Enhancing Long-Term Value and Resilience

A study of how global investors are using transition plans

Ecosperity | Singapore | May 2026

New research based on 35 institutional investors representing over US$10 trillion in AUM

ITPN International Transition Plan Network

The transition is not a distant challenge – it is a defining economic opportunity now

- US$4–5 trillion in transition finance could be available globally 2026–2035, under scenarios consistent with national or global emissions reduction targets (IEA)
- Energy security & the low-carbon transition are the same conversation: clean energy diversification reduces fossil fuel import dependency
- Asian investors represent 23% of this research sample — findings are directly relevant to decisions being made here
- Transition taxonomies, national frameworks, and transition bond markets are already emerging: India, Japan, Singapore, ASEAN, and beyond

Transition plans are an energy security tool

Not just a climate disclosure requirement, but a strategic asset for policymakers and investors navigating energy transition

Corporate TPs reveal fossil fuel exposure

Showing investors and governments how companies are managing dependency on volatile energy inputs

CapEx plans signal where capital flows

Transition plan financial disclosures show where investment needs to go — and create the investment case

TPs bridge ambition and industrial policy

Disclosed assumptions and dependencies show precisely where policy needs to do more — enabling better-designed interventions

Accelerating the transition supports energy security

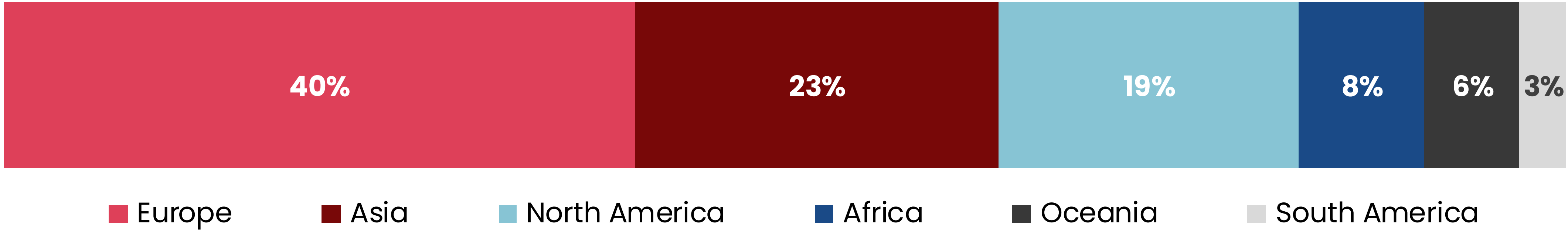
About the research

35
institutional investors
(21 interviewed + 14 surveyed)

5
data providers,
index providers & credit
rating agencies interviewed

$10T+
combined AUM of
interviewed investors

Geographic breakdown of sample



Research conducted November 2025 – January 2026 | Respondents typically held senior roles: heads of sustainability, stewardship, and investment officers

Transition plans are used across 5 key areas:

Stewardship
Most widespread — 75%+ of investors

Portfolio Monitoring & Risk Management
45% integrating transition plan info into these practices

Fundamental Analysis
12 of 35 investors; 9 use bespoke frameworks

Labelled Product Design
~25% developing or investing in transition-labelled products

Passive Investment
Growing, but currently limited

29

of 35 institutional investors

are already using transition plans in investment and/or stewardship processes

What do investors care about?

43% of investors	40% of investors	37% of investors	37% of investors	34% of investors
Governance	**Implementation Strategy**	**Key Assumptions & Dependencies**	**Financial Metrics**	**GHG Targets**
Board ownership, C-suite involvement, executive remuneration, senior expertise	Actionable, timebound, specific plans — not aspirational statements	Transparency about reliance on policy and regulation, technology, or market conditions	CapEx and revenue plans credibly linked to the transition	Assessed for credibility against pathways incl. NDCs for emerging markets

Key takeaway: Investors ask: ‘Is your plan financially viable?’ not ‘Is your net zero target ambitious enough?’

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What are the barriers to scaling use?

THE DATA CHALLENGE

Not enough disclosure

Disclosures are concentrated in large listed companies in regulated jurisdictions, limiting investors' ability to compare companies or inform indices and related products

Not decision-useful

Some companies are not disclosing financial metrics, implementation details, or assumptions; companies should acknowledge areas of uncertainty in plan and update as needed

Not comparable

Inconsistent methodologies; no standardised frameworks in most jurisdictions; risk of overstated alignment

THE POLICY CHALLENGE

Not enough jurisdiction- or sector-specific pathways

10 of 35 investors said the absence of clear transition pathways makes it hard to assess whether a company's plan is realistic — investors need a reference point

Lack of policy certainty

9 of 35 investors said the lack of supportive policy environments, or volatile and unclear policy environments increase uncertainty for companies and reduce investor confidence in transition plan credibility

What should happen next

6 actions for companies, investors, data providers, & policymakers to consider

1 Companies

Publish credible, actionable transition plans with financial metrics, implementation strategies, and honest disclosure of assumptions and dependencies. Don't wait for mandates.

2 Investors

Send clear market signals that transition plans affect capital allocation. Engage investee companies, policymakers, and data providers. Collaborate with peers on consistent expectations.

3 Data providers & rating agencies

Build scalable, standardised products that translate transition plan information for large-scale and passive investors. The demand is there and growing.

4 Governments & regulators

Introduce mandatory, internationally-aligned transition plan disclosure requirements using IFRS S2 and TPT as the foundation. Develop jurisdictionally-specific guidance or frameworks on the transition planning process.

5 Policymakers

Publish Sector Transition Plans (STPs). Reduce climate & industrial policy misalignment, and design policy interventions that accelerate the transition to a low-emissions, climate-resilient economy.

6 All actors

Use transition plan information to reduce misalignment between climate ambition and industrial policy. The disclosures reveal the gaps — now coordinate to close them.

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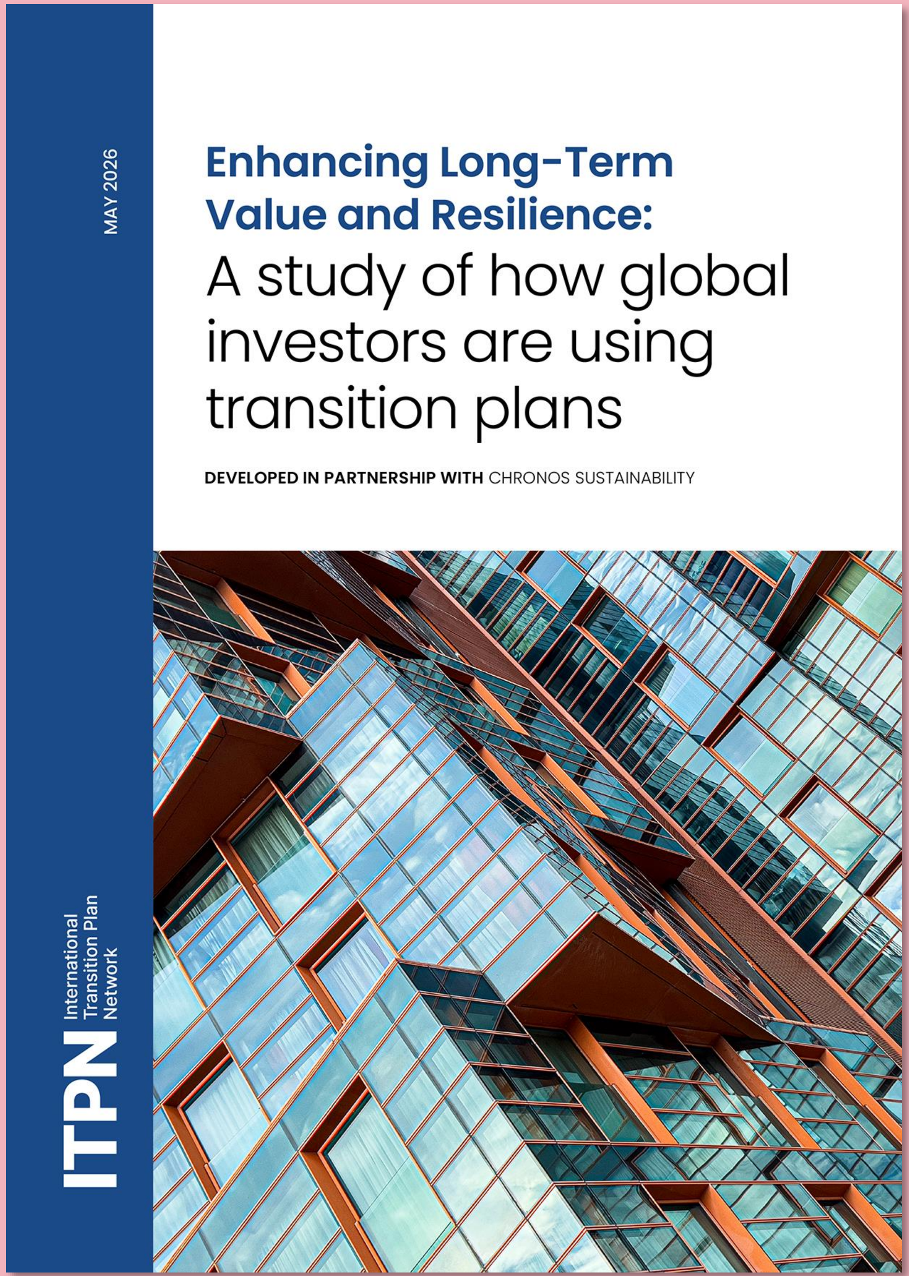
Transition plans are already influencing capital allocation around the world

Read the full report at itpn.global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DEVELOPED IN PARTNERSHIP WITH CHRONOS SUSTAINABILITY

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