Opportunities and challenges for mainstreaming just transition in bank transition plans

A proposed assessment framework and its application to 10 banks' transition plans

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Policy report

November 2026

The Just Transition Finance Lab was launched in February 2024 with the goal of being a centre for experimentation and excellence in the financial solutions needed for a just transition. The Lab is grateful for the core support of its Founding Funders: Antin Infrastructure Partners, Barclays, HSBC and Laudes Foundation.
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Acknowledgements

The authors thank Algirdas Brochard and Madalena Martins for their review of earlier drafts of the report and bank assessment files. They are grateful for insights from Rowan Conway, Antonina Scheer and Judith Tyson regarding the report's structure. The authors thank Agnieszka Smolenska, Darshni Nagaria, Carel Cronenberg, Brendan Curran, Aaron Cantrell and Joana Pedro for useful comments on the draft report. It also benefited from insights from bank practitioners and representatives from international organisations during a roundtable discussion held on 17 February 2026 and a public event on 25 June 2026. The authors further acknowledge the following bank representatives for their feedback on the first iterations of bank assessments and/or contributions to the emerging practice boxes: Farzana Rahman (BRAC Bank); Gregoire Lusson and Vojtech Obuskevic (BNP Paribas), Luanne Sieh (CIMB), Ekinsu Tokaç, Caner Özahçı and Doğa Cüceoğlu (Türkiye İş Bankası A.Ş.); Matthew Deakin, Katerina Vratnikova, Hannah Simons, Sophie Dejockheere, Alice Melvin and Amira Izhar (Lloyds Banking Group); as well as senior officers from Itaú Unibanco and Standard Bank Group. Sarah King from the Grantham Research Institute edited the report.

Authors' declaration of AI use: The authors drafted the report and undertook the assessments of bank transition plans and related documents, including the counting of references, manually. During the revision stage, Claude (Anthropic) was used to check grammar and formatting, suggest edits to improve the clarity of the authors' draft text, generate figures, refine appendix tables and cross-check cited sources. It was also used as a secondary check on the consistency of the authors' reference counts in the bank assessment files. All AI-assisted outputs and resulting changes were reviewed and, where necessary, corrected by the authors, who remain fully responsible for the report's content.

The underlying data and assessment files for each of the banks assessed for this report are available here: Summary assessments of just transition in 10 bank's transition plans: Version 1.0 .

The views expressed in this report represent those of the authors and do not necessarily represent those of the reviewers, banks engaged with during the research, host institutions or funders. The authors declare no conflict of interest in the preparation of this report. Comments are welcome at Gri.Jtfl@lse.ac.uk.

This paper was first published in November 2026 by the Grantham Research Institute on Climate Change.
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Suggested citation: Raga S, Cortes-Morales S, Merino F and Johnson D (2026) *Opportunities and challenges for mainstreaming just transition in bank transition plans*. London: Grantham Research Institute on Climate Change and the Environment. London School of Economics and Political Science.
DOI: 10.21953/researchonline.lse.ac.uk.00141978

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Summary

An orderly climate transition towards a low-carbon and resilient economy requires a just transition that leaves no one behind. The concept of a just transition has gained increasing importance in international and national climate policy and is embedded in nearly 80% of the latest round of submitted nationally determined contributions. Given the scale of climate financing needs and constraints on public resources, the private sector, including banks, will need to play a greater role in financing an inclusive transition. Yet, the limited evidence available suggests that just transition considerations are not yet well integrated into banking practice.

Assessing just transition in bank transition plans

Transition plans provide a natural entry point for addressing this gap. They bring together banks' climate ambitions, implementation and engagement strategies, metrics and targets, and governance arrangements, providing an avenue for both integrating just transition considerations into banking practice and assessing how systematically this is being done.

We propose a framework for assessing how banks' transition plans and related disclosures address just transition risks and opportunities, and which stakeholders they target. The framework focuses on five stakeholder groups directly or indirectly affected by banks' climate-related activities: retail customers, workers, suppliers, communities and consumers, while also considering vulnerable groups within these stakeholders. By distinguishing between managing just transition risks and opportunities in climate-related activities, and identifying the stakeholders targeted by these activities, the framework provides a more detailed assessment than existing benchmarks, in which just transition considerations are typically captured through a small number of indicators within broader climate or sustainability frameworks. As transition plans become more widely available, the framework could provide a consistent process for identifying banks' and other entities' just transition-aligned activities and tracking progress over time.

Applying the framework

We apply the framework to 40 transition plans and related documents disclosed by 10 commercial banks in 10 countries: Commonwealth Bank of Australia (CBA, Australia), BRAC Bank (Bangladesh), Itaú Unibanco (Brazil), Royal Bank of Canada (RBC, Canada), BNP Paribas (France), Mitsubishi UFJ Financial Group (MUFG, Japan), CIMB (Malaysia), Standard Bank Group (SBG, South Africa), Türkiye İş Bankası A.Ş. (İşbank, Türkiye) and Lloyds Banking Group (Lloyds, United Kingdom). The sample focuses on commercial banks with significant operations or those classified as having systemic importance in their respective countries, although we recognise that different types of banks (e.g. by ownership, size or business model) may have different motivations in adopting just transition.

Our assessment identifies 109 instances in which banks' disclosed climate-related strategies and actions reflect elements of a just transition. Detailed assessment files published alongside the report provide the underlying references and direct quotations from banks' disclosures, while five examples explore in greater depth emerging practices in how banks use different levers to embed just transition considerations and target relevant stakeholder groups in their climate-related activities.

Key findings

1. **Just transition considerations are rarely integrated across all components of banks' transition plans and are most visible in implementation strategies** (see Table S1). More than half of all just transition references identified in the assessment relate to implementation strategies. This concentration represents positive progress, suggesting that banks are undertaking practical activities to integrate social risks and opportunities into their climate-related activities, beyond statements of just transition ambition. Nine banks recognise just transition opportunities, while three (BNP Paribas, SBG, and Lloyds) tailor products and services to all five just transition stakeholder groups, most often in the agriculture, housing and transport sectors. Just transition considerations are also evident in engagement strategies, including through client transition plan assessments, stewardship activities, and programmes for small and medium-sized enterprises (SMEs), farmers and particular communities. Four banks recognise just transition risks, mainly in their sectoral strategies for coal, power, and oil and gas, and only one links these risks to its financial risk management. Elsewhere, however, just transition considerations are only partially integrated and are least evident in metrics and targets and governance arrangements.
2. **Where just transition considerations are present, banks focus more on opportunities than on risks, by a ratio of three to one.** Of the 10 banks assessed, only two, CIMB and SBG, recognise both risks and opportunities across several components of their transition plans. Three possible reasons may help explain this. First, opportunities can more readily be embedded within existing business lines, such as financing for SMEs, agriculture, housing and transport, where tailoring products to underserved customers can also expand banks' client bases and support value creation. Second, assessing just transition risks requires banks to look ahead at how their clients' transition activities may affect workers, suppliers, communities and consumers. This requires client-level social data and analytical tools that are not yet widely available. Third, banks may pay attention to social risks associated with minimum social safeguards based on global standards or national laws, such as human and labour rights, but do not clearly link these social risks to climate transition activities.
3. **Among the stakeholder groups assessed, banks most often target communities, followed by workers and suppliers, particularly SMEs.** Banks generally indicate that they support retail customers through the climate transition, for example through preferential rates for green mortgages or electronic vehicles, but relatively few provide targeted support for low-income and vulnerable retail customers. Most banks have financial inclusion initiatives, but these are often separated from their climate-related activities. Consumers affected by banks' clients' products and services receive considerably less attention, with six banks making no reference to consumers in their transition plans.
4. **The results raise questions about the coherence between banks' just transition ambitions and their practices.** BNP Paribas, SBG and CIMB appear to carry just transition considerations from their stated ambition (foundations) into implementation and engagement activities, and to some extent into metrics. By contrast, İşbank tailors some of its financing to several just transition stakeholder groups without explicitly stating just transition as an ambition. For most banks, however, just transition considerations do not yet extend into metrics and targets and governance arrangements, which are important for making just transition-aligned activities measurable and accountable over time.
5. **Banks' targeting of stakeholders appears to mirror external sustainable finance and risk management frameworks, which often treat social and environmental or climate risks in parallel rather than in an integrated way.** Five banks align their sustainable finance frameworks with relevant voluntary International Capital Market Association (ICMA) and Loan Market Association (LMA) principles. These leave the classification of a bond or loan as green, social or sustainable to the issuer or borrower, with only the social bond and loan principles providing just transition considerations in their illustrative project categories. Banks following these principles therefore vary considerably in how they categorise financial instruments and identify their intended beneficiaries. Seven banks are also signatories to the Equator Principles, a risk management framework which largely treats environmental and social risks in

parallel and focuses on minimum safeguards, an approach that is largely reproduced in signatory banks' own environmental and social risk frameworks.

6. **Where financial regulators or financing partners specify just transition stakeholders, banks' targeting tends to be more direct**. In Bangladesh, for example, Bangladesh Bank's sustainable finance taxonomy explicitly includes green financing for cottage, micro, small and medium enterprises (CMSMEs), microfinance service providers and underserved populations, an approach that is carried through into BRAC Bank's framework. In Malaysia, Bank Negara Malaysia's Fund for SMEs in partnership with CIMB lowers the cost of green finance for SMEs. Banks' partnerships with public institutions can also bring social objectives into the projects they finance, as illustrated by MUFG and Itaú Bank partnerships with the Japan International Cooperation Agency (JICA) and the Brazilian government's Eco Invest programme, respectively.

Table S1. Summary of the assessment of just transition considerations in bank transition plans

In progress – references activities to manage just transition risks and/or maximise just transition opportunities that are targeted at all just transition stakeholders

Partial progress – references activities to manage just transition risks and/or maximise just transition opportunities that are targeted at some (but not all) just transition stakeholders

No or vague reference – no reference to just transition risks and/or opportunities for stakeholders; treats climate and social factors separately; or provides a vague description of social considerations in climate-related activities

Transition plan component	Just transition (JT) elements	CBA	BRAC Bank	Itaú	RBC	BNP Paribas	MUFG	CIMB	SBG	İşbank	Lloyds
Foundations	Managing JT risks										
	Maximising JT opportunities										
Implementation strategy	Managing JT risks										
	Maximising JT opportunities										
Engagement strategy	Managing JT risks										
	Maximising JT opportunities										
Metrics and targets	Managing JT risks										
	Maximising JT opportunities										
Governance	Managing JT risks										
	Maximising JT opportunities										

Source: Authors' assessment of bank transition plans and related documents. Detailed assessments are in the supplementary files

Implications

For banks

Our findings point to four complementary actions that banks can take to better integrate just transition considerations into their transition plans.

1. **Anchor just transition in climate ambition.** A top-down approach that embeds just transition in a bank's climate ambition, as seen at SBG and CIMB, may support more consistent adoption across the banks' climate-related activities.
2. **Build capabilities through bottom-up approaches.** Where just transition ambition is partial or absent, bottom-up approaches, such as BNP Paribas' community of practice and its pilot instruments, can help build the capabilities and evidence needed to scale up just transition activities.
3. **Tailor existing bank processes.** Existing environmental and social risk frameworks, client transition plan assessments, stewardship activities with investee companies, and the eligibility criteria used in sustainable finance frameworks offer immediate entry points for embedding just transition considerations.
4. **Take a more targeted and measurable approach.** Banks' efforts to maximise just transition opportunities are welcome, but greater attention is needed to managing just transition risks; targeting a wider range of stakeholders, particularly vulnerable groups among retail banking customers and consumers; and integrating just transition considerations into metrics and targets and governance components of transition plans.

Five boxes illustrating emerging bank practices aimed at different just transition stakeholder groups, together with the 109 just transition references identified across the 10 banks' transition plans, provide practical examples that other banks can draw on.

For standard setters

For standard setters on sustainable finance, environmental and social risk management and transition planning, the tendency of banks to align their approaches with widely accepted external standards suggests that clearer expectations around stakeholder targeting, just transition metrics, governance and financial risk management could strengthen the credibility of just transition commitments and be reflected relatively quickly in the practices of large banks. As just transition considerations are incorporated into social and climate standards, including the Taskforce on Inequality and Social-related Financial Disclosures framework and the International Sustainability Standard Board's research on workforce-related disclosures, interoperability between these standards, and with existing environmental and social risk standards such as the Equator Principles and the International Finance Corporation's Performance Standards, may influence whether banks address climate and social risks in an integrated way or as separate pillars.

For financial regulators

Our findings do not necessarily suggest that central banks and financial regulators should make just transition a supervisory objective, given continuing debate over whether this falls within their mandates. However, when assessing the credibility of banks' transition plans, supervisory attention to how banks govern, measure and manage climate-related social risks would be compatible with prudential objectives. Such attention may, in turn, encourage banks to integrate just transition considerations into their transition plans and related financial risk management frameworks, while helping to build the social data and evidence base needed to understand their financial implications.

Where central banks or financial authorities have development or financial inclusion objectives or programmes, the cases of Bangladesh Bank's sustainable finance taxonomy and Bank Negara Malaysia's green financing facilities for SMEs demonstrate how tailored policy tools can more directly influence which stakeholders banks target in their climate-related financing.

1. Introduction

This report examines how commercial banks[1] can use transition plans to integrate just transition considerations into climate-related activities and the extent to which banks are doing so in practice.

Context – banks' role in providing climate finance and supporting an inclusive transition

Global warming is now expected to exceed 1.5°C above pre-industrial levels, underscoring the need for collective global action both to limit the overshoot and ultimately bring temperatures back down, while ensuring that the transition to a low-carbon future is inclusive (UNEP, 2026). Without sufficiently ambitious mitigation and adaptation, this trajectory will have severe implications for food security, water supplies, productivity and public health. In this context, the United Nations Environment Programme (UNEP) calls for strong political will, multilateral action and effective policies, and identifies a just transition approach as important for accelerating near-term emissions reductions and adaptation (ibid.).

Climate finance flows are increasing, but remain below what is needed. They reached US$2 trillion in 2024 (CPI, 2026a), compared with estimated annual global mitigation finance needs of US$7.8–9.0 trillion and annual adaptation finance needs of US$310 billion for developing countries alone up to 2035 (CPI, 2026b; UNEP, 2025a). The climate financing landscape is further challenged by declining public climate finance, constrained fiscal resources and reduced overseas development assistance and concessional finance, increasing the role of domestic and international private finance in filling the climate financing gap (CPI, 2026a).

Banks can play a greater role in closing the climate finance gap while supporting an inclusive transition. Private financial institutions, including commercial banks,[2] contributed US$572 billion in climate finance in 2024, equivalent to 28% of total climate finance flows (CPI, 2026a), and have the potential to mobilise further capital for low-carbon and adaptation activities. The banking sector accounts for 80% of total financial sector assets in emerging markets and developing economies (EMDEs), yet 60% of surveyed EMDE banks and non-bank financial institutions allocate only 5% of their lending portfolios to climate finance (World Bank, 2024). Banks also need to be more ambitious in diverting assets away from carbon-intensive sectors: as of 2024, banks' loans and bond and equity underwriting for fossil fuel companies accounted for 70% of all tracked new credit finance, with 30% for clean energy (CPI, 2025). At the same time, banks need to ensure that their climate-related activities are inclusive, as unintended negative social impacts could undermine social cohesion and, in turn, weaken support for climate action (see ILO and UNEPFI, 2023).

Transition plans can help mobilise, enable and facilitate bank financing towards climate transition and adaptation, while providing a mechanism for embedding just transition considerations. They set out an entity' targets, actions and resources needed for its transition towards a lower-carbon and climate-resilient economy, and the information they contain can help enable the flows of financing needed to support that transition (GFANZ, 2022; NGFS, 2023). As of April 2026, 41 jurisdictions have either adopted or have plans to adopt ISSB sustainability reporting standards requiring entities to disclose transition plans where they have one (Laidlaw, 2026; ISSB, 2023b). In 2024, the G20 Sustainable Finance Working Group developed a set of voluntary and non-binding principles for financial institution and corporate transition plans that promote

[1] This report focuses on commercial banks, and the term 'banks' used in this assessment and analysis refers to this type of bank. Commercial banks are broadly described as accepting deposits from and making loans to individuals and corporations, and engaging in lending to infrastructure, real estate and other projects (ISSB, 2023a). However, we note that the range of activities commercial banks undertake varies widely between countries, depending on national banking regulations and practices, and the sophistication of a country's financial system (IMF, 2016). In this regard, we also considered other relevant commercial banking activities, such as investment banking, capital market-related activities, insurance and asset management, when information is provided within disclosed transition plans.

[2] The US$572 billion of climate finance was attributed to private financial institutions. In the CPI methodology used to track climate finance since 2023, private financial institutions are described as "providers of private debt capital (and occasionally other instruments), including commercial and investment banks" (CPI, 2025: 12).

climate action and just transition considerations (SFWG under the G20, 2024). Guidance has also emerged on how just transition risks and opportunities can be incorporated into banks' transition plans (Curran et al., 2022; ILO and GRI, 2022; ILO and UNEPFI 2023; Pedro and Chubarova, 2024; TPT JTWG, 2024).

Despite these developments, banks' adoption of just transition considerations remains limited, pointing to several barriers to greater integration. As of 2026, only eight of 36 large global banks had taken some action to incorporate just transition considerations into their activities (Brochard et al., 2026). Similarly, a survey of 40 banks across 33 countries found that only 31% reported that social impacts were almost always or often integrated into decisions on climate-related activities (Beal et al., 2023). The literature identifies several barriers: a lack of a quantifiable business case for just transition; the absence of standard definitions and methodologies for operationalising it; limited decision-useful social data for climate scenario analysis; and insufficient policy leadership and alignment on how banks can support a just transition (see Calice and Demekas, 2024; Clifford Chance LLP et al., 2021; Raga, 2026; UNEPFI, 2026).

In its assessment of banks' utilisation of transition plans, this report addresses three research questions:

1. How can transition plans be used to integrate just transition considerations into banks' climate-related activities?
2. To what extent are just transition considerations integrated into banks' transition plans?
3. What emerging practices enable integration of just transition considerations into banks' transition plans?

The report addresses these questions by developing an assessment framework and applying it to the transition plans of 10 domestic systemically important banks, or largest banks by asset size, across 10 countries. The assessment also identifies practical examples of how just transition considerations can be operationalised through transition planning, as well as areas where integration has progressed or could be strengthened.

The report is structured as follows:

- **Section 2** sets out the role of banks in financing a just transition, including the business case and key just transition themes, levers and stakeholders, as well as the role of transition plans in integrating these considerations.
- **Section 3** presents the methodology and assessment framework, the selection of banks and documents, and the study's limitations.
- **Section 4** presents the assessment results and selected emerging banking practices that illustrate different bank levers to address just transition risks and opportunities for targeted stakeholders. Individual bank assessments are provided in separate supplementary Excel files published alongside the report.
- **Section 5** concludes and sets out implications for banks, standard setters and financial regulators.

2. The role of banks in financing a just transition

Banks have an important role to play in financing a just transition. This section first considers the business case for banks to support a just transition and the key themes, levers and stakeholders relevant to their activities. It then examines the role of transition plans in bringing these considerations together and embedding them within banks' transition strategies.

2.1. Why should banks adopt a just transition?

According to the ILO definition, "Just transition involves maximizing the social and economic opportunities of climate and environmental action, including an enabling environment for sustainable enterprises, while minimizing and carefully managing challenges. It should be based on effective social dialogue, respect for fundamental principles and rights at work, and be in accordance with international labour standards. Stakeholder engagement is also important" (ILO, 2023). The principal groups generally identified as affected by the transition to low-greenhouse gas emissions and climate-resilient development include workers, communities, supply chains and consumers (TPT JTWG, 2024).

There is limited but growing empirical evidence supporting the business case, particularly in terms of risk management, for banks to consider just transition in their climate-related activities. The emerging evidence highlights the transmission channels through which climate-related social risks, or just transition risks, may translate into financial risks for banks. For example, delays to solar and wind projects caused by community opposition (Nilson et al., 2024; Susskind et al., 2022) may increase project costs or affect project developers' ability to service their debt, in turn creating operational and credit risks for banks financing those projects. Climate litigation, including a growing number of cases raising just transition issues,[3] may also create financial risks for banks (Smoleńska et al., 2025). Related evidence finds that firms experience reduced returns following climate case filings and unfavourable decisions, by up to 0.57% and 1.5%, respectively (Sato et al., 2023). In the Polish banking sector, Calice (2025) found that 17.2% of bank financing is exposed to sectors that may decline or transform as a result of the low-carbon transition, with the resulting social risks from the negative impact on local labour markets and communities potentially translating into reputational and operational risks for banks.

The case for value creation from banks adopting just transition considerations remains largely conceptual[4] and anecdotal, focusing on new investment opportunities in emerging markets and the potential to expand the customer base by reaching traditionally underserved market segments. Nevertheless, related literature on environmental, social and governance (ESG) performance may offer some insights. Among banks, Beal et al. (2022) find that better performance against the social metrics within ESG has been associated with better shareholder returns and a lower cost of capital than among banks performing poorly on social metrics. This evidence points to potential benefits for banks from incorporating social considerations into their climate-related activities.

Growing attention to just transition among policymakers, prudential authorities and investors may provide additional incentives for banks to consider it in their climate-related activities. At the policy level, 79% of the latest nationally determined contributions (NDCs) reference just transition, and 26% explicitly mention

[3] See Setzer and Higham (2026) for a discussion on emerging just transition litigation. As of October 2026, there have been 125 just transition litigation cases since 2009, based on the Business and Human Rights Centre's just transition litigation tracking tool: https://www.business-humanrights.org/en/from-us/just-transition-litigation-tracking-tool/

[4] For example, the ILO and LSE (2022) highlight that just transition opportunities to support local economic development, job creation and skills development, among others, can be sources of new business investment opportunities for the financial sector. Adopting a just transition also helps in addressing systemic risks to long-term stability and value creation, which is relevant to banks bound by fiduciary duty. ILO and UNEPFI (2023) note commercial opportunities from just transition may arise as banks extend financial services to traditionally underserved customers and geographies that are affected by the transition, and boost bank competitiveness by gaining exposure to growing green and sustainable business models in emerging markets.

allocating resources to it (ILO, 2025). As NDCs evolve to include more detailed estimates of just transition investment needs, banks may be better able to identify risks and opportunities associated with aligning their transition planning with national just transition ambitions. While promoting a just transition is typically not itself a prudential objective, prudential authorities may consider how banks identify and manage relevant just transition dependencies in their climate-related disclosures and transition plans when assessing banks' business models and risk management frameworks (Fulvi et al., 2026; NGFS, 2024; Smoleńska and Poensgen, 2025). Investors and shareholders are likewise showing greater interest in the intersection of climate and social issues, with some explicitly setting expectations for banks on just transition (Garcia-Manas and Loudon, 2024).

Global financial disclosure standards are also expanding beyond climate to encompass social-related issues, which may help make these considerations more visible in banks' transition planning. In May 2026, the Taskforce on Inequality and Social-related Financial Disclosures (TISFD) launched a beta framework to help businesses and financial institutions identify and disclose people-related impacts, dependencies, risks and opportunities, including those related to just transition (TISFD, 2026). In September 2026, the International Sustainability Standards Board (ISSB) also announced a research initiative on workforce-related disclosures (IFRS, 2026). The TISFD framework aims to be interoperable with existing and relatively widely adopted[5] standards, including those of the ISSB and Global Reporting Initiative (GRI). To the extent that these disclosure standards converge and become mandatory at the jurisdictional level, banks and the companies they finance may increasingly integrate social considerations into sustainability-related transition planning and reporting.

2.2. Where does just transition fit in banks' business models? Themes, levers and stakeholders

Just transition risks and opportunities can arise from banks' existing climate mitigation and adaptation activities, and banks can respond using levers already at their disposal. This subsection sets out the just transition themes relevant to banks, the levers through which they can act on them, and the stakeholders these levers can reach directly and indirectly.

Just transition themes relevant to banking activities

Banks' climate mitigation and adaptation activities can create just transition risks and opportunities, as well as avenues for social dialogue. For mitigation, the largest source of emissions associated with financial institutions is their financed emissions (Scope 3), generated by the companies, projects and individuals they support through lending, investment and underwriting. In 2021, the financed emissions of global financial institutions were estimated to be, on average, more than 700 times their direct operational emissions (CDP, 2021).

Social risks and opportunities arising from banks' mitigation efforts therefore emerge primarily as they seek to decarbonise their financed emissions. When banks reduce financing to clients in high-emitting sectors, for example, workers and communities that rely on those sectors may face job losses or reduced livelihoods. Financing renewable projects, in turn, can create green jobs and opportunities for skills development.

For adaptation, more frequent climate hazards expose banks' retail customers and financed activities to asset damage, labour productivity changes, business and supply chain disruption, and economic decline (NGFS, 2025). These impacts fall disproportionately on individuals, workers, communities and supply chains in hazard-prone areas and sectors, as well as on vulnerable groups with less capacity to adapt (CCC, 2022). Banks' efforts to manage their own exposure to physical climate risks therefore also carry social risks and opportunities. A bank with high real estate exposure, for example, could offer retrofitting loans to help low-

[5] For instance, ISSB-aligned standards are already in place on a voluntary or mandatory basis in 35 jurisdictions (Laidlaw, 2026); GRI standards are adopted by 71% of 5,800 surveyed companies in 58 countries (McCalla-Leacy and Gnändiger, 2024).

income households adapt their homes to extreme temperatures or finance community loans to build flood defences.

Drawing on the ILO's (2023) just transition definition and the just transition issues for the banking and financial sector identified in Curran et al. (2022), ILO and LSE (2022), and ILO and UNEPFI (2023), we group just transition themes relevant to banking into three elements in Table 2.1: just transition risks, just transition opportunities, and social dialogue. This grouping is intended to help identify the primary social effects of banks' climate-related activities on relevant stakeholders. However, several nuances need to be considered when interpreting these themes and groupings:

- **Just transition risks and opportunities may be connected.** The distributional effects arising from a bank's efforts to address a social impact may involve both risks and opportunities. For example, a bank-financed renewable project may create jobs in rural areas, representing a primary just transition opportunity, while vulnerable informal workers may be unable to access those jobs, creating a potential distributional risk. Conversely, reskilling workers effected by the retirement of a bank-financed coal mine may address an immediate just transition risk while creating new income opportunities for those workers over time.
- **Some existing environmental and social (E&S) standards cover minimum social safeguards but do not clearly link them to banks' climate-related activities.** The Equator Principles, a voluntary financial industry risk management framework, for example, addresses issues including labour rights, community health and safety, and grievance mechanisms, but treat these separately from environmental or climate-related transition risks. In this context, Table 2.1 identifies social safeguards that are specifically linked to banks' climate-related activities.
- **Some just transition outcomes are beyond banks' control and depend substantially on public policy.** A bank may, for example, encourage a retrofit company it finances to employ local workers, but the ability of those local workers to take up the resulting jobs also depends on the education and training systems available to them. Table 2.1 below therefore focuses on just transition themes that banks can influence and manage.

Levers that banks can use to respond to just transition themes

Banks can integrate just transition considerations by tailoring the levers they already use to finance retail customers, commercial and corporate clients and projects, as well as, for larger banks, through their capital markets, investment and asset management activities. These levers include financial products and services, loan terms and conditionalities, due diligence processes, portfolio and investment allocation strategies, and engagement activities, supported by governance structures (see Figure 2.1). For example, banks can influence just transition risks and opportunities for vulnerable and low-income retail customers through how they design and tailor financial products for these groups.

These levers can address just transition themes for relevant stakeholders either directly or indirectly. In mitigation-related activities, for example, a bank seeking to decarbonise its transport portfolio could design loans for electric vehicles that are more affordable and accessible to low-income borrowers. Here, the bank acts directly on a just transition issue, namely the affordability and accessibility of electric vehicle finance, for the targeted stakeholders, namely low-income borrowers. In commercial lending, a bank can require clients in high-emitting sectors that are closing or retiring assets, such as a coal mine, to have plans in place for affected workers and surrounding communities. Here, the bank acts on just transition issues such as unemployment and reduced community livelihoods indirectly through its client.

In adaptation-related activities, a bank with high physical risk exposure through its agricultural lending portfolio could offer financing to climate-smart practices and technologies in drought-prone areas, including differentiated interest rates and repayment terms for smallholder farmers. A bank could also provide

sustainability-linked financing to community associations for shared infrastructure that protects against natural hazards, indirectly helping protect community well-being and preserve property values.

Table 2.1. Key just transition themes relevant to the banking sector

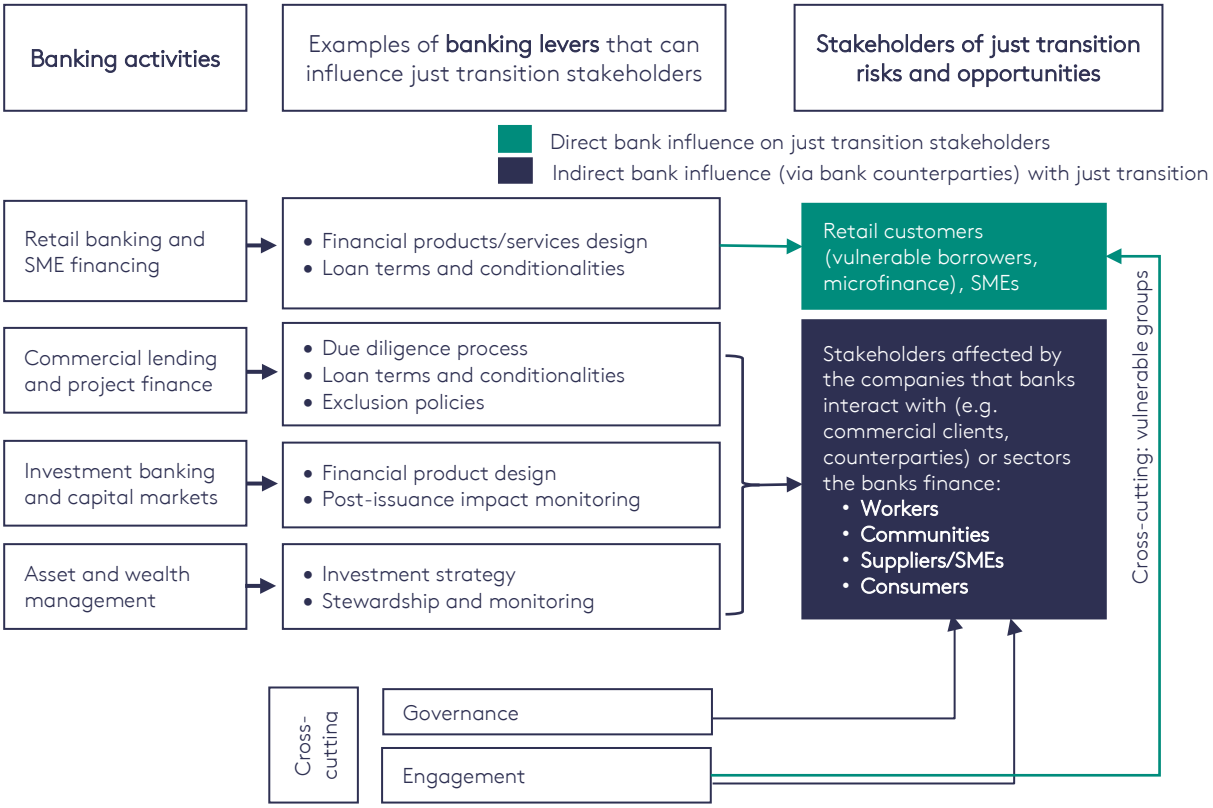
Climate-related social risks (just transition risks)	Climate-related social opportunities (just transition opportunities)	Social dialogue and stakeholder engagement on just transition themes
Climate-related activities of banks that may result in:		Participatory engagement on social risks and opportunities of climate transition and adaptation strategies with: • Retail bank customers • Workers in the bank's supply chains • Consumers (e.g. bank client's customers) • Suppliers, including SMEs • Vulnerable groups and communities the bank's clients/financing operate in • Other actors (e.g. policymakers, academics, civil societies, industry peers and associations, trade unions, etc.) that may influence a bank's just transition approach within its banking activities.
• Negative employment and income effects on affected workers of bank clients or financed activities in carbon-intensive sectors (e.g. retiring coal plants; a power plant increasing renewable sources), or due to physical damages caused by climate change. • Abrupt changes in livelihoods, and constrained access to and affordability of goods and services in affected communities of bank clients or financed activities in carbon-intensive sectors, or due to physical damages caused by climate change. • Risks to fundamental human and labour rights that are linked to decarbonisation or adaptation activities of bank clients and financed activities. • Potential disproportionate impacts (e.g. on employment, income) of banks' transition and adaptation-related activities on vulnerable groups.	• Job creation in low-carbon sectors (e.g. renewable energy, energy-efficient buildings and upgrades, electric vehicle manufacturing) or adaptation efforts (e.g. climate-resilient infrastructure development) that are financed by the bank. • New skills development to enable workers relevant to bank clients or financed activities to join low-carbon sectors/activities and adaptation projects/solutions. • New financial products and services tailored to workers, communities and vulnerable groups affected by the transition and adaptation, or designed to be more affordable and accessible to low-income and vulnerable retail customers and consumers. • Linking community livelihoods and suppliers (e.g. producers, SMEs) to relevant bank clients or financed activities involved in decarbonisation and/or adaptation.	

Source: Authors, based on key just transition themes identified as relevant for the banking sector and broader financial institutions in ILO and UNEPFI (2023), Curran et al. (2022) and ILO and LSE (2022)

Just transition stakeholders reached by banks' just transition levers

Based on the just transition themes and levers that are relevant to banking activities, we also identify the just transition stakeholders relevant to banks. These include banks' retail customers, as well as the workers, suppliers, communities and consumers associated with their clients' and financed activities, including vulnerable groups within these stakeholder groups (see Table 2.2). **This report focuses on just transition stakeholders who may be affected by banks' financing and other business activities, rather than by their own operations**. This reflects the greater scale of banks' financed emissions (Scope 3) compared with their direct operational emissions (Scope 1).

Figure 2.1. Mapping bank activities and just transition levers to stakeholder groups



Source: Authors

We recognise that other stakeholders are instrumental in achieving just transition outcomes at scale, including local and national governments, ministries, financial regulatory authorities, development and international financial institutions, international organisations, financial standard setters, climate funds, and investors and shareholders, among others (Robins et al., 2024; ILO, 2015; ILO and UNEPFI, 2023). These actors are broadly considered enabling stakeholders: depending on their roles, they may influence banks' just transition-related activities through regulatory requirements, market and investor expectations, and capital allocation. They are therefore not included among the just transition stakeholders identified in Table 2.2 below, which focuses on those who may be directly and indirectly affected by banks' climate-related activities.

The next section turns to transition plans, which bring these levers together and provide a natural place to embed just transition themes, levers and stakeholders more systematically across the banks' climate-related activities.

Table 2.2. Just transition stakeholders relevant to the banking sector

Just transition stakeholders[1]	Description of stakeholders and illustrative examples of their relevance to just transition[2]
1. Retail bank customers	Individual and household customers of the bank's retail and microfinance business, with particular attention to vulnerable customers. For example, a bank seeking to decarbonise its retail transport portfolio may offer financing for electric vehicles. Low-income borrowers could be supported to access this financing through favourable loan rates and repayment terms tailored to their needs.
2. Workers	People employed by, or contracted to, the companies and projects involved in the bank's financed activities, focusing on workers that may be negatively or positively affected by the bank's low-carbon transition efforts. For example, as banks decarbonise their portfolios, they may reduce their exposure to high-emitting sectors. The reduced bank financing for these sectors may result in unemployment. Banks can help manage these impacts by expecting clients to have transition plans that include measures to mitigate them, such as employee reskilling.
3. Suppliers	Self-employed producers and small and medium enterprises (SMEs) undertaking climate transition and adaptation activities that are supported by the bank. Suppliers also include those who sell goods or services to the companies and projects involved in the bank's climate-related activities, or that may be affected by climate transition and physical risks. For example, a local engineering and plumbing business may benefit from a bank-financed social housing retrofit by providing services to the project.
4. Communities	People who live in, or depend economically on, areas affected by the bank's financed activities, or who are the intended beneficiaries of the bank's financial products or climate-related funded assets. For example, a bank-financed renewable project, such as a solar farm or hydropower dam, may displace local residents or affect the land rights of Indigenous communities, particularly where consultation or compensation is inadequate.
5. Consumers	People who buy or use goods and services produced by financed activities, or whose consumption might be affected by the bank's climate-related financed activities. For example, vulnerable households may face a higher cost of living if a bank's client passes its transition costs on to consumers through higher prices for goods and services, such as food or energy.
Cross-cutting across stakeholders: vulnerable groups	People who are more likely to be adversely affected by climate change or by measures to address it because of factors related to their income or wealth, education, race/ethnicity, religion, gender, age, class or caste, or health status, or because they have less capacity to cope with and adapt to these impacts. They may be found within any of the stakeholder groups above and include low-income households, informal workers, women, Indigenous Peoples, rural communities, people with disabilities, younger and older people, migrants and refugees, and ethnic minorities.

Notes: [1] The just transition stakeholders are largely based on the principal groups identified in Curran et al. (2022), TPT JTWG (2024) and ILO and UNEPFI (2023), and the vulnerable groups as described in Cordona et al. (2012) and UNFCCC-KCI (2024). The descriptions and examples are contextualised by the authors of this report according to these stakeholders' relevance within the banking business activities and just transition levers identified in Section 2.2. [2] Examples are illustrative and not exhaustive. Further just transition themes are given in Table 2.1).

2.3. The role of transition plans

Broadly, transition plans are documents that set out an entity's overall strategy for addressing the risks and opportunities associated with the transition to a low-carbon economy and from climate change adaptation. The ISSB (2025) defines transition plans as "an aspect of an entity's overall strategy that lays out the entity's targets, actions or resources for its transition towards a lower-carbon economy, including actions such as reducing its greenhouse gas emissions". However, an emerging body of work defines the scope of transition plans as also encompassing climate adaptation, seen as a transition towards economies that are more resilient to the physical hazards of climate change (see NGFS 2024; PSF, 2025; Neocleous et al., 2023; TPT, 2023).

Transition plans serve multiple purposes. Internally, transition planning brings together different parts of an organisation, such as bank teams working on climate and social strategies, risk management, capital allocation, research and public affairs, to consider collectively the organisation's response to climate mitigation and adaptation risks and opportunities (Raga, 2026). Externally, transition plans serve two distinct purposes. First, they inform investors, lenders, regulators and civil society about how an entity plans to allocate capital and adapt its business to the transition, supporting the mobilisation of finance towards climate and just transition objectives (ISSB, 2025; GFANZ, 2022). Second, for prudential supervisors, transition plans are typically a tool to assess the resilience of banks' business models and the effectiveness of their management of climate-related financial risks, rather than an instrument for directing credit towards climate objectives (Smoleńska and Poensgen, 2025; NGFS, 2024).

This report is relevant to both purposes, but in different ways. For the first, just transition considerations shape whether banks' climate-related strategies, financing and policies take account of workers, communities and other affected groups. For the second, just transition matters insofar as the social impacts of the transition, such as community opposition to projects, litigation or regional economic decline, can give rise to financial risks for banks, including credit, operational and reputational risks. In this sense, integrating just transition considerations into transition plans can serve as a financial risk mitigation tool.

There are also relationships between the transition plans prepared by different actors. For instance, financial institutions such as banks use information from their counterparties' transition plans and consider this information when preparing their own transition plans (NGFS, 2023).

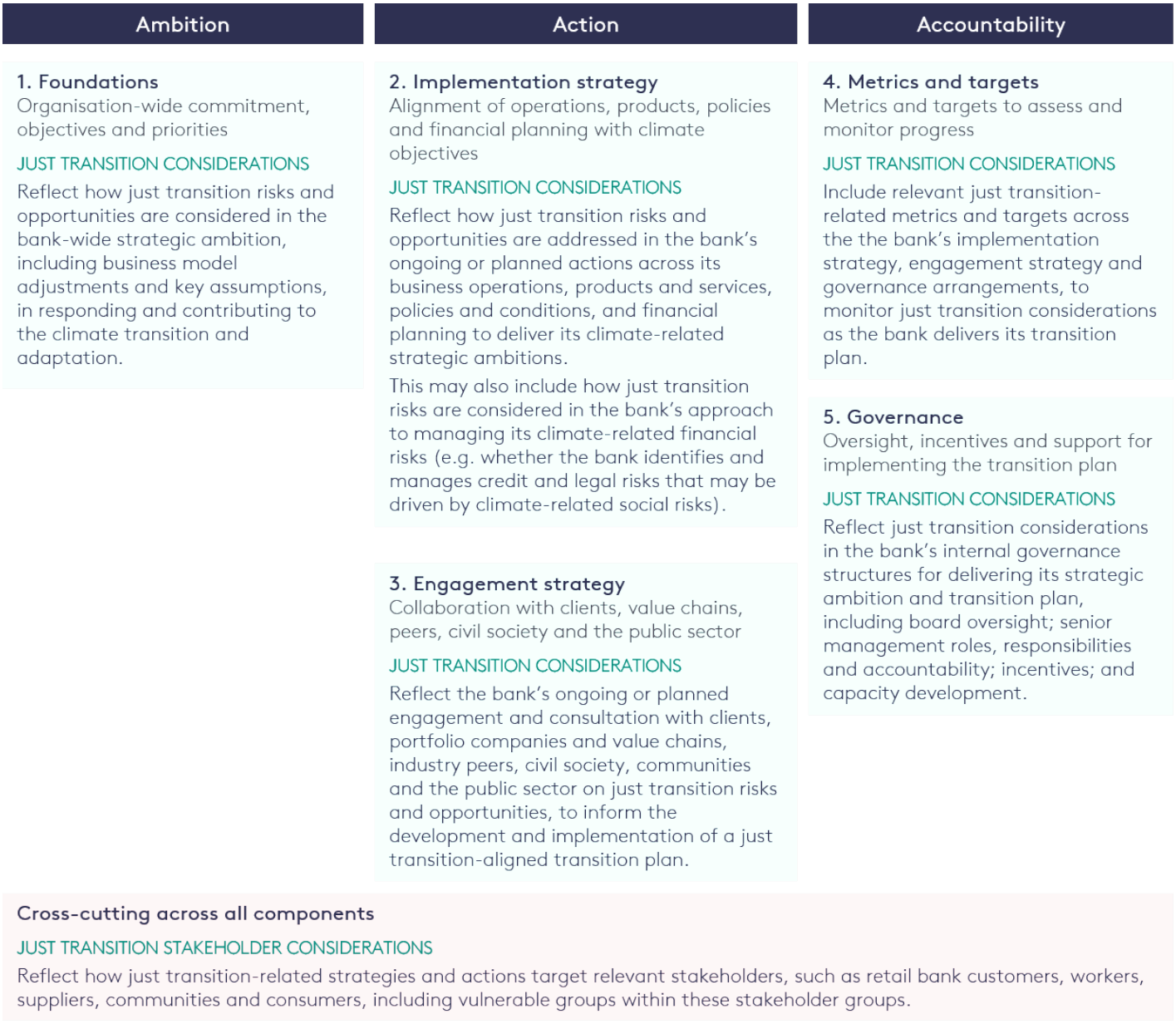
The comprehensive coverage of transition plans makes them a natural entry point for banks to integrate just transition considerations systematically and enables the users identified above to examine how this integration is carried out. Transition plan guidance, such as that from the ISSB (2025), TPT (2023) and GFANZ (2022), has converged on five common elements of a transition plan: foundations, implementation strategy, engagement strategy, metrics and targets, and governance. In addition, different organisations have published guidance on integrating just transition considerations into banks' transition plans (e.g.; Curran et al., 2022; TPT JTWG, 2024; Pedro and Chubarova, 2024). In Figure 2.2 below, we summarise how the structure of transition plans may be leveraged to support a consistent approach to integrating just transition considerations across core elements of banks' transition plans.

While guidance on integrating just transition considerations into banks' transition plans is available, this has not yet been translated into a practical assessment framework that enables the systematic and comparable examination of how banks integrate just transition considerations into their disclosed transition plans. Evidence on just transition integration in banking practices comes mostly from benchmarking exercises or case studies. Assessments by the TPI Centre and the World Benchmarking Alliance (WBA) provide a useful overview of banks' and other financial institutions' adoption of just transition actions but treat just transition through only a few indicators within broader assessment frameworks (see Jahn et al., 2026; WBA, 2024) and say little about the stakeholders these actions are intended to benefit. Royal London Asset Management, Border to Coast Pensions Partnership and Friends Provident Foundation (2026) assessed four

banks against investor expectations on just transition across products, sector strategies and regional approaches, but did not cover other components such as metrics and targets or governance structures.

Our proposed assessment framework aims to support banks in considering just transition in their transition planning and disclosure. By assessing each component of the transition plan, it shows where and for whom banks integrate just transition considerations, the progress they have made and the gaps that remain.

Figure 2.2. Integrating just transition considerations into bank transition plans



Source: Authors, adapted from transition plan guidance (e.g. GFANZ, 2022; TPT 2024a, 2024b) and guidance on integrating just transition in transition plans (e.g. Curran et al., 2022; ILO and LSE, 2022; ILO and UNEPFI, 2023; TPT JTWG, 2024)

3. Methodology for assessing just transition considerations in banks' transition plans

This section sets out the study's methodology and assessment framework, including the approach to selecting banks and relevant documents, before outlining the study's limitations.

3.1. Research questions and analytical approach

The report addresses three research questions:

1. How can transition plans be used as a tool to integrate just transition considerations into banks' climate-related activities?
2. To what extent are just transition considerations integrated into the key components of banks' transition plans?
3. What are the emerging practices for integrating just transition considerations into banks' transition plans?

The first question is addressed through our proposed framework, which sets out where and how just transition considerations can be integrated across the components of a bank's transition plan (see Section 3.2). The second and third questions are addressed by piloting the framework to assess the disclosed transition plans of 10 selected banks (see Sections 3.3 and 3.4). The component-level results address the second question by showing whether banks recognise just transition risks and opportunities and the extent to which their actions are targeted at specific stakeholders (see Section 4). The emerging practice boxes within the results (see Section 4), together with detailed examples in the individual bank assessment files published alongside this report, address the third question.

3.2. Assessment framework

Structure of the assessment framework

The framework examines just transition considerations within each of the five components of a bank transition plan: foundations, implementation strategy, engagement strategy, metrics and targets, and governance (see Figure 2.2).

Assessment questions

Building on the concepts and definitions developed in Section 2, each component of a disclosed bank transition plan is examined against four questions:

1. Does the component reflect just transition considerations?
2. If so, does it recognise just transition as a risk, an opportunity, or both?
3. If it recognises just transition risks or opportunities, what specific activities does the bank disclose in the component to manage them?
4. To what extent are these bank activities targeted at relevant just transition stakeholders?

As transition plans document both forward-looking climate strategies and targets and ongoing actions to achieve them, 'bank activities' in this assessment may take several forms: strategies (e.g. just transition-aligned net zero ambitions); actions within banks' financing activities (e.g. tailoring affordable electric vehicle financing for low-income customers or conducting due diligence processes); engagement activities (e.g. consultation with communities when developing the bank's transition plan); or accountability and

reporting mechanisms (e.g. board oversight of just transition performance or metrics on estimated affected workers in the bank's high-emitting portfolio).

Categorical colour-coded assessment

The answers to the four key assessment questions determine a three-colour score for each component (see Figure 3.1). A component can score above grey only if it reflects just transition considerations, recognises risks and/or opportunities, and discloses activities to manage them (questions 1, 2, and 3). Whether it scores dark green or light green then depends on the extent to which these activities target the relevant stakeholders (question 4):

- **Dark green (in progress):** the component references activities to manage just transition risks and/or maximise just transition opportunities that are targeted at all relevant stakeholders, either through one activity or through a set of activities tailored to the respective stakeholders.
- **Light green (partial progress):** the component references activities to manage just transition risks and/or maximise just transition opportunities that are targeted at only some of the relevant stakeholders.
- **Grey (no or vague recognition of just transition):** the component does not reference just transition risks and/or opportunities for stakeholders, treats environmental and social factors separately, or provides only a vague description of social considerations in climate-related activities.

The assessment framework is operationalised through an assessment template in Appendix 3, in which the four questions are answered during assessment of individual direct quotations from the relevant components of the assessed transition plans and supplementary documents.

Identifying just transition considerations for targeted stakeholders

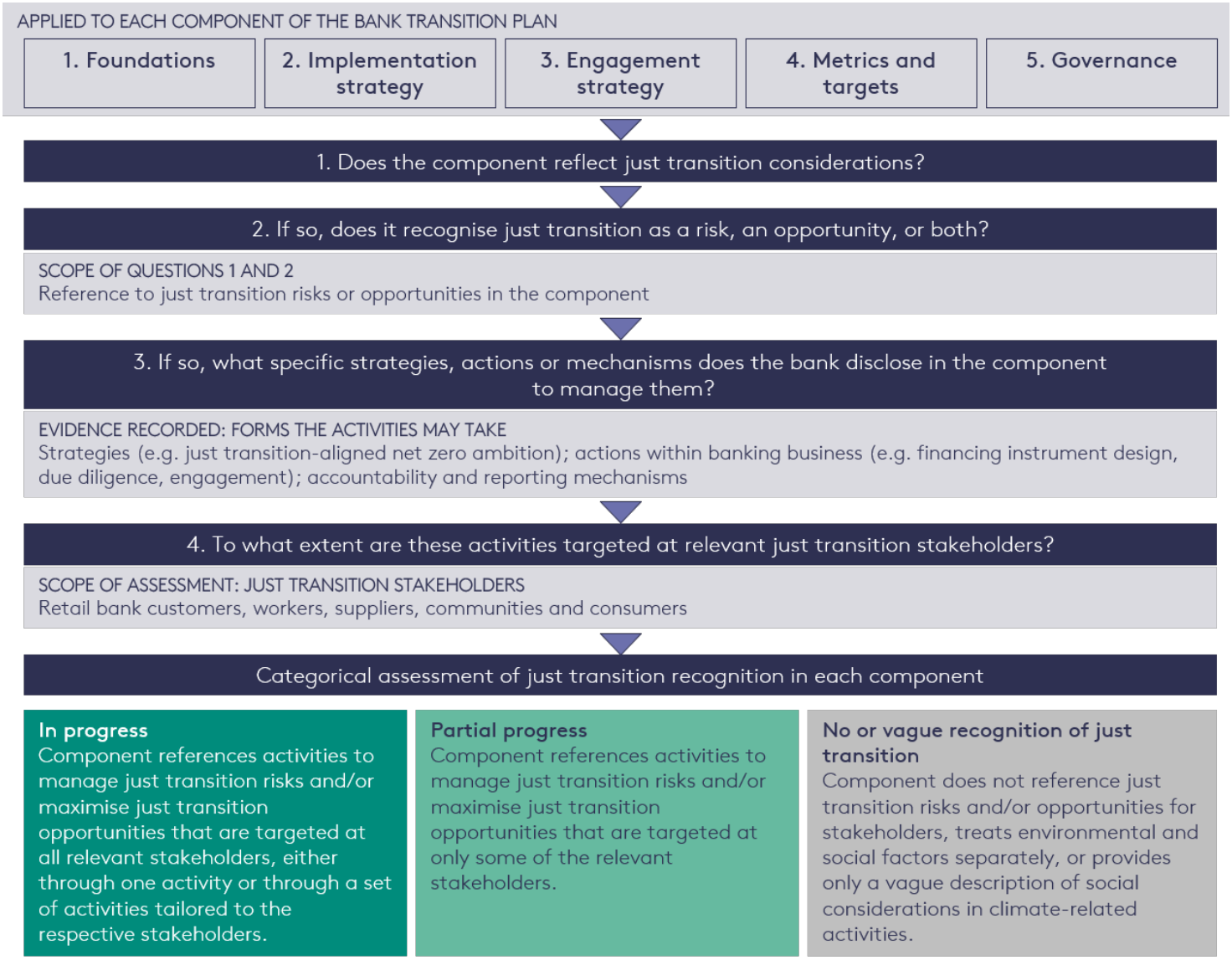
To limit subjectivity, the assessment of banks' recognition of just transition relies on references in banks' transition plans and related documents that either (1) explicitly reference just transition considerations for intended stakeholders; or (2) implicitly reference just transition themes (Table 2.1) that can be directly linked to a particular stakeholder. An example of an explicit reference would be a bank's disclosed strategic ambition to achieve just transition-aligned decarbonisation of its portfolio that considers vulnerable customers, as well as workers, suppliers, communities and consumers in the bank's supply chain. An example of an implicit reference would be a bank financing the decommissioning of a power plant while providing for employee retraining. This would be treated as a bank activity to manage a just transition risk for workers.

Our approach to determining whether a reference qualifies as a just transition consideration is closely aligned with proposed frameworks for assessing just transition in other financial instruments. The scope of our assessment is aligned with the description of 'just transition-focused' bonds in Scheer et al. (2025), which classifies bonds as just transition-focused where eligible expenditures causally link climate mitigation action with social benefits in terms of education, equality or employment. Our assessment is also aligned with the approach of Chanda and Tyson (2026), who examine explicit references to just transition, as well as 'unlabelled just transition' references through overlapping climate and social actions, in the sustainability-related documents of private credit and equity funds. This report adds a layer of granularity by examining the extent to which these just transition considerations are targeted at relevant stakeholders, similar to the approach by Wang and Robins (2024) in identifying just transition metrics in financial disclosure frameworks.

We do not count as just transition activities those bank activities that recognise just transition issues but are not sufficiently targeted at relevant stakeholders. For example, if a bank provides discounted interest rates for electric vehicle loans but does not target these loans at low-income borrowers, this is not considered a just transition activity under our assessment. Similarly, establishing a human rights policy across all bank activities is not sufficient to qualify as an action to manage just transition risks if this activity is not clearly

linked to or contextualised within the bank's transition plan activities, for example, by protecting land rights and avoiding displacement of local residents in the location of a renewable project financed by the bank as part of its overall decarbonisation strategy.

Figure 3.1. Framework for assessing just transition in bank transition plans



Source: Authors

3.3. Sample and scope

Sampling approach

Our analysis covers disclosed bank transition plans from 10 countries. From the 217 countries included in the World Bank database, 10 were selected using indicators covering:

- Countries with the highest exposure to transition and/or physical risks
- Countries with mandatory or voluntary guidance or general disclosure frameworks for transition plans in place
- Countries with significant banking sectors in terms of asset size and credit to the private sector
- Variation in country income levels and geographic location.

The sampling methodology is detailed in Appendix 1 and results in the following sample of countries: Australia, Bangladesh, Brazil, Canada, France, Japan, Malaysia, Türkiye, South Africa and UK.

Within each country, one bank was selected based on the following criteria:

- The bank is identified as one of the top three domestic systemically important banks (DSIBs), as officially defined by the relevant financial authority in the respective jurisdiction. Where no official DSIB list is available, asset size is used as an alternative indicator, with the bank selected from among the three banks with the highest asset values in the country where the bank is headquartered.
- The bank has disclosed a transition plan or related documents that overlap with the effective period of applicable policies or voluntary guidance on transition plans (i.e. 2023–25)
- The bank has considered Scope 3 emissions in its disclosed transition plan or climate strategy.

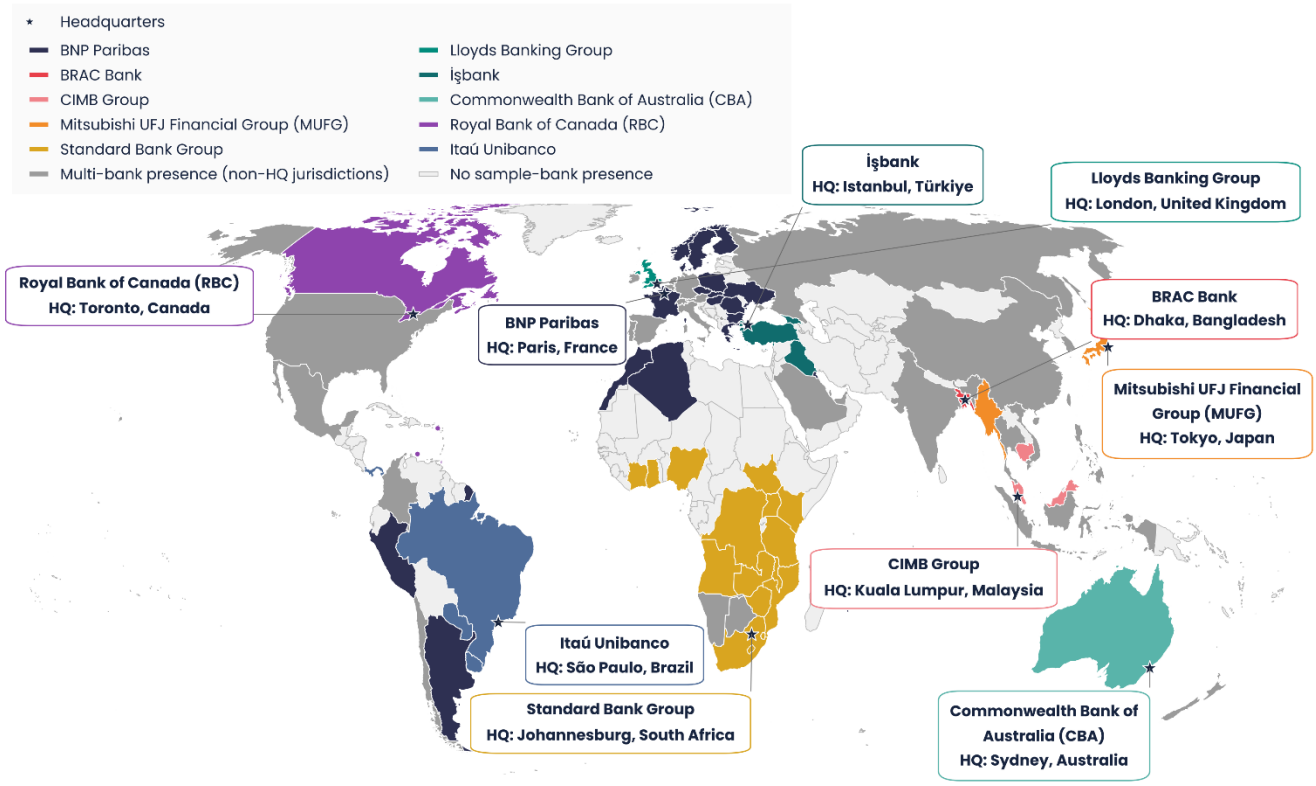
Using these criteria, the 10 banks selected are the Commonwealth Bank of Australia (CBA), BRAC Bank, Itau Unibanco (Itau), Royal Bank of Canada (RBC), BNP Paribas, Mitsubishi UFJ Financial Group (MUFG), CIMB, Türkiye İş Bankası A.Ş. (İşbank), Standard Bank Group (SBG) and Lloyds Banking Group (Lloyds). Figure 3.2 shows the geographic presence of the 10 sample banks, which collectively operate in 99 jurisdictions.

In principle, DSIBs' importance to the domestic economy may be defined by their size, interconnectedness, substitutability of their infrastructure, and complexity (BCBS, 2012). For example, the individual DSIBs' assets in our sample, except for those in Bangladesh and Türkiye, represent 20%–94% of the GDP of the countries in which they are headquartered (Appendix 2). In this context, DSIBs are prioritised for this assessment given their potentially significant role in mobilising finance for a just transition. They are often the most highly capitalised banks and have the widest reach across individual clients and financed sectors, as well as the resources to be frontrunners in complying with mandatory requirements, voluntary guidance and global standards for transition plan disclosure.

Documents for assessment

Our assessments are based on the selected banks' latest disclosed transition plans as of May 2026. We recognise that not all banks use the term 'transition plan' in their climate strategies (e.g. some may refer to a 'climate action plan'), and that elements of transition plans may be integrated into broader sustainability strategies (e.g. covering climate, geopolitics and artificial intelligence). The location of disclosed transition plans also varies across the banks in our sample. Some transition plans are published as standalone documents, while others are embedded in annual reports. Our assessment therefore focuses on the disclosed key components of climate-related transition plans, namely foundations, implementation strategy, engagement strategy, metrics and targets, and governance, regardless of the title or location of the document.

Figure 3.2. Operational jurisdictions of the 10 sample banks



Note: Each bank's colour marks its headquarter jurisdiction (★) and other jurisdictions where it is the only sample bank operating. Headquarter jurisdictions retain the bank's colour even if other sample banks also operate there (e.g. the UK, France and Japan). Dark grey marks other jurisdictions where two or more sample banks operate, and light grey marks jurisdictions with no sample bank presence.

Source: Authors' compilation. See details in Appendix 2

In addition, the transition plans also typically reference separate documents (e.g. dedicated sustainable finance framework documents) that provide further details on the implementation of specific activities or strategies. Our assessment therefore also considers documents referenced in the main transition plan document, where these may provide further details on just transition themes and stakeholders. We also recognise that some banks have separate transition plans or climate strategy documents that consider just transition within the scope of a specific business area (e.g. the bank's asset management arm) or thematic reports that inform the banks' climate strategies. In these cases, we consider these separate supplementary documents when they are related to the bank's transition plan or climate strategies. The list of all documents assessed for each bank in the sample is provided in Appendix 2.

Within transition plans and supplementary documents, the assessment is limited to banks' financed activities and does not cover their own operations. This reflects the fact that banks' contribution to climate mitigation and adaptation will largely arise through their financing activities and related value chains and is therefore likely to affect a greater number of just transition stakeholders (see Section 2).

3.4. Limitations of the methodology

Scoring of just transition

While some activities disclosed by a bank may appear conducive to a just transition, a just transition objective cannot be assumed unless it is evident from the disclosure. This may, depending on the case, lead the assessment to overstate or understate the bank's consideration of just transition. For example, a bank may disclose that it "supports its client to adopt new technologies to decarbonise its operations". Without further details, we cannot assume that the bank has also considered supporting its clients' workers in adapting to the new technologies. If the bank has in fact considered providing such support, our assessment approach would underestimate the alignment of the bank's activity with just transition.

Applying the framework involves an element of judgement. Deciding whether a reference has a clear link to a just transition theme and an identifiable stakeholder, and whether it targets some or all relevant stakeholders, can depend on how a disclosure is worded and the level of detail provided. To limit subjectivity and support transparency, the assessment was carried out manually against the criteria set out in Appendix 3, and each score is supported by direct quotations and page references from the assessed documents, which are published in the supplementary files. Draft assessments were shared with the sample banks, and their feedback was considered (feedback was received from seven out of 10 sample banks). Following internal review, the framework and scoring criteria were refined, and all assessments were revised in line with the final framework. The revised assessments were reviewed line by line, and the reference counts reported in Section 4 were reconciled against the individual bank files. We acknowledge that other assessors may reasonably reach different conclusions about individual references, particularly where disclosures are brief or implicit.

The framework should therefore be treated as a starting point, and its application to 10 banks as a potential baseline for future work. It is intended to support banks in integrating just transition considerations into their transition planning and to provide a common basis for assessment that can be refined as practice, data and standards evolve. The supplementary files are published as version 1.0, and we welcome comments on the framework and the assessments.

Scope of assessment

There are also several limitations relating to the scope of the assessment. First, the report assesses banks' transition plans at a particular point in time, mostly as of 2025, and therefore may not capture the evolution of banks' just transition considerations over time, or progress made in 2026.

Second, the assessment covers just transition considerations in banks' transition plans but does not assess whether the plans set sufficiently ambitious decarbonisation or adaptation goals. This is partly due to differences in the focus of banks' climate ambitions (e.g. mitigation or adaptation) and the stage of development of their transition plans (e.g. some set out detailed pathways and targets, while others are less developed). The assessment therefore focuses on the presence and depth of just transition considerations within banks' existing climate-related activities.

Third, the analysis focuses on the transition plans of 10 DSIBs (or the largest banks by assets), with one bank selected per jurisdiction. This is partly because transition planning remains at a nascent stage in the banking sector, with the largest banks and DSIBs at the forefront of transition plan disclosure given their relatively greater resources and capacity. The findings should therefore be read as illustrative of emerging practice among large banks, rather than as representative of the banking sector as a whole. We recognise that a larger sample of banks with different characteristics, including size, ownership and business model, could provide richer insights as transition plans become more widely available globally.

4. Assessment results: just transition considerations in bank transition plans

This section presents the results of applying the proposed framework in Section 3 to the transition plans and related disclosures of the 10 sample banks. Results are presented for each of the five components of the transition plan, with just transition opportunities and risks considered separately. We also distinguish between banks that score dark green (in progress), whose activities target all five just transition stakeholders, and banks that score light green (partial progress), whose activities target only some of them. Table 4.1 summarises the colour-coded results, and Figures 4.1 to 4.3 show the number of just transition references underlying these results and the stakeholders they target. Five emerging practice boxes highlight levers that banks utilise to address just transition themes and target relevant stakeholders.

4.1. Overview of the results

Across the 10 banks' transition plans, we identify 109 references to bank activities that reflect just transition risks or opportunities for at least one stakeholder group. Four patterns stand out.

First, just transition considerations are concentrated in implementation strategies. More than half of all just transition references (58 of 109) are found in this component (see Figure 4.1). In addition, it is the only component in which any bank scores dark green: BNP Paribas, SBG and Lloyds tailor climate-related products, services and policies to provide social benefits across the full range of just transition stakeholders. No bank scores dark green in foundations, engagement strategy, metrics and targets or governance (see Table 4.1).

Second, banks recognise just transition opportunities far more often than risks, with 82 references relating to just transition opportunities and 27 to just transition risks. Opportunities outnumber risks in every component except governance, and metrics and targets contain no references to just transition risks at all (see Figure 4.1).

Third, the breadth and depth of just transition disclosure vary widely across banks. SBG (26 references), CIMB (23) and BNP Paribas (20) account for 63% of all references, while MUFG and RBC have two each (Figure 4.1). CIMB is the only bank for which references to risks (13) outnumber references to opportunities (10).

Fourth, among just transition stakeholders, communities are targeted most often (62 of 174 stakeholder mentions), followed by workers (41) and suppliers (40). Within these stakeholders, there are some bank financing instruments or engagement activities tailored to specific vulnerable groups such as women entrepreneurs, seasonal contract workers, small-scale Black farmers, youth and Indigenous groups. Just transition stakeholders within retail bank customers (22) and consumers (15) are mentioned least often, and six banks do not mention targeted consumers in any component of their transition plans (see Figure 4.3).

Table 4.1. Summary of the assessment of just transition considerations in bank transition plans

In progress – references activities to manage just transition risks and/or maximise just transition opportunities that are targeted at all just transition stakeholders

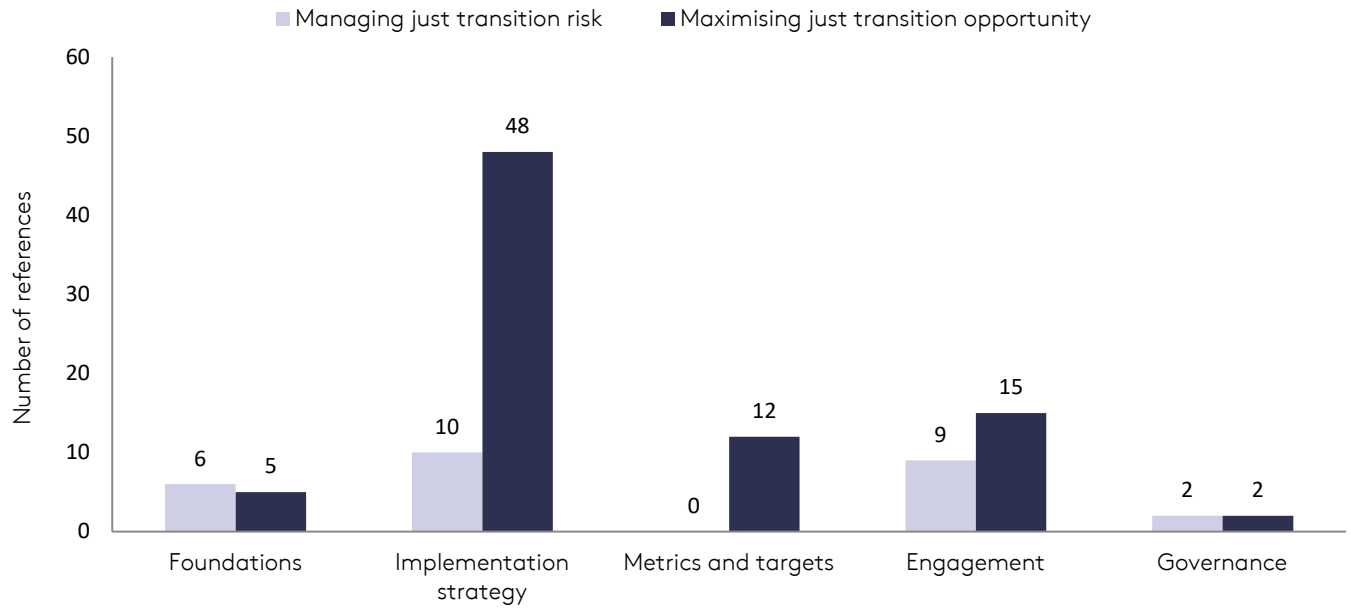
Partial progress – references activities to manage just transition risks and/or maximise just transition opportunities that are targeted at some (but not all) just transition stakeholders

No or vague reference – no reference to just transition risks and/or opportunities for stakeholders; treats climate and social factors separately; or provides a vague description of social considerations in climate-related activities

Transition plan component	Just transition aspect	CBA	BRAC Bank	Itaú	RBC	BNP Paribas	MUFG	CIMB	SBG	İşbank	Lloyds
Foundations	Managing just transition risks										
	Maximising just transition opportunities										
Implementation strategy	Managing just transition risks										
	Maximising just transition opportunities										
Engagement strategy	Managing just transition risks										
	Maximising just transition opportunities										
Metrics and targets	Managing just transition risks										
	Maximising just transition opportunities										
Governance	Managing just transition risks										
	Maximising just transition opportunities										

Source: Authors' assessment of bank transition plans and related documents. Detailed assessments are in the supplementary files

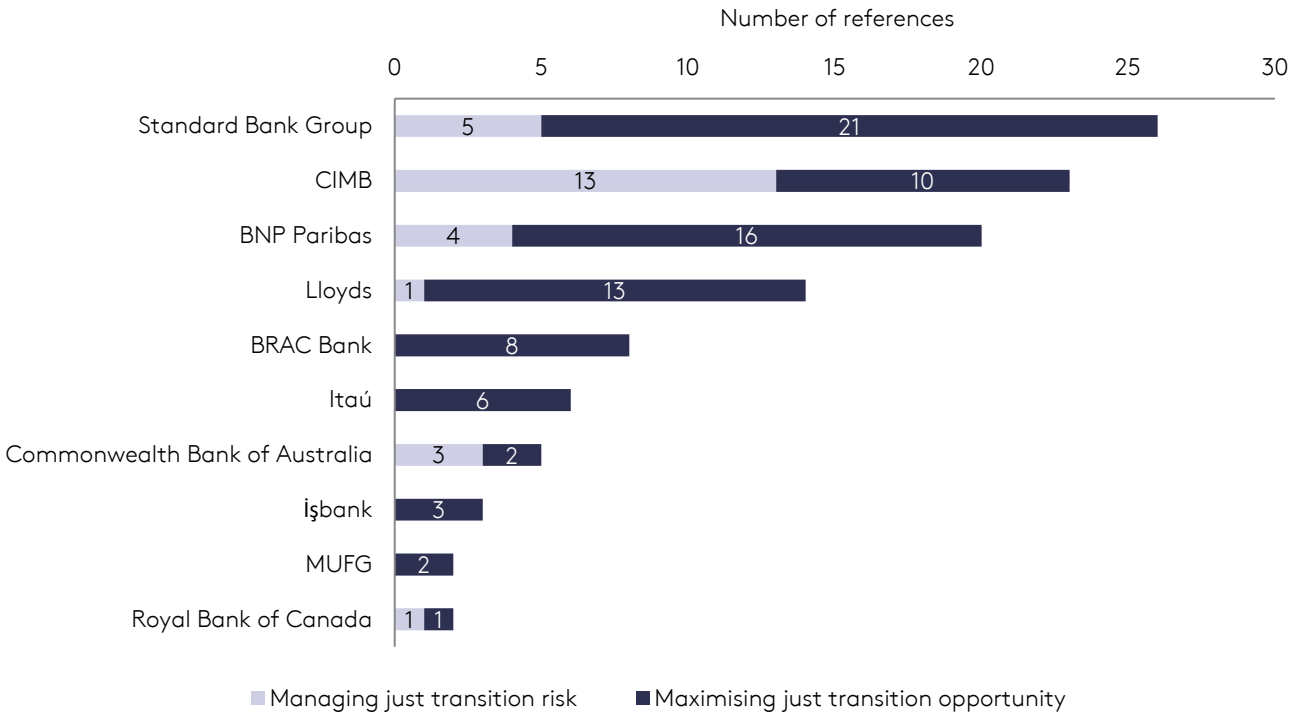
Figure 4.1. Just transition references by transition plan component



Note: n=109 references across 10 banks.

Source: Authors' assessment of bank transition plans and related documents

Figure 4.2. Just transition references by bank



Note: n=109 references across 10 banks.

Source: Authors' assessment of bank transition plans and related documents

Figure 4.3. Just transition stakeholder mentions by bank

Banks	Retail bank customers	Workers	Suppliers	Consumers	Communities
Standard Bank Group	4	11	5	3	19
CIMB		8	12	3	13
Lloyds	3	10	4	4	7
BNP Paribas	5	4	6	3	6
Brac Bank	1	2	4		5
Itaú	1	1	4		5
İşbank	1	2	3		1
Commonwealth Bank of Australia	3	1	1		2
MUFG		1	1		2
Royal Bank of Canada		1			2
Total	18	41	40	13	62

Note: n=174 stakeholder mentions across 10 banks. A single reference may name more than one stakeholder. Stakeholder mentions include references to both just transition risks and opportunities across all components of banks' transition plans.

Source: Authors' assessment of bank transition plans and related documents

4.2. Component-level results

Foundations

The foundations component captures whether a bank's overall climate ambition, or the objectives of its transition plan, recognise just transition risks and opportunities for relevant stakeholders. Five banks recognise just transition at this level. Four (BRAC Bank, CIMB, SBG and Lloyds) recognise opportunities and three (BNP Paribas, CIMB and SBG) recognise risks. These five banks score light green in the assessment, as none targets all relevant just transition stakeholder groups. The remaining five banks score grey on both risks and opportunities.

The four banks frame their ambitions related to just transition opportunities around wider socioeconomic development objectives. For example, BRAC Bank's climate ambition aims to promote inclusive economic development and has prioritised targeted support for SMEs and women-led enterprises. Meanwhile, Lloyds aims to support regional growth, job creation and reskilling alongside its transition strategy.

CIMB and SBG recognise just transition risks in their climate ambitions and link these risks to the broader regional context, including energy access and security, while BNP Paribas focuses more specifically on potential impacts on local communities. CIMB and SBG frame their ambitions in the context of Southeast Asia and Africa, respectively, where many countries' reliance on fossil fuels means that the pace of decarbonisation could affect jobs, energy access and economic stability. Meanwhile, BNP Paribas identifies just transition as one of the bank's principles for action related to the transition and specifically states that its carbon sequestration projects, identified as one of its key levers for climate change action, should not harm local communities.

For banks that score grey, social considerations are either set out in siloed strategies or described too broadly to identify the stakeholders affected. RBC illustrates the first pattern, where the bank's Purpose Framework sets out separate blueprints for climate, skills and inclusive opportunities, without clear links between these strategies. Meanwhile, Itaú and MUFG's transition plan ambitions refer to broad objectives of social inclusion and regional transition pathways, respectively, without specifying the just transition risk or opportunity they intend to address.

Four banks (SBG, BNP Paribas, CIMB and İşbank) describe a double materiality approach, which considers both the effects of climate change on the bank and the bank's impacts on the climate, people and society. While a double materiality approach may be compatible with a just transition approach, only SBG explicitly links the two, highlighting that the bank's support for the decarbonisation of its high-emitting clients should not compromise access to energy and economic opportunities for Africans.

Implementation strategy

The implementation strategy is where banks' just transition considerations are most visible. Nine of the 10 banks recognise just transition opportunities in their implementation strategies, and three of them score dark green. Four banks recognise just transition risks, all scoring light green (partial progress). In line with the framework set out in Section 3, this subsection also examines how banks' climate-related financial risk management considers just transition risks.

Considerations for just transition opportunities

All banks except RBC recognise just transition opportunities in their implementation strategies. The three dark-green banks (BNP Paribas, SBG and Lloyds) differ from the six light-green banks in the breadth of stakeholders targeted. Each has a set of climate-related products and services that, taken together, target retail bank customers, workers, suppliers, consumers and communities. In most cases, these products sit within the bank's decarbonisation strategies for specific sectors, particularly agriculture, housing and transport. Selected examples of implementation strategies and activities with just transition considerations from these three banks are set out below.

Among the sample banks, SBG has the widest range of tailored climate-related financing with just transition elements targeted at relevant stakeholders (13 of 48 references), for example:

- Climate-smart agriculture finance and mentoring for smallholder and small-scale Black farmers
- Renewable energy finance for small agricultural, community-owned and township enterprises
- Finance for off-grid solar to enable clean energy access for households without electricity in Nigeria
- Loans for women who want to purchase homes in green residential developments
- Wind projects that prioritise local hiring and offer skills training opportunities for youth.

Lloyds' tailored activities are anchored in its sector strategies for the built environment, agriculture and manufacturing. As the UK's largest lender to social housing, Lloyds partnered with the National Wealth Fund in 2024 on a green retrofit loan fund that helps social housing providers make homes more energy-efficient for tenants. In 2025, Lloyds also agreed £100 million of financing with the Sovereign Network Group to retrofit 4,500 social homes. In addition, it offers agricultural transition finance tailored to farmers and supports clean energy jobs and supply chains through its regional investment in electric vehicle production.

BNP Paribas' products are targeted at groups who might otherwise be left out of the transition. Examples include:

- A lease with an option to purchase for lower-income households, which spreads the cost of newer, cleaner cars over 10 years rather than three
- The HappyNest 'rent now, buy later' model, which enables lower-income households in Belgium to live in energy-efficient homes

- Financing for regenerative agriculture that also supports farmers' incomes
- Lower interest rates and technical support for microfinance institutions that finance the agricultural transition in emerging economies
- The Inclusive Sustainability-Linked Financing (ISLF+) instrument, which links financing terms to both social and environmental objectives.

Many of these initiatives are still at the pilot stage and are driven by a dedicated internal network working to develop a bank-wide approach on just transition considerations (see Box 4.1).

Box 4.1. Operationalising just transition: learnings from BNP Paribas' Network of Experts in Sustainability Transitions and Just Transition Observatory

BNP Paribas' Network of Experts in Sustainability Transitions (NEST) was established in 2021 and functions as an internal community of practice and research centre, bringing together sustainable finance experts from across BNP Paribas' business lines and functions in 64 countries. It fosters knowledge-sharing and pools expertise to anticipate sustainability trends.

The Just Transition Observatory (JTO) is one of NEST's flagship research programmes. It examines risks and opportunities for workers, consumers, businesses and local communities, including those related to employment, skills, affordability and territorial inequalities. Published since 2023, the three editions of the JTO have combined research, expert perspectives and analysis of market practices to examine how the transition to a low-carbon economy can be made socially fair and inclusive by:

- Outlining definitions and concepts of just transition, including by distinguishing between the just transition risks and opportunities (e.g. for jobs) associated with the phase-out of carbon-intensive activities and the development of new low-carbon sectors and activities.
- Examining public attitudes towards just transition through quantitative and qualitative studies. For instance, a survey of 10,000 individuals across 11 countries suggests that 64% of respondents believe that actions against global warming will lead to social inequalities. A qualitative study of 32 representatives from very small businesses and SMEs in the energy, mobility and agriculture sectors highlights the need for regulatory clarity, better information about available support schemes, financial support from banks and targeted training to support the transition.
- Identifying and showcasing innovative financial solutions that can support a just transition, helping bridge the gap between research and implementation and demonstrating how social considerations can be incorporated into transition finance.

Internally, the NEST provides the broader community through which JTO research findings can be shared across BNP Paribas. Externally, JTO publications help raise bank clients' awareness and support dialogue with civil society on the progressive operationalisation of just transition considerations.

The financial solutions aligned with just transition pioneered by BNP Paribas are mostly at the pilot stage. While learnings from the NEST community and JTO publications help inform the bank's sustainability strategy and practices, including its transition planning processes, NEST experts consider the lack of widely accepted definitions, metrics and standards to be a barrier to systematically integrating just transition considerations into financial products and decision-making. Greater convergence among standard setters, disclosure and transition plan frameworks, alongside clearer taxonomies or guidance, could help move just transition finance from innovative practices towards a more mainstream and scalable approach.

Contributed by: Gregoire Lusson, BNP Paribas

The six banks that scored light green in our assessment tailor opportunities to some stakeholders, most commonly suppliers (SMEs and farmers) and communities. For example:

- CBA offers discounted finance for electric vehicles to essential workers and lower-income earners. It also offers a Sustainability Action Tool that helps small and medium businesses reduce their energy, transport and waste costs.
- BRAC Bank has provided climate-resilient tools and training to 2,500 farmers and supports more than 10,000 farming families through its Shubidha digital agri-lending platform. It also launched a US$3 million climate finance scheme for women-led SMEs in coastal Bangladesh (see Box 4.3).
- CIMB's SMEBizReady and GreenBizReady programmes combine sustainability-linked financing with training and digital tools for SMEs.
- Itaú's Horizon fund commits to invest at least 10% of its net worth in companies operating in the Legal Amazon region. It also plans to implement a Land Bureau to give fairer recognition to producers' sustainable practices.
- MUFG and its partner banks have established a Sustainable Finance Framework with the Japan International Cooperation Agency (JICA), whose project evaluation considers whether projects focus on beneficiaries, with attention to vulnerable people and communities.
- İşbank reaches several stakeholder groups through its Sustainable Finance Framework (SFF) and digital platforms. The bank's SFF lists financing for affected workers and MSMEs by extreme weather events, while its İmeceMobil digital application lowers the cost and time for producers, whether or not they are İşbank customers, to access green loans, insurance, agronomic advice and an e-marketplace for inputs (see Box 4.2).

Box 4.2. Supporting farmers' access to green products and services through digital technology: the case of İşbank's İmeceMobil application

İşbank leverages digital platforms to make green financial products and services, advice and technical support on sustainable farming, and market opportunities more accessible to producers and farmers across Türkiye, ultimately contributing to rural development. This approach is aligned with İşbank's strategy to support the decarbonisation of the agricultural sector by financing green investments and providing advisory and ancillary services that help farmers optimise input use, improve efficiency and reduce emissions.

The bank's İmeceMobil application, launched in 2019, enables producers, whether or not they are Isbank's customers, to access a range of free services, including weather forecasts, production-season tracking, satellite imagery of agricultural plots and consultations with agricultural engineers. The application also allows producers to apply for agricultural loans, agricultural cards, agricultural insurance and farmer-specific life insurance without visiting a branch, while giving them the flexibility to select their preferred loan type and term. Since March 2024, more than 86,000 financial product applications have been submitted through İmeceMobil.

The application also provides value-added digital services at accessible prices to help producers monitor plant health, manage irrigation and plan fertilisation from planting to harvest, supporting the cost-effective use of water and fertiliser. The platform further connects Isbank's agricultural customers with agricultural engineers who provide practical technical advice, training and consultancy services. By the end of 2025, more than 132,000 farms and livestock facilities had been enrolled in İmeceMobil. In 2024–25, agricultural engineers supporting İmeceMobil served 1,450 customers across 36 İşbank branches.

Since May 2025, the application has also operated as an e-marketplace, enabling producers across the country to purchase agricultural inputs, machinery and equipment online. By the end of 2025, the e-marketplace had generated total sales of TL 392 million across 3,469 orders.

Through İmeceMobil, İşbank demonstrates how technology can support the resilience and decarbonisation of the agricultural sector while helping ensure that related products and services are accessible to targeted stakeholders across the agricultural value chain.

Sources: İşBank (2019); İşbank Integrated Annual Report (2025a), İşbank Climate Transition Plan (2025b), with inputs from Isbank representatives engaged with in this report.

Three levers for just transition opportunities recur across banks. First, sustainable finance frameworks appear to be a key channel through which just transition opportunities enter banks' financing activities. Five banks (CIMB, İşbank, Itaú, Lloyds and SBG) base their frameworks on the International Capital Market Association (ICMA) principles for green, social and sustainability bonds and/or on the Loan Market Association principles for loans. These are voluntary process guidelines with indicative project categories, and issuers determine how their projects fit these categories (see ICMA, 2025), so the level of detail on target stakeholders among the sample banks varies widely. For example, İşbank specifies beneficiary groups under its sustainability categories (e.g. financing for micro, small and medium-sized enterprises [CMSMEs] and workers adversely affected by natural disasters), and SBG into some of its social categories (e.g. community-based climate-smart farming for smallholder farmers). CBA, CIMB and Itaú provide less detail on target beneficiaries.

Second, central bank initiatives can make the targeting of climate-related finance more direct for just transition stakeholders. BRAC Bank's framework follows Bangladesh Bank's sustainable finance taxonomy, which explicitly includes green financing for cottage CMSMEs, microfinance service providers and underserved populations. In Malaysia, CIMB uses Bank Negara Malaysia's[6] funding scheme to offer preferential rates to SMEs that are committed to transforming their business operations towards low-carbon operations.

Third, partnerships and blended finance help banks reach groups they would struggle to reach alone. Examples include BRAC Bank's scheme with UNEP, UN Women and BASE (see Box 4.3), which targets financing for renewable solutions for women-led enterprises in coastal areas, and SBG's partnership with development finance institutions and governments to mobilise funds for climate-smart agriculture projects that help farmers improve their climate resilience.

Box 4.3. The role of local and international partnerships in extending renewable energy financing to women-led SMEs and CMSMEs in coastal areas: BRAC Bank's approach

Bangladesh is highly vulnerable to climate change, ranking 13th among countries most affected by extreme weather events in the Global Climate Risk Index as of 2024. The impacts of climate change are disproportionately felt by vulnerable communities, which face heightened risks of displacement, food and water insecurity and loss of livelihoods. Women can face additional barriers to recovering from climate-related shocks, including more limited access to information, technology and finance (UN Women, 2023). Against this backdrop, BRAC Bank partnered with the United Nations Environment Programme (UNEP), UN Women and BASE under the EmPower: Women for Climate-Resilient Societies programme. In August 2025, BRAC Bank launched its US$3 million loan portfolio for women-led SMEs in coastal regions, aimed at supporting the adoption of renewable energy solutions within their businesses. The initiative also encompasses training,

[6] See BNM (2022) for details on Bank Negara Malaysia's Low Carbon Transition Facility that is aimed at funding SMEs' capital expenditure or working capital to initiate or facilitate the transition to low carbon and sustainable operation.

financial product development and research to strengthen sustainable finance for cottage, micro, small and medium enterprises (CMSMEs).

The initiative brings together complementary capabilities across international organisations, business support organisations, academia and a commercial bank:

- **UNEP and UN Women** – provide the EmPower programme funding and framework, which focus on enabling a gender-inclusive energy transition. BASE, a specialised non-profit partner of UNEP structures the programme fund and develops business models and financing mechanisms that BRAC Bank can use to engage businesses led by or serving women and marginalised communities. It also facilitates capacity-building initiatives for targeted SMEs.
- **Centre for Entrepreneurship Development (CED), BRAC University** – develops women's energy entrepreneurship training modules and online courses, as well as loan documentation and application support.
- **BRAC Bank** – brings SME-financing expertise, existing relationships with women entrepreneurs and CMSMEs, and the capacity to develop and deliver financial products, leveraging its existing approach to providing women entrepreneurs with tailored climate financing solutions.

Since the programme's launch in August 2025, BRAC Bank has disbursed approximately US$200,000, facilitated access to the financing scheme for approximately 600 women-led SMEs, and increased awareness of formal financing opportunities for sustainable energy among more than 750 women and other marginalised individuals. The partnership illustrates how banks can use local and international partnerships to address barriers that may otherwise constrain the flow of climate finance to underserved groups.

Sources: UN Women (2023), BRAC Bank (2025); BASE (2025), with inputs from BRAC representatives engaged with in this paper.

Considerations for just transition risks

Four banks – CBA, BNP Paribas, CIMB and SBG – recognise just transition risks for only some of the just transition stakeholders in their implementation strategies, and none does so for all five. Compared with opportunities, the just transition risks that banks recognise are narrower in scope and concentrated in a few high-emitting sectors.

The first route providing the clearest examples comes from sector decarbonisation strategies for coal, power, and oil and gas, where banks recognise that their own decarbonisation targets could harm workers and communities. CIMB is the most detailed among the banks in the sample. In the power sector, it acknowledges that early power plant closures may have negative impacts on plant workers and communities. It commits to ensuring that, in this event, clients support retraining and reemployment of their affected workforces and dependent communities. For thermal coal mining, the bank encourages clients to adopt necessary measures to mitigate socioeconomic impacts on workers and surrounding communities. In oil and gas and in power, it calibrates its sector pathways to regional circumstances in Southeast Asia, with a focus on safeguarding energy security and affordability. In palm oil, CIMB indicates that it extends support through financing and capacity-building across the value chain, with the objective of improving the livelihoods of vulnerable groups, including smallholders.

SBG's strategies for coal mining and coal-fired power aim to support emissions reduction while ensuring security of energy supply and a just transition for the people and communities currently dependent on the coal value chain. However, our assessment suggests that this action remains at the sector strategy level,

and we find fewer examples of how these strategies are operationalised through client financing or the design of financing conditionalities. BNP Paribas provides an example from its asset management arm. Through its stewardship activities, BNP Paribas Asset Management worked with an Australian energy company to ensure that early closure of a coal-fired power plant included a retraining programme to help employees move into wind power.

A second route is through banks' expectations of their clients' transition plans. Since 2025, CBA has applied a set of core criteria focused on climate transition indicators to the transition plans of selected clients in the oil, gas, metallurgical coal and power generation sectors. This assessment subsequently determines whether the bank will extend new corporate or trade finance or bond facilitation to these clients. While just transition is not a core criterion, CBA also assesses whether a client's plan recognises the social and economic impacts of its decarbonisation efforts, particularly the impacts on communities with a heavy reliance on the fossil fuel industries.

The third route is through financial risk management and adjacent environmental and social risk management. Some banks recognise that social risks may drive banks' financial risks (e.g. Itaú, BNP Paribas and Lloyds), but these risks appear to be treated separately from climate risk drivers. Others recognise that some climate-related social risks may drive their financial risks, yet it is not clear how these identified risk drivers inform the bank's actions to manage the social risks (e.g. RBC, SBG). **Only one bank (CBA) explicitly links some just transition risks to potential drivers of its financial risks, which subsequently informs its action to manage these just transition risks.** CBA acknowledges that some of its customers and communities may experience greater impacts from climate change; and that the bank may experience losses related to affected retail customers and communities. This identification of risk drivers informs the bank's response and its work on ways to support these stakeholders during the transition or physical climate events. In a related area, we also found no direct links between banks' climate scenario analysis and just transition risks. We did not count aggregate macroeconomic variables (e.g. unemployment) that are already embedded in standard climate scenarios, because they do not show that a bank has applied a targeted just transition lens to such variables (e.g. unemployment among vulnerable groups in coal-dependent regions).

The parallel rather than integrated treatment of environmental and social risks appears to mirror international guidance or principles on E&S risk assessment and management that banks follow. Seven of the 10 sample banks are signatories to the Equator Principles, which apply to project-related finance and largely treat environmental and social risks in parallel, with a strong focus on minimum safeguards. **To some extent, E&S frameworks may reflect more targeted considerations on just transition issues and affected stakeholders when sector-specific criteria are written into the transition strategy**, as in CIMB's enhanced due diligence and decarbonisation strategies for the palm oil and power sectors.

Engagement strategy

Five banks engage on just transition risks (RBC, BNP Paribas, CIMB, SBG and Lloyds) and six engage on just transition opportunities (Itaú, RBC, BNP Paribas, CIMB, SBG and Lloyds), all at partial progress. CBA, BRAC Bank, MUFG and İşbank score grey on both.

Considerations for just transition opportunities

Banks most often engage on opportunities directly through programmes that help suppliers, farmers and specific communities take part in the transition, and indirectly through engagement with clients on their transition plans.

There are a number of examples of bank one-stop-shop programmes and hubs for SMEs and suppliers. Itaú's Cubo ESG connects start-ups with large companies, including Itaú's clients, to scale up low-carbon solutions (see Box 4.4). CIMB's SME GreenBizReady gives SME clients free training, emissions measurement tools, links to service providers and access to financing. CIMB also supports the AEON Responsible Suppliers Programme, which helps suppliers measure and report their emissions. Lloyds' partnership with the

Manufacturing Technology Centre has connected more than 700 SME manufacturers with training in areas such as electrification and clean energy systems.

There are also focused engagements with farmers to help inform them about the benefits of the transition. For example, BNP Paribas Bank Polska's Agronomist.pl platform was developed under the bank's guidelines for the sustainable and low-carbon transition of agriculture, and brings together relationship managers, farmers and agri-food companies. Lloyds draws on its agricultural relationship managers and partners to fund environmental baseline assessments for farmers as a way to help them understand their options and the potential benefits of the transition.

Some engagements that cover just transition opportunities are designed around specific vulnerable groups:

- RBC's Reconciliation Action Plan commits the bank to hold listening sessions with Indigenous commercial banking and capital markets clients to better integrate First Nations, Inuit and Métis' considerations into the bank's project financing related to the transition.
- BNP Paribas works with local associations to reach lower-income communities, many of whom are not BNP Paribas customers, for its sustainable mobility products.
- SBG's BACHA entrepreneurship project in Lesotho trains young entrepreneurs, including in green entrepreneurship, and provides them with seed capital. In addition, SBG's '60 Minutos Eco' programme in Angola convenes entrepreneurs, students and civil society on topics including green jobs, clean energy and climate justice.

Using banks' engagement with clients on their transition plans to discuss just transition themes for stakeholders is also an emerging practice. In particular, Lloyds has explicitly built just transition criteria into its methodology for assessing real estate and housing clients' transition plans, piloted in 2025. Based on its published report, we score this as engagement on just transition opportunities, as the report highlights clients that were developing just transition plans, including through setting social value targets, retraining employees and applying place-based approaches that consider local communities. In practice, the same tool can facilitate the bank's engagement with clients on both just transition opportunities and risks. Our engagement with Lloyds provided further details showing that its just transition assessment also considers how clients identify and manage the social risks of their transition strategies, including through plans to retain, retrain, redeploy or compensate affected stakeholders (see Box 4.5).

Box 4.4. Bank engagement platforms to link start-ups to decarbonising corporate clients: the case of Itaú Bank's Cubo Itaú and ESG Hub

Cubo Itaú is a non-profit organisation established by Itaú Bank and Redpoint Venture in 2015, with the main objective of promoting innovation and technological entrepreneurship by connecting start-ups, large companies and investors. In 2022, ESG Cubo was established as a dedicated hub within Cubo Itaú to foster the development of innovative solutions in decarbonisation and sustainability, connecting start-ups with large corporations, including Itaú Bank's clients, to accelerate the implementation of new technologies and sustainable business models aligned with a low-carbon economy. For instance, as part of Cubo Itau's ESG-focused initiatives, Itaú Bank hosted the 2025 São Paulo Climate Week which was attended by over 2,200 participants and 100 speakers, with 800 corporations participating and 58 direct connections made between start-ups and large companies. In this context, the initiative creates opportunities for start-ups and emerging technology providers to engage with Itaú clients seeking decarbonisation solutions.

Cubo Itaú also has dedicated initiatives focused on inclusivity and diversity in the innovation ecosystem. AfroCubo supports the representation of Black entrepreneurs and the development of inclusive leaders, while Mulheres ao Cubo strengthens women's participation in start-up, investment and technology networks. These initiatives include dedicated workshops and events, in

which 140 Black entrepreneurs and over 300 women entrepreneurs participated in 2025. These efforts have contributed to a portfolio of 175 active diverse start-ups, representing 37% of the Cubo Itaú start-up portfolio; of these, 114 start-ups are founded by women and 61 by Black entrepreneurs. Through their focus on inclusion, leadership and innovation, AfroCubo and Mulheres ao Cubo enable participants to engage more closely with Cubo ESG and the broader Cubo Itaú ecosystem, expanding access for Black and women entrepreneurs to business opportunities arising from the decarbonisation journeys of Itaú's clients.

Sources: Itaú (2022), Itaú (2025a) and Itaú (2025b), with inputs from Itaú representatives engaged with in this paper.

Box 4.5. Promoting just transition in clients' transition plans: Lloyds Banking Group's approach

Lloyds Bank reviews climate, nature and social considerations through annual, in-depth assessments of priority clients' transition plans (CTPs), with over 100 CTPs assessed annually since 2023 (Lloyds, 2025). As part of this process, Lloyds views close engagement and collaboration with clients on topics such as just transition as a key investment in long-term relationships and part of its commitment to Helping Britain Prosper. These engagements aim to understand the support clients need to deliver their ambitions, identify where Lloyds can provide advice, and explore financing opportunities that could help advance a just, real-economy transition.

In 2025, Lloyds piloted just transition criteria within its CTP assessment methodology for real estate and housing clients, recognising the sector's longstanding focus on social value and the importance of housing and the built environment to a just transition. Lloyds' just transition criteria consider how companies identify and manage the social risks, opportunities and dependencies associated with transition strategies, including impacts on employees, local communities, suppliers and customers. To monitor progress over time, Lloyds seeks evidence of investment spend and action plans to retain, retrain, redeploy and/or compensate impacted stakeholders. In Lloyds' 2025 assessments, 50% of assessed real estate and housing clients reflected elements of a just transition plan (lLloyds, 2025). These included setting measurable social value targets, investing in employee retention and skills development, adopting place-based approaches that respond to local community needs, and collaborating with suppliers, tenants, peers and broader stakeholders.

In 2026, Lloyds expanded its CTP methodology in line with emerging best practice, including the UK Transition Finance Council guidance and the draft framework developed by the Taskforce on Inequality and Social-related Financial Disclosures (TISFD). Lloyds now applies its just transition criteria across a broad range of sectors in addition to real estate and housing, including oil and gas, power and utilities, aviation, automotive, road transport, manufacturing, leisure, food and drink, and retail. As the CTP programme continues to evolve, Lloyds aims to share leading practices, support clients in embedding social considerations into credible and resilient transition plans, and leverage its convening power to bring together businesses, investors, policymakers and other stakeholders to help drive a more inclusive transition in the real economy.

Contributed by: Hannah Simons, Sophie Dejockheere, Alice Melvin and Amira Izhar, Lloyds

Considerations for just transition risks

There are limited bank engagement activities that explicitly link to just transition risks for targeted stakeholders. These are mostly undertaken indirectly through banks' engagement on client transition plans, research and stewardship activities.

Clients' transition plans are also used to engage clients on some elements of just transition risks. While RBC's just transition considerations when assessing client transition plans are not as explicit as Lloyds' approach (see Box 4.5), RBC's transition readiness framework for oil and gas and power generation clients requires a commitment to engage with local or Indigenous communities impacted by new transition-related projects. Meanwhile, as described in Box 4.1, BNP Paribas has used research to understand the views of stakeholders across countries on just transition themes.

For banking groups with investment businesses, stewardship activities act as a further lever to embed just transition. Scottish Widows (Lloyds' pensions, investment and insurance business) directly engages with selected investee companies in oil and gas, mining, steel, automotive and chemicals to ensure that companies consider the impact of their transition plans on workers, supply chains, communities and consumers. It also engages with its asset managers to ensure that they consider just transition in their approaches to transition.

Metrics and targets

Six banks disclose metrics related to just transition opportunities (BRAC Bank, Itaú, BNP Paribas, CIMB, SBG and Lloyds), all at partial progress. No bank discloses a metric or target on just transition risks. Most of the disclosed metrics measure the outputs of specific programmes, rather than progress against transition plan-level just transition targets. For example:

- BRAC Bank reports the size of its climate finance scheme for women-led SMEs, the number of farmers given climate-resilient tools and training, and the number of farming families reached by its digital agri-lending platform.
- Itaú monitors the number of start-ups connected with large companies and investors through Cubo ESG.
- CIMB reports approved financing under its SMEBizReady facilities and its Low-Carbon Transition Facility.
- SBG reports impact indicators for renewable energy projects it has financed for agricultural, community and township enterprises.

Lloyds comes closest to reporting a transition plan-level metric that incorporates just transition considerations. Through the pilot of its client transition plan assessment, it reports that 50% of the real estate companies assessed are actively developing robust just transition plans. It also reports that it has delivered £340 million of its £500 million commitment to the green retrofit loan fund for social housing, supporting an estimated 2,900 skilled jobs.

Few metrics show which stakeholder groups benefit. BNP Paribas, for example, reports that seven ISLF+ deals (an instrument with an intentional just transition design) have unlocked over €70 million, but not which stakeholder groups have benefited. Banks also commonly report metrics and targets on the amounts and beneficiaries of their one-off or short-term corporate social responsibility activities, some of which serve both environmental and social objectives. We do not count these, because such activities are often not tied to the bank's decarbonisation strategy and related activities.

Governance

Governance structures that cover just transition are rare among the 10 sample banks. Two banks have governance arrangements covering just transition risk elements (CBA and CIMB) and two have arrangements covering opportunities (BNP Paribas and CIMB), all at partial progress. CIMB is the only bank to score on both.

On just transition risks, CIMB adopts what it describes as "a top-down, integrated approach to environmental and social matters, linking them directly to business strategy, risk management and

performance oversight". The Board Group Sustainability Committee oversees the bank's climate transition plans and human rights agenda, and holds ultimate accountability for human rights on behalf of the Board, while the Group Chief Sustainability Officer oversees implementation. Within this structure, the bank aims to "support a just transition that protects workers, communities and long-term financial stability". At CBA, the Board and Executive Leadership Team oversee the bank's approach to E&S risks. The bank's definition of E&S risks explicitly covers effects on households' and businesses' ability to pay their loans due to more frequent and severe weather events or their inability to adjust to a low-carbon economy.

On opportunities, CIMB has established Centres of Excellence within its Group Sustainability Division, under the oversight of the Group Chief Sustainability Officer. One centre leads strategic partnerships and initiatives that create long-term value for the bank, its clients and communities, while another engages communities, among other stakeholders, to inform the bank's sustainability strategy. At BNP Paribas, the Low-Carbon Transition for MidCaps and SMEs team, comprising around 100 experts, works with the sales teams of its Commercial, Personal Banking & Services division to support the sustainable transition of SMEs in five European countries.

RBC illustrates the more common, siloed pattern in the governance of banks' climate and social objectives. Its executive incentive programmes include climate-based objectives, but these are tied only to its Climate Blueprint and are separate from its skills and inclusion strategies.

4.3. Discussion of results

The results in Sections 4.1 and 4.2 describe where just transition appears in bank transition plans. This section discusses the potential drivers of patterns in just transition integration and disclosures among banks, drawing on the assessment results, the bank practices featured in the emerging practice boxes and the literature reviewed in Section 2.

Why just transition opportunities outnumber risks

Banks recognise just transition opportunities almost three times as often as risks (82 references compared with 27). No bank reports a metric or target related to managing just transition risks, and only one bank (CBA) considers some of these risks in its financial risk identification, which then informs its response.

There are three potential explanations for this. **First is the relative ease of embedding just transition opportunities in banks' business lines**, such as SME, agricultural, housing and vehicle finance, where tailoring existing products to underserved customers can also expand the bank's client base and is therefore compatible with banks' value-creation motive. This is partly reflected in İşbank's implementation activities which cover several just transition stakeholders within its agricultural business, even if just transition considerations are not explicitly present elsewhere in its transition plan.

Second, **considering just transition risks may require banks to be forward-looking in assessing how clients' decarbonisation will affect workers, suppliers, communities and consumers**. This requires client-level social data and analytical tools that are not yet widely available (see Section 1). Experts at BNP Paribas point to this same constraint, noting that the lack of widely accepted definitions, metrics and standards makes it difficult to integrate just transition systematically into products and decision-making (see Box 4.1).

Third, the **banks' environmental and social (E&S) risk frameworks rarely capture just transition risks**. Our assessment shows that as part of E&S risk frameworks, banks typically apply minimum social safeguards on human, labour and community rights across lending and capital market activities through alignment with existing standards (e.g. the Equator Principles) or compliance with local regulations. These safeguards matter, but because they are often not linked to the bank's transition strategy in the disclosed transition plan, our assessment does not count them as just transition considerations. For example, a bank's E&S framework may review the occupational health and safety of an oil and gas client's operations, but not the employment effects of that client's decarbonisation activities. However, as will be discussed later, our

assessment is limited to references in disclosed transition plans, which does not necessarily mean that relevant risk management is not applied holistically in internal practice.

What shapes just transition stakeholder targeting

The depth of just transition stakeholder targeting appears to mirror the existing sustainable finance frameworks and principles that banks follow. Where frameworks and principles leave targeting to the bank's discretion, banks' disclosures vary in how specifically they name beneficiaries. The ICMA and LMA principles are voluntary process guidelines with indicative project categories under green, social or sustainability-linked bonds and loans. Of these, only the social principles expect issuers to identify target populations and consider just transition considerations in some examples of social project categories. Similarly, the Equator Principles treat environmental and social risks separately, and social issues are largely focused on minimum safeguards for human and labour rights. This siloed approach is reproduced in the E&S risk frameworks of the seven banks that are signatories to the Equator Principles in our sample.

Where financial regulators or financing partners specify target just transition stakeholders, banks' targeting is more direct. Bangladesh Bank's sustainable finance taxonomy identifies specific green financing for CMSMEs, microfinance service providers and underserved populations, and BRAC Bank's framework adopts these categories. Bank Negara Malaysia's Fund for SMEs lowers the cost of green financing for SMEs which CIMB channels through its SMEBizReady programme. Partners in blended finance and co-financing may bring their own just transition criteria, which can also influence banks' approaches. This is illustrated in MUFG's and BRAC Bank's partnerships: MUFG's co-financing with JICA involves project evaluation that considers vulnerable beneficiaries, while BRAC Bank's scheme with UNEP and UN Women is designed around women-led SMEs.

Emerging guidance related to just transition appears to be considered quickly by banks where it exists. Lloyds aligned its 2026 client transition plan methodology with the UK Transition Finance Council guidance and the draft framework of the Taskforce on Inequality and Social-related Financial Disclosures (see Box 4.4).

Taken together, these cases suggest that clearer expectations from standard setters, regulators and financing partners can shape which just transition stakeholders banks target.

Ambition and practice

Setting a just transition ambition matters for how just transition is reflected across transition plan components. SBG and CIMB are the only banks that recognise both just transition risks and opportunities in their foundations. They also have the most consistent approach to carrying these considerations into their implementation and engagement strategies (and, for CIMB, governance), which together account for 49 of 109 references (45%). Similarly, BRAC Bank, BNP Paribas and Lloyds, which recognise risks or opportunities for some stakeholders in their ambition, also have a higher number of just transition-aligned activities (42), compared with the few references (18) from the remaining five banks, which do not reflect just transition in their ambition.

Where ambition is absent, it is hard to assess whether just transition practice is intentional. For example, a bank may finance affordable electric vehicles or climate-resilient farming for commercial reasons, and reach just transition stakeholders as a result, without having set out to do so. This matters for how the results are read. Without a just transition ambition, some dark and light green scores for just transition opportunities in implementation strategy components may partly reflect the products a bank already offers, rather than a deliberate just transition strategy. Meanwhile, the scarcity of references to bank activities that manage just transition risks may be a more direct indicator of how far banks have thought through the social consequences of their own transition activities for just transition stakeholders.

Nevertheless, for most banks, just transition considerations in ambition and implementation do not carry through into metrics, targets and governance. These are the components that allow banks, investors and supervisors to track whether commitments are delivered. Without them, a just transition ambition in a transition plan is difficult to hold to account, and just transition practice that is not anchored in an ambition may be difficult to sustain or scale across the bank.

Disclosure and practice

Our assessment measures what banks disclose, which may not fully capture their internal practices and approach to just transition. Several of the bank levers and practices on just transition featured in the emerging practice boxes were clarified through our engagement with the banks concerned. Some initiatives are at the pilot stage and are informing transition planning, as at BNP Paribas. Some details of banks' just transition approaches are evolving and not disclosed publicly, as with the criteria in Lloyds' client transition plan assessment.

During this research, when we requested feedback from banks on our initial assessment, several of the banks that responded highlighted that other internal guidelines and monitoring systems covering just transition considerations are not disclosed, or that E&S frameworks may not appear integrated in published disclosures but are applied holistically in practice. In this regard, banks may therefore be doing more than their transition plans show.

However, internal practices cannot be assessed through public disclosures. Our assessment framework aims to bridge this gap by showing banks where their transition plans could make existing just transition practice visible. In turn, this could support knowledge-sharing and peer learning among banks seeking to adopt just transition in practice.

5. Conclusions

Banks have significant scope to influence the scale and pace of climate mitigation and adaptation, given their capacity to mobilise capital and their financing role across the economy. They also have levers to help ensure that the transition is inclusive and leaves no one behind, both directly through the design of financial products and indirectly by influencing how clients and investees consider workers, suppliers, communities and consumers in their transition and adaptation efforts.

To understand how far banks are doing this in practice, we developed a framework to assess how just transition risks and opportunities are reflected in the transition plans of 10 banks in 10 countries, and the extent to which banks' approaches target relevant stakeholders.

Our assessment finds that just transition considerations are already present across the sample, but their integration is uneven and rarely extends across all components of banks' transition plans.

- Five banks recognise just transition considerations at the foundations level, but only two recognise both risks and opportunities.
- Nine banks recognise just transition opportunities in their implementation strategies, and three tailor these to all relevant stakeholders, while only four recognise just transition risks.
- Just transition considerations are concentrated in implementation strategies, indicating just transition-aligned activity beyond what banks state in their ambitions. Beyond implementation, however, these considerations are largely absent from other transition plan components. No bank discloses a metric or target on just transition risks, and only three have governance arrangements that cover just transition.
- Banks' activities related to just transition opportunities outnumber those related to just transition risks by three to one.
- Across just transition stakeholders, communities, workers and suppliers are targeted far more often than vulnerable retail banking customers and consumers. Some bank financing instruments are also targeted at specific vulnerable groups, such as women entrepreneurs, seasonal contract workers, small-scale Black farmers, youth and Indigenous groups.

How specifically banks target just transition stakeholders appears to depend substantially on the external frameworks they follow. Where standards leave stakeholder targeting to the bank's discretion, approaches vary widely; where regulators or financing partners specify target stakeholders for sustainable finance, banks' targeting becomes more direct. Some just transition-aligned practice may also arise without being explicitly framed as such, through existing business lines, and may extend beyond what banks disclose.

Implications for banks, standard setters and regulators

For banks, the priority is to better integrate just transition considerations across their transition plans. Our findings point to four complementary routes.

- **Anchor just transition in the bank's overall climate ambition.** A top-down approach may help support more consistent bank-wide adoption. SBG and CIMB, which recognise elements of just transition risks and opportunities in their foundations, carry these considerations further than other banks in the sample, into their implementation and engagement strategies and, in CIMB's case, into governance.
- **Build from existing practice and pilots.** Where an overarching ambition is absent, bottom-up initiatives can build the capabilities and evidence needed for wider adoption. For example, BNP Paribas' Network of Experts in Sustainability Transitions, a community of practice bringing together

experts across the bank's business lines, has supported pilot financial instruments with just transition considerations, while Lloyds piloted just transition criteria in its client transition plan assessments for real estate and housing clients before extending them to other sectors. Lessons from such pilots can inform how just transition is scaled up and written into a bank's transition plan.

- **Integrate just transition into existing bank processes.** Existing bank processes offer the most immediate opportunities for integrating just transition. These include extending E&S risk frameworks beyond minimum social safeguards to assess the social consequences of clients' decarbonisation activities, using client transition plan assessment and stewardship as engagement levers, and specifying just transition beneficiaries within the eligibility criteria of sustainable finance frameworks, particularly in green categories. Banks can also widen their reach to just transition stakeholders through digital platforms, partnerships and one-stop programmes.
- **Take a more targeted and measurable approach.** Particular attention is needed to managing just transition risks, reaching a wider range of stakeholders, especially vulnerable groups among retail banking customers and consumers, and carrying just transition considerations through to the metrics and targets and governance components of transition plans.

Boxes 4.1–4.5 and the 109 just transition references from the 10 banks' transition plans published alongside this report offer practical examples that banks can draw on for addressing just transition issues for specific stakeholders.

For standard setters and providers of international guidance on sustainable finance, E&S risk management and transition planning, the mirroring effect we observe highlights the need to consider how existing principles address just transition. This is especially relevant to expectations around stakeholder targeting in green finance, just transition metrics and targets, governance, and financial risk management, all of which can help make just transition commitments more credible over time. As just transition considerations enter social and climate standards, including GRI's climate standard, TISFD's framework and the ISSB's research on workforce-related disclosures, interoperability between these frameworks, and with existing sustainable finance principles (such as ICMA and LMA) and E&S risk standards (such as the Equator Principles and IFC Performance Standards), may influence whether banks treat climate and social risks as separate pillars. Lloyds' rapid alignment of its client transition plan methodology with emerging guidance suggests that changes to global standards could translate relatively quickly into the practices of large banks.

For financial regulators and supervisors, our findings do not necessarily imply that promoting a just transition should become a supervisory objective, but supervisory attention on climate-related social risks may encourage banks to integrate just transition considerations into their transition plans. Whether just transition falls within central bank and supervisory mandates remains debated since mandates vary across jurisdictions. However, supervisors may have a role in considering climate-related social risks (just transition risks) when assessing the credibility of banks' transition plans and their management of climate-related financial risks. Our assessment finds that banks commonly recognise social risks as drivers of financial risk, but rarely connect them to climate risks. Supervisory attention to how banks govern, measure and manage climate-related social risks is therefore compatible with prudential objectives. It may also indirectly encourage banks to integrate just transition considerations into their transition plans and related financial risk management frameworks, while helping to build the data and evidence base on the financial implications of these risks, which banks themselves identify as a key gap (Raga, 2026). Separately, in jurisdictions where central banks or financial authorities have development or financial inclusion objectives, the cases of Bangladesh and Malaysia show how guidance on sustainable finance taxonomies and financing facilities can help shape which stakeholders banks target for their climate-related activities.

Next steps

As bank transition plans become more widely available, the framework developed in this report can provide a consistent basis for identifying and comparing just transition activities across banks and other entities. The accompanying assessment files can provide a baseline for tracking progress and a repository of practices that banks can draw on as they integrate just transition considerations into their transition plans. Future research could be extended to the following areas:

A broader sample of banks. Examine just transition considerations in state-owned banks, development banks and smaller banks, testing whether their motivations, opportunities and constraints differ from those of the large commercial banks covered in this report.

Standards shaping bank practice. A second strand of research could examine how far global and national sustainability disclosure standards and frameworks integrate just transition considerations. This subject will be covered in forthcoming work from the Just Transition Finance Lab.

In-depth analysis beyond published disclosures. Because the assessment is based primarily on published transition plans and related disclosures, it may not fully capture everything happening in transition planning or practice. The boxes detailing emerging practices in this report partly address this, but further case study research could examine how banks operationalise just transition considerations internally. Forthcoming work with the TPI Global Climate Transition Centre will feature in-depth analyses of just transition-aligned products and offerings from selected banks.

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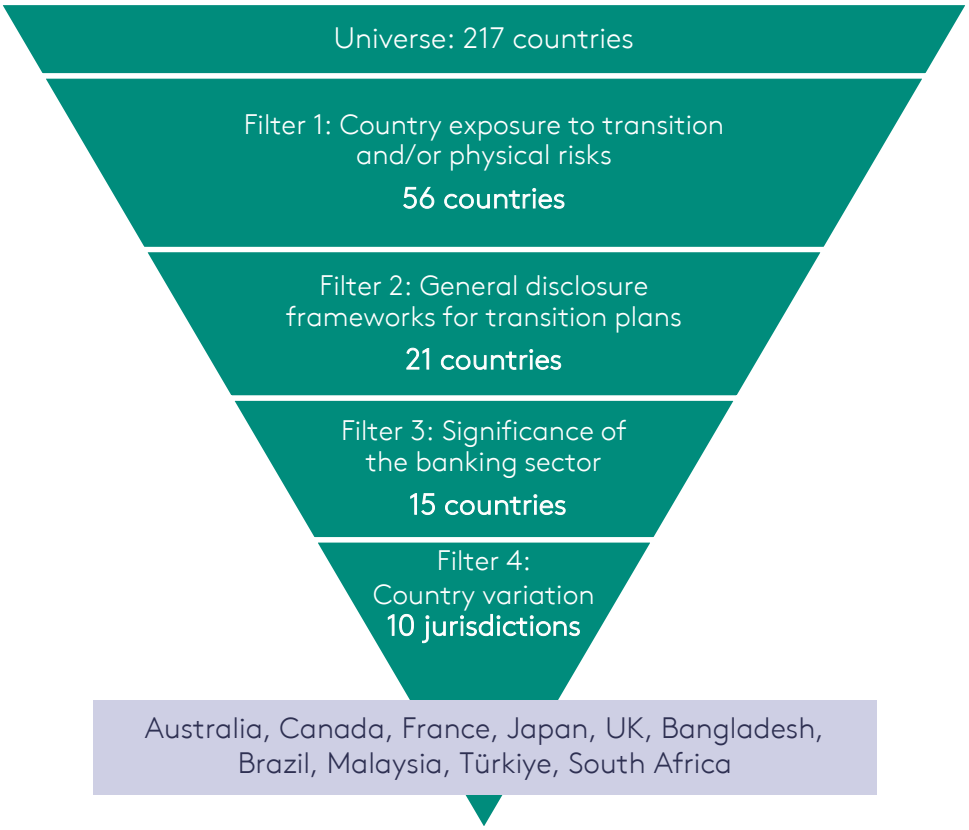
Appendix 1. Indicators used in the sampling methodology

The sample of countries selected for the bank transition plan analysis in this paper focuses on four main characteristics: (1) exposure to transition and/or physical risks; (2) mandatory policy or voluntary guidance on transition plans; (3) a significant banking sector; and (4) variation in income level and geographical location. The table below shows the seven indicators from various sources with specific thresholds are used to filter the sample from the 217 countries in the World Bank database.

Table A1. Indicators used for sample filters

Indicators	Source	Thresholds	Threshold rationale
Base: 217 countries	World Bank database		
Filter 1			
1. Top countries with the largest greenhouse gas emitters as of 2024 (contributing 90% of global greenhouse gas emissions); and/or	EDGAR – Emissions Database for Global Atmospheric Research, European Commission	>0.6% share of global greenhouse gas emissions	Countries with higher global greenhouse gas contributions between 0.6% and 29% contribute to 90% of total global greenhouse gas emissions as of 2024
2. Exposure to physical climate change hazards based on	EU – Inform climate change risk index	>=5	Scores of 5 and higher indicate high/very high risk to physical climate change hazards
Filter 2			
3. Presence of mandatory or voluntary transition plan disclosure frameworks or guidance (based on ISSB alignment, or jurisdiction level)	As indicated in the International Transition Plan Network (ITPN) and ISSB country survey	Mandatory or voluntary transition plan disclosure or guidance effective as of 2025	To ensure that policy or guidance effectivity overlaps with latest bank transition plan reporting period under analysis
Filter 3			
4. Home country of globally systemically important banks (GSIB), or	As identified by the Financial Stability Board	Presence of GSIB	
5. Banking sector credit to private sector as % of GDP (above median of country income group); and or	World Bank Global Financial Development Database	LMIC: >29% UMIC: >51% HIC: >80%	Thresholds are based on median country per income group
6. Banking sector assets as % of GDP (above median of country income group)	World Bank Global Financial Development Database	LMIC: >46% UMIC: >62% HIC: >93%	Thresholds are based on median country per income group
Filter 4			
7. Country variation	World Bank country group and geographical categories	Authors' discussion on variation of sample by income level and region	

Figure A1. Sampling filtering flow



Appendix 2. Bank transition plans and supporting documents assessed for the analysis

Country	Bank	Asset size (US$) and (year)	Asset as % of country GDP	Number of country operations	Main document assessed	Supplementary documents assessed
1. Australia	Commonwealth Bank of Australia (CBA)	US$872,294,357,902 (2025)	48.5%	**9 countries:** Australia, China, Hong Kong, Japan, Netherlands, New Zealand, Singapore, UK and US	CommBank 2025 Annual report	2025 Environmental and Social Framework
2. Bangladesh	BRAC	US$9,675,722,903 (2025)	2.1%	**1 country:** Bangladesh	BRAC 2025 Annual Report	
3. Brazil	Itaú Unibanco	US$490,667,420,988 (2025)	21.5%	**13 countries:** Bahamas, Brazil, Cayman Islands, Chile, Colombia, Luxembourg, Panama, Paraguay, Portugal, Switzerland, UK, US and Uruguay	Itaú 2025 ESG Report	2025 Annual Report; Itaú Sustainable Finance Framework – April 2024; Environmental, Social and Climate Responsibility Policy
4. Canada	Royal Bank of Canada (RBC)	US$1,662,968,735,685 (2025)	71.7%	**29 countries:** Canada, US, Australia, Aruba, Bahamas, Barbados, Belgium, Bonaire, Cayman Islands, China, Curaçao, France, Germany, Guernsey, Hong Kong, Ireland, Japan, Jersey, Luxembourg, Malaysia, Netherlands, Saba, Singapore, Spain, St. Maarten, Switzerland, Trinidad & Tobago, Turks & Caicos, UK	RBC Sustainability Report 2025	The RBC Climate Blueprint; RBC Climate Action 2025: A year for rewiring; RBC's Reconciliation Action Plan 2025; Client Engagement Approach on Climate – Energy Sector
5. France	BNP Paribas	US$3,156,021,432,673 (2025)	93.8%	**64 countries (officially reported)**: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Guernsey, Jersey, Kosovo, Monaco, Norway, Russia, Switzerland, Ukraine, UK, Algeria, Bahrain, Botswana, Kuwait, Morocco, Namibia, Qatar, Saudi Arabia, South Africa, Türkiye, United Arab Emirates, Argentina, Bermuda, Brazil, Canada, Chile, Colombia, Mexico, Peru, US, Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New	2025 Annual Report; BNP Paribas 2025 Just Transition Observatory	The Positive Impact and Inclusion Business Accelerator, Environmental Framework

Country	Bank	Asset size (US$) and (year)	Asset as % of country GDP	Number of country operations	Main document assessed	Supplementary documents assessed
				Zealand, Philippines, Republic of Korea, Singapore, Taiwan, Thailand, and Vietnam		
6. Japan	Mitsubishi UFJ Financial Group (MUFG)	US$2,760,385,029,929 (2025)	62.2%	**32 countries:** Australia, Austria, Belgium, Brazil, Canada, China, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Korea, Malaysia, Mexico, Myanmar, Netherlands, New Zealand, Philippines, Qatar, Russia, Saudi Arabia, Singapore, Spain, Taiwan, Thailand, Türkiye, United Arab Emirates, UK, US and Vietnam	MUFG Transition Progress 2026	Environmental and Social Policy Framework; MUFG Bank-JICA Sustainable Finance Framework; MUFG Driving Social & Environmental Progress report
7. Malaysia	CIMB Group	US$102,206,142,907 (2025)	21.6%	**9 countries:** Malaysia, Indonesia, Singapore, Thailand, Cambodia, Vietnam, China *(Shanghai Branch)*, Hong Kong *(Branch)*, United Kingdom *(London Branch)*	CIMB Sustainability Report, 2025	CIMB Sustainable Finance framework (2025); CIMB Sustainability Performance Data Supplement (2025).
8. Türkiye	Isbank	US$117,221,190,493 (2025)	7.3%	**10 countries:** Türkiye (HQ), UK, Iraq, Bahrain, Kosovo, Turkish Republic of Northern Cyprus, Germany, Netherlands, Russia, Georgia	Isbank Climate Transition Plan 2025	Annual integrated report 2025; Sustainable Finance Framework 2025
9. South Africa	Standard Bank Group	US$113,692,203,722 (2025)	26.6%	**19 countries:** South Africa, Angola, Botswana, Côte d'Ivoire, Democratic Republic of the Congo, Eswatini, Ghana, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Nigeria, South Sudan, Tanzania, Uganda, Zambia, Zimbabwe	2025 Climate-Related Financial Disclosures Report	2025 Climate Policy; 2025 Report to Society; 2025 Sustainability Report; 2025 Governance Report
10. United Kingdom	Lloyds Banking Group	US$831,279,326,828 (2025)	20.8%	**5 countries:** UK, Channel Islands and Isle of Man, US, Germany, and the Netherlands	Lloyds Sustainability Report 2025	2025 Sustainable Financing Framework, 2025 Metrics Basis of Reporting, 2025 Sustainable Farming Report, External Sector Statements, CTP Insights Report, Responsible Investment and Stewardship Report, Annual Report and Accounts 2025

Sources: Data on bank asset size are based on official reports published by the banks. Bank assets as a % of GDP are based on authors' calculations based on published asset size by banks and current GDP data from the World Bank database. Information on countries of operation are based on banks' latest annual reports, sustainability reports and official corporate websites. Countries of operation include jurisdictions where the bank operates through subsidiaries, branches or joint ventures with direct client-facing or lending activities. Representative offices and pure holding structures are excluded unless otherwise noted.

Appendix 3. Framework matrix for assessment of just transition considerations in bank transition plans

Table A3 sets out the framework used to assess just transition considerations in bank transition plans (see Section 3.2). Each of the five transition plan components is assessed separately for just transition risks and opportunities, giving 10 assessment criteria. For each criterion, the colour code depends on whether the bank's disclosed actions are targeted at all, some or none of the five just transition stakeholders defined in Table 2.2. The criteria, numbering and colour codes are used in the detailed assessment files published alongside this report, where each criterion is answered with direct quotes and page references from the assessed documents.

- In progress – references activities to manage just transition risks and/or maximise just transition opportunities that are targeted at all just transition stakeholders
- Partial progress – references activities to manage just transition risks and/or maximise just transition opportunities that are targeted at some (but not all) just transition stakeholders
- No or vague reference – no reference to just transition risks and/or opportunities for stakeholders; treats climate and social factors separately; or provides a vague description of social considerations in climate-related activities

Table A3. Framework matrix for assessing just transition considerations in bank transition plans

Bank transition plan elements	Just transition elements	Assessment criteria	Categorical assessment		Reference (quotes from documents)
Foundations	Managing risks of just transition	1. Whether or not reference is made in the foundations to minimising just transition risks for just transition stakeholders		Reference to bank retail customers, workers, suppliers, communities and consumers (all)	See detailed assessment files
				Reference to either retail bank customers, workers, suppliers, communities and consumers (but not all)	
			Y/N	Reference to retail bank customers	
			Y/N	Reference to workers	
			Y/N	Reference to suppliers	
			Y/N	Reference to consumers	
			Y/N	Reference to communities	
				No or vague reference to just transition stakeholders	
	Maximising opportunities of just transition	2. Whether or not reference is made in the foundations to maximising just		Reference to bank retail customers, workers, suppliers, communities and consumers (all)	
				Reference to either retail bank customers, workers, suppliers, communities and consumers (but not all)	

Bank transition plan elements	Just transition elements	Assessment criteria	Categorical assessment		Reference (quotes from documents)
		transition opportunities for just transition stakeholders	Y/N	Reference to retail bank customers	
			Y/N	Reference to workers	
			Y/N	Reference to suppliers	
			Y/N	Reference to consumers	
			Y/N	Reference to communities	
				No or vague reference to just transition stakeholders	
Implementation Strategy	Managing risks of just transition	3. Whether or not reference is made in the strategy to minimising just transition risks for just transition stakeholders		Reference to retail bank customers, workers, suppliers, communities and consumers (all)	
				Reference to either retail bank customers, workers, suppliers, communities and consumers (but not all)	
			Y/N	Reference to retail bank customers	
			Y/N	Reference to workers	
			Y/N	Reference to suppliers	
			Y/N	Reference to consumers	
			Y/N	Reference to communities	
				No or vague reference to just transition stakeholders	
	Maximising opportunities of just transition	4. Whether or not reference is made in the strategy to maximising just transition opportunities for just transition stakeholders		Reference to retail bank customers, workers, suppliers, communities and consumers (all)	
				Reference to either retail bank customers, workers, suppliers, communities and consumers (but not all)	
			Y/N	Reference to retail bank customers	
			Y/N	Reference to workers	
			Y/N	Reference to suppliers	
			Y/N	Reference to consumers	
			Y/N	Reference to communities	
				No or vague reference to just transition stakeholders	
Metrics and targets	Managing risks of just transition	5. Whether or not reference is made in metrics and targets to minimising just transition risks for		Reference to retail bank customers, workers, suppliers, communities and consumers (all)	
				Reference to either retail bank customers, workers, suppliers, communities and consumers (but not all)	
			Y/N	Reference to retail bank customers	
			Y/N	Reference to workers	

Bank transition plan elements	Just transition elements	Assessment criteria	Categorical assessment		Reference (quotes from documents)
		just transition stakeholders	Y/N	Reference to suppliers	
			Y/N	Reference to consumers	
			Y/N	Reference to communities	
				No or vague reference to just transition stakeholders	
	Maximising opportunities of just transition	6. Whether or not reference is made in metrics and targets to maximising just transition opportunities for just transition stakeholders		Reference to retail bank customers, workers, suppliers, communities and consumers (all)	
				Reference to either retail bank customers, workers, suppliers, communities and consumers (but not all)	
			Y/N	Reference to retail bank customers	
			Y/N	Reference to workers	
			Y/N	Reference to suppliers	
			Y/N	Reference to consumers	
			Y/N	Reference to communities	
				No or vague reference to just transition stakeholders	
Engagement	Managing risks of just transition	7. Whether or not reference is made in the engagement strategy to minimising just transition risks just transition stakeholders		Reference to retail bank customers, workers, suppliers, communities and consumers (all)	
				Reference to either retail bank customers, workers, suppliers, communities and consumers (but not all)	
			Y/N	Reference to retail bank customers	
			Y/N	Reference to workers	
			Y/N	Reference to suppliers	
			Y/N	Reference to consumers	
			Y/N	Reference to communities	
				No or vague reference to just transition stakeholders	
	Maximising opportunities of just transition	8. Whether or not reference is made in the engagement strategy to maximising just transition opportunities for just transition stakeholders		Reference to retail bank customers, workers, suppliers, communities and consumers (all)	
				Reference to either retail bank customers, workers, suppliers, communities and consumers(but not all)	
			Y/N	Reference to retail bank customers	
			Y/N	Reference to workers	
			Y/N	Reference to suppliers	
			Y/N	Reference to consumers	
			Y/N	Reference to communities	

Bank transition plan elements	Just transition elements	Assessment criteria	Categorical assessment		Reference (quotes from documents)
				No or vague reference to just transition stakeholders	
Governance	Managing risks of just transition	9. Whether or not reference is made in governance to minimising just transition risks for just transition stakeholders		Reference to retail bank customers, workers, suppliers, communities and consumers (all)	
				Reference to either retail bank customers, workers, suppliers, communities and consumers (but not all)	
			Y/N	Reference to retail bank customers	
			Y/N	Reference to workers	
			Y/N	Reference to suppliers	
			Y/N	Reference to consumers	
			Y/N	Reference to communities	
				No or vague reference to just transition stakeholders	
	Maximising opportunities of just transition	10. Whether or not reference is made in governance to maximising just transition opportunities for just transition stakeholders		Reference to retail bank customers, workers, suppliers, communities and consumers (all)	
				Reference to either retail bank customers, workers, suppliers, communities and consumers (but not all)	
			Y/N	Reference to retail bank customers	
			Y/N	Reference to workers	
			Y/N	Reference to suppliers	
			Y/N	Reference to consumers	
			Y/N	Reference to communities	
				No or vague reference to just transition stakeholders	

Notes: Scores are based on explicit references to just transition, or on implicit references with a clear link to a just transition theme (see Table 2.1) and to a stakeholder that can be directly attributed to that theme (see Section 3.2). Activities that may enable a just transition but are not targeted at just transition stakeholders, and minimum social safeguards that are not linked to the bank's transition activities, are not counted. Recognition of a just transition risk, including as a driver of the bank's financial risk, is counted only where it is linked to a bank strategy or action to manage it. Dark green requires the component's activities, taken together, to reach all five stakeholder groups.