate initiatives, with limited consideration of trade-offs, implementation pathways or how targets would reshape governance, business models and capital allocation and translate objectives into coherent business strategies.

B.4 From commitments and targets to planning

Within corporate accountability, the 2020s have centred around closing the gap between ambition and implementation. The COVID-19 pandemic exposed vulnerabilities in global supply chains, labour systems and critical infrastructure while accelerating climate impacts, biodiversity decline and geopolitical instability reinforced the interconnected nature of sustainability risks. Corporate commitments have been scrutinised for evidence of credible implementation plans, leading investors, regulators and civil society to place greater emphasis on delivery rather than ambition alone. At the same time, fields such as a just transition, human rights due diligence and nature-related risks helped to operationalise the complex links between climate, biodiversity and social outcomes.

Transition planning emerged in response to this implementation gap. Initially developed around climate transition and net-zero commitments, it asks organisations to explain how governance, strategy, portfolios, business models, capital allocation and incentives will evolve over time to achieve stated objectives. Increasingly, transition planning is expanding beyond climate to incorporate nature, human rights, resilience and broader system transformation, in recognition of the fact that progress in one area may depend upon, or create consequences for, others. Moreover, a plan is not in itself a guarantee of progress, so the focus on transition planning implicitly also calls for performance measurements to understand outcomes.

This evolution has occurred alongside a more challenging political and regulatory environment. Recent years have seen growing resistance to aspects of corporate sustainability regulation, including delays and revisions to European legislation and shifting policy priorities in several



major economies. These developments reinforce the importance of corporate accountability stakeholders to drive approaches that demonstrate not only ambition but also implementation, helping organisations maintain credibility and focus despite reduced policy support.

While the corporate sustainability focus has changed over time – from responsibility to risk, impact reporting and now transition planning – the underlying trajectory is one of increasing integration, both between topics and within business operations. Initial corporate responsibility approaches highlighted the social role of corporations but remained separate from core business. ESG introduced greater investor focus and measurability of sustainability topics but concentrated on static disclosures and risk management rather than transformation and real-world impacts. Climate transition plans advanced forward-looking planning but focused exclusively on decarbonisation. Today, there is a shift towards frameworks that emphasise pathways, coherence and delivery as well as approaches that are capable of addressing climate, nature, social and digital transitions simultaneously.



Appendix C. Global agendas for sustainable development

TABLE C.1: GLOBAL AGENDAS FOR SUSTAINABLE DEVELOPMENT

Agenda	Comment	Sustainable development relevance	Endorsed by UN Member States	Corporate relevance ^A	Cross-sector
Agenda 2030 SDGs (UNGA, 2015a)	Sustainable development (2015)	Yes	Yes	High	Yes
UN Guiding Principles on Business and Human Rights (UN OHCHR, 2011)	Human rights (2011)	Yes	Yes	Very high	Yes
Paris Agreement/UNFCCC (UNFCCC, 2015)	Climate (2015)	Yes	Yes	High ^B	Yes
Global Biodiversity Framework (GBF)/CBD (UN CBD, 2022)	Biodiversity (2022)	Yes	Yes	Very high	Yes
Sevilla Commitment (UN, 2025)	Financing the SDGs (2025)	Yes	Yes	High	Yes
Doha Political Declaration (UN, 2023)	Social development (2025)	Yes	Yes	High	Yes
Pact for the Future (PFTF) (UN, 2024a)	Future of multilateralism and global governance (2024)	Yes	Yes	High	Yes
Global Digital Compact (WSIS) (UN, 2024b)	Digital cooperation, governance and closing digital divides (PFTF annex, 2024)	Yes	Yes	Very high	Yes
Sendai Framework (UNGA, 2015b)	Disaster risk reduction (2015)	Yes	Yes	Medium	Yes
New Urban Agenda (UNGA, 2016)	Urban development (2016)	Yes	Yes	Medium	Yes
Marrakesh Agreement (UNFCCC, 2016)	Global trade (1994)	No	Yes	Low	Yes
Global Plastics Treaty (UNEP, 2022 pending)	Elimination of plastic pollution	Yes	No	High	Yes



Agenda	Comment	Sustainable development relevance	Endorsed by UN Member States	Corporate relevance ^A	Cross-sector
UN Business & Human Rights Treaty (UN HRC, 2014 pending)	Human rights accountability, WTO (2014)	Yes	No	Very high	Yes
International Health Regulations (WHO, 2005)	International spread of diseases (1969/2005)	Yes	Yes	Low	No
WHO Convention on Tobacco Control (WHO, 2003)	Tobacco control (2003/2005)	No	Yes	Very high	No
WHO Pandemic Agreement (WHO, 2025)	Pandemic prevention, preparedness and response (2025 adopted, pending enforcement)	Yes	Yes	Very high	No
OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD, 2023)	Human rights, environment, labour, taxation (updated 2023)	Yes	No	Very high	Yes
OECD Anti-Bribery Convention (OECD, 1997)	Criminalising bribery of public officials (1997)	No	No	Very high	Yes
OECD/G20 Global Minimum Tax (OECD, 2021)	15% minimum tax on MNEs	No	No	Very high	Yes
ILO Declaration on Fundamental Principles and Rights at Work (ILO, 2022)	Labour standards (1998, updated 2022)	Yes	Yes ^C	Medium	Yes
ILO Tripartite Declaration on MNEs and Social Policy (ILO, 1997)	Enterprise conduct on employment (updated 2022)	Yes	Yes	Very high	Yes
African Union Agenda 2063 (AU, 2015)	Continental development (2015)	Yes	No	High	Yes

A: Low – Private sector is not a substantive focus, with business affected only indirectly through state-level implementation.

Medium – Private sector is named as one of several stakeholders expected to contribute in general or aspirational language, without a specific ask addressed to it.

High – The agenda contains a specific ask or provision addressed to the corporate sector.

Very high – The agenda spells out something specific individual companies must do – report, disclose, be held liable – not just stating their role.

B: Corporate relevance is rated High rather than Medium because the UNFCCC process has established a dedicated non-Party stakeholder engagement architecture for business rather than only a general reference to business having a role.

C: Not directly ratified by Member States, but the principles are an obligation for all ILO Members. These are not exactly the same countries as UN Member States but close.



Appendix D. The Integrated Transition

Assessment methodology details and sector considerations

This appendix details the content and sector considerations of the Integrated Transition Assessment methodology.

TABLE D.1: THE INTEGRATED TRANSITION ASSESSMENT METHODOLOGY DETAILS

	Climate	Nature	Social
Planning Ambition, commitments, targets, governance, roadmaps.	Is there a credible, science-aligned climate transition plan? <i>Targets, emissions pathways, governance, policy alignment</i>	Is there a credible plan to stop nature loss and support recovery? <i>DIRO assessment, material locations, nature targets, governance</i>	Has the company identified human rights risks and planned for [current or potential future] disruptions to peoples' livelihoods? <i>Commitments, HRDD processes, living wage targets, responsible AI</i>
Implementation Processes, monitoring systems, stakeholder engagement, resource allocation, other actions.	Are actions in place to deliver the climate transition plan? <i>Decarbonisation levers, business model adjustment, capital allocation, value chain engagement</i>	Are systems in place to deliver the nature transition plan? <i>Mitigation hierarchy, impact monitoring, nature risk management, capital allocation</i>	Are systems in place to prevent and address adverse impacts on people? <i>Stakeholder engagement, grievance mechanisms, living wage activities, health and safety monitoring</i>
Performance Measurable impacts, trackable over time using current or likely future standards as reference points.	Is the company's emissions trajectory aligned with transition needs over time? <i>Absolute emissions reduction, financed emissions, progress vs. targets</i>	Is the company reducing its adverse nature impacts and contributing to ecosystem recovery over time? <i>Water, pollution, deforestation-free sourcing, biodiversity improvement</i>	Are outcomes for people improving in practice/over time? <i>Gender representation, living wage attainment, grievance remediation</i>



TABLE D.2: THE INTEGRATED TRANSITION ASSESSMENT METHODOLOGY SECTOR CONSIDERATIONS

	DESCRIPTION	APPROACH
Material topics	Companies are assigned a primary sector, with priority material topics defined primarily around the company's impact on environmental and social dimensions. Material topics are translated into sector-specific scoring guidelines, determining which indicators are most relevant and how expectations are calibrated.	GRI sector standards and UNEP FI's sector impact matrix are used to derive relevant impacts which are cross-referenced with WBA's accumulated assessment data and corporate materiality disclosures from previous benchmark cycles to determine priority material topics per sector.
Value chain expectations	For each sector, the methodology maps where impacts are most significant along the value chain. This determines how companies are expected to assess, manage and disclose their impacts, and affects scoring across human rights, emissions, nature and stakeholder engagement indicators.	Value chain profiles and a high-impact industry list are developed drawing on UNEP FI's Sector Impact Matrix, GRI sector standards and allegations linked to relevant indicators. This mapping highlights the priority value chain segments for industries and high-impact industries on certain topics, where companies will be assessed on their specific practices across designated indicators.
Stakeholder engagement	Sector-specific stakeholder groups most relevant for engagement are determined based on specific characteristics, material issues identified by international standards, scientific evidence and WBA's accumulated assessment data.	Priority stakeholders are identified by combining SASB stakeholder groups referenced in industry-specific disclosure topics, UNEP FI's Sector Impact Matrix, sector-specific GRI Standards and TNFD guidance with WBA's corporate disclosure data from previous benchmarks and priority coding by WBA researchers. Each stakeholder group is identified as relevant to a priority value-chain segment within a specific sector, and companies are then assessed on their engagement with those groups.



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