

# UK Transition Plan Taskforce updates on next steps

## AT A GLANCE

August 2023

### What's new?

- The Transition Plan Taskforce (TPT) published a [Status Update](#) on 27 July 2023. The publication provides an update on the work of the TPT including next steps and timelines.
- The Update announces the sectors for which the TPT will publish further guidance, supplementing the final Disclosure Framework which will be published in October 2023. It also responds to headline themes from the consultation feedback on the draft TPT Disclosure Framework and Implementation Guidance, [published in late 2022](#).

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### What does this mean?

- The TPT was launched by HM Treasury in April 2022 to develop a gold standard for private sector climate transition plans and make recommendations to inform the UK's regulatory requirements on transition plan disclosures.
- The draft Disclosure Framework and Implementation Guidance published in 2022 provided recommendations on developing and disclosing gold-standard transition plans, and technical support for preparers of transition plans. The Status Update follows on from that consultation, responding to feedback and outlining next steps.
- The Update announced that the TPT will publish detailed guidance for seven sectors: Asset Management, Asset Owners, Banking, Electric Utilities and Power Generators, Food and Agriculture, Metals and Mining, Oil and Gas.
- The TPT will consult on the sector-specific guidance in Q4 2023, with the intention of finalising it in 2024. The guidance will supplement the final Disclosure Framework, bringing together existing third-party guidance, identifying the most relevant Disclosure Framework Sub-Elements for each sector and providing additional sector-specific disclosures and guidance.
- The Update also responds to key themes from the consultation feedback. Overall, respondents strongly endorsed the Framework. Implementation challenges raised included: preparing a comprehensive plan, prioritising Framework Sub-Elements, data limitations, and potential commercial and liability risks arising from disclosing aspects of their transition strategy.
- The TPT confirmed that the conceptual building blocks of the Framework will be retained but that adjustments would be made to address key implementation challenges and ensure international alignment, for example, aligning with the finalised ISSB Standards.
- Alongside the Disclosure Framework, the TPT will publish an updated Technical Annex mapping the TPT recommendations to other key frameworks including the TCFD Guidance, the ISSB Standards and, depending on finalisation timelines, the EU Corporate Sustainability Reporting Directive and European Sustainability Reporting Standards.
- The Update also outlined a pathway to UK regulation as part of the UK Sustainability Disclosure Requirements (SDR) regime. According to the pathway, the FCA intends to announce its consultation on strengthened transition plan disclosure requirements in line with the TPT Framework in its August 2023 Primary Market Bulletin.



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- For private companies, the Government announced in its [updated Green Finance Strategy](#) that it would consult on transition plan disclosure requirements that align with current FCA requirements. This consultation, expected in Q4 2023, will take place after the release of the finalised TPT Disclosure Framework.
- As the TPT's mandate runs until 28 February 2024, it expects to finalise all of its outputs by that date. In early 2024, the TPT will publish a document that makes recommendations for future work on transition plans after the end of its mandate. This will incorporate recommendations stemming from the TPT working groups on adaptation, just transition and nature.
- Firms should consider how to build on their existing practices in a way that is consistent with the TPT recommendations and ISSB Standards, both of which are likely to form the basis for SDR requirements. This will include considering how they could incorporate interdependencies with other sustainability-related issues, such as nature, into their transition plan where material. Firms should also establish processes for disclosing the additional information that is specified by the TPT but not the TCFD, for example the key internal policies they have developed to align their activities with the strategic ambition of their transition plan.
- In anticipation of the TPT publishing sector-specific guidance in Q4 2023, firms should also consider making use of existing sector-specific guidance to help inform their transition planning. In particular, firms should look to the GFANZ [guidance on financial institution net-zero transition plans](#) and [expectations for real-economy transition plans](#).
- In anticipation of strengthened regulatory requirements as part of SDR, firms should carefully consider their approach to implementing the TPT recommendations. To ensure robust and future-proof implementation, firms should look to integrate transition planning thematically across their organisations in a way that is flexible enough to meet the requirements of new regulation as it develops.

### What do firms need to do?

- Firms should consider transition planning in its regulatory context. Many firms will already be disclosing in line with the TCFD Guidance on transition plans in compliance with existing UK regulatory requirements. However, in light of impending regulatory requirements as part of SDR, firms should now consider how they could implement the TPT draft Disclosure Framework and Implementation Guidance and integrate transition planning across their business and reporting processes.
- As the TPT recommendations directly build on the existing TCFD Guidance, many firms will already have strong foundational processes in place that will provide a useful starting point for implementing the TPT recommendations.

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### Next steps

- The finalised Disclosure Framework and accompanying Technical Annex and draft Implementation Guidance will be published in October 2023.
- The TPT will consult on high-level sector-specific guidance in Q4 2023 and detailed sector-specific guidance in November 2023, with the intention of finalising both in Q1 2024.

