



## **Border to Coast Pensions Partnership's response to the UK Transition Plan Implementation Consultation**

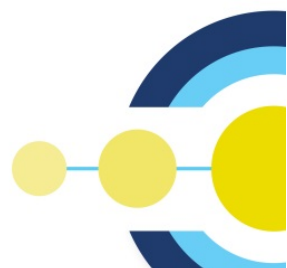
Border to Coast is wholly owned by 11 local government pension scheme (LGPS) funds, responsible for managing or overseeing more than £55bn of our Partner Fund's assets. We were established to provide cost-effective, innovative, and responsible investment opportunities that deliver returns over the long-term. This is on behalf of the more than one million LGPS members, over 3,000 employers, and the millions of taxpayers associated with our Partner Funds.

As one of the UK's largest asset owner pools of capital we support efforts to maintain the UK's attractiveness as a location where companies grow and innovate. We welcome the UK Government's consultation on the benefits of transition plans, and the process of transition planning. However, we encourage regulators to aim for interoperability, share best practice, and avoid fragmentation.

### **Key Messages**

- We support the requirement for entities to develop a transition plan and disclose this but with sequenced timing along with a proportionate and flexible approach. Starting from the largest listed and private companies with a three-to-five-year frequency of disclosure, to allow for climate strategies to be put into effect.
- We highlight that market mechanisms, without clear government policy pathways, are not sufficient to drive effective implementation of transition plans and encourage a whole-of-economy transition.
- We support requirements for transition plans that align with net zero but we highlight that mandating requirements for transition plans that align with net zero by 2050, including the setting of interim targets aligned with 1.5°C pathways, will be challenging for companies. Essentially, companies are expected to plan for an economy which may not exist and for which the necessary government transition plans have not yet been developed. This challenge would be compounded by a requirement to *implement* a transition plan aligned with this target.
- Nature-related risks - we agree that further consultation is required to determine the extent that nature should be considered in the government's transition plan policy

Please find below our detailed responses to the questions we have chosen to respond to.



## **Section A: The benefits and use cases of transition plans**

**Question 1: To what extent do you agree with the assessment of the benefits and use cases of transition planning set out in Section A? Are there any additional benefits or use cases for transition plans? Do you have any further insights and evidence on the purpose, benefits and use cases of increased and improved transition planning — including economy-wide impacts?**

We support the assessment of the benefits of transition plans, and the process of transition planning, as set out in Section A. We share the view of the Transition Finance Market Review, that transition planning should be viewed as a part of wider business strategy and not simply another disclosure obligation. However, without supportive government policies and regulations, there may be an overestimation of the degree of influence that corporates have to accelerate a transition to a low-GHG emissions and climate-resilient economy.

For investors, it is helpful to have climate-related forward-looking information on their portfolio holdings. It increases comparability across companies and sectors, leading to better understanding of risks and opportunities in the medium to long-term.

**Question 2: For preparers of transition plans: Does your organisation already produce, or intend to produce, a transition plan and disclose it publicly?**

Border to Coast's Net Zero Implementation Plan (net zero roadmap) was published in October 2022, following our commitment to achieve net zero emissions by 2050 or sooner. Our roadmap details how we will deliver on our net zero commitment.

**Question 2a: [if yes] What specific drivers have motivated your entity to engage in transition planning?**

We believe having a transition plan that effectively communicates, to all our stakeholders, how we manage climate-related risks is consistent with the long-term investment needs of our partner funds.

We also have requests from our partner funds to align our investments to net-zero by 2050, in line with the UK Government commitment to be net zero by 2050.

**Question 2b[If yes] Based on your experience, do you have any reflections on the purpose, benefits and costs (e.g. additional FTE, setup costs, etc) of developing your own transition plan?**

Part 2a sets details of purpose and benefits.

Border to Coast has been voluntarily producing TCFD entity reports since 2021, and our knowledge and capabilities have developed over the last four years. The costs and resources required to develop the capability are not insignificant. They include use of external consultants to assist with development of our transition plans, using external agencies to produce the TCFD-aligned entity report, working across the teams (legal, compliance, portfolio managers, risks), and investment in training and data.



**Question 2c. [if yes] What specific challenges or obstacles (e.g., regulatory, organisational, market-related, guidance), if any, did or do you face in preparing your transition plan?**

Border to Coast is a global investor. We invest across multiple asset classes, in public and private markets. The challenges include:

- Access to quality underlying investment data
- Multiple frameworks and methodologies
- Differing jurisdictional standards
- Sequencing: Asset Managers are required to report on information of their portfolios, before the companies in their portfolios..

**Question 2d. [if yes] Did you make use of the TPT's materials (now managed by the ISSB), and if so, how? Were there any challenges in doing so? Are there any further pieces of guidance or support that you feel would be helpful?**

At the time Border to Coast's published its net zero roadmap in 2022, TPT's materials were not available.

**Question 3: For users of transition plans: How do you use transition plans? E.g. if you are an investor, do you use transition plans to inform your investment strategy (both in terms of how you identify opportunities where to invest, and how you identify, manage and assess risks to investment portfolios)**

As a responsible investor, Border to Coast uses the transition plan to inform its approach to climate and to effectively communicate, to all stakeholders, how we manage climate-related risks and opportunities.

**Question 4: Do you have any reflections on the additional costs and challenges of using transition plans? Please provide evidence where available to support your answer.**

As an asset manager, Border to Coast needs to understand the transition plans of the entities we invest in. A data provider (MSCI) is used for the initial screening process of portfolio holdings. We work with our portfolio managers to identify the largest emitters and potential risks. This requires investment in upskilling, relevant data and analytics, and other resourcing requirements to assess risks and opportunities. Transition plan requirements may streamline this process if they can contribute to a comprehensive and widely comparable set of disclosures.

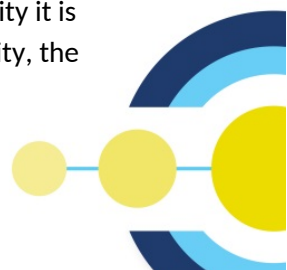
However, a fragmented international landscape of transition plan requirements, or a process that results in lengthy disclosures for the sake of compliance not focused on decision-useful information, will bring needless complexity and friction which are likely to add costs.

A wider and related challenge of using transition plans concerns understanding the nature of the transition itself. Transition plans cannot be considered in isolation and to assess their credibility it is necessary to consider how they relate to scenarios and policy pathways for the reporting entity, the

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sector in which they operate, and the economy. At present, it is possible to consider several long-term climate-related scenarios as viable, and sometimes difficult to ascertain the most relevant policy pathways for the entity. Absence of such information can make it more difficult to assess the credibility of transition plans.

**Question 5: Do you have any reflections on how best to align transition plan requirements with other relevant jurisdictions**

There is a need for greater clarity and harmonisation across transition-plan frameworks. To allow informed investment decisions, transition plans ought to be broadly comparable around the globe, aiming for interoperability, sharing best practice and avoiding fragmentation.

**Section B: Implementation options**

**Question 6: What role would you like to see for the TPT's disclosure framework in any future obligations that the government might take forward? If you are a reporting entity, please explain whether you are applying the framework in full or in part, and why**

The Transition Plan Taskforce's (TPT) Disclosure Framework and Implementation Guidance aimed to provide a "gold standard" for the development and implementation of transition plans. At the time it was announced in 2021, the TPT was a pioneering initiative which helped to demonstrate UK leadership. Its high-quality outputs have shaped the transition plans of many companies.

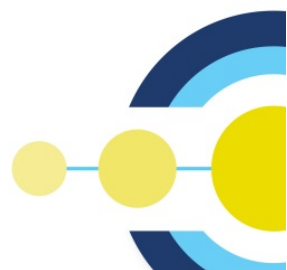
Several other organisations have developed related guidance concurrently to and since the two-year term of the TPT. Two of these, the IFRS sustainability standards and Glasgow Financial Alliance for Net Zero (GFANZ) guidance on transition plans were acknowledged in the TPT Disclosure Framework, which stated an intention to build on or align with these initiatives, and published prior to the TPT Disclosure Framework.

Since its fixed term ended, the TPT materials have become the property of the IFRS Foundation which has begun to release associated guidance on transition planning.

Border to Coast believes UK standards align to the greatest extent possible with other jurisdictions and which aim to reduce friction for firms that are required to comply with standards in several places.

This view has informed our support for the IFRS sustainability standards and their endorsement in the UK with the minimal necessary alterations.

It would be appropriate for the TPT's Disclosure Framework to be adopted via an IFRS process which consults internationally and for the UK Government and regulators to note the TPT Disclosure Framework as a valuable resource, but a more formal role risks putting the UK apart from other jurisdictions.





**Question 7: [Climate mitigation] To what extent do the requirements in the draft UK SRS S2 provide useful information regarding the contents of a transition plan and how an entity is preparing for the transition to net zero? If you believe the draft UK SRS S2 does not provide sufficient information, please explain what further information you would like to see.**

The requirements in the draft UK SRS S2 provide useful information regarding the contents of a transition plan and how an entity is preparing for the transition to net zero – including on changes to the business model, mitigation and adaptation efforts, assumptions, dependencies, how climate-related targets (including emissions reduction targets) will be achieved, resourcing and progress of plans disclosed in previous reporting periods. This information would allow investors to understand companies' transition plans, assess their credibility and engage effectively with portfolio companies.

**Question 8: [Climate adaptation and resilience] To what extent do the requirements in the draft UK SRS S2 provide useful information regarding the contents of a transition plan and how an entity is adapting and preparing for the transition to climate resilience? If you believe the draft UK SRS S2 does not provide sufficient information, please explain what further information you would like to see.**

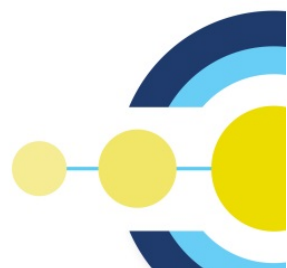
See answer to question 7.

**Question 9: What are the most important, decision-useful elements of a transition plan that the government could require development and/or disclosure of? Please explain why and provide supporting evidence.**

The most useful elements of a transition plan are those that give investors clarity on ambition, milestones, delivery and accountability.

Transition plans should enable investors to understand if, and to what extent, companies' strategy and investments align with net zero. As a forward-looking strategic plan, they are more than a tick box exercise or disclosure obligation – they breakdown an entities transition into manageable units, structured into medium to long term pathways to achieve ambitions. They should provide meaningful, plausible information on targets, supported by interim targets, as this allows for science-based scenarios to be translated to the level of corporate planning. Disclosures of metrics can hold preparers to account, assess the credibility of claims, and enable informed investment decisions.

Preparers benefit from some degree of flexibility in developing and undertaking their transition planning activities and in disclosing their transition plans, as this allows them to provide context and specific information. However, companies benefit significantly from clear direction from regulators in identifying the most decision-useful elements of transition plans. The government should consider requiring the development and disclosure of these key elements, while providing flexibility for entities to explain their approach.





**Question 10: Please state whether or not you support Option 1, which would require entities to explain why they have not disclosed a transition plan or transition plan-related information. Please explain the advantages and disadvantages of this option.**

Border to Coast does not support Option 1.

Transition plans inform investors on the company's climate strategy, for example how the company is incorporating resilience into its business model in a way that reflects the changing business environment due to physical, transition and economic risks of climate change. The accountability mechanism within transition plans gives investors a framework to assess climate ambition of portfolio holdings as well provide the building blocks for peer group analysis.

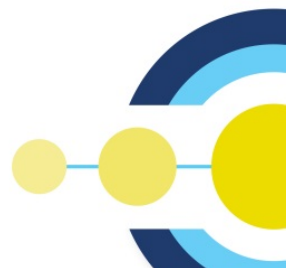
**Question 11: Please state whether or not you support Option 2, which would require entities to develop a transition plan and disclose this. Please further specify whether and how frequently you think a standalone transition plan could be disclosed, in addition to transition plan-related disclosure as part of annual reporting. When responding, please explain the advantages and disadvantages of this option.**

Border to Coast's preference is for Option 2 but with sequenced timing along with a proportionate and flexible approach. Starting from the largest listed and private companies with a three-to-five-year frequency of disclosure, to allow for climate strategies to be put into effect.

Transition plans inform investors on company's climate strategy, for example how the company is incorporating resilience into its business model in a way that reflects the changing business environment due to physical, transition and economic risks of climate change. The accountability mechanism within transition plans gives investors a framework to assess climate ambition of portfolio holdings as well provide the building blocks for peer group analysis.

**Question 12: If entities are required to disclose transition plan-related information, what (if any) are the opportunities to simplify or rationalise existing climate-related reporting requirements, including emissions reporting, particularly where this may introduce duplication of reporting? These responses will support the government's review of the non-financial reporting framework.**

Transition plan disclosure can complement or facilitate reporting against the IFRS sustainability standards and the TCFD recommendations, but it is not a complete alternative to either. Aligning UK reporting requirements to international standards offers the transparency investors need to manage climate and sustainability-related risks and opportunities. Furthermore, it will achieve interoperability of corporate sustainability disclosure requirements – promoting comparable data across investment portfolios – and to build on existing progress in reporting on sustainability-related risks and opportunities.





## Pension Funds

**Question 13: How do you think any new transition plan requirements should integrate with the existing requirements in UK law for some larger schemes to produce TCFD reports and to calculate the portfolio alignment metric?**

See response to Question 12. The response regarding interoperability can be applied to pension fund reporting.

Portfolio alignment is nuanced and cannot be reduced to a single number. Emissions intensity on its own does not show whether a portfolio is on track for net zero because it misses forward-looking factors such as the credibility of company transition plans, the direction of capital and the feasibility of the technology pathway.

Furthermore, there is an implicit bias against companies in emerging market economies that are unable to reduce emissions in line with developed markets, either because of infrastructure constraints or government policies.

Border to Coast uses a wide range of indicators, including forward-looking metrics, to evaluate the potential impact of climate risk and the credibility of corporate transition plans. The Institutional Investors Group on Climate Change's (IIGCC) Net Zero Investment Framework (NZIF) is used to reasonably assess a company's emissions reduction plan, impact of climate change, and develop engagement strategies with measurable targets.

**Question 14: To what extent does your pension scheme already produce transition plans? What are their intended purposes, what information do they draw on, and what challenges have you encountered in developing them?**

See response to Question 3

## B2) Mandating transition plan implementation

**Question 15: To what extent do you support the government mandating transition plan implementation and why? When responding, please provide any views on the advantages and disadvantages of this approach.**

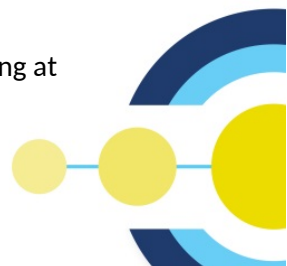
Please see our answer to question 11.

**Question 16: In the absence of a legal requirement for companies to implement a plan, to what extent would market mechanisms be effective mechanisms to ensure that companies are delivering upon their plan?**

Market mechanisms and voluntary transition plan disclosures have led to important progress on the transition. The [Climate Action 100+](#) programme demonstrates that investors want to understand companies' readiness to transition. Market mechanisms have set a welcomed foundation for transition plan requirements to level the playing field. However, the transition is not happening at

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the pace and scale required, so intervention beyond market mechanisms and voluntary requirements is needed.

There are limitations to existing market-based approaches. These include time horizons from transition risks occurring beyond the usual business, financial and policy cycles; backward looking data that is unable to accurately estimate future transition risk and lack of forward-looking techniques to measure risk. Policy intervention could rectify this misalignment through setting expectations on how institutions should develop and disclose their transition plans. Climate change is widely cited as the greatest market failure, as market-based indicators reflected market perceptions of risks today and are not suited to inform risk management.<sup>1</sup>

The UK's robust legal frameworks and progressive policies should be further enhanced to support sustainable innovation and market mechanisms.<sup>2</sup> This longer-term regulatory foresight is crucial to ensuring that the UK attracts and retains sustainable investment opportunities. With transition plan requirements in place, this sends a strong and clear signal that the UK is an attractive, stable destination for low-carbon investment – in line with aims of the Modern Industrial Strategy.

As the [Transition Finance Market Review](#) has emphasised, the market works within the parameters set by policy, law and regulatory action. Finance follows incentives in the real economy, as that is what drives the perception of future returns. This highlights the need for a joined-up approach, as without the regulatory framework in place, it is unlikely there will be a widespread shift in incentives through the economy necessary to drive the transition.

Existing market mechanisms could do with the added impetus of regulatory requirements to level the playing field and accelerate the transition. Fundamentally, market measures and legal requirements make up a crucial part of the broad suite of policies needed for the transition, alongside fiscal measures and standards. When combined, market measures and legal requirements offer a powerful and dynamic bottom-up to top-down approach to encourage a whole-of-economy transition.

### **Aligning transition plans to Net Zero by 2050**

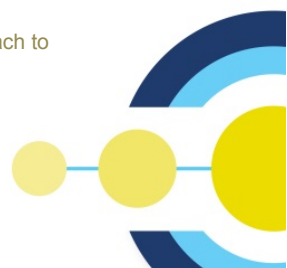
**Question 17: What do you see as the potential benefits, costs and challenges of government mandating requirements for transition plans that align with Net Zero by 2050, including the setting of interim targets aligned with 1.5°C pathways? Where challenges are identified, what steps could government take to help mitigate these?**

Border to Coast supports requirements for transition plans that align with net zero. We believe that an orderly transition can only be achieved with clear government policy pathways and international cooperation.

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<sup>1</sup> Sir Nicholas Stern, [Stern Review on the Economics of Climate Change](#) (2006)

<sup>2</sup> King's College London, [Accelerating Transition](#) (Essay: Pioneering a sustainable future: A whole-of-economy approach to climate finance in the UK, David Marriage, PwC) (2025)





The goal of pursuing efforts to limit the global temperature increase to 1.5°C above pre-industrial levels maintains widespread international support. The target of achieving net zero emissions by 2050 is considered a necessary step in achieving this goal. However, there is less international consensus around how this goal might be achieved. Earlier this year, the world's second largest emitter of greenhouse gases withdrew from the Paris Agreement, a decision which is due to take effect in 2026. While the UK has a legal target of net zero emissions by 2050, other jurisdictions in which UK businesses operate do not.

The UN Environment Programmes 2024 Emissions Gap Report found that the policies currently in place internationally would result in a temperature rise of 3.1°C and that national plans in place at the time of the report would result in a global temperature rise of 2.6-2.8°C if they were fully implemented.

In this context, mandating requirements for transition plans that align with Net Zero by 2050, including the setting of interim targets aligned with 1.5°C pathways will be challenging for companies. Essentially, companies are expected to plan for an economy which may not exist and for which the necessary government transition plans have not yet been developed. This challenge would be compounded by a requirement to *implement* a transition plan aligned with this target. In essence, companies would be required to take actions which are not consistent with the outcome that the scientific consensus currently deems to be most likely.

The core benefit of requiring transition plan disclosures aligned with 1.5°C pathways may be to highlight the extent of the challenge that we face.

**Question 18: Which standards and methodologies are effective and reliable for developing and monitoring climate-aligned targets and transition plans, in particular those that are aligned with net zero or 1.5°C pathways? Where possible, the government would welcome evidence from entities that have used such methodologies, explaining how they have arrived at that conclusion.**

Investors and corporates use a range of standards and methodologies for developing and monitoring climate-aligned targets and transition plans. The FCA's [Sustainability Disclosure Requirements \(SDR\)](#) regime requires a 'robust, evidence-based standard that is an absolute measure of environmental and/or social sustainability.' The FCA note that different types of standards may be used, ranging from general environmental and/or social criteria, taxonomy-based, or emissions profile. The government could replicate this approach by requiring transition plans to align with government-endorsed science-based target setting criteria, independent and credible transition pathways, or national climate commitments (such as carbon budgets).

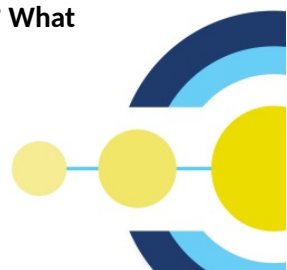
Border to Coast uses a wide range of indicators, including forward-looking metrics, to evaluate the potential impact of climate risk and the credibility of corporate transition plans.

**Question 19: What are the unique challenges faced by hard-to-abate sectors in setting and achieving targets in transition plans aligned to net zero by 2050 - including interim targets? What**

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**methodologies or approaches would enable transition planning to support hard-to-abate sectors to achieve net zero by 2050?**

Greater clarity on government policy pathways and international cooperation.

**Question 20: For entities operating in multiple jurisdictions, what are your views on target setting and transition planning in global operations and supply chains?**

Not applicable

### **Climate adaptation and resilience alignment**

**Question 21: What is your view on the role of climate adaptation in transition plans? Is there a role for government to ensure that companies make sufficient progress to adapt, through the use of transition plan requirements?**

See response to Question 11.

Transition plans inform investors on company's climate strategy – how the company is incorporating resilience/adaptation into its business model in a way that reflects the changing business environment due to physical, transition and economic risks of climate change. The accountability mechanism within transition plans gives investors a framework to assess climate ambition of portfolio holdings as well provide the building blocks for peer group analysis.

**Question 22: How can companies be supported to undertake enhanced risk planning in line with a 2°C and 4°C global warming scenario? Are these the right scenarios? To what extent are these scenarios already being applied within company risk analysis and how helpful are they in supporting companies in their transition to climate resilience?**

The 2°C and 4°C global temperature scenarios are broadly representative of two potential scenarios which it is helpful to consider on a spectrum which considers current commitments and ambition. The first reflects the ambition within the Paris Agreement, the second was described as “the current trajectory” at the time of the UK Climate Risk Independent Assessment (CCRA3) in 2021.

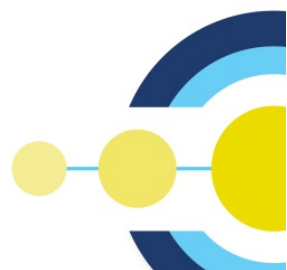
However, as is noted in response to question 17, the UN Environment Programme's 2024 Emissions Gap Report found that the policies currently in place internationally would result in a temperature rise of 3.1°C and that national plans in place at the time of the report would result in a global temperature rise of 2.6-2.8°C if they were fully implemented.

Use of these temperature metrics is therefore consistent with those used in wider policy analysis at the present time, including that by the UK Climate Change Committee, and consequently adopted by financial institutions. There is debate, however, about the usefulness of these scenarios as a tool for understanding and communicating likely trajectories. For instance, the University of Exeter published a report, 'No Time to Lose', which advanced four alternative short-term narrative scenarios.

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However, care should be taken to ensure that responsibility for action lies with the relevant stakeholders. As an asset manager, Border to Coast considers that climate change is a source of financial risk with a variable timeframe for occurrence, from near-term to long-term, depending on the manifestation of physical (planetary) and economic impacts and the corresponding transmission to financial markets. Our approach is to identify climate-related investment risks and opportunities to ensure delivery of investment outcomes over the short, medium and long-term.

#### Financial Market Risks

Financial market risks pertain to fluctuations in financial asset and portfolio valuation in response to the environmental and economic impacts of climate change, as well as the effects of the transition and other societal responses. Financial market risks are a subset of economic costs, as financial markets are not (directly or otherwise) exposed to all economic costs.

Timeframe: Variable, from near-term to long-term, depending on the manifestation of physical and economic impacts and the corresponding transmission to financial markets.

Responsibility: Individual corporate entities, banks, investors, other financial institutions, and financial stability regulators (e.g. Financial Stability Board).

#### Response strategies

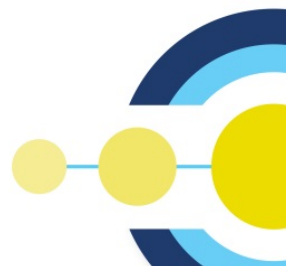
- Corporate investments in adaptation
- Hedging strategies
- Climate risk-adjusted investment decisions
- Climate integration into strategic asset allocation
- Policy or corporate engagement to reduce risks
- Creation of regulatory and supervisory frameworks for managing climate-related financial risks (e.g. climate stress-testing).

**Question 23: To what extent do you think that nature should be considered in the government's transition plan policy? What do you see as the potential advantages and disadvantages? Do you have any views on the potential steps outlined in this section to facilitate organisations transitioning to become nature positive?**

We support the holistic integration of nature considerations within a climate transition plan where dependencies are identified, and possible mitigation and resilience benefits exist. The purpose of transition plans should be to provide decision-useful information on financially material risks and opportunities, alongside a strategic plan for understanding and managing them. There is no clear reason why risks and opportunities relating to nature should be treated as distinct or excluded from a transition plan.

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While there are potential merits to the concept of a discrete “nature-positive” transition plan, this would appear to serve a separate purpose to the proposal for a transition plan towards a lower greenhouse gas economy. As such, we agree with the Government that further consultation would be required if this were under consideration.

There are other routes available to support entities in understanding and reporting a broader set of nature-related financial information. In particular, the Taskforce on Nature-related Financial Disclosures (TNFD) has produced recommendations and guidance to support companies and financial institutions to identify, assess, respond to and disclose their nature-related issues.

The TNFD is producing transition plan guidance which some companies may wish to adopt on a voluntary basis, however the TNFD recommendations should also be incorporated in the UK’s sustainability disclosure framework through development as an IFRS sustainability standard and endorsement as a UK SRS standard. This approach would ensure greater international alignment.

Although the IFRS is considering resource constraints before developing future standards, the UK and other interested governments might consider providing or coordinating sponsorship for the express development of an IFRS nature standard.

**Question 24: Do you have any views on the factors the government should consider when determining the scope of any future transition plan requirements?**

We support a phased-in application of transition plan requirements, starting with UK-registered financial institutions and FTSE100 companies. This is consistent with the government’s manifesto commitment and intended focus on economically significant entities.

This phased-in approach effectively balances investors’ need for decision-useful sustainability reporting from investees across their portfolios – regardless of size and sector – and the needs of preparers earlier in their sustainability reporting journey.

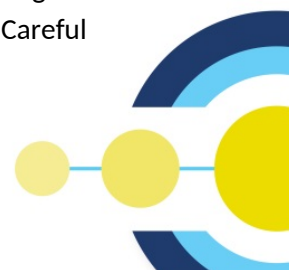
Whilst ‘economically significant’ companies are not defined under UK legislation or regulated framework, we welcome the scope extending to large businesses whose size, market influence and economic activities give them economic relevance, but that may not be listed on the stock exchange. Should the UK government include ‘economically significant’ companies in legislation, it is important to set clear parameters and classifications of which companies fall in scope.

**Question 25: We are interested in views about the impact on supply chains of large entities that may be in scope of transition plan requirements. Do you have views on how the government could ensure any future requirements have a proportionate impact on these smaller companies within the supply chain?**

Larger companies are reliant on data from other companies within their supply chain, smaller companies will be impacted by future requirements on large entity disclosures. Capacity building will be needed to ensure effective implementation of transition plan requirements by preparers. Careful attention to coherency is needed in the sequency of requirements.

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**Question 26: Do you have any views on how the government could redefine the scope to protect the competitiveness of the UK's public markets?**

Border to Coast does not wish to provide a response to this question.

### **Legal risk**

**Question 27: Do you have views on the legal implications for entities in relation to any of the implementation options and considerations as set out in sections B1-B4 in this consultation?**

No response

**Question 28: In the UK's wider legal framework what - if any - changes would be necessary to support entities disclosing transition plans and forward-looking information?**

No response

### **Related policy and frameworks**

**Question 29: What role could high integrity carbon credits play in transition plans? Would further guidance from government on the appropriate use of credits and how to identify or purchase high quality credits be helpful, if so, what could that look like?**

Border to Coast does not wish to provide a response to this question.

**Question 30: Are there specific elements of transition plan requirements or broader policy and regulatory approaches from other jurisdictions that the government should consider?**

Border to Coast does not wish to provide a response to this question.

**Question 31: How can transition planning contribute to achieving the UK's domestic net zero targets while ensuring it supports sustainable investment in emerging markets and developing economies (EMDEs), where transition pathways may be more gradual or less clearly defined?**

For UK investors, it would be helpful to have a clear framework that supports capital allocation to transitioning entities in EMDEs.

**Question 32: How could transition planning account for data limitations, particularly in EMDEs, where high-quality, comparable sustainability reporting may be less available?**

Financial institutions source data from data providers and credit ratings providers. There is need for consistent and harmonised data modelling methodologies across all data providers.

### **Guidance, support and capacity building**

**Question 33: What guidance, support or capacity building would be most useful to support effective transition planning and why? For respondents that have developed and/or published a**

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**transition plan, what guidance, support or capacity building did you make use of through the process? Please explain what additional guidance would be helpful and why?**

A host of guidance, support and capacity building already exists, with much of the capacity building done voluntarily (TPT, Net Zero Investment Framework and other target setting initiatives). In setting out transition plan expectations, governments and regulators should reference these initiatives to support entities developing their transition plans.

Policymakers should clearly articulate their expectations for transition planning practices and coordinate with other regulatory authorities who will develop transition plan expectations. The approach should be comprehensive and holistic and alignment with other government? policies is crucial.

