World Benchmarking Alliance



Summary

Integrated Transition Assessment Methodology

November 2026

Introduction

The Integrated Transition Assessment will be used by the World Benchmarking Alliance (WBA) to assess companies starting in 2027. It replaces our separate benchmarks with a single methodology incorporating the climate, nature and social dimensions. It will be used to assess the world's 2,000 most influential companies across all major sectors.

This evolution of WBA's benchmarks responds to a changing context for corporate accountability. The risks linked to climate change, nature loss and social inequality are more visible and consequential than ever. Extreme weather is disrupting supply chains. Ecosystems that underpin entire industries are degrading. Workers and communities are bearing the costs of a transition that was meant to benefit them. These realities are reshaping how companies operate, compete and survive. At the same time, the world has shifted. Political and financial support for the broad sustainability agenda has narrowed. Governments, investors and civil society are focusing their attention on a smaller set of priorities, and many companies, overwhelmed by fragmented reporting requirements and competing demands, are struggling to translate ambition into credible, coordinated action.

The Integrated Transition Assessment provides a framework for companies to understand the evolving expectations placed upon them. The outcomes of the assessment will show their key stakeholders how companies are delivering on these expectations. Compared to previous WBA methodologies, the Integrated Transition Assessment brings the impacts of climate, nature and social into one framework using a transition – rather than a disclosure –lens. This acknowledges their interconnectedness and emphasises the need for companies to approach them in an integrated way. It also responds to the widespread adoption of artificial intelligence (AI) by companies and the way this will shape their impact.

Through the planning, implementation and performance measurement areas, the Integrated Transition Assessment responds to the persistent gap between what companies commit to and what they deliver. The new assessment puts greater emphasis on how companies are integrating sustainability in their business decisions, including governance, risk, R&D, and investments. Vertical integration within a company is necessary to move from commitment and policies towards implementation measures and performance tracking, making it part of overall competitiveness.

The Integrated Transition Assessment framework

Overview

This methodology assesses companies on the climate, nature and social dimensions, as well as across their planning, implementation and performance, creating a 3x3 matrix of indicators (visual 1).

- For **climate**, we assess the credibility of climate transition plans, targets and greenhouse gas emissions reduction. The climate assessment uses a revised version of the Accelerate Climate Transition (ACT) Core Methodology.

- For **nature**, we consider the steps companies are taking to identify and reduce their most important negative impacts on natural resources and biodiversity.

- For the **social** dimension, we examine what companies are doing to respect human rights and improve the lives of workers in their operations and value chains. For the first time across 2,000 companies, we also assess whether these companies have a strategy for the responsible use of AI, including safeguards for the privacy of their workers.

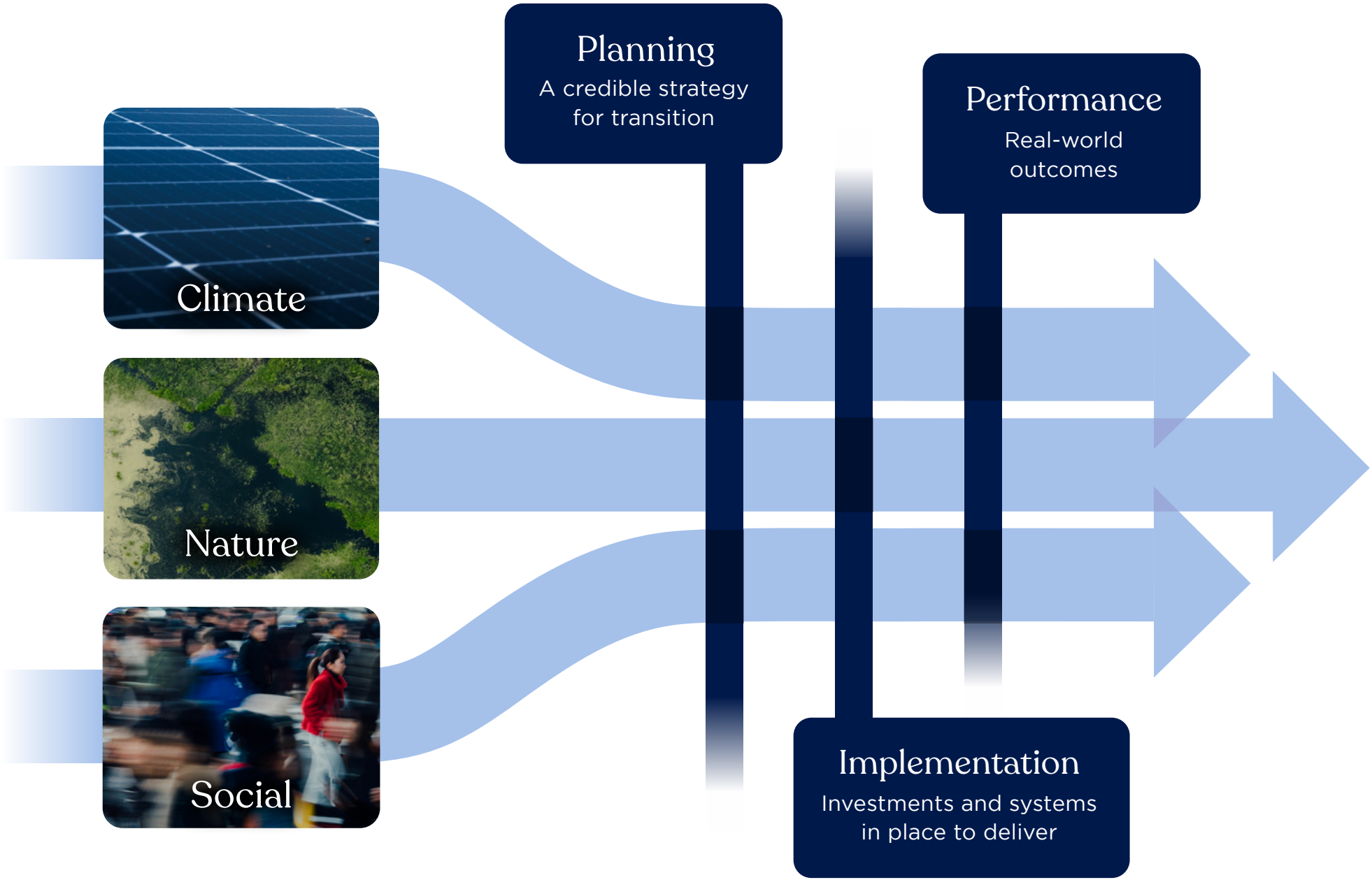
The planning, implementation and performance measurement areas broadly encompass what we expect to see from companies that are moving from ambition and strategy towards action and impact.

- **Planning** indicators help us to assess whether companies have a credible plan to transition on climate, nature and social issues. These indicators cover ambitions and commitments, targets, including operational and financial, plans and road maps, outlining how the company intends to reach its targets and ambitions, and governance, including risk assessments, strategy and accountability.

- **Implementation** indicators examine whether a company has the systems in place and is taking the necessary actions to deliver on its transition plans. Implementation indicators cover monitoring systems and data collection, processes and procedures the company has in place to manage and prevent risks, stakeholder engagement, investments, and other actions to deliver on its transition plan.

- **Performance** indicators assess the measurable outcomes or impacts of companies on people and planet, including greenhouse gas emissions reductions, progress to halt ecosystem and biodiversity loss and to reduce impacts on nature, living wage coverage, grievance and remediation data, collective bargaining coverage, health and safety data, job transition outcomes, and involuntary turnover rate.

Visual 1


Planning
A credible strategy for transition
Performance
Real-world outcomes
Climate
Nature
Social
Implementation
Investments and systems in place to deliver

Indicators: principles and assessment

The 100 indicators of the Integrated Transition Assessment Methodology (Table 1) are the building blocks of this methodology. Drawn largely from our previous benchmarks, the selection of indicators was informed by extensive consultation with multiple stakeholders. Indicators included in the methodology represent well-defined expectations for companies, grounded in globally recognised standards and frameworks; address a core expectation of a company's climate, nature or social transitions; are objective, measurable and assessable using public disclosure; are applicable to both real economy and financial institutions; point companies in a clear direction, and identify areas for improvement; and are decision-useful for investors, policymakers, civil society organisations and other stakeholders.

Each indicator is assessed by looking at a specific set of criteria, or attributes, which can be either binary or multi-choice. The number of attributes used to assess an indicator ranges from one to six and depends on how complex the information needed to assess on an indicator is. The indicator is either: **met** if all the criteria are fulfilled and the company is fully aligned with a particular standard or expectation; **partially met** if only some of the criteria are fulfilled and the company is only partially aligned with a standard or expectation, or the disclosure does not provide sufficient detail; or **unmet** if the evidence is insufficient or no criteria are met. Where no disclosure exists, 'no data' will be recorded.

Industry-specific criteria

This methodology has been designed to assess companies across all sectors against a common core set of responsibilities and expectations. However, its application is industry-sensitive, recognising that expectations of companies on specific issues differ across industries. While some indicators are assessed in an identical way across all industries, for others, the assessment criteria is industry-specific, enhancing the level of scrutiny where relevant. For example, greenhouse gas emission reduction targets are assessed against sector-specific decarbonisation pathways, and nature impacts are assessed depending on the industry's most material drivers. Similarly, for several of the social indicators covering human rights or decent work, we have defined industries that should face heightened scrutiny in specific parts of their value chains, whether upstream or downstream.

Industry-specific criteria are based on externally recognised standards and guidance, including the United Nations Environment Programme – Finance Initiative (UNEP FI) sector impact matrix, the Global Reporting Initiative (GRI) material topic mapping, CDP, the Business and Human Rights Centre (BHRC) allegations, the Sustainability Accounting Standards Board (SASB), and the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool.

Continuity with our previous benchmarks

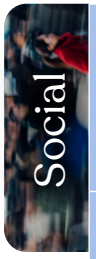
This methodology builds on our previous benchmarks, balancing an updated approach with the need to retain comparability. Most indicators in this methodology directly correspond with elements (i.e. sub-indicators) in previous benchmarks. In a few cases, we have added or modified indicators to account for emerging expectations (e.g. on AI) or to clarify existing ones. In order to be responsive to the changing context, the Integrated Transition Assessment Methodology is also simpler and more compact than our previous methodologies, reducing the overall number of unique indicators from 544 (previously elements, or sub-indicators) to 100.

How the methodology will evolve over time

Our methodology aims to reflect the most up-to-date expectations of companies based on the current scientific evidence and considering the needs and perspectives of different stakeholders. We will review the Integrated Transition Assessment Methodology periodically to make sure that it remains current and accurate, while striving to maintain comparability across time. We expect to conduct the first revision in 2028, after the methodology has been applied to assess all 2,000 companies.



Table 1

		Planning	Implementation	Performance
	Targets	• GHG emissions target disclosure • Direct near-term targets are aligned with 1.5°C • Direct long-term targets are aligned with 1.5°C • Value chain near-term targets are aligned with 1.5°C • Value chain long-term targets are aligned with 1.5°C	• GHG emissions reporting	
	Climate Transition Plan (CTP)	• Core elements of climate transition plan • Climate transition plan coverage • Periodical review of climate transition plan • Identification of decarbonisation levers/actions • Near and long-term levers/actions • GHG emissions savings associated with levers/actions • Future risks of decarbonisation levers/actions • Supply chain transition requirements • Planning of investments to deploy decarbonisation levers/actions	• Engagement with upstream value chain • Quantification of upstream engagement • Engagement with downstream value chain • Quantification of downstream engagement • Investing in the low-carbon transition • Business models are adjusted to low carbon economy	• Trajectory is 1.5°C consistent
	Governance	• Accountability for climate transition • Board-level expertise on climate • Responsible for climate transition plan implementation • Remuneration link to climate performance	• Lobbying aligned with climate policies • Policy on trade association engagement	
	Nature impacts and dependencies	• Assess nature impact drivers • Assess impact on ecosystems and biodiversity • Assess dependence on ecosystem services • Target for impacts on ecosystems and biodiversity • Targets for nature impact drivers • Assess ecologically sensitive locations	• Report on nature impact drivers • Mitigate impact on ecosystems/biodiversity	• Progress on reducing nature impact drivers • Progress on impacts on ecosystems and biodiversity
	Nature risks and opportunities	• Assess nature opportunities • Assess nature risks	• Adaptation and resilience to nature-related risks • Report on circularity efforts	
	Nature transition planning	• Nature transition plan	• Financial resources for Nature transition plans • Collaborate on Nature transition plans	
	Governance	• Assess material impacts on nature • Accountability for nature performance • Board-level expertise on nature • Responsible for nature issues • Remuneration for nature performance		
	Human rights	• Commitment to respect human rights • Assess human rights risks and impacts • Human rights salient risks • Heightened human rights due diligence • Assess human rights and environmental impacts • Commitment to remedy	• Act on human rights risks and impacts • Track effectiveness of response to human rights risks and impacts • Act on human rights and environmental risks and impacts • Stakeholder engagement on people-related risks and impacts assessments • Stakeholder engagement on people-related risks and impacts actions • Stakeholder engagement on business decisions and strategy • Grievance mechanisms for workers • Grievance mechanisms external individuals and communities • Remedy for adverse impacts	• Grievance and remediation data
	Decent work	• Commitment to respect the human rights of workers • Target for paying a living wage	• Living wage benchmark in own operations • Living wage support in the value chain • Health and safety support in own operations • Health and safety support in the value chain • Violence and harassment prevention in own operations • Violence and harassment prevention in the value chain • Social dialogue mechanism • Collective bargaining support in own operations • Collective bargaining support in the value chain	• Collective bargaining coverage • Health and safety data • Living wage coverage • Gender pay gap
	Responsible AI	• Assess workforce-related AI impacts • Target for workforce-related AI impacts • AI principles and governance structures • Assess AI risks and impacts on people	• Data privacy and responsible AI data use • AI risk mitigation and safeguards • Workforce programmes to address AI impacts	
	Just transition	• Assess climate transition impacts on people • Target for climate transition impacts on people	• Measures to address climate transition impacts on jobs and livelihoods	• Involuntary turnover rate • Job creation and workforce redeployment data
	Governance	• Accountability for social performance • Board-level expertise on people-related impacts • Responsible for social issues • Remuneration for social performance • Assess material impacts on people • Gender-balanced leadership at the highest governance body • Gender-balanced leadership among senior executives		

Overview of the indicators

All indicators of our methodology are assigned to either the climate, nature or social dimension, and within those to the planning, implementation or performance measurement areas. Each indicator therefore occupies a unique quadrant within the 3x3 matrix of this framework, as shown in Table 1.

Within each of the dimensions (climate, nature and social) groups of related indicators speak to common themes that span planning, implementation and performance. For example, several social indicators address human rights, from planning (e.g. human rights commitments or risks assessments) to implementation (e.g. prevention, mitigation or remediation efforts) to performance (grievance and remediation data). The overview below presents indicators within each dimension using these thematic groupings: indicators that speak to the same topic are presented together, so the reader can trace how they are logically sequenced through the measurement areas.

Climate

Climate is assessed using the ACT Core Methodology. For this overview, we have grouped the indicators into three themes: targets, transition planning and governance. Governance indicators, which are assessed similarly across climate and social, are grouped at the end of this section

1. Emissions reduction targets

Reporting greenhouse gas emissions and setting reduction targets are the fundamental first step for companies to have a credible corporate road map aligned with global climate goals. It shows where emissions arise in the company's operations and value chain signalling transparency, improving financial stability and encouraging innovation. The intended reductions can then be made tangible and measurable through a clear baseline.

Under planning, we check whether the company sets time-bound greenhouse gas emissions reduction targets across the scopes relevant for its sector, and whether a company's near- and long-term targets continue to be aligned with a 1.5°C ambition as the company's actual greenhouse gas emissions change. Under implementation, we consider whether the company reports relevant scope 1, 2 and 3 emissions. All targets are checked against industry-specific activities and emissions profiles, accounting for differences between real economy companies and financial institutions.

2. Climate transition plan

A climate transition plan shows how a company intends to move from its current business and emissions towards a lower carbon future. It connects targets to actions, timelines and investment decisions, and is also increasingly required by investors and other stakeholders to understand if and how a company's stated ambition is followed through with concrete actions and resources.

To assess the credibility of a company's climate transition plan, we check whether it covers its most material emissions and is periodically reviewed, if it identifies sector-specific decarbonisation levers and actions for the near and long term, and whether these account for future risks and externalities.

We assess implementation by checking for investments to deploy decarbonisation levers and actions, efforts to reduce emissions upstream and downstream in its supply chain, and establishment of emissions reductions requirements for suppliers and clients. Crucially, we assess how much money the company is investing in a low-carbon transition, and whether it is actively adjusting its business model to align with a low-carbon economy – including through phasing out fossil fuels. Finally, we assess performance by evaluating whether the company's greenhouse gas emissions (or invested emissions, in the case of financial institutions) are aligned with a 1.5°C trajectory.

Nature

For this overview, we group nature indicators into five groups: nature impact and dependencies, nature risks and opportunities, nature transition planning, adaptation and resilience, and governance. Governance indicators, which are assessed similarly across climate and social, are grouped at the end of this section.

1. Nature impacts and dependencies

Identifying nature-related impacts and dependencies helps companies to understand where they need to prevent and reduce harm, manage nature-related risks and opportunities, and inform more sustainable business decisions. Our assessment draws on established guidance and frameworks, including the Taskforce on Nature-related Financial Disclosures (TNFD), the Nature Positive Initiative (NPI), the Science-Based Targets Network (SBTN), GRI 3 and the European Sustainability Reporting Standards (ESRS) 1.

Under planning, we look at whether the company assesses its nature impact drivers (such as land use and deforestation) and impacts on biodiversity, whether it has targets to reduce both, and whether it assesses its dependence on ecosystem services. Under implementation, we examine whether the company reports on its most material nature impact drivers and mitigates its impact on ecosystems and biodiversity. To evaluate performance, indicators look at whether the company reports progress on its impacts on biodiversity and progress on reducing nature impact drivers. Target setting, reporting

and disclosure of progress are all assessed based on minimum thresholds according to industry-specific criteria.

2. Nature risks and opportunities

Nature loss creates risks for businesses through the degradation of ecosystem services, whereas the transition to a nature-positive economy can create opportunities for innovation, resilience and more sustainable business models. Assessing these relationships helps companies quantify their exposure to nature loss, inform strategic and investment decisions, and identify opportunities to reduce environmental harm and contribute to nature-positive outcomes.

We draw on established guidance and frameworks, including the TNFD and WBCSD's Global Circularity Protocol for Businesses, to evaluate whether the company assesses its nature-related risks and opportunities, including where it interacts with ecologically sensitive locations. We also look at whether the company implements adaptation measures to ensure long-term ecosystem resilience and assesses its circular performance, value creation and impacts.

3. Nature transition plan

Nature transition plans are increasingly important to help companies respond to the Global Biodiversity Framework's goal of halting and reversing biodiversity loss by 2030. A nature transition plan can help companies manage trade-offs, identify synergies and support a nature-positive economy.

All companies are expected to disclose a nature transition plan, irrespective of their sector. Our approach draws on emerging guidance on nature transition planning, including the TNFD, ESRS 2, GRI 101, ACT Core and the Nature Action 100 Company Benchmark, and considers how companies integrate nature into wider business strategy. Under planning, we look at whether a company has a nature transition plan that is aligned with, or demonstrably supports, the objectives of a recognised international biodiversity or nature framework. Under implementation, two indicators look at whether the company discloses allocating financial resources to support the delivery of this nature transition plan and demonstrates collaboration with external actors on a nature-related objective.

4. Adaptation and resilience

Climate change and biodiversity loss are already disrupting ecosystems, economies and communities, and their physical impacts are expected to intensify. Companies need to understand and prepare for hazards, such as extreme heat, flooding, drought and storms, to strengthen the resilience of their operations, workforces and value chains. Corporate adaptation and resilience planning helps companies anticipate and manage these impacts, protect people and assets, and support the continuity of business activities in a changing environment.

Nature underpins the long-term resilience and adaptation of societies, and companies, to climate change. In this assessment we look for evidence that companies are taking action to support ecosystem

resilience and apply environmental dimensions in their human rights due diligence, and consider possible effects of climate change on worker health and safety, including from heat stress.

Social

For this overview, we group the social indicators into six broad themes: human rights, decent work, responsible AI, just transition, gender, and governance. Governance indicators, which are assessed similarly across climate and social, are grouped at the end of this section.

1. Human rights

Businesses should respect human rights for ethical, legal, commercial and societal reasons. The United Nations Guiding Principles on Business and Human Rights (UNGPs) hold that companies bear a responsibility to respect human rights regardless of what governments do, and that responsibility is increasingly enforced by law. Respecting rights like safe working conditions and freedom from forced labour underpins a company's license to operate and the public trust on which markets depend.

All companies are expected to conduct human rights due diligence, but our assessment criteria are stricter in sectors with higher impacts in their value chain. We begin by checking for public commitments to respect human rights and to remedy adverse impacts. We then examine how the company identifies and assesses its human rights risks and impacts, and whether it discloses its salient human rights issues. Two additional indicators evaluate whether human rights due diligence is heightened when new circumstances require it and whether the company links environmental harm to its effects on people.

To evaluate the implementation of a company's human rights commitments and policies, our assessment covers stakeholder engagement in the identification of human rights risks and impacts and, in relevant sectors, the involvement of Indigenous Peoples through free, prior and informed consent; the prevention, mitigation and remediation of salient human rights, including when these result from environmental harms; tracking the actions taken in response to human rights issues and evaluating their effectiveness; and the adequacy of grievance mechanisms for workers and external communities.

On performance, we expect companies to demonstrate whether their human rights due diligence process is working by publishing data around grievances received and resolved through remediation.

2. Decent work

Companies have a central role in ensuring decent work in their operations and value chains. This includes provisions for safe, secure and healthy employment with fair, equal pay; a meaningful voice in

decision-making; the removal of barriers to equal treatment, and the freedom to pursue valued opportunities. WBA's assessment is grounded in the International Labour Organization's (ILO) Decent Work Agenda, with indicators looking for a chain of evidence that runs from stated intent, through concrete action, to measurable outcomes.

We first consider whether the company has a commitment on labour rights and sets a target to pay workers a living wage. We then look at the processes, activities and disclosures that show commitments are being put into practice, including: how the company determines its living wage gap and acts to close it in its operations and supply chain; whether it has appropriate mechanisms for dialogue with workers and supports freedom of association and collective bargaining.

We track performance by checking if companies disclose quantitative data on the state of their gender pay gap, living wage coverage, collective bargaining coverage, and health and safety incidents.

3. Responsible AI

AI is reshaping economies, workplaces and societies, creating opportunities for innovation and productivity while introducing significant risks to human rights, privacy, equality and livelihoods. As AI becomes increasingly embedded in products, services and business operations, companies have a responsibility to ensure that it is safe, transparent, accountable and inclusive. WBA is for the first time assessing all companies, irrespective of sector, on their responsible development, deployment and use of AI.

We assess whether the company is planning by establishing responsible AI principles and governance, and by conducting an assessment of the risks and potential impacts of AI. Under implementation, we look at the measures the company is taking to ensure data privacy and responsible use of data in AI systems, as well as the safeguards and measures to mitigate risks associated with AI. The assessment establishes baseline requirements for most companies, while applying greater expectations to high-impact AI sectors, including digital technology companies.

We assess preparedness for a broader digital transition occurring in parallel with decarbonisation by checking if companies are evaluating the impacts of AI on their workforce, whether they have a plan to manage these employment-related risks and impacts, and if they are implementing specific programmes to address AI-related employment impacts.

4. Just transition

A just transition is one in which workers, value-chain actors and communities are prepared to face potential downsides of a sustainability transition and are given new opportunities to thrive. Companies that have set commitments to transition to a low-carbon and resilient future must also act to prepare and support the people affected.

Our methodology looks for a traceable linkage between the transition activity, the resulting socio-economic impact and the company's response. All companies are assessed on just transition, but greater

scrutiny is applied to high-emitting and high-adaptation-risk sectors. We first assess whether companies identify the socio-economic impacts of its climate transition on jobs and livelihoods, set targets to address them and implement appropriate measures. We also examine whether the company has an adequate mechanism for social dialogue to discuss solutions collaboratively. We track performance by asking if companies disclose workers' collective bargaining coverage, involuntary turnover rates, and data on job creation and workforce redeployment.

5. Gender

Gender equality is fundamental to human rights, resilient supply chains and an inclusive corporate transition. Across global value chains – particularly in female-concentrated sectors like apparel and agriculture – women often face systemic vulnerabilities, safety risks and unequal pay, while remaining underrepresented in leadership. Companies must embed a gender lens in their systems and governance to prevent harm, strengthen business resilience and turn sustainability promises into real progress.

We examine gender balance in leadership and consider whether the company takes clear steps to prevent violence and harassment in the workplace, addresses gender-specific health and safety risks, and assesses human rights impacts across value chains with meaningful stakeholder input. We ask companies to demonstrate results by disaggregating data by women and men and disclosing their gender pay gap across direct operations.

Governance

Governance refers to the structures a company puts in place to oversee its sustainability strategy and to ensure its effective implementation. Governance is also where decisions on climate, nature and social issues come together, as boards need to weigh these impacts against each other when setting priorities and making decisions. All companies are expected to disclose their governance foundations following the guidance of the ISSB standards, the European Sustainability Reporting Standards and the ICGN Global Governance Principles.

We use similar indicators to assess governance across climate, nature and social issues. We check whether there is accountability by the highest governance body, disclosure of the functions, teams or committees responsible for implementation, and board-level expertise on these topics, as well as whether the company links executive remuneration to performance on these issues. We also assess company lobbying and engagement with industry associations on climate policy and look at whether the company assesses material impacts on nature and people in its operations and value chain.

Company scores

The Integrated Transition Assessment produces separate climate, nature and social company scores, an overall company score, and an integration checklist.

Companies are given a separate score for each of the climate, nature and social dimensions. The score is based on the number of met or partially met indicators. For social and nature, met indicators are given a value of 1, partially met indicators are given 0.5 and unmet indicators are given 0. For climate, met and unmet indicators are similarly given a value of 1 or 0, respectively. Because some ACT Core indicators use a maturity matrix (i.e. up to five possible conditions), these are given a proportional value of 0.2, 0.4, 0.6, 0.8, equivalent to partially met. The ACT Core numerical score weighs indicators as outlined in the ACT Core Methodology.

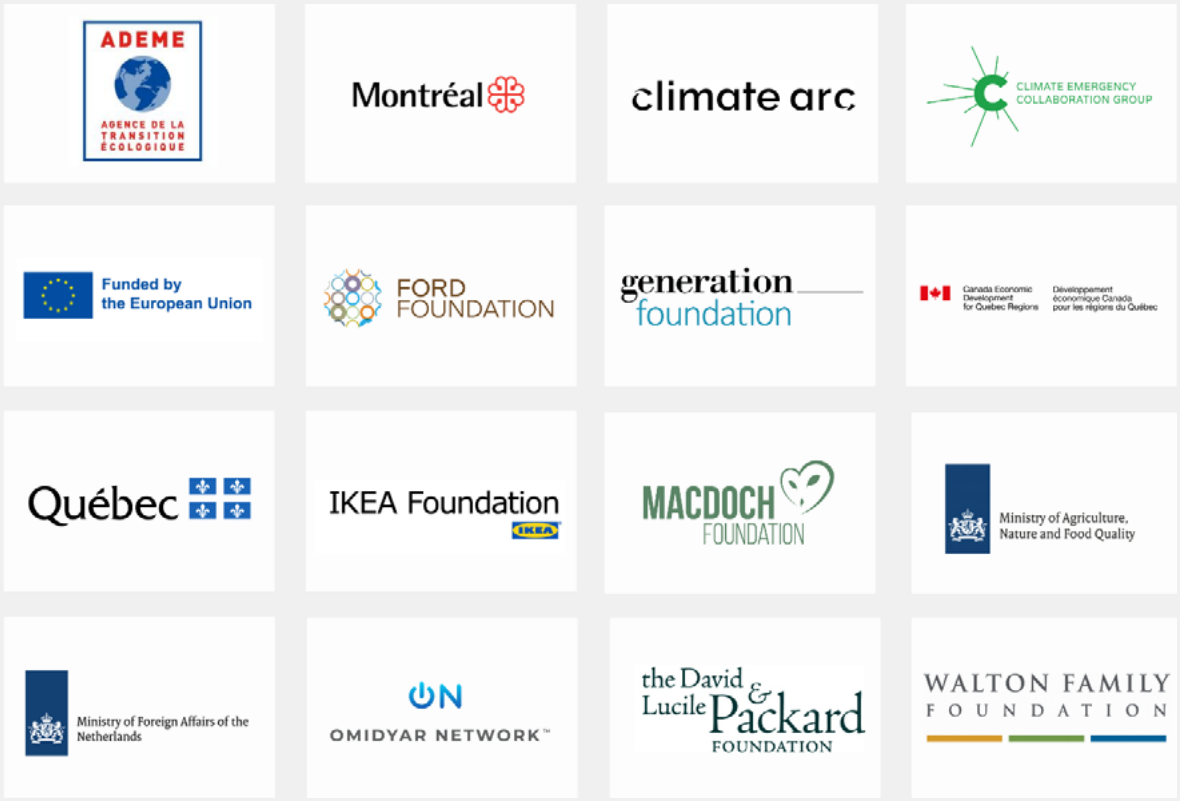
We also calculate an overall company score by computing a numerical score based on all the met and partially met indicators across climate, nature and social.

The Integrated Transition Assessment provides a six-point integration checklist to show how companies are transitioning in an integrated way – in other words, going beyond addressing climate, nature and social as parallel but separate issues. The checklist includes whether the company is doing joint (i.e. climate and nature) transition planning; whether it is considering material impacts on both nature and people; whether the board is accountable for climate, nature and social issues; whether the board has expertise on climate, nature and social issues; whether executive remuneration is linked to climate, nature and social performance; and whether the company is assessing the risks and impacts of both the climate and digital transitions.

Read the full methodology

View here

Thank you to our funding partners



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