



Benchmarking the private sectors' engagement in the just transition

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Agenda

1. Introduction to WBA and just transition methodology
2. Findings and good company practices on just transition
3. How WBA just transition insights have been used by different stakeholders

What is World Benchmarking Alliance



The World Benchmarking Alliance is a **non-profit organization that assesses and ranks the world's most influential companies on their performance against the Sustainable Development Goals**

WBA: Transformational change

- Urgent action is needed to put the world on a more sustainable and resilient path.
- SDGs can only be achieved through transformational change.
- Recognises the interconnected and interdependent nature of the SDGs and requires active involvement of all stakeholders.
- Publish benchmarks that assess **2,000** of the most influential companies across all areas of transformation
- We are committed to continuing **to work with our Allies across the ecosystem** to ensure standards improve over time, align with the SDGs – and that corporate sustainability data remains a public good.



Why focus on companies?

- SDG2000 companies have operations spanning 221 economies across the globe.
- These companies:
 - Have collective revenues of USD 48 trillion in 2023, equivalent to 46% of global GDP.
 - Directly employ 99 million people and hundreds of millions more through their supply chains.
 - Account for over half (54%) of the world's energy-related GHG emissions.

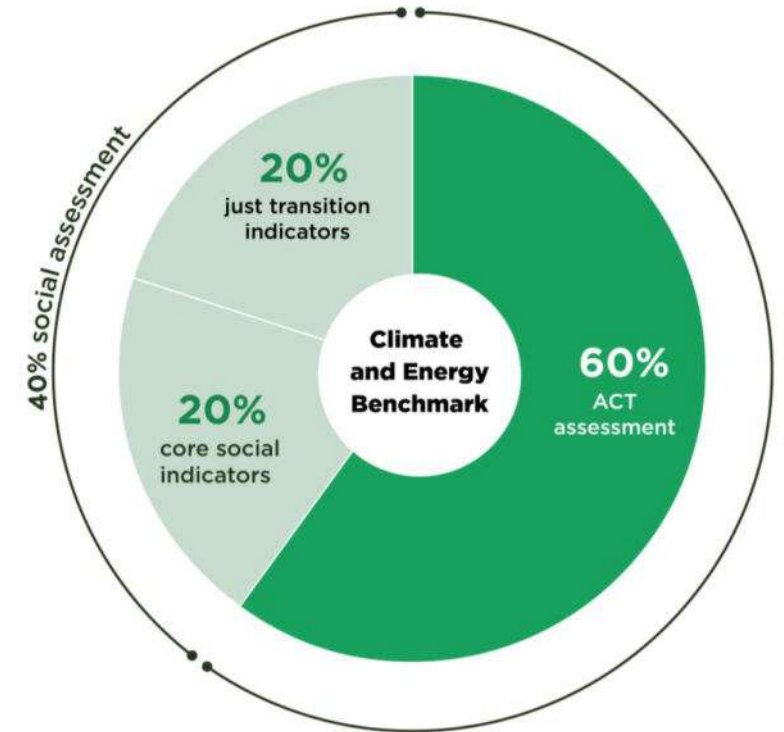


Climate and Energy benchmarks



ACT assessment	Social assessment	
<ul style="list-style-type: none"> A partnership between CDP and the World Benchmarking Alliance (WBA). The ACT initiative, founded by CDP and ADEME (French Agency for ecological transition), recognized by the Global Climate Action Agenda of UNFCCC. Encourages businesses to move to a well below 2-degrees compatible pathway in terms of their climate strategy, business model, investments, operations and GHG emissions management. WBA Climate and Energy Benchmark uses most ambitious pathway available. 	<ul style="list-style-type: none"> WBA’s climate and energy social assessment measures what companies are doing to ensure they leave no one behind in the low-carbon transition. WBA’s core social indicators plus just transition indicators. From 2022 - integration of the WBA core social and just transition assessment into the Climate and Energy Benchmark. 	
ACT rating: highest possible 20A+ For the benchmark, translated to a score / 60	Core social and just transition: highest possible score of 36 For the benchmark, translated to a score / 40	Total benchmark score out of 100

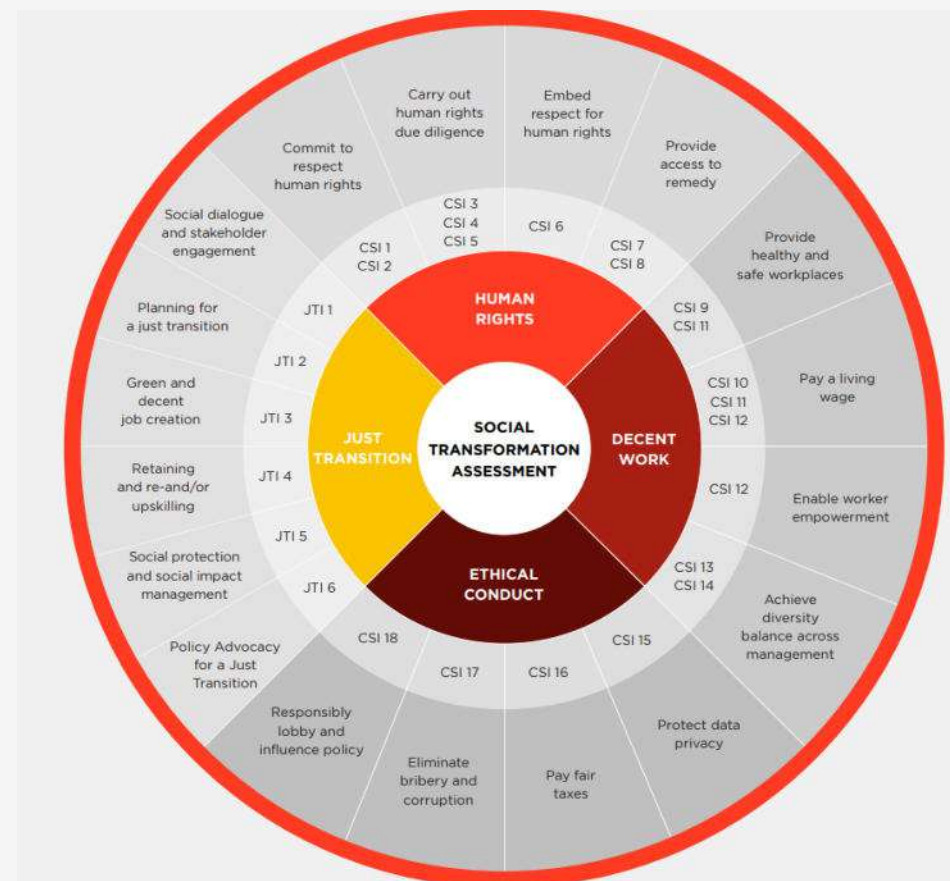
Climate and Energy Benchmark



Importance of planning and measuring a just transition

WBA just transition methodology for high-emitting companies

1. Methodology co-developed with ILO, B Team, IHRB, BSR, Just Transition Centre of ITUC and experts in the field.
2. Six just transition indicators to reflect various dimensions to consider for companies to implement a just transition.
3. The just transition indicators are coupled with core social indicators (CSI) aligning with the UNGP to give a broader social assessment overview.



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Findings from WBA just transition methodology



- Key findings:
 - Maturity is highest for electric utilities.
 - 6% of 308 companies assessed by WBA are partially planning for a just transition.
 - Important to look at the depth of integration.
 - 12% of companies ensure that green and decent jobs embed equality of opportunity for women and vulnerable groups.

Depth of just transition integration	Social dialogue and stakeholder engagement	Planning for a just transition	Green and decent job creation	Retaining and re-and/or upskilling	Social protection and social impact management	Advocacy for policies and regulation supporting a just transition
Companies that meet at least one of four elements	26.4%	6.2%	32.6%	53.7%	7.2%	5.9%
Companies that meet two -three of the four elements	7.2%	2.3%	15%	21.5%	2.9%	1.3%
Companies that meet all four elements	2%	0%	0%	0%	0%	0.3%

Examples of company good practices on just transition

Social Dialogue	Just Transition Planning	Green and decent job creation	Retaining and re-and/or upskilling	Social protection and social impact management	Advocacy for just transition
Actively working with social partners and local communities when transitioning workers from one industry to another.	Ensuring human rights, decent work and just transition principles are respected across the value chain	Supporting local green jobs such as domestic battery manufacturing.	Identifying skills gaps and employment dislocation risks.	Conducting social and human rights impacts assessments across the value chain.	Collaborating with policy makers in the implementation of just transition plans.
Creating citizens' platforms as a means of promoting social dialogue and stakeholder engagement.	Setting targets and tracking progress against the company's just transition strategy.	Ensuring green transformation plans are tailored to regions affected by labour shifts.	Developing programs such as for e-mobility with support for workers without a formal qualification.	Supporting communities in their transition through community benefit funds and social programs.	Openly advocating for progressive climate policies and for a just transition.
Disclosing stakeholders the company engages with including local work councils and trade unions and the share of collective bargaining agreements.	Devising a just transition strategy that encompasses, worker support, supply chain support and community engagement.	Putting targets in place to increase inclusiveness and gender diversity of green jobs	Offering educational programs and training courses to support workers affected in the transition.	Using social investment frameworks to understand how company investments align with just transition.	Ensuring trade association memberships is not at odds with climate policy and just transition.

Examples of company good practices on green jobs



Public commitment to support access to green and decent jobs as part of the low carbon transition.	Measures to support access to green and decent jobs for workers and other affected stakeholder	Assessing and disclosing the risks of employment dislocation and related impacts on workers and affected stakeholders.	Green and decent jobs embed equality of opportunity for women and vulnerable groups
<p>Company supports employees as they plan to re-enter the job market. This includes connecting them with programs and services and external organizations to broaden their access to career opportunities.</p>	<p>Company discloses that its just transition plan hinges on facilitating access to new job opportunities for direct and indirect workers while transitioning into green technologies.</p>	<p>Company conducts economic impact analysis to understand the regional effects associated with plant closures on direct, indirect (contractors/suppliers) employment and induced (consumer spending) economic impacts of coal power plant retirement.</p>	<p>Company supports school diversity through a Strategic Secondary School network in priority locations, managed locally by STEM Leads, as well as working with social mobility education partners to developed just transition themed learning programme.</p>

Examples of company good practices on green skills

Public commitment to re-and/or up-skill workers displaced	Identifying skills gaps for workers and affected stakeholders	Training and/or up-skilling, or education opportunities for workers and affected stakeholders	Training and/or up-skilling, or education opportunities embed equality of opportunity for women and vulnerable groups
<p>Company discloses its guiding principles to support just transition which includes planning to equip workers with skills for employment opportunities arising from the transition to a low-carbon economy.</p>	<p>Company conducts skills audit to determine skills requirements, assess its current skills base, and identify future training and development needs. Further, it discloses that it has developed a draft 15-year just transition skills plan.</p>	<p>Company will continue to focus on training in upskilling and reskilling, reaching up to 45% of its employees by 2026 and a support office was established in collaboration with the Municipality and the National Institute for Skilling and Employment (IEFP)</p>	<p>Company invested in three phases of education facilities in Colombia, enabling diverse vocational training and preserving local traditions while benefiting the economy.</p>

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How have stakeholders used our just transition insights?



Affected stakeholders
(labour, civil society)

Intergovernmental
(UN, G20)

Financial actors
(Investors)

EN

Advancing the EU's just transition policy framework: what measures are necessary

This page is also available in: FR

Adopted on 13/12/2023 - Bureau decision date: 11/07/2023

Reference: NAT/915-EESC-2023

THE B TEAM

Date: January 25, 2023
 To: G20 sustainable finance working group (SFWG).

Signatories to this open-letter provide their insights on how the Brazilian G20 presidency can fast-track efforts towards a just transition for workers, local communities, rights holders and businesses impacted by a low-carbon transition. We highlight the importance of inclusive just transition frameworks, planning, funding, monitoring and evaluation from G20 governments and how these can inform the SFWG and the better integration of just transition in the G20 finance track. These efforts are vital to drive a just energy transformation that ensures the implementation of the Paris Agreement.

Momentum towards a just transition has never been as high on the international agenda as it is to date. Recently, COP26 saw the emergence of a just transition work programme and high-level ministerial dialogue. The LO's just transition guidelines were also reaffirmed during the 111th international labour conference in June 2023. Similarly, the previous Indian G20 presidency highlighted the need for inclusive and sustainable development that encompasses just transition. These efforts emphasized the importance of international cooperation, decent work, social dialogue, respect for human and labour rights and the involvement of local communities in just transition processes. The importance of financing a just transition has also gained attention as evidenced by initiatives from Multilateral Development Banks (MDBs), GFANZ and the launch of Just Energy Transition Partnerships (JETPs). The 2024 G20 presidency presents a unique opportunity to build on this work while addressing some of the just transition gaps that currently remain.

As organisations that assess and work with the public and private sectors, including companies, financial institutions, and governments, we provide the following four key recommendations to the SFWG. These recommendations can inform progress that needs to be made in the G20 finance track. They can also assist the SFWG in reviewing progress across the five pillars part of its [Transition Finance Framework](#).

- G20 finance ministers and central bank governors can play a decisive role in scaling finance aligned with just transition principles and in enacting a conducive policy environment across multiple economic sectors and the international financial system**

G20 finance ministers and central bank governors can set the tone for just transition implementation. They can do so in the way they design budgets, fiscal policy, ensure policy coherence for a just transition and interface with MDBs. In doing so, they will further ensure the delivery of pillar four of the SFWG transition finance framework. As an example, G20 governments [jointly agreed to a \\$1.4 trillion in public funds in 2022 on fossil fuels](#), with higher funding still going to [environmentally harmful subsidies](#). This funding could be repurposed towards energy efficiency, renewable energy and other measures to support a people-centred and equitable clean energy transition. This funding would also be particularly beneficial to deliver financing commitments and [accelerate the energy transition in emerging markets](#). The issue of transition funds with research and innovation

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Oil and gas giants challenged by investor coalition on Just Transition strategy

Exxon Mobil, Saudi Aramco, BP, Gazprom, Royal Dutch Shell, Santos and TotalEnergies amongst recipients of Tuesday's letter.

By Gise Gumbetta - 17 May 2023

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TIME TO ACT

Newton Investment Management, Ninety-One and the World Benchmarking Alliance (WBA) have put 100 oil and gas companies on notice to take the crucial first steps needed to ensure a just transition, *Responsible Investor* can exclusively reveal.

Statement 20 January 2023

Investor Statement for a Just Transition



Moving from pledges to implementation: A guide for corporate just transition action








Recommendations

1. Companies should embed just transition accountability within their wider climate strategy.
2. Companies should ensure their just transition strategies are based on social dialogue, collective bargaining agreements, decent work, labour rights and employment opportunities and challenges in multiple sectors.
3. Through regulation and an enabling policy environment, governments can strengthen the understanding of just transition principles and what just transition planning means for companies.

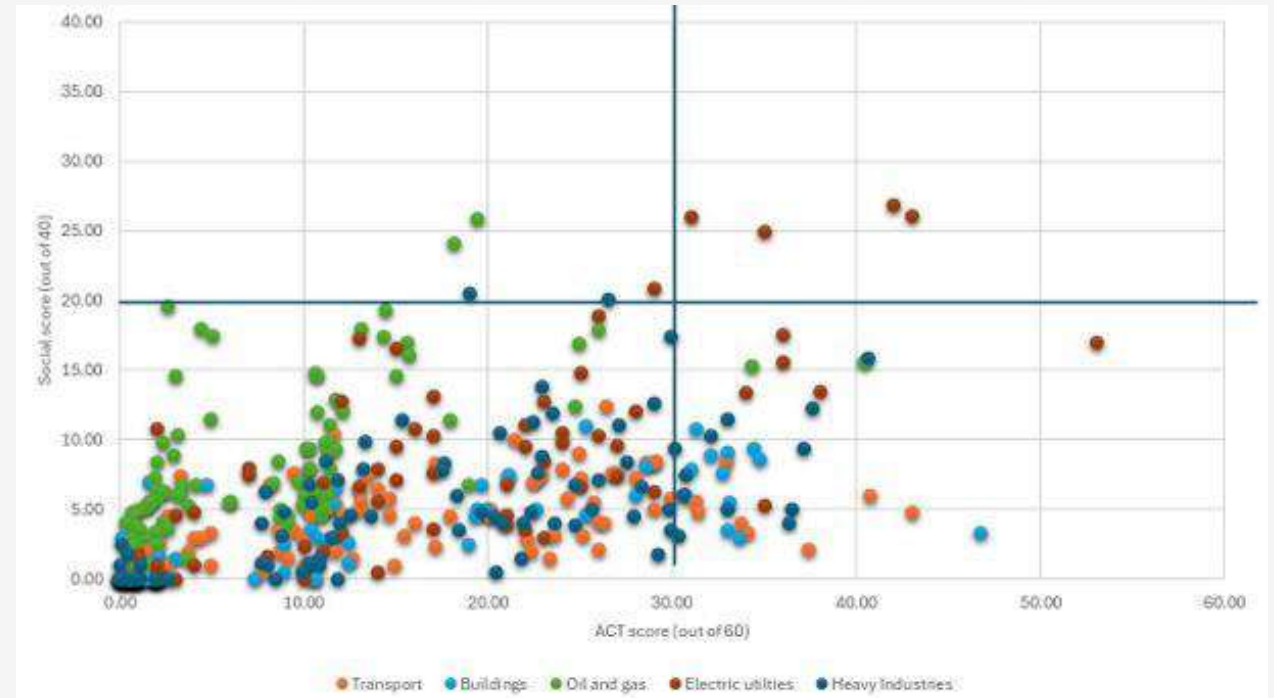


Importance of public-private partnerships on just transition

Spain 	Philippines 	India 	United Kingdom 	South Africa 
Energy (coal)	Cross-sectoral	Energy (Coal)	Energy (Oil and Gas)	Energy (coal)
<p>A core element of Spain's 2019 just transition strategy includes a strong focus on public-private partnerships.</p> <p>In some regions affected by coal power plant closures, additional loans are available for companies that create and maintain employment. Companies must also develop climate action plans with emission reduction strategies every five years.</p>	<p>Through its 2016 Green Jobs Act, the Philippines put an important focus on just transition and enterprise development and skills.</p> <p>In practice this means several financial incentives were made available to businesses, in particular MSMEs to create green jobs, new training, and adopt clean technologies.</p> <p>While the pandemic has somewhat slowed the momentum of the law, the Climate Change Commission is expected to release by the end of 2023 new standards for green job creation.</p>	<p>In India, public-private sector collaboration and the Skills Council for Green Jobs play a crucial role in spurring green job creation and supporting training and certification programs for various clean energy solutions.</p>	<p>Companies, workers and the government collaborated with each other to develop an Energy Skills Passport.</p> <p>This passport can play an important role to assist offshore oil and gas workers in acquiring transferable skills to find work in the offshore renewables sector.</p>	<p>South Africa stands out as one of the first countries to include just transition in its NDC.</p> <p>In 2024 the Presidential Climate Commission published a state-of-the-art climate report to assess the state of play of climate action and just transition including for corporates.</p> <p>South Africa's PCC also has a monitoring and evaluating unit that will release a set of just transition indicators and is working on private sector implementation.</p>

Assessing transition plans and just transition in tandem

- About 1% of companies perform above average on both their social and ACT (decarbonisation) assessments (all of which are electric utility companies).
- Little to no correlation between a company's decarbonisation and social performance.
- About 10% of companies perform above average on ACT but with a lower-than-average social score, almost half of which are companies in the building sector



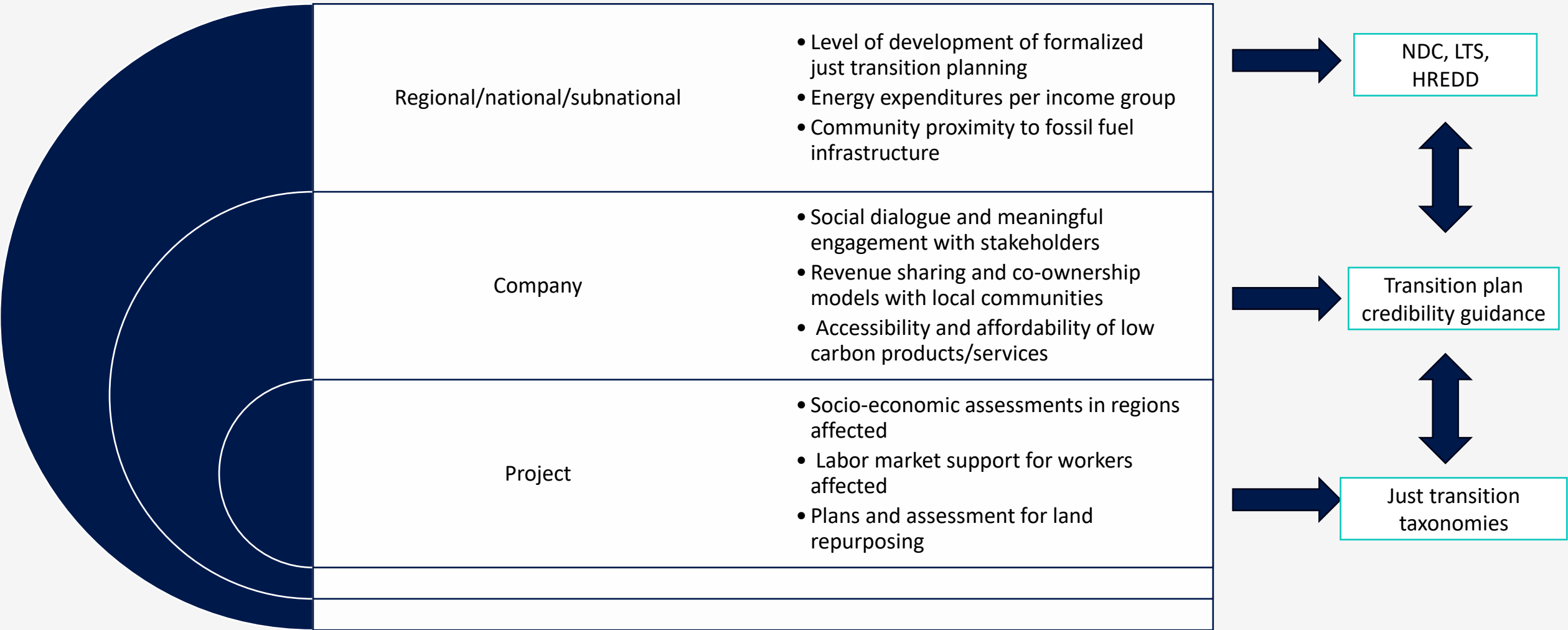
WBA Just Transition working group



- 20+ multi-stakeholder coalition
 - Informal group, people participate on individual basis
- Support corporate action on just transition and show the relevance of indicators
- Upcoming paper in March 2025 will provide a framework and guidance to assess the 'just' in companies' transition plans
 - This work will relate to other work launched on [assessing the credibility of company transition plans](#)
 - This work will also show linkages between different levels of just transition monitoring



The importance of complementary just transition indicators



Source: UCSB 2035 initiative, LSE Interconnected justice report, UNFCCC forthcoming, World Bank (2024)

References



WBA just transition work: <https://www.worldbenchmarkingalliance.org/just-transition/>

Moving from Pledges to Implementation: a Guide for Corporate Just Transition Action (2023), WBA, LSE and Council for Inclusive Capitalism:
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THANK YOU

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