

Just Transition Landscape Mapping

Climate change and climate action are increasingly recognized as inseparable from social and human rights considerations. Governments, standard-setters, investors, and peer initiatives increasingly acknowledge that the transition to a low-carbon, climate resilient economy must be just and grounded in respect for the rights of workers, communities, consumers, and other stakeholders affected by both climate change and climate action.

The International Labour Organization (ILO) and the UN Office for the High Commissioner for Human Rights (OHCHR) define a “just transition” as the shift to a fair, inclusive, and sustainable human rights-based economy that creates decent work, reduces inequality and poverty, and protects the rights of workers and affected communities, especially Indigenous Peoples and those impacted by environmental harm and related measures. It requires strong stakeholder engagement and social dialogue and spans all sectors, from energy and transport to agriculture and finance.

Against this backdrop, global norms, sustainability due diligence laws, trade bans, disclosure requirements, and green finance taxonomies are reshaping expectations for business conduct, with significant implications for how businesses and financial institutions identify, manage, and disclose just transition impacts, risks, and opportunities across their operations and value chains.

The following table provides an overview of **key just transition requirements, standards, and frameworks relevant to companies and financial institutions.**



Global Compact
Network Germany



People-Centered
Climate Action in
Private Markets



	Overview	Scope	Relevance to companies/ investors	
I. International Normative Standards				
International Normative Standards	The Paris Agreement	The Paris Agreement, adopted in 2015, is a legally binding international treaty that aims to limit global warming and climate change. The preamble to the Paris Agreement includes a reference to the need for a just transition of the workforce and the creation of quality jobs.	194 parties have ratified the agreement.	The agreement has unlocked significant capital for investment. The investment pillar of the EU Green Deal includes the Just Transition Mechanism (JTM) which was established in 2021 by regulation to mobilize approximately €55 billion to alleviate the socio-economic impact of a transition to a low-carbon economy in the most affected regions. The JTM utilizes both public and private finance, including the InvestEU Programme which encourages private investment by providing budgetary guarantees to investments aligned with one of four policy objectives: sustainable infrastructure; research, innovation, and digitization; SMEs; or social investment and skills.
	ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all	The ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all (published in 2015) sets forth a suite of relevant policy areas to be addressed by governments to ensure a just transition for all towards an environmentally sustainable economy.	The ILO Guidelines are non-binding and provide practical guidance to Governments and social partners.	The policy areas that governments should address include macroeconomic, industrial, and enterprise policies, skills development, social protection, and social dialogue. It sets expectations for governments to adopt policy measures and regulations to create an enabling environment for businesses to advance a just transition during the shift to a low carbon economy.
	United Nations General Assembly resolution “Human right to a healthy environment”	In 2022, the UN General Assembly adopted a landmark resolution recognizing that the right to a clean, healthy, and sustainable environment is a human right.	The resolution is directed at UN member states but is not legally binding.	This resolution calls upon business enterprises (in addition to States and international organizations) to “scale up” efforts to ensure a clean, healthy and sustainable environment. A clean, healthy and sustainable environment is one that protects people from pollution and environmental harm, supports human health and well-being, and preserves natural systems for present and future generations.
	UN Guiding Principles on Business and Human Rights (UNGPs)	The UNGPs are the international standard that set forth the duties of states and the responsibilities of business enterprises in identifying and addressing human rights impacts of their own operations and value chains.	Applies to all states and business enterprises.	The responsibility of business to respect human rights extends to conducting due diligence to identify and address adverse climate-related human rights impacts in their own operations and value chain, including: (1) climate impacts (emissions and business activities that contribute to climate harm and associated harms to people); (2) mitigation impacts (impacts related to the shift away from fossil fuels and into green technologies); (3) adaptation impacts (actions or inactions taken by business to adapt to the physical risks), and (4) vulnerability impacts (ongoing practices that increase people’s vulnerability to climate change and climate action).
	OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines)	The OECD Guidelines are government expectations of multinational enterprises. They encourage positive contributions by enterprises to economic, environmental and social progress, and seek to minimize adverse impacts on human rights, labor rights, environment, bribery, consumer interests, disclosure, science and technology, competition, and taxation associated with an enterprise’s operations, products and services.	Applies to multinational enterprises operating in or from the 52 adhering countries (38 OECD member countries and 14 non-members).	The OECD Guidelines provide a framework to support integrated business action on climate and human rights by expecting companies to conduct risk-based due diligence on all matters in scope. This includes conducting human rights due diligence in line with the UNGPs, as well as climate due diligence to address climate impacts by reducing GHG emissions, safeguarding carbon sinks, and ensuring business activities and business relationships do not undermine climate adaptation for, or resilience of, communities, workers and ecosystems.

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II. Laws and Regulations				
Due Diligence	Corporate Sustainability Due Diligence Directive (CSDDD) (2024, as amended in 2026)	The CSDDD requires in scope companies to undertake risk-based human rights and environmental due diligence to identify and assess actual and potential adverse impacts, and prevent, mitigate, and remedy such impacts in their own operations and chain of activities.	Applies to large EU entities with over 5,000 employees and a net annual turnover above €1.5 billion, and non-E.U. entities with above €1.5 billion in turnover in the EU.	The CSDDD's due diligence obligations require companies to identify and address "adverse human rights impacts" resulting from their operations and chain of activities. This includes activities resulting from companies' inaction on climate change and from activities to transition to low-carbon operations, products and services.
	National Mandatory Due Diligence Laws¹	Cross-Sectoral: France, Germany, and Norway have adopted human rights (and environmental) due diligence laws requiring companies to assess and address impacts in their operations and value chains.	Applies to a defined set of large domestic and foreign businesses.	These laws require companies to identify and address (cease, prevent or mitigate and remedy) adverse impacts on human rights, which include impacts resulting from companies' transition to low-carbon operations, products and services.
	<ul style="list-style-type: none"> ▶ France Duty of Vigilance Law (2017) ▶ Norwegian Transparency Act (2022) ▶ Swiss Ordinance on Due Diligence and Transparency (2022) ▶ German Supply Chain Due Diligence Act (2023) 	Issue Specific: Switzerland requires companies to conduct due diligence in relation to risks of child labor and conflict minerals (tin, tantalum, tungsten, and gold). In-scope companies must establish a supply chain traceability system and report on compliance annually.	Applies to enterprises with a registered office, central administration or principal place of business in Switzerland. Includes Swiss-organized subsidiaries of foreign-based multinationals.	Minerals in scope of due diligence obligations may be relevant to the net-zero transition, such as gold used in electronics, renewable energy components and grid and storage technologies. Due diligence on child labor risk is required where there is a reasonable suspicion, which is likely to be relevant to climate transition-related activities that have well-documented child labor risks, such as mining and raw-material processing.
	EU Batteries Regulation (2023)	The EU Batteries Regulation requires companies to establish a supply chain due diligence policy and conduct human rights and environmental due diligence in their battery supply chains. Covers the entire lifecycle from extraction to recycling.	Applies to companies that place products on the EU market (including non-EU entities), including manufacturers, producers, importers, and distributors.	Companies placing on the market or putting into service new batteries within the EU (regardless of origin or place of production, exceptions for military or aerospace) must identify, prevent and mitigate human rights and environmental risks in their raw material supply chains.
	European Parliament resolution on "Just transition directive in the world of work" (2026)	In January 2026, the European Parliament voted in favor to advance a Just transition directive in the world of work. The resolution calls on the EU Commission to develop a legislative framework to protect workers in the green and digital transitions.	Would bind EU member states to adopt national legislation aligning with requirements of the directive.	The directive would require companies to adopt measures aimed at protecting working conditions (including health and safety), preventing unfair dismissals and ensuring worker consultation and collective bargaining for workers affected by the green and digital transition.

¹ EU member states will need to fully align their national laws with the EU CSDDD by July 2027 and may add stricter national obligations only where allowed by the Directive.

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Trade Restrictions	EU Deforestation Regulation (EUDR) (2023)	Per the <u>EUDR</u> , certain goods (timber, cattle, cocoa, coffee, oil palm, rubber, soy) are prohibited from being placed or made available on the EU market or exported, unless they are (a) deforestation-free, (b) have been produced in accordance with the relevant legislation of the country of production, and (c) are covered by a due diligence statement.	Applies to operators and traders who place specific commodities and their derivatives on the EU market or export them from it (including EU and non-EU companies regardless of size).	The requirement that products be produced in accordance with the “relevant legislation of the country of production” is defined to include: land use rights, labor rights, human rights protected under international law, and the principle of free, prior and informed consent (FPIC). Companies whose supply chains and climate transition plans involve the sourcing of these commodities need to ensure appropriate supply chain due diligence.
	EU Forced Labour Regulation (FLR) (2024)	The <u>EU Forced Labour Regulation</u> prohibits placing for sale in the EU market, or exporting from the EU, any product made using forced labor at any point in the supply chain. The regulation applies to all products regardless of their origin, sector, or level of production (from raw materials to final assembly).	The regulation applies to all companies that sell or export products in or from the EU (including EU and non-EU companies regardless of size). This includes online retailers selling to consumers on the EU market.	Enforcement authorities are expected to focus on products with high risk of forced labor, which include several critical components for renewable energy (e.g., polysilicon for solar panels, aluminum, steel, copper, lithium). In effect, this requires companies importing high-risk commodities into the EU market to conduct due diligence on forced labor risks.
	Uyghur Forced Labor Prevention Act (UFLPA) (2022) ► United States	The <u>UFLPA</u> aims to stop goods made with forced labor from the Xinjiang Uyghur Autonomous Region (XUAR) in China from entering the U.S. market. It establishes a “rebuttable presumption” that all goods produced in the region or by entities that are on the UFLPA Entity List, are made with forced labor, placing the burden on importers to prove otherwise.	Applies to any company importing goods into the U.S.	There is significant overlap between UFLPA high-priority sectors for enforcement and core net-zero / climate-transition value chains, including polysilicon, a key mineral in solar panels that has been blocked for import to the U.S. due to links to forced labor in Xinjiang. In effect, this requires companies importing high-risk commodities into the U.S. market to conduct due diligence on forced labor risks.
Reporting Requirements	Corporate Sustainability Reporting Directive (CSRD) (2023, as amended in 2026)	The <u>CSRD</u> requires in-scope companies to report and disclose information on their non-financial performance, including material social and environmental impacts, risks, opportunities (IROs), reflecting a double materiality approach to reporting. To operationalize the CSRD requirements, the European Financial Reporting Advisory Group (EFRAG) developed the European Sustainability Reporting Standards (ESRS) framework.	Applies to EU entities with over 1,000 employees and a net annual turnover above €450m. It also applies to non-EU companies that generate more than €450 million in turnover in the EU and have an EU subsidiary/branch with more than €200 million turnover in the EU.	ESRS expect companies to “provide a high-level description of the interaction of the material impacts, risks and opportunities, with its business model, value chain, strategy and decision making,” which includes IROs in relation to climate change, human rights, and just transition. The <u>Draft Simplified ESRS social topic standards (S1-S4)</u> capture a wide range of human rights impacted by the just transition, requiring disclosure of impacts on the company’s own workforce, value chain workers, affected communities, and consumers and end-users, including measures taken to mitigate negative impacts on these stakeholders that arise from the transition to a low-carbon and climate-resilient economy (e.g., social dialogue and reskilling).
	EU Sustainable Finance Disclosure Regulation (SFDR) (2019)	The <u>SFDR</u> requires disclosure (at the entity level and product level) for financial products that claim to have sustainability objectives.	Applies to all financial market participants in the EU (i.e., fund managers, pension providers, advisors).	Expectation for financial market participants to report on ESG-labelled fund alignment with the EU taxonomy, including alignment with minimum social safeguards. Disclosure obligations also include a principal adverse indicator (PAI) on compliance with OECD Guidelines. For portfolio companies, this has just transition disclosure implications and should inform how investors engage portfolio companies on accessing relevant data.
Taxonomy	EU Taxonomy for Sustainable Activities (EU Taxonomy) (2020)	The <u>EU Taxonomy</u> classifies an activity as environmentally sustainable (Taxonomy-eligible) if it contributes substantially to one or more of six prescribed environmental objectives, does no significant harm to any of the environmental objectives, and is carried out in compliance with minimum social safeguards (set forth in Article 18).	The taxonomy primarily applies to companies subject to non-financial reporting obligations under the CSRD, who must disclose what share of their activities are taxonomy-eligible and taxonomy-aligned (per Article 8).	The minimum social safeguards require entity-level human rights due diligence and remedy procedures to be implemented by a company that is carrying out a taxonomy-aligned economic activity to ensure alignment with the OECD Guidelines and the UNGPs.

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III. Judicial Decision and Advisory Opinions				
Judicial Decision	European Court of Human Rights (ECHR)	In April 2024, the European Court of Human Rights (Grand Chamber) held in <i>Verein KlimaSeniorinnen Schweiz and Others v. Switzerland</i> that inadequate state action on climate change can constitute a violation of human rights under the European Convention on Human Rights. The Court linked climate change to human rights protection under Article 8, finding that serious climate-related harms can interfere with the effective enjoyment of the right to private and family life.	The judgment is binding on Switzerland and has strong persuasive and interpretive authority for other Council of Europe member states.	The judgment signals increased regulatory and litigation pressure related to climate transition in Europe, as states translate their human rights obligations into stricter requirements for companies and heightened expectations for investor oversight of climate risk.
Advisory Opinions	International Court of Justice (ICJ)	In July 2025, the ICJ issued an <u>advisory opinion</u> that states have an obligation under international law to act on climate change. The court linked the obligation to human rights, stating that the protection of the environment is a precondition for the enjoyment of human rights and the adverse impacts of climate change may impair the enjoyment of human rights. The court also found that states must regulate private actors' emissions as part of their due diligence obligations. Where states fail to do so, they may face a full range of legal consequences, including cessation, guarantees of non-repetition, and reparation.	The court's opinion is directed at UN member states and carries authoritative legal weight but does not have binding legal authority.	The opinion carries major implications for fossil fuel producers and investors. The court warned that failure of states to take appropriate measures to prevent foreseeable harm (such as issuing fossil fuel exploration licenses, allowing new production projects, or granting fossil fuel subsidies) can be a breach of international law. The opinion also carries major implications for international investment law. The court indicated that fossil fuel investors should not be able to rely on investor-state dispute settlement (ISDS) to challenge climate-related regulations, including phase-outs, licensing bans, or fiscal reforms.
	Inter-American Court of Human Rights (IACtHR)	In July 2025, the Inter-American Court of Human Rights issued an <u>advisory opinion</u> that states must adopt measures to reduce climate change and protect people from its harmful effects. While recognizing the duty to regulate corporate behavior to prevent human rights abuses falls on states, the court was clear that these obligations must be fulfilled by companies. The court stated that "business enterprises should prevent their activities from causing or contributing to human rights violations, and must take measures to remedy any such violations."	The court's opinion is directed at state parties to the American Convention on Human Rights (a subset of member states of the Organization of Americas States (OAS)). This comprises over 30 countries across the Americas. It represents authoritative legal interpretation but is not binding.	The court made clear that corporations have obligations to address climate change. The court further stated that states should impose on the largest greenhouse gas emitters a "greater responsibility for their impacts on climate change" including with relation to "measures to address loss and damage." The court's decision contains implications for fossil fuel investors with commentary regarding the negative consequences of ISDS on climate action. The court urged states to review their investment treaties and settlement mechanisms for litigation between investors and states to ensure they do not limit or restrict efforts relating to climate change and human rights.

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IV. Benchmarks				
Benchmarks	Renewable Energy & Human Rights Benchmark Business & Human Rights Centre (BHRC)	The <u>Renewable Energy & Human Rights Benchmark (2023)</u> ranks the human rights performance (policies and practices) of wind and solar sector companies.	The benchmark includes companies in the renewable energy value chain, ranging from equipment manufacturers to developers.	By revealing gaps in human rights practices (e.g., Indigenous rights, forced labor, labor rights), the benchmark creates reputational pressure for companies in the renewable energy sector. It also highlights risks that can delay projects and erode investor confidence.
	Just Transition Methodology & Climate Benchmark World Benchmarking Alliance (WBA)	The WBA's <u>Climate Benchmark</u> assesses the most influential companies on the social elements of their transition efforts, using their <u>Just Transition Methodology</u> (updated 2025).	In 2026, WBA published its most recent assessment of 1,600 companies against its Just Transition methodology, which makes up part of companies' scores in the 2026 Climate Benchmark.	The methodology outlines key elements companies should address and disclose in relation to 1) social dialogue and stakeholder engagement in a just transition; 2) just transition planning; and 3) decent work, workers, and skills for a just transition.
	Net Zero Company Benchmark Climate Action 100+	The <u>Net Zero Company Benchmark (2025)</u> assesses the performance of focus companies against the initiative's three high-level goals of emissions reduction, governance, and disclosure on and implementation of net zero transition plans.	169 focus companies have been selected for engagement based on their potential to drive the global net-zero transition (highest emitters and companies with significant transition opportunities). 164 of these companies were assessed against the 2025 benchmark.	The methodology includes a dedicated Just Transition indicator (Indicator 9) to evaluate whether companies commit to the principles of a Just Transition and have disclosed how they are planning for and monitoring progress towards a Just Transition.
	Integrated Transition Assessment World Benchmarking Alliance (WBA)	The WBA's <u>Integrated Transition Assessment</u> (in development as of 05/2026) will assess companies on whether they have a credible, integrated plan to contribute to the transitions the world needs across climate, nature and people.	The Integrated Transition Assessment is expected to apply to the 2,000 most influential companies in scope of the WBA's existing benchmarks.	This assessment will aim to offer companies and investors a streamlined, integrated, and comparable view of their transition performance, considering connected risks linked to climate change, nature loss, and social inequality.

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V. Metrics and Disclosure Frameworks

Metrics and Disclosure Frameworks

<p>International Sustainability Standards Board (ISSB)</p>	<p>The ISSB's Sustainability Disclosure Standards serve as the global baseline of sustainability disclosure for capital markets. IFRS S1 (General Requirements) requires disclosure of material information across all sustainability-related risks and opportunities. IFRS S2 (Climate-related Disclosures) requires companies to report climate-related risks and opportunities. IFRS S2 incorporates the Task Force on Climate-related Financial Disclosures (TCFD) framework since the sunset of the TCFD in 2024.</p>	<p>Nearly 40 jurisdictions have decided to use or are taking steps to introduce the ISSB Standards in their legal or regulatory frameworks.</p>	<p>While not explicitly addressing the just transition, the IFRS framework captures a wide range of human rights impacted by the just transition.</p> <ul style="list-style-type: none"> ▶ IFRS S1 requires disclosure on human rights and social factors to the extent they create a material sustainability-related risk or opportunity for the company's enterprise value. ▶ IFRS S2 requires companies to report transition risks in full alignment with TCFD (which recognizes the social dimensions of climate risk).
<p>Global Reporting Initiative (GRI)</p>	<p>The GRI helps helps businesses, governments, and other organizations communicate their impacts and performance on people and the planet, including climate change and human rights. In 2025, GRI released its new climate change and energy reporting standards, which includes GRI 102 (Climate Change) and GRI 103 (Energy).</p>	<p>Voluntary reporting framework. Approximately 14,000 companies globally use the GRI standards.</p>	<p>The GRI aligns with the UNGPs approach to disclosure and captures a wide range of human rights impacted by the just transition.</p> <ul style="list-style-type: none"> ▶ GRI 102: includes reporting on impacts to workers, communities, and vulnerable groups affected by adaptation and transition plans, the use of GHG removals, and carbon credits. ▶ GRI 103: includes reporting on impacts from the transition to renewables.
<p>Transition Plan Taskforce (TPT) Disclosure Framework</p>	<p>TPT has developed a sector neutral disclosure framework for best-practice climate transition plan disclosures.</p>	<p>The TPT Disclosure Framework is designed to be available for voluntary and mandatory use globally. It is consistent with, and built on, IFRS S2.</p>	<p>The TPT framework recommends that transition plans disclose how social factors are integrated in net-zero pathways. TPT provides just transition-relevant metrics that can be used by companies in their climate transition plans.</p>
<p>Task Force on Inequality and Social-related Financial Disclosures (TISFD)</p>	<p>The TISFD framework (still in development) will provide a reporting framework to disclose inequality and social-related impacts, dependencies, risks, and opportunities.</p>	<p>The TISFD framework is expected to be released in 2026, and will be designed for voluntary use globally by businesses and financial institutions.</p>	<p>The TISFD is focusing on the intersection of people, climate, and nature and will develop relevant impact, dependencies, risk, and opportunity metrics, recognizing the importance of taking an integrated approach to just transition issues.</p>
<p>Just Transition Metrics (2026)</p> <p>Shift, BSR, Council for Inclusive Capitalism, BHRC, WBA, LSE Just Transition Lab, WBCSD</p>	<p>Core set of 19 quantitative Just Transition Metrics built through broad consensus to help businesses measure how climate transition plans impact vulnerable workers, communities, and value chain workers.</p>	<p>Sector-agnostic metrics that can be applied in the context of full 'transition plans' or in relation to more diffuse transition-related activities. These metrics do not address all scenarios and variations.</p>	<p>These metrics offer widely supported, practical, and decision-relevant quantitative measures that help assess whether the intended outcomes of a just transition are being achieved in practice. They provide measurable evidence to track progress and accountability. They complement qualitative indicators and benchmarks related to climate transition plans and activities.</p>