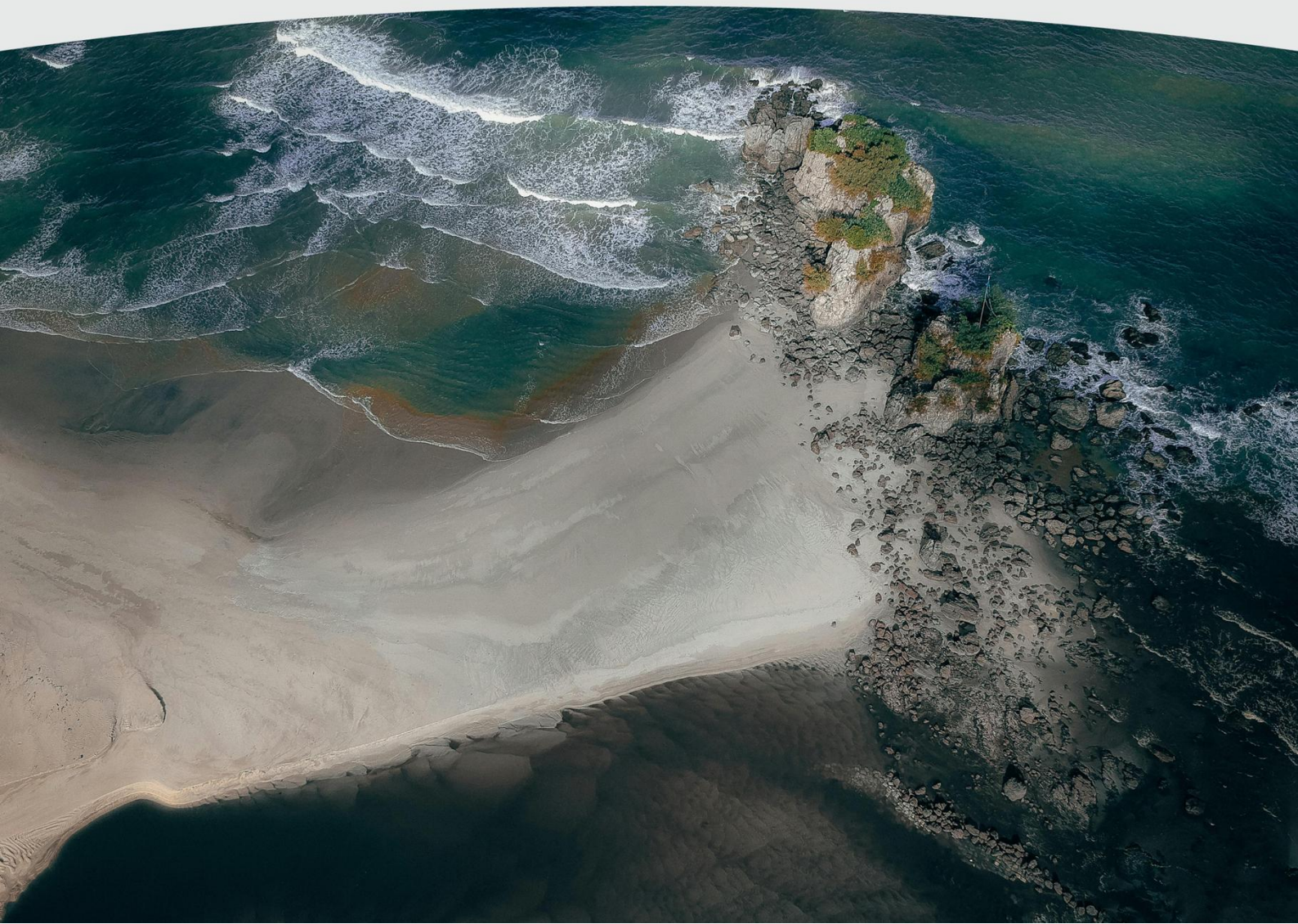


# Reporting on Climate Transition Plans

CDP Corporate Questionnaire



# Version

Version	Revision date	Revision summary
1.0	February, 2022	<ul style="list-style-type: none"><li>• First published version.</li></ul>
2.0	February, 2023	<ul style="list-style-type: none"><li>• Second published version.</li></ul>
3.0	June 28, 2024	<ul style="list-style-type: none"><li>• Question numbers updated to align with the CDP Corporate questionnaire 2024</li></ul>
3.1	May 21, 2025	<ul style="list-style-type: none"><li>• Question numbers corrected, mapping updated, links updated</li></ul>
4.0	April 20, 2026	<ul style="list-style-type: none"><li>• Updated throughout to align with 2026 CDP Corporate Questionnaire.</li><li>• Expanded CDP's 'Strategy' element to incorporate 'Implementation Strategy' resulting in new naming convention of '<b>Business &amp; implementation strategy</b>'.</li><li>• Introduction of transition finance principles mapping to CDP's credible climate transition plan framework.</li><li>• Introduction of adaptation-relevant data points to the mapping of credible climate transition plan elements against the 2026 CDP Corporate questionnaire.</li></ul>

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## About this technical note

This technical note provides guidance on how organizations disclosing through CDP can demonstrate that they have a credible climate transition plan in place. Additionally, it provides data users, such as financial institutions, with guidance on where to identify critical data points in transition plan disclosure for activities such as capital allocation. This understanding will support disclosure requests for 2026 and beyond.

CDP has also published its [Financial Services Transition Plans and Net Zero Commitments](#) technical note for financial institutions that would like to disclose financial sector-specific details on their climate transition plans.

For further information on CDP's work in this area see CDP's [Transition plan webpage](#).

# 1. Introduction

## 1.1 Background

This technical note supports organizations disclosing details of their climate transition plan through CDP's questionnaire. It outlines the relevant questions within CDP's question bank through which organizations can report information on their plans and their progress against them. The guidance has been developed in accordance with leading transition plan frameworks and is updated annually to reflect changes in best practice and emerging understanding.

For 2026, CDP has reviewed the elements of a credible climate transition plan and expanded the 'strategy' element to incorporate additional data points and questions relating to organizations' implementation strategy. This refinement reflects CDP's efforts to bring greater visibility to these data points, as demonstrated in [From Plans to Capital: Unlocking Credible Transition Finance at Scale](#).

Section 1.2 introduces the concept of transition plans and outlines recent developments. Section 2 defines credible climate transition planning at a high level, introducing the guiding principles for effective plan development and the core elements that constitute such a plan. Section 3 provides a question-level mapping of CDP's question bank to the key elements of a credible climate transition plan in order to support robust and comprehensive disclosure.

## 1.2 What is transition and why are climate transition plans important?

### What do we mean by transition and what is a climate transition plan?

Transitioning refers to taking actions that:

- align a business model with a world in which two key outcomes are pursued:
  - global average temperature increase is limited to no more than 1.5°C above pre-industrial levels.
  - the integrity, resilience, and ecological function of ecosystems is restored.
- enable a thriving economy that works for people and planet in the long term.

A credible transition plan sets out and provides a coherent structure for how an organization will achieve the above outcomes.

### Why are climate transition plans and disclosure about them important?

Organizations typically set emissions reduction targets, commit to monitoring their progress on climate action, and reduce their exposure to climate-related risks. A climate transition plan is a comprehensive instrument that enables organizations to align their strategies with the latest and most ambitious climate science recommendations, while also strengthening their capacity to manage both transition and physical climate risk. By doing so, organizations can enhance their resilience to climate impacts, safeguard long-term business continuity, and capitalize on emerging opportunities. This is achieved through robust environmental risk assessments, clear, measurable targets, actionable strategies, and strong accountability and governance mechanisms that ensure credible progress and reinforce stakeholder confidence.

While long-term strategic planning is not new, the scale and urgency of the transition, reinforced by evolving regulation, investor expectation, and scientific advancements, have made transition planning a business imperative. Increasingly, organizations are expected to not only develop credible transition plans, but to ensure these plans are resilient to climate change impacts and demonstrate their implementation through annual disclosure.

During 2025, there were several developments that increased the urgency for organizations to develop and disclose credible climate transition plans.

Key recent developments in the multilateral policy space that demonstrate transition plans have gained momentum:

- In October 2025, the **G20 Sustainable Finance Working Group** (SFWG) published its [Sustainable Finance Report](#). This report included recommendations on integrating adaptation and resilience considerations into transition planning for financial institutions and corporates. These recommendations have been welcomed in the Finance Ministers & Central Bank Communiqués from the G7 and the G20.
- The **UNFCCC Climate High-Level Champions' COP30 Action Agenda** in 2025 recognized credible transition planning by corporates and financial institutions as a key enabler of aligning climate ambition with both scientific pathways and financial system goals.
- The **Network for Greening the Financial System** (NGFS), the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB) have been exploring the role of transition plans in the global financial architecture. Early 2025, a [report](#) by the FSB has concluded that transition plans hold potential for enhancing financial stability assessments, whilst NGFS [publications](#) outlined how robust transition planning is essential for managing climate-related financial risks.
- The **International Organization for Standardization** (ISO) is developing a Draft International Standard under its Sustainable Finance Technical Committee (ISO/TC 322) on net-zero transition planning for financial institutions ([ISO/DIS 32212](#)). This guidance aims to establish a global benchmark for the processes and content of credible transition planning within the financial sector.

The evolving regulatory landscape also demonstrates the need for climate transition plans to be disclosed:

- Around 40 jurisdictions are drawing more attention to transition plans through their alignment with the ISSB standards. To support these jurisdictions, the **IFRS foundation** published its [disclosure guidance on an entity climate transition plan](#). This guidance builds on the Transition Plan Taskforce's sector-agnostic guidance and enables entities to provide high-quality information about their climate-related transition when disclosing in alignment with IFRS S2.
- The **International Transition Plan Network** (ITPN) has developed a [tool](#) to monitor global transition plan requirements. Their assessment categorizes transition plan requirements in about 40 jurisdictions based on disclosure-only rules, mandatory adoption and upcoming requirements (often aligned with adoption of the ISSB standards), and phased implementation.
- The **United Kingdom** has published [UK Sustainability Reporting Standards](#) (UK SRS), which are closely aligned with the ISSB's standards overall. The UK Government also launched a consultation in 2025 seeking views on implementation routes for transition plan requirements.
- The **Australian Government** launched its [consultation on climate-related transition planning](#) as part of its Sustainable Finance Roadmap. The guidance seeks to support organizations develop and implement best practice transition plans.
- After Omnibus I and the simplification efforts put forward by the European Union (EU), the [Corporate Sustainability Reporting Directive](#) (CSRD) maintains a requirement for companies in scope of the regulation to disclose a climate transition plan, if one exists.

Transition plans have also been identified as a key tool for credible transition finance across global markets. Financial institutions increasingly require comprehensive transition plan data to assess entity-level credibility and manage portfolio risks.

Recent publications and guidance from leading market bodies and experts have codified the foundational role of transition plan assessments in enabling capital to flow toward genuine decarbonization efforts:

- **LMA/APLMA/LSTA [Transition Loan Principles](#):** The exposure draft details how companies seeking to access transition loans need to evidence a credible entity-level transition strategy, through transition plans or robust indicators aligned with science-based pathways.
- **ICMA Climate Transition Finance [Handbook](#):** ICMA's guidance for issuers seeking to raise funds through labelled bonds recommends that companies disclose their transition plan or climate transition strategy to credibly position the issuance to finance the transition.
- **UK Transition Finance Council Guidelines:** The voluntary [Transition Finance Guidelines](#) establish principles for assessing entity-level transition planning credibility, designed for global application across asset classes and geographies. Climate disclosures are denoted as a Universal Factor, providing an evidence base that can enable assessments.
- **EU Platform on Sustainable Finance:** Their [report](#), *'Building trust in transition: core elements for assessing corporate transition plans'*, identifies transition plans as key tools for raising and granting transition finance, with recommendations on four core assessment elements for financial market participants.
- **ASEAN Transition Finance [Guidance Version 2](#):** Provides a regional framework requiring entities to develop credible transition plans demonstrating climate ambition and delivery robustness to access transition finance in ASEAN capital markets.
- **UNEP FI [Guide to Transition Plans for Banks](#):** Provides a cross-thematic guide for banks that are looking to develop and advance their transition plans, as well as to assess their clients' transition plans.

## 2. Credible climate transition plans

A credible climate transition plan is one that sets out how a business will position itself to thrive in a 1.5°C world.

### 2.1 CDP's definition of a credible climate transition plan

A credible climate transition plan is a **time-bound action plan** that outlines how an organization will achieve its strategy to pivot its **existing assets, operations, and entire business model towards a trajectory aligned with the latest and most ambitious environmental science<sup>1</sup> recommendations**, i.e., halving greenhouse gas (GHG) emissions by 2030 and reaching net-zero by 2050 at the latest, thereby limiting global warming to 1.5°C – while ensuring long-term resilience

Based on CDP data and research into established frameworks, CDP considers a credible climate transition plan to be defined by the five following characteristics:

- It communicates and supports a strategy for the climate transition i.e., actions that need to occur for an organization to pivot towards a 1.5°C world, with five- to ten-year near-term science-based targets (SBTs), i.e., emissions reduction targets in line with 1.5°C pathways. Along with long-term SBTs, which aim to achieve net-zero by 2050 at the latest.
- It contains verifiable and quantifiable key performance indicators (KPIs) that:
  - measure the success of an organization's climate transition; and
  - are tracked regularly.
- It is succinctly integrated into an organization's existing mainstream filings (in annual financial reporting/sustainability reporting/overall business strategy)<sup>2</sup>, and provides an accountability mechanism.
- It is guided by the principles outlined in section 2.2.
- It contains the key elements outlined in section 2.3.

These criteria demonstrate to investors and other key stakeholders that an organization is aligning with ambitious long-term environmental goals, and that its business model will transition, in order to be relevant (i.e., profitable) in a 1.5°C world. To enhance business resilience, avoid potential regulatory shocks, organizations should aim to align, as a minimum, with relevant Paris-aligned policy goals in the jurisdictions where they operate, including both direct operations and their broader value chain operations. Given the number of countries that have committed to net-zero emissions, it is critical that investors and other stakeholders are able to assess an organization's plans to align with such a future (refer to [NetZero tracker](#)).

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<sup>1</sup> As communicated by scientifically reliable and reputable institutions such as the *Intergovernmental Panel on Climate Change* (IPCC) and the *Science Based Targets initiative* (SBTi).

<sup>2</sup> The exact reporting system utilized may vary by organization. For better accountability, (1) ease of integration and (2) reporting frequency should be the key factors used to assess where to integrate the transition plan.

## 2.2 Principles for a credible climate transition plan

CDP has developed six fundamental principles that should guide the preparation of a credible climate transition plan:

1. **Accountability:** The plan has clearly defined roles and responsibilities. This includes effective governance mechanisms, where the board and C-suite executives are accountable for implementation of the plan.
2. **Internally coherent:** The plan is fully integrated within the organization's business strategy and financial planning, ensuring alignment with its broader objectives and decision-making processes.
3. **Forward looking:** The plan should reflect considerations of the short- and long-term timeframes, trending towards 2050, while ensuring alignment with international environmental agreements. It reflects the urgency to act, emphasizing the near-term actions (within the next five years) as critical to achieving long-term environmental ambition.
4. **Time bound and quantitative:** The plan includes quantifiable targets and key performance indicators with defined timeframes, incorporating relevant metrics.
5. **Flexible and responsive:** The plan is regularly reviewed and updated<sup>3</sup>, with a defined feedback mechanism in place (e.g., shareholders, at AGMs).
6. **Complete:** The plan covers the whole organization and its value chain, i.e., any exclusions from the plan must not be material to the organization and/or its impact on the natural environment (ensuring the double materiality principle applies to the disclosure of exclusions).

## 2.3 Elements of a credible climate transition plan

The key elements of a climate transition plan are described below, which are the outcome of an extensive technical review.

The table below indicates how each element relates to the [Transition Plan Taskforce's Disclosure Recommendations](#):

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<sup>3</sup> In alignment with the 2021 update to the TCFD's recommendations, with its integration of transition plans, transition plans should at a minimum be reviewed every five years for continuous relevancy and efficacy and updated if required. The TCFD also notes that progress against the plans should be reported annually, alongside any material, substantive changes to the plan be reported annually (if required).

Table 1. CDP's Credible Climate Transition Plan Elements

Transition Plan Element	Description	TPT Element
<b>GOVERNANCE</b>	This demonstrates that an organization has board-level oversight of the climate transition plan and that there are defined governance mechanisms in place, to ensure proper implementation of the plan.	<b>Governance</b>
<b>BUSINESS AND IMPLEMENTATION STRATEGY*</b>	A climate transition plan should inform, and be fully integrated into, an organization's overarching strategy. It should also set out how the organization will implement its transition by activating key decarbonization levers, in alignment with its interim and long-term targets. As the transition plan forms part of the organization's broader strategic direction, this element includes indicators that demonstrate how the strategic intent, implementation actions, and organizational planning collectively support a credible pathway to a 1.5°C-aligned trajectory	<b>Implementation Strategy</b>
<b>SCENARIO ANALYSIS**</b>	A climate transition plan should be underpinned by robust scenario analysis* used to identify potential substantive climate-related risks and opportunities.	<b>Foundations</b>
<b>FINANCIAL PLANNING</b>	As part of its strategy to achieve net zero, an organization should outline time-bound financial planning details of its transition. For example, Capital Expenditure (CAPEX), Operating Expenditure (OPEX), Revenue, etc.	<b>Implementation Strategy</b>
<b>VALUE CHAIN ENGAGEMENT</b>	A climate transition plan should include details of how the organization intends to engage its supply and value chain to drive down its Scope 3 emissions.	<b>Engagement Strategy</b>
<b>POLICY ENGAGEMENT</b>	A climate transition plan should demonstrate that an organization's public policy engagement*** aligns with its climate commitments and strategy.	<b>Engagement Strategy</b>
<b>RISKS &amp; OPPORTUNITIES</b>	A climate transition plan should outline an organization's process for addressing identified climate-related risks and maximizing substantive climate-related opportunities.	<b>Foundations</b>
<b>TARGETS</b>	A climate transition plan should contain time-bound, verified science-based targets which are in line with the latest climate science. Organizations should set near-term SBTs to halve emissions by 2030 and should also set a net zero long-term target – by 2050 at the latest.	<b>Metrics and Targets</b>
<b>SCOPE 1, 2 &amp; 3 ACCOUNTING WITH VERIFICATION****</b>	A climate transition plan should be accompanied by an annual Scope 1, 2 & 3 emissions inventory that is complete, accurate, transparent, consistent, relevant, and verified by a third-party.	<b>Metrics and Targets</b>

\* Prior to 2026, *Strategy* was not considered a standalone element of a credible climate transition plan. It was included in CDP's transition plan guidance because it appeared as a module in CDP's questionnaire and contained several key indicators related to climate transition planning. With the introduction of *Implementation Strategy*, CDP now considers *Business and Implementation Strategy* to be a core element of a credible climate transition plan, with key disclosure indicators located across multiple sections of the CDP Corporate Questionnaire.

\*\*While scenario analysis itself is not the transition plan, it plays a critical role in shaping it. By assessing multiple climate-related scenarios, including those aligned with 1.5°C pathways, organizations can evaluate the potential risks and opportunities arising from different climate futures. These insights help define strategic priorities, set credible emissions reduction targets, and ensure resilience in the face of regulatory, market, and physical climate risks.

\*\*\* Public policy engagement includes direct policy and lobby group engagement.

\*\*\*\* The inventory accounting includes emissions and energy sources accounting.

## 2.4 Coverage of CDP’s climate transition plan elements across other frameworks/standards

The table below illustrates the extent to which the CDP Full Corporate Questionnaire covers the elements of a credible climate transition plan, as defined in other standards and frameworks. Due to the introduction of the *Business and Implementation Strategy* element, the mapping presented in Table 2 has undergone a substantial revision for 2026.

Additionally, the introduction of the “adaptation indicators” column reflects the increasing recognition of transition planning as a credible mechanism for organizations to demonstrate resilience to the impacts of climate change. The column highlights which CDP indicators contain adaptation-relevant details. This reflects current indicators, with acknowledgement that additional indicators are necessary to ensure transition plans capture all critical adaptation-relevant information.

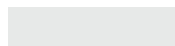
### Key



**Full coverage:** There is at least full coverage between CDP’s Full Corporate Questionnaire and the disclosure requirement set by this framework/standard i.e., CDP’s questionnaire meets (and in some cases, exceeds) the disclosure requirement set by this framework or standard.



**Partial coverage:** The disclosure requirements of the standard or framework exceed the disclosures from CDP’s Full Corporate Questionnaire.



**Not applicable:** The mapped standard/framework does not require the disclosure of this information – whereas CDP’s Full Corporate Questionnaire does.



**A&R Flag:** The disclosure of transition plan elements that include details relevant to adaptation and resilience

Table 2. Mapping climate transition plan elements to existing frameworks.

CDP Climate Transition Plan Elements		Data collection and /or transition plan frameworks					Assessment frameworks			Adaptation indicators
		IFRS (ISSB Transition Plan Implementation Guidance)	ESRS)	TPT	GFANZ	GRI	ACT (Core)	CA100+	TPI	
GOVERNANCE	Board level oversight									
	Board expertise on climate-related issues									
	Executive management accountability & feedback mechanisms									
	Executive incentives linked to climate performance indicators									
	Policies and commitments									
BUSINESS AND IMPLEMENTATION STRATEGY	Existence of a "1.5°C world" aligned transition plan within business strategy & shareholder feedback									
	Details of assumptions and dependencies									
	Link between identified (and potential) climate-related risks, opportunities & company strategy									
	Low carbon initiatives									

CDP Climate Transition Plan Elements		Data collection and /or transition plan frameworks					Assessment frameworks			Adaptation indicators
		IFRS (ISSB Transition Plan Implementation Guidance)	ESRS)	TPT	GFANZ	GRI	ACT (Core)	CA100+	TPI	
	Low-carbon products or services									
	Low-carbon research & development <sup>4</sup>									
<b>SCENARIO ANALYSIS</b>	Details of scenario analysis									
<b>FINANCIAL PLANNING</b>	Link between identified (and potential) climate-related risks, opportunities & financial planning									
	Financial planning details associated with a 1.5°C world									
<b>VALUE CHAIN ENGAGEMENT</b>	Value chain engagement									
<b>POLICY ENGAGEMENT</b>	Alignment of public policy engagement with climate ambition & strategy									
<b>RISKS &amp; OPPORTUNITES</b>	Process for identifying climate-related risks & opportunities									
	Climate-related risks - risks, potential financial impact and response strategy									

<sup>4</sup> Low-carbon research and development questions 5.5 – 5.5.8 are only displayed to organization within the sectors of capital goods, cement, chemicals, coal, construction, electric utilities, metals & mining, oil & gas, real estate, steel, transport OEMs, and transport services.

CDP Climate Transition Plan Elements		Data collection and /or transition plan frameworks					Assessment frameworks			Adaptation indicators
		IFRS (ISSB Transition Plan Implementation Guidance)	ESRS)	TPT	GFANZ	GRI	ACT (Core)	CA100+	TPI	
	Climate-related opportunities - opportunities, potential financial impact and response strategy									
TARGETS	Emissions reduction targets - absolute & intensity									
	Other climate-related targets									
	Net-zero targets									
SCOPE 1,2,3 ACCOUNTING WITH VERIFICATION	Comprehensive and third-party verified emissions accounting									

## 2.5 Coverage of CDP Climate Transition Plan Elements across key transition finance frameworks

The section below illustrates the extent to which the CDP Full Corporate Questionnaire covers the disclosure requirements and indicators listed across a range of transition finance frameworks.

Table 3 maps the CDP climate transition plan elements to the following transition finance frameworks and select finance-oriented transition plan assessment resources:

- ASEAN Capital Markets Forum (ASEAN CMF), [ASEAN Transition Finance Guidance Version 2](#)
- EU Platform on Sustainable Finance (EU PSF), [Building trust in transition: core elements for assessing corporate transition plans](#)
- Glasgow Financial Alliance for Net Zero (GFANZ), [Expectations for Real-economy Transition Plans](#)
- IIGCC, [Net-zero Investment Framework 2.0](#)<sup>5</sup> (NZIF)
- UK Transition Finance Council, [Transition Finance Guidelines](#)
- International Capital Markets Association (ICMA), [Climate Transition Finance Handbook](#)
- Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) & LSTA, [Guide to Transition Loans](#)

Additionally, to assist companies seeking to align their entity-level disclosures with the requirements for labelled debt instruments, Appendix 2 provides a detailed mapping of the following documents to CDP's Corporate Questionnaire:

- [Guide to Transition Loans](#) from the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and LSTA. The Guide outlines how borrowers can demonstrate that they have a credible transition strategy when applying for transition loans or transition-focused sustainability-linked loans.
- [Climate Transition Finance Handbook](#) from the International Capital Markets Association (ICMA), which provides entity-level guidance and expectations for issuers seeking to raise funds for their climate transition strategies, including recommended disclosures to credibly position the issuance of either use of proceeds or sustainability-linked instruments to finance the transition.

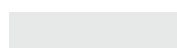
### Key



**Full coverage:** There is at least full coverage between disclosure from CDP's Full Corporate Questionnaire and the disclosure requirement set by this framework/standard i.e., CDP's questionnaire meets (and in some cases, exceeds) the disclosure requirement set by this framework or standard.



**Partial coverage:** The disclosure requirements of the standard or framework exceed the disclosures from the CDP's Full Corporate Questionnaire.



**Not applicable:** The mapped standard/framework does not require the disclosure of this information – whereas CDP's Full Corporate Questionnaire does.



**A&R Flag:** Disclosure of transition plan elements that include details relevant to adaptation and resilience.

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<sup>5</sup> This mapping is primarily to NZIF's asset alignment criteria, supplemented by Advanced Action Points for the core areas of Governance and Strategy.

Table 3. Mapping CDP climate transition plan elements to transition finance frameworks.

CDP Climate Transition Plan Elements		Transition Finance frameworks and guidance						Adaptation Indicators	
		<u>ASEAN CMF</u>	<u>EU PSF</u>	<u>GFANZ</u>	<u>NZIF</u>	<u>UK TF Council</u>	<u>ICMA</u>		<u>LMA, APLA, LSTA</u>
<b>GOVERNANCE</b>	Board level oversight								
	Board expertise on climate-related issues								
	Executive management accountability & feedback mechanisms								
	Executive incentives linked to climate performance indicators								
	Policies and commitments								
<b>BUSINESS AND IMPLEMENTATION STRATEGY</b>	Existence of a “1.5°C world” aligned transition plan within business strategy & shareholder feedback								
	Details of assumptions and dependencies								
	Link between identified (and potential) climate-related risks, opportunities & company strategy								
	Low carbon initiatives								
	Low-carbon products or services								

CDP Climate Transition Plan Elements		Transition Finance frameworks and guidance						Adaptation Indicators	
		<u>ASEAN CMF</u>	<u>EU PSF</u>	<u>GFANZ</u>	<u>NZIF</u>	<u>UK TF Council</u>	<u>ICMA</u>		<u>LMA, APLA, LSTA</u>
	Low-carbon research & development <sup>6</sup>								
<b>SCENARIO ANALYSIS</b>	Details of scenario analysis								
<b>FINANCIAL PLANNING</b>	Link between identified (and potential) climate-related risks, opportunities & financial planning								
	Financial planning details associated with a 1.5°C world								
<b>VALUE CHAIN ENGAGEMENT</b>	Value chain engagement								
<b>POLICY ENGAGEMENT</b>	Alignment of public policy engagement with climate ambition & strategy								
<b>RISKS &amp; OPPORTUNITES</b>	Process for identifying climate-related risks & opportunities								
	Climate-related risks - risks, potential financial impact and response strategy								
	Climate-related opportunities - opportunities, potential financial impact and response strategy								
<b>TARGETS</b>	Emissions reduction targets - absolute & intensity								

<sup>6</sup> Low-carbon research and design questions 5.5 – 5.5.8 are only displayed to organization within the sectors of capital goods, cement, chemicals, construction, electric utilities, fossil fuels, metals & mining, steel and real estate.

CDP Climate Transition Plan Elements		Transition Finance frameworks and guidance						Adaptation Indicators
		<u>ASEAN CMF</u>	<u>EU PSF</u>	<u>GFANZ</u>	<u>NZIF</u>	<u>UK TF Council</u>	<u>ICMA</u>	
	Other climate-related targets							
	Net-zero targets							
<b>SCOPE 1,2,3 ACCOUNTING WITH VERIFICATION</b>	Comprehensive and third-party verified emissions accounting							

# 3. Reporting on your climate transition plan

CDP's Full Corporate Questionnaire collects data on all climate transition plan elements. Questions which align directly to the climate transition plan elements (as currently defined above) are set out below.

## 3.1 Map of credible climate transition plan elements against the 2026 CDP Full Corporate Questionnaire

To demonstrate a credible climate transition plan and existing efforts to transition to a 1.5°C world, an organization should report on the direct and supporting questions within the CDP Full Corporate questionnaire, such as those outlined below:

- **DIRECT INDICATORS (\*)**: These questions allow organizations to indicate that their climate transition plan includes forward-looking and quantitative information, such as associated financial planning details and climate-related targets. This also refers to questions that explicitly mention “climate transition plans” in the questionnaire.
- **SUPPORTING INDICATORS**: Beyond the direct indicators, other CDP questions allow organizations to report actions and data that evidence the robustness and credibility of their climate transition plan. These supporting indicators are not necessarily forward looking but allow organizations to report information that complements their climate transition plan, e.g., activities and data such as emissions accounting and verification, or how climate has impacted their strategy or engagement in the reporting year.
- **ADAPTATION INDICATORS (a)**: These questions allow organizations to demonstrate that their climate transition plan integrates adaptation and resilience measures, by disclosing specific adaptation-relevant details as part of their response. Examples of these details include coverage of physical risk in their risk assessment process, supplier engagement focused on enhancing adaptive capacity, and engagement with local policy on engagement.

The table below maps the 2026 Full CDP Corporate questionnaire question numbers (direct and supporting indicators) to the key elements of a credible climate transition plan (in section 2.3). For further information on the following questions please see CDP's [Guidance for Companies](#).

Table 4. Mapping of CDP questions and their relevance to credible climate transition plan elements

Climate transition plan element	Aligned 2026 CDP question number	Relevance
GOVERNANCE	4.1.1, 4.1.2 <sup>a</sup> (Board level oversight)	To ensure accountability for developing an ambitious plan as well as implementation of the plan's ambitions, board level oversight of the climate transition plan is crucial in steering business strategy towards a resilient 1.5°C aligned trajectory.
	4.2, 4.4 (Board and management-level expertise on climate-related issues)	Addressing climate change requires specialized expertise in understanding, its impacts and the potential direct and indirect effects on the business. Ensuring this capability exists within governance structures demonstrates an organization's competence in delivering on its climate transition plan and increases its likelihood of success.
	4.3, 4.3.1 <sup>a</sup> (Executive management accountability & feedback mechanism)	Executive management have responsibility for <b>(1)</b> developing and implementing a climate transition plan, and <b>(2)</b> frequently reporting to the board on progress towards realizing the plan's ambitions.
	4.5, 4.5.1 <sup>a</sup> (Executive management incentives linked to climate performance indicators)	Executive management incentives should be aligned with climate-related performance indicators to reinforce accountability and drive effective implementation of the transition plan.
	4.6, 4.6.1* <sup>a</sup> (Policies and commitments)	In addition to any science-based targets, organizations should include details of relevant policies and commitments that demonstrate alignment of their business strategy with its 1.5°C and resilient trajectory.
BUSINESS AND IMPLEMENTATION STRATEGY	5.2* <sup>a</sup> (Existence of "1.5°C world" aligned transition plan within business strategy & shareholder feedback)	An organization's climate transition plan should: <ul style="list-style-type: none"> <li>• <b>be aligned with a 1.5°C world:</b> to signal climate ambition.</li> <li>• <b>be publicly available:</b> to demonstrate transparency.</li> <li>• <b>integrated into the business strategy:</b> to fulfil the principle of internal coherence.</li> <li>• <b>have a defined shareholder feedback mechanism:</b> to incentivize regular feedback collection.</li> <li>• <b>outline key assumptions and transition-relevant dependencies</b> upon which the plan relies.</li> <li>• <b>embed adaptation objectives and measures</b> to ensure the accounts for the impacts of climate change.</li> </ul>
	5.3.1 <sup>a</sup> (Link between identified (and potential) climate-related risks, opportunities & company strategy)	Organizations should describe how climate-related risks and opportunities have shaped their overall strategy and transition plan, with specific reference to products and services, value chain, research and development (R&D) investment, and operational decisions.
	5.5, (5.1.1, 5.5.2, 5.5.3, 5.5.4, 5.5.5, 5.5.6, 5.5.7, 5.5.8) <sup>7</sup> (Low-carbon R&D)	Investment in R&D in new low-carbon technology is a key lever for the transition. Organizations should demonstrate commitment to investing over time in specific low-carbon technologies critical to achieving an orderly transition.

<sup>7</sup> 5.5.1 to 5.5.9 are sector specific questions within CDP's question bank. Please refer to reporting guidance for detailed breakdown of sector specific questions.

Climate transition plan element	Aligned 2026 CDP question number	Relevance
	7.55.2 (Low-carbon initiatives – direct operations)	One of the key elements of a climate transition plan is that it contains time-bound actions to decarbonize business processes and implement emissions reduction initiatives.
	7.74, 7.74.1 (Low-carbon products or services)	Organizations can develop their low-carbon products or services portfolio over time to signal how they intend to transition their existing revenues, operations, and entire business model towards a 1.5°C trajectory.
<b>SCENARIO ANALYSIS</b>	5.1, 5.1.1 <sup>a</sup> , 5.1.2 <sup>a</sup> (Details of scenario analysis)	Scenario analysis is used as a strategic tool to inform the development of the climate transition plan, based on several potential future climatic and policy pathways. It enables robust evaluation of climate-related risks and opportunities, accounting for interdependencies between transition and physical risk across multiple environmental dimensions.
	5.3.2* (Link between identified (and potential) climate-related risks, opportunities & financial planning)	Organizations should describe how climate-related risks and opportunities have influenced financial planning, across all relevant financial planning elements, such as revenues, direct costs, capital expenditures or capital allocation.
<b>FINANCIAL PLANNING</b>	, 5.4*, 5.4.1* <sup>a</sup> , 5.4.2 (Financial planning details associated with a credible climate transition)	Financial planning is crucial when demonstrating that an organization is aligning with climate goals (as elaborated in its climate transition plan), and that it will be relevant (i.e., profitable) in a 1.5°C world. Organizations should disclose the alignment of financial planning with their climate transition plan in the reporting year and at milestone years '2030' and '2035', including details of whether the alignment is being reported under a climate change adaptation or mitigation objective. Financial details may describe revenue, CAPEX, and/or OPEX projections which are crucial for realizing the plan's ambition.
<b>VALUE CHAIN ENGAGEMENT</b>	5.11, 5.11.1, 5.11.2 <sup>a</sup> , 5.11.5, 5.11.6 <sup>a</sup> , 5.11.7 <sup>a</sup> , 5.11.9 <sup>a</sup> (Value chain engagement)	Organizations are facing risks in the value chain that have material environmental and financial implications; hence, value chain engagement plays a significant role in realizing a climate transition plan. For example, organizations with significant emissions in their supply chain can leverage their buyer power and engage their suppliers on developing their own transition plan which aligns with 1.5°C world. In addition to transition-related risks, physical risks in the supply chain can cause business disruptions and undermine transition efforts. Companies may therefore disclose how they support suppliers in managing these risks - such as through capacity-building initiatives or financial incentives aimed at strengthening adaptive capacity.
<b>POLICY ENGAGEMENT</b>	4.11, 4.11.1 <sup>a</sup> , 4.11.2 (Alignment of public policy engagement with climate ambition & strategy)	Ensuring that an organization's climate transition plan is supported by fully aligned external policy engagement across policy, law, regulation, and trade associations - demonstrates an ambitious effort towards achieving a 1.5°C world. For many organizations, a successful climate transition will depend on an accommodative policy landscape, therefore companies should advocate for climate-positive policies that impact their relevant sector(s) and are consistent with their climate transition plan. This alignment may extend beyond mitigation policy, engagement with policy makers on national adaptation plans and adaptation taxonomies also signals thoroughness of an organization's climate strategy and commitment to building resilience.

Climate transition plan element	Aligned 2026 CDP question number	Relevance
<b>RISKS &amp; OPPORTUNITIES</b>	2.2.1, 2.2.2 (Process for identifying climate-related risks & opportunities)	To demonstrate forward planning (which is crucial for a climate transition plan), an organization's transition plan should include or reflect a process for identifying, assessing, and responding to climate-related risks and opportunities.
	3.1, 3.1.1 <sup>a</sup> (Climate-related risks – risks, potential financial impact and response strategy)	Details of the physical and/or transition risks posed to an organization by climate-related issues, the estimated potential financial impact of these risks at the corporate level, as well as the response strategy to manage them demonstrate a robust and strategic transition plan.
	3.6, 3.6.1 <sup>a</sup> (Climate-related opportunities – opportunities, potential financial impact and response strategy)	Details of the opportunities available to an organization from climate-related issues, the estimated potential scale of these opportunities at the corporate level, and the response strategy required to realize them demonstrate a robust and strategic transition plan
<b>TARGETS</b>	7.5.3*, 7.53.1*, 7.53.2* (Emissions reduction targets – absolute & intensity)	The plan includes near- and long-term, verified science-based targets which are in line with the latest climate science to reach a 1.5°C world, with time-bound KPIs. Where this is not feasible, the targets should align to CDP recommended best practice.
	7.54.1*, 7.54.2* (Other climate-related targets)	Ambitious climate transition plans will include other climate-related targets, including, but not limited to, increased low-carbon energy consumption or production targets.
	7.54.3* (Net-zero target)	The plan includes a net zero target, in line with the latest climate science, with time bound KPIs. Third-party verification is considered best practice.
<b>SCOPE 1, 2 &amp; 3 ACCOUNTING, WITH VERIFICATION</b>	7.5, 7.6, 7.7, 7.8, 7.9.1, 7.9.2, 7.9.3 (Comprehensive and third-party verified emissions accounting)	<p>A climate transition plan should be accompanied by a complete, accurate, transparent, consistent, and relevant inventory of all three scopes of emissions. Any individual organization may find it important to fully disclose to sections Emissions Methodology and Exclusions and Scope 1, 2, and 3 Emissions Inventory:</p> <ul style="list-style-type: none"> <li>• Third-party verification is necessary for credibility and transparency on progress against a climate transition plan.</li> <li>• Companies should calculate and disclose all material categories of scope 3 and provide an explanation for categories that are not relevant.</li> </ul>

# Appendix 1: List of frameworks and initiatives related to climate transition plans

The following frameworks and initiatives informed CDP's approach to Climate Transition plans:

- [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) – now [IFRS - ISSB](#)
- IFRS – ISSB [Disclosing information about an entity's climate-related transition](#)
- [Climate Safe Lending Network \(CSLN\)](#)
- [Accelerate Climate Transition \(ACT\)](#)
- [The World Council for Sustainable Development \(WBCSD\)](#)
- [World Benchmarking Alliance \(WBA\)](#)
- [Climate Action 100+](#)
- [Say on Climate initiative \[CIFI\]](#)
- [Oxford Martin Principles for Climate-Conscious Investment](#)
- [Alliance for Corporate Transparency](#)
- [Australasian Centre for Corporate Responsibility \(ACCR\)](#)
- [The International Capital Market Association \(ICMA\)](#)
- [Glasgow Financial Alliance for Net Zero \(GFANZ\)](#)
- [The Institutional Investors Group on Climate Change \(IIGCC\)](#)
- [Investor Climate Action Plans \(ICAPs\)](#)
- [Transition Pathway Initiative \(TPI\)](#)
- [Climate Bonds Initiative \(CBI\)](#)
- [Transition Plan Taskforce Guidance \(now incorporated by the ISSB\)](#)
- [Assessing Transition Plans Collective \(ATP-Col\)](#)
- [Transition Arc](#) (Climate Arc)
- [Resilience Arc](#) (Climate Arc)
- [International Transition Plan Network \(ITPN\)](#)
- [Network for Greening of the Financial System \(NGFS\)](#)

# Appendix 2: Mapping Labelled Debt Frameworks to the CDP Questionnaire

## Guide to Transition Loans, LMA, APLMA and LSTA

The Guide to Transition Loans outlines how borrowers can demonstrate that they have a credible transition strategy when applying for transition loans or transition-focused sustainability-linked loans. It notes that “a credible transition strategy may be demonstrated through various means, including:

- a transition plan or planning process; or
- a robust set of indicators showing alignment with recognized transition themes and decarbonization pathways”

Companies can disclose transition planning indicators in line with CDP’s elements of a credible climate transition plan, as detailed in section 3.1 above. The following table maps the second of these means, the Guide’s ‘Indicators of transition’, to the relevant datapoints in the CDP Full Corporate Questionnaire. The Guide notes that these are not an exhaustive list of indicators, and that borrowers should use multiple indicators to more robustly demonstrate their commitment to the transition.

*Table A1. Mapping the Loan Associations’ Indicators of Transition to the CDP Full Corporate Questionnaire*

<b>Guide to Transition Loans – Indicators of Transition</b>	<b>Relevant CDP Question Numbers</b>	<b>Notes on CDP Coverage</b>
Publication of climate-related disclosures or relevant reporting	All	Companies disclosing to CDP meet this indicator
Corporate governance structures and processes for overseeing the transition strategy’s implementation and monitoring	4.1.1, 4.1.2, 4.3, 4.3.1	
Integration of transition objectives into corporate strategy, decision-making, and remuneration	4.5, 4.5.1 4.6, 4.6.1 5.3.1	
Expected (absolute and by physical output) GHG emissions reductions aligned with Nationally Determined Contributions (NDCs), sector-specific pathways, taxonomies, national carbon budgets or other official frameworks consistent with the goals of the Paris Agreement	7.53.1 7.53.2 7.55, 7.55.1, 7.55.2	The questionnaire does not ask companies to specify how intended emission reductions align to the aforementioned frameworks and tools but does ask about target ambition.
Time horizons for phasing out high-emitting technologies, assets, or sites	5.2	Phaseout plans in relation to fossil fuel expansion can be detailed, but broader plans are not covered.
Allocation and share of CapEx and OpEx and disclosure of relevant joint venture and off-balance sheet investment toward transition-aligned activities, including adoption of decarbonization levers and circular transition solutions	5.3.2 5.4.1	
Investment in research and development (R&D) for low-carbon technologies or practices	5.5 5.5.1 – 5.5.8	
Technology adoption milestones	N/A	

Engagement strategies involving value chains, industry peers, governments, public sector bodies, communities, and civil society; and/or	4.11, 4.11.1, 4.11.2 5.11, 5.11.1, 5.11.2, 5.11.5, 5.11.6, 5.11.7 5.11.9	
Performance benchmarks, such as carbon intensity relative to industry averages	7.45	Carbon intensities can be disclosed but details of benchmarking are not necessarily covered.
Articulate any key dependencies, assumptions, and enabling conditions that underpin their ability to meet these indicators	5.2	

## Climate Transition Finance Handbook, ICMA

ICMA's Climate Transition Finance Handbook (CTFH) provides entity-level guidance and expectations for issuers seeking to raise funds for their climate transition strategies, including recommended disclosures to credibly position the issuance of either use of proceeds or sustainability-linked instruments to finance the transition.

The following table maps the elements of the CTFH's recommendations to the CDP Full Corporate Questionnaire. More specifically, the mapping is against the recommended information and indicators and any relevant excerpts within the Disclosure sections of each of those elements.

Table A2. Mapping the ICMA CTFH recommended information and indicators to the CDP Full Corporate Questionnaire

ICMA CTFH Recommended Information and Indicators	Relevant CDP	
	Question Numbers	Notes on CDP Coverage
<b>Element 1. Issuer's climate transition strategy and governance</b>		
A long-term, science-based target to align with the goals of the Paris Agreement;	7.53.1, 7.53.2, 7.54.3	
Relevant and credible interim science-based targets in the short and medium-term on the trajectory towards the long-term goal, in line with the relevant regional, sector, or international climate change scenarios;	7.53.1, 7.53.2	
Disclosure of an issuer's transition plan or climate transition strategy. This should include:	5.2	
<ul style="list-style-type: none"> <li>Specific itemisation of the main levers towards GHG emissions reduction, such as a detailed capital expenditure (CapEx) plan and relevant technological implications (i.e. amounts to be spent, what carbon cost is considered for implementing such a CapEx programme, operational impacts, regulatory considerations, etc.);</li> </ul>	5.2 5.3.1, 5.3.2 5.4.1 5.10.1	
Clear oversight and governance of an issuer's climate transition strategy, including management/board level accountability;	4.1.1, 4.1.2 4.3, 4.3.1	
Evidence of a broader sustainability strategy to mitigate relevant environmental and social externalities, including "just transition" considerations where appropriate, and contributions to the UN Sustainable Development Goals (UN SDGs)	4.6, 4.6.1	Policies with social objectives can be disclosed by companies, but wider just transition considerations are not the focus of the CDP questionnaire.
<b>Element 2. Business model environmental materiality</b>		

Discussion on the materiality of the planned climate transition strategy may:	7.5	Companies can disclose their full emissions inventory and explain their target coverage, including any exclusions.
• be disclosed in the form of a materiality matrix made publicly available by an issuer or be covered in an issuer's annual reports; and	7.53.1	
	7.53.2	
• address the materiality of climate-related eligible projects and/or KPI(s) on the overall emissions profile of an issuer	7.4.1	
Where material, Scope 3 emissions should be disclosed.	7.5	
	7.8	
Where Scope 3 emissions are expected to be material but are not yet identified or measured, a timeline for reporting should be disclosed.	7.4.1	
	7.8	
<b>Element 3. Climate transition strategy and targets to be science-based</b>		
Short, medium, and long-term GHG emission reduction targets aligned with goals of the Paris Agreement;	7.53.1, 7.53.2	
	7.54.3	
Baseline year and historic emissions (including absolute emissions, where intensity metrics are the main indicator);	7.53.1, 7.53.2	In addition to target-specific emissions disclosures, companies are asked to detail baseline and historical emissions separately.
	7.5, 7.6, 7.7, 7.8, 7.8.1	
Scenario utilised and methodology applied (e.g. ACT, SBTi, IEA, etc.). When third-party trajectories are not available, industry peer comparison and/or internal methodologies/historical performance	7.53.1, 7.53.2	Scenario selection is not covered, but SBTi alignment is.
GHG emission objectives covering all scopes and most relevant sub-categories (Scopes 1, 2 and 3);	7.53.1, 7.53.2	
Targets formulated in either intensity or absolute terms, noting, that where intensity targets are used, projections on the change to absolute emissions should also be provided;	7.53.1, 7.53.2	
Where applicable, use of carbon capture technology as well as of high-quality and high-integrity carbon credits, and their relative contribution to the GHG emissions reduction trajectory in line with best industry practices (e.g. SBTi, VCMI and ICVCM)	7.54.3	Companies can outline whether carbon credits will be used in relation to their net zero targets, as well as the general use of any carbon credits.
	7.79, 7.79.1	
<b>Element 4. Implementation transparency</b>		
A CapEx roll-out plan consistent with the overall climate transition strategy and climate science and discussion of how it informs CapEx decision-making within the organization;	5.3.2	
A phase-out plan regarding activities/products incompatible with the climate transition strategy (when such activities or products are significantly harmful or display levels of performance inconsistent with science based GHG emission reduction trajectories);	5.2	Companies can identify whether they have a phase-out plan for fossil fuel expansion, and detail initiatives (active and planned) to reduce emissions, but broader phase out plans are not covered.
	7.55.2	
Green CapEx, for example those referenced under the eligible green project categories in the Green Bond Principles, as a percentage of total CapEx and how the ratio may be expected to evolve over time;	5.4.1	

Disclosure on the percentage of assets/revenues/ expenditures/divestments aligned to the various levers	5.4.1	% of divestments aligned is not captured in the questionnaire.
A qualitative and/or quantitative assessment of the potential locked-in GHG emissions from an issuer's key assets and products	7.72, 7.72.1, 7.72.2, 7.72.3 (Construction and Real Estate Sectors only)	Carbon lock-in is not currently covered in general other than in relation to life cycle emissions for the construction and real estate sectors.
Assumptions on the internal cost of carbon	5.10.1	
Disclosure on adverse impacts on the workforce, community and surrounding environment, and related strategies used to mitigate those negative impacts.	5.4.2	Do no significant harm is covered in relation to taxonomy-aligned metric disclosures, but not more broadly.