

Transition Plan Taskforce

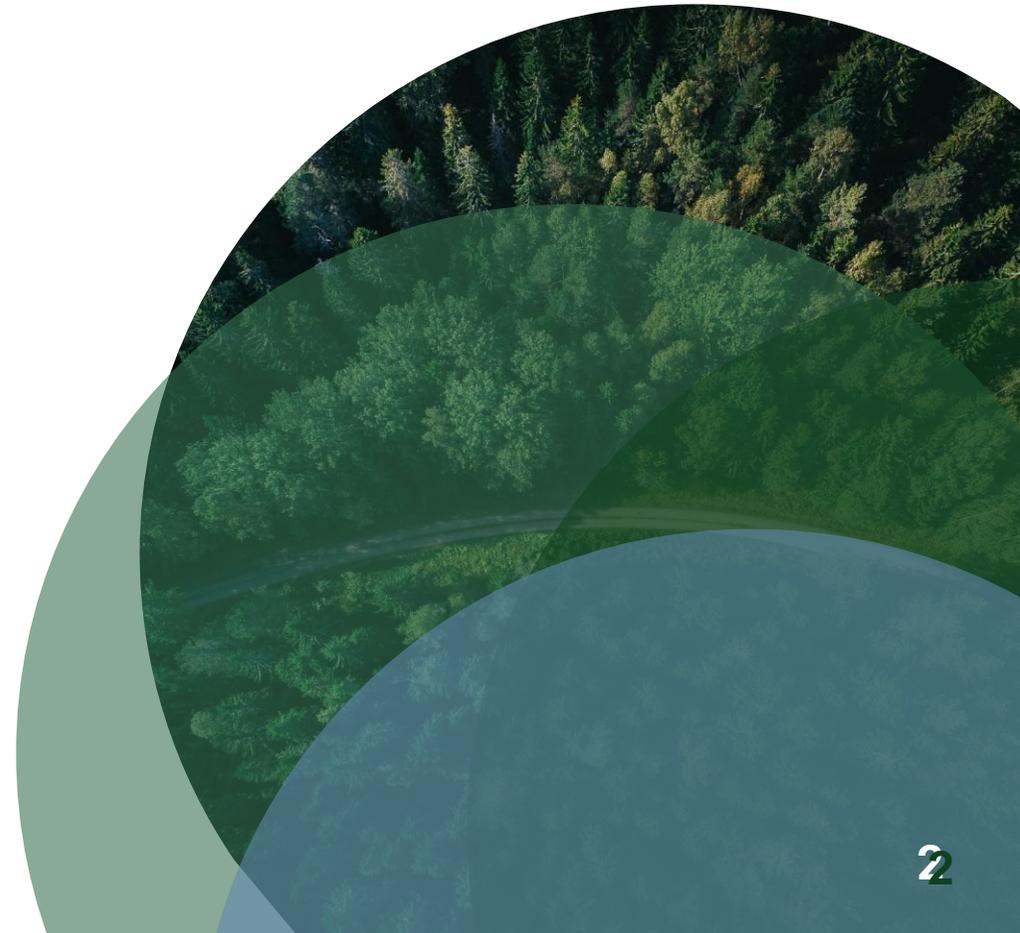
Webinar

Thursday 16th June 2022 15.00-16.00



Agenda

- 1. Introduction to the TPT** [20 min]
- 2. Call for Evidence** [20 min]
- 3. Q&A** [20 min]



The UK Transition Plan Taskforce (TPT) was launched by HM Treasury to develop a gold standard for transition plans.

The TPT's work helps to drive the transition by ensuring that financial institutions and companies prepare rigorous transition plans and support efforts to tackle greenwashing.

The TPT has a two-year mandate, and the FCA is actively involved and will draw on our findings to strengthen disclosure rules. The TPT brings together leaders from industry, academia and regulators, and coordinates with international efforts. The Secretariat is being provided by the UK Centre for Greening Finance and Investment (CGFI) and by E3G.

The Terms of Reference can be found on the [TPT Website](#).

1

Sector-Neutral Framework

A Sector-Neutral Framework for private sector transition plans and accompanying guidance on the role of governance and assurance, third-party verification, and the implications of organisational transition plans for reporting.

2

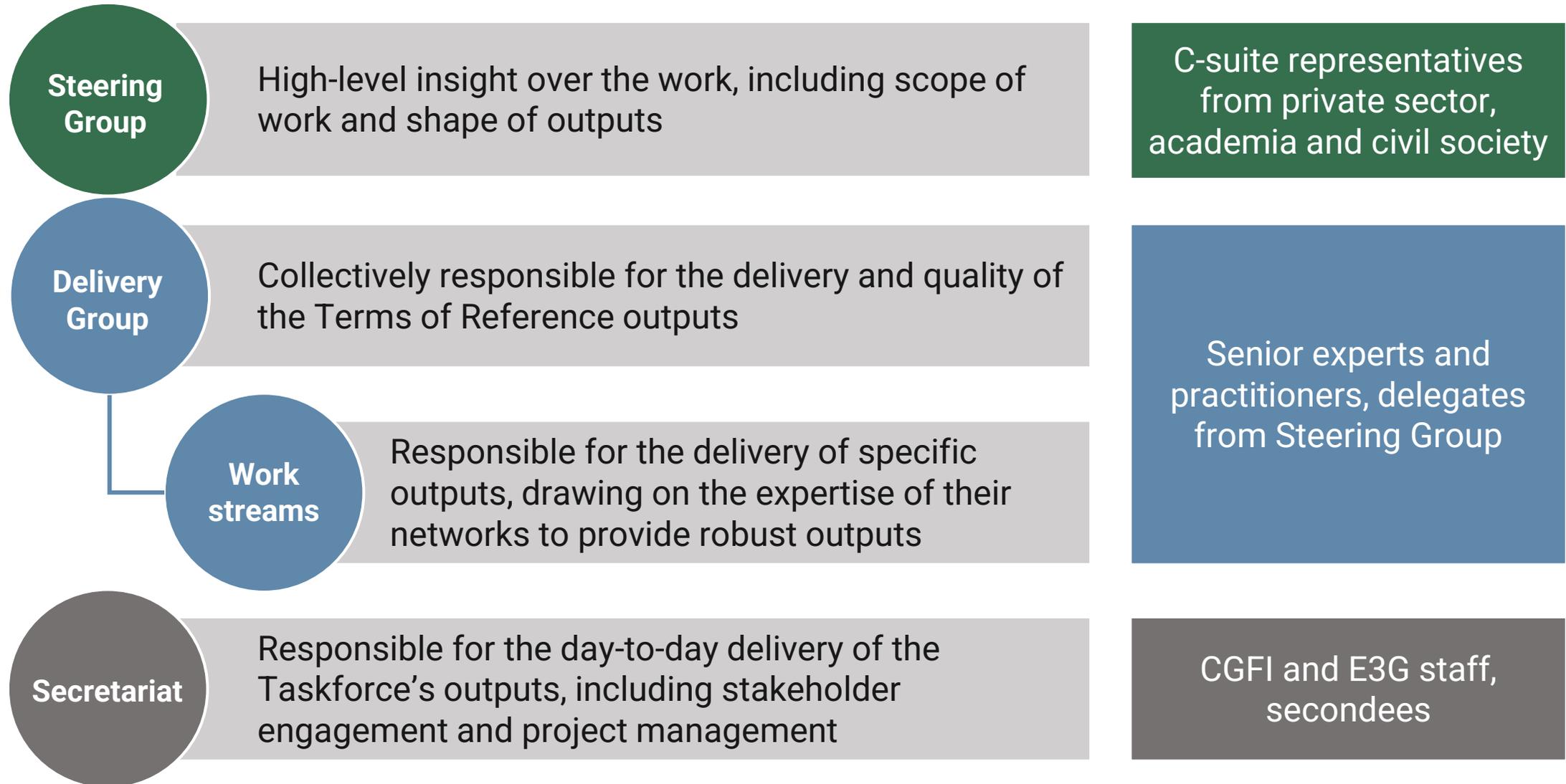
Sectoral Guidance

Sectoral Transition Plan Templates with associated guidance on targets and metrics for financial sub-sectors and key real economy sectors.

3

Supporting Users and Preparers

Recommendations on how to simplify the assessment, comparison and interpretations of transition plans by users, how to enhance the capacity of users to effectively use transition plans, and how to enhance the capacity of preparers to produce accurate, robust, and accountable transition plans.



Steering Group

TPT Transition Plan
Taskforce



Amanda Blanc (Co-Chair)
CEO
Aviva Group



Graeme Pitkethly
CFO
Unilever



Michelle Scrimgeour
CEO
LGIM



John Glen MP (Co-Chair)
Economic Secretary
HMT



Alison Rose
CEO
NatWest Group



Tanya Steele
CEO
WWF UK



Duncan Clark
Head of UK Region
Orsted UK



Sacha Sadan
ESG Director
FCA



Sarah Breeden (Observer)
Executive Director for
Financial Stability
Bank of England



Mark Fawcett
CIO
Nest



Mary Schapiro
Vice Chair
GFANZ



Mardi McBrien (Observer)
Managing Director
ISSB



Michael Izza
CEO
ICAEW



David Schwimmer
CEO
LSEG

Delivery Group and Workstreams

Delivery Group

A group of over 30 senior experts who are leading on and contributing to TPT outputs. They include representatives from companies, financial institutions, regulators, policymakers, civil society, and academia. An updated list can be found on the [TPT Website](#).

Workstreams

1

Sector-Neutral Framework

2

Sectoral Guidance

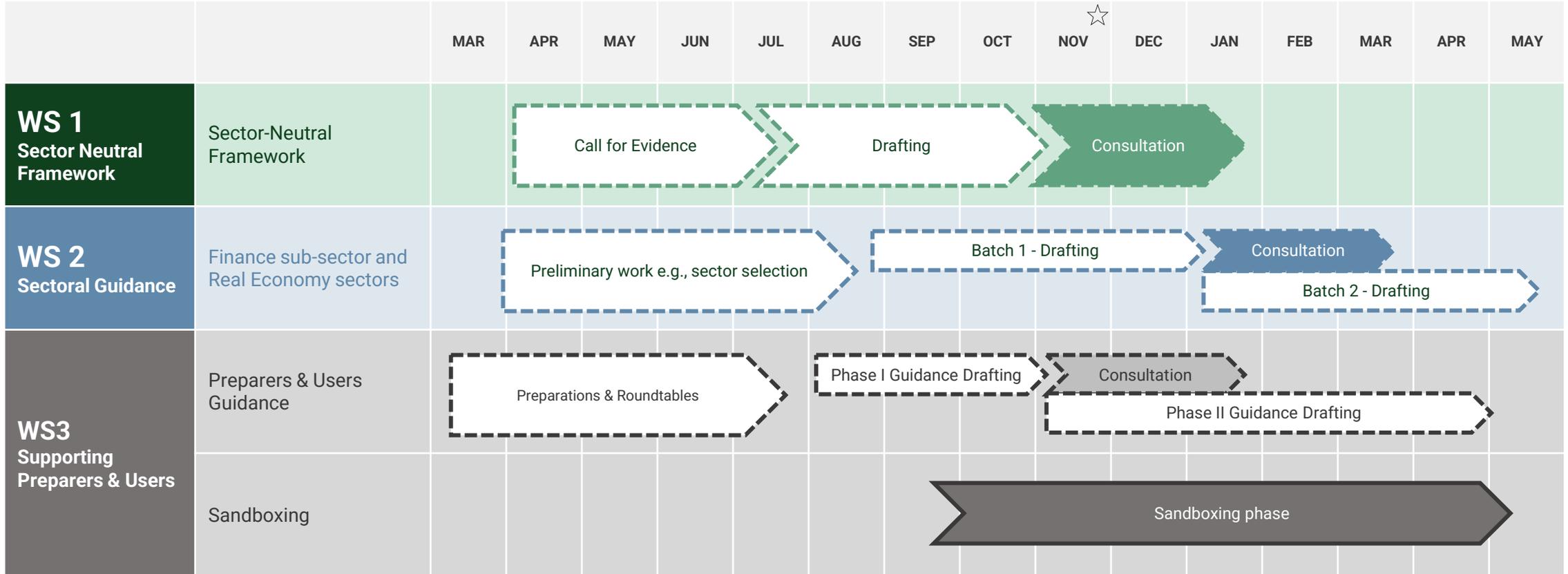
3

Users & Preparers

4

Cross-cutting Themes

Year 1 TPT Timeline

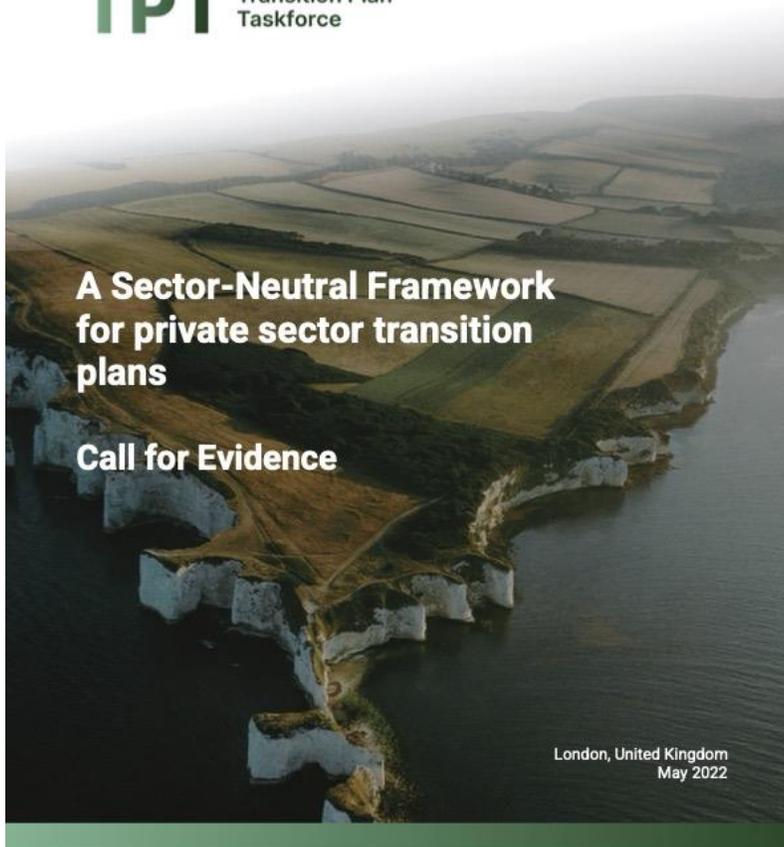


KEY: Drafting Consultation

☆ **COP Announcements:**

- Sector Neutral Framework Consultation
- Preparers & Users v1 Guidance consultation
- Sandbox

TPT Transition Plan Taskforce



On 11th May 2022, the TPT launched a Call for Evidence on a Sector-Neutral Framework for private sector transition plans.

In the document, we introduce the work of the TPT and ask for feedback on a range of questions regarding the scope of our work and the content of a gold standard transition plans.

The TPT will consider all written comments and responses that are received by 13th July 2022.

The Call for Evidence and feedback form can be found on the [TPT Website](https://www.transitiontaskforce.net).

In the Call for Evidence, we ask for feedback on the definition first proposed by the UK government in the [Fact Sheet: Net-Zero aligned Financial Centre](#):

“A transition plan sets out how an organisation will adapt as the world transitions towards a low carbon economy. It should set out:

- a. high-level targets the organisation is using to mitigate climate risk, including greenhouse gas reduction targets (e.g. a net zero commitment),
- b. interim milestones, and
- c. actionable steps the organisation plans to take to hit those targets.”

We propose three principles, which are intended to guide preparers to disclose relevant information and provide a reference point for users seeking to understand the credibility of plans.

1

Align with an economy-wide net zero transition

Targets, expected emissions trajectories and plans should be compatible with meeting a particular global temperature target by a particular time, ideally a 1.5 °C low or no-overshoot scenario by 2050. The plan should cover the whole organisation and any exclusions must not be material to the company and/or to the natural environment.

2

Focus on concrete actions which emphasise the near-term and are backed up by clear governance mechanisms.

The plan should set out actions to be taken in the next three to five years and interim milestones that can be used to assess progress and explain how these actions are in line with the transition to a net zero economy. The plan should be integrated into, and coherent with, the overall business and investment strategy and backed up by clear governance processes.

3

Enable periodic reporting and verification in a transparent manner.

Verification should be enabled in respect of annual reports on progress through adoption of quantifiable and timebound key performance indicators, with a defined stakeholder feedback mechanism

We summarise a stock-take of common building blocks found in existing transition plans and transition plan guidance.

We group this stock-take into 11 **elements**, understood as the core building blocks of transition plans, and 38 **sub-elements**, which add credibility and granularity to each element.

This list is intended to serve as a starting point for a conversation on the key elements that our Sector-Neutral framework will recommend.

The **elements** that we identified in the stocktake are:

a.	Ambition
b.	Target setting
c.	Management activities and plans
d.	Internal policies
e.	Products and services
f.	Engagement: Value chains/portfolio
g.	Engagement: Public sector
h.	Engagement: Industry peers
i.	Measurement and monitoring
j.	Skills, incentives and accountability
k.	Governance, roles and responsibilities

Questions in the Call for Evidence

On the basis of the document, we ask for feedback on 22 questions related to both the overall approach of the TPT and the proposed principles and elements of a Sector-Neutral Framework.

These include questions on:

- How to prioritise the development of sectoral templates
- If & how we should consider issues beyond mitigation
- The structure and location of TP reporting that stakeholders would recommend
- The degree of prescriptiveness that stakeholders expect from a Sector-Neutral Framework
- How our work can address the specific challenges of SMEs
- The completeness and appropriateness of the suggested principles and elements

Q&A

