



Overview of WWF key messages to the TPT Consultation on the Disclosure Framework and Implementation Guidance

1 Key messages to the TPT

This document represents a high-level draft of WWF's response to the [TPT's Consultation](#) for submission on 28th February 2023.

Overall, WWF is supportive of the structure and content of the proposed TPT Disclosure Framework & Implementation Guidance.

Three components of the draft to retain:

1. Inclusion of nature & climate interdependencies [*Definition, Ambition, 1.2, 2.1*]
2. Extent of disclosure on carbon credits [*4.4*]
3. Format and timing of disclosure [*Summary recommendations: Disclosing a transition plan*]

Four themes for further improvement in the final draft:

1. Explicitly require alignment with science-based 1.5°C targets and pathways [*Definition, Stage 2: Setting Ambition, 1.1*]
2. Re-emphasise the Ambition principle throughout the framework & guidance [*Ambition*]
3. Require assessment of material impacts impacting long-term enterprise value [*Ambition*]
4. Give clarity on actions that 'should' be followed by companies in their transition plans [*entire framework*]

2 Important components of the draft to retain

1. **Interdependencies between nature and climate:** We are extremely supportive of the requirements to disclose on the interdependencies between climate transition planning and nature.

We support the inclusion of interdependencies with nature in the Definition of a transition plan¹ and Ambition sections², given that net zero cannot be achieved without addressing the decline of nature and ecosystems. Additionally, the integration of nature within companies' action plans³ is fundamental to evaluating the effectiveness and credibility of a transition plan and should remain an important part of the guidance.

We recognise that within the TPT's scope, nature is considered to the extent that it interacts with net zero transition planning only. However, nature loss presents significant economic and financial risks in its own right. Hence, the inclusion of nature in the TPT guidance is a good first step, but transition planning will soon need to go beyond reducing pressures on nature to reversing them, and beyond safeguarding nature to restoring it.

2. **Depth on carbon credits:** We support the level of detail recommended on sensitive disclosures, particularly on carbon credits. We support the alignment with SBTi, that carbon credits should be used only by companies going beyond their science-based emissions

¹ Framework p.8, Guidance p.6

² Framework p.9, Guidance p.7

³ Within Section 1.2 [Framework p.15, Guidance p.30], section 2.1 [Framework p.16, Guidance p.31] and section 2.3 [Framework p.17, Guidance p.34]



reduction, and the recommendation to disclose in-depth on factors contributing to the robustness of carbon credits, to ensure their quality can be evaluated.

3. **Disclosure format:** We support the recommendations on timing of publication (transition plans revised at least every 3 years, with progress published annually) and consistency of metrics and targets between transition plans and financial reporting. This is crucial for transparency and accountability, without which the value of transition plans is significantly limited.

3 Themes to be improved in the final draft

1. **Anchored in science:** Companies should be explicitly required to align their transition planning with science-based 1.5°C targets according to recognised science-based institutions. Currently, references to science-based targets are incorporated in footnotes only or loosely mentioned within the Ambition principle, risking that these are seen as optional, rather than a fundamental component of a transition plan.

Specifically, we suggest that the importance of science-based alignment should be explicitly referenced within the definition of a transition plan¹: strengthening the wording to ‘...*global transition towards reaching the goals set out in the Paris Agreement*’^{4, 5}.

Additionally, we recommend within ‘Stage 2: Setting Ambition’⁶, adapting the sentence ‘*an entity should refer to the guidance provided by the Science Based Targets initiative (SBTi)*’ and within 1.1 Foundations⁷, amending the following sentence: ‘*The entity should have regard to reducing its own GHG emissions in line with science-based targets*’.

2. **Ambition guiding principle:** The Ambition principle² contains several underlying clauses⁸ which should be clearly and individually listed within the section, and re-emphasised in the core Framework and Guidance, to ensure that preparers fully appreciate their importance and actively apply them in developing their transition plans. Within the current structure, most are referenced once, but re-emphasising these throughout the framework would ensure they are top of mind for preparers.

Specifically, we recommend listing the 6 clauses under the Ambition principle distinctly within that section. In the core of the Framework, we recommend highlighting the urgency to act within sub-element “2.1 Business planning and operations”. We recommend that consistency with the mitigation hierarchy is positioned as fundamental to the use of carbon credits⁹ within the framework and not solely in the interpretative guidance, and that the Objectives and priorities¹⁰ re-emphasise that true decarbonisation should be prioritized over ‘paper decarbonisation’.

⁴ Underlined text indicates suggested amendments to existing wording.

⁵ Additionally in section (a) of the definition, amending: “This includes science-based GHG reduction targets (e.g., a science-based net zero commitment)”.

⁶ Guidance p.12

⁷ Framework p.15, Guidance p.28

⁸ These are: 1) Contribution to a rapid and orderly economy-wide net zero transition 2) Prioritisation of decarbonisation over purchase of carbon credits 3) Consideration of interdependencies with nature and society 4) Urgency to act 5) Consideration of the entire entity, inc. Scopes 1,2 & 3 6) Informed by national commitments and the latest international agreement on climate change.

⁹ Section 4.4: Carbon Credits. Framework p. 23, Guidance p.46

¹⁰ Section 1.1: Objectives and priorities. Framework p.15, Guidance p.28



3. **Long-term enterprise value:** Within the current Ambition section², it is not fully clear that companies must assess their overall impact on the environment, rather than on their enterprise value alone.

Any impact on the environment that a company may have now or in the future, will ultimately impact its long-term enterprise value, since no business can thrive or survive in a depleted natural environment. It is therefore critical that companies understand long-term enterprise value to mean that companies' transition plans should work towards reducing their impact on the environment, and not their immediate enterprise value alone.

4. **Clarity:** There are specific recommendations made by the TPT where the language suggests that companies "may" follow the recommendation rather than "should" follow it. We recommend strengthening this to clarify the key actions to be undertaken by entities e.g., on consideration of material interdependencies, taking action within business models to embed and accelerate transition, and encouraging suppliers to reduce their own emissions. Furthermore, a mandatory minimum set of disclosure requirements for all companies should be clearly conveyed.

The TPT exists to provide gold standard transition plan guidance; a key success factor is the extent of comparability across companies. Selection of appropriate, unambiguous language on its recommendations is crucial to ensuring consistency and clarity in disclosures.