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Bridging the net-zero gap

Landscape of corporate climate transition planning and disclosures in India

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Key findings

While most Indian corporates have announced net-zero or emissions reduction targets, analysis of 33 companies across six high-emitting sectors shows that these ambitions are rarely translated into quantified, time-bound, and financially integrated transition pathways.

Only seven of 33 companies clearly link emissions targets with identified transition levers across timeframes, and just 11 companies conduct climate scenario analysis, limiting the usefulness for investors.

Despite widespread environmental, social, and governance (ESG) oversight structures, only 10 companies have dedicated senior sustainability leadership, and just nine link climate or ESG performance to executive incentives.

Large private companies are emerging as relative leaders, while public enterprises and smaller firms lag behind, reflecting uneven capacity and a disclosure regime that does not reflect transition readiness.

Rather than creating a new disclosure regime, the report recommends that embedding transition planning elements within the Business Responsibility and Sustainability Reporting (BRSR) over a phased period, while introducing clear guidance and an integrated summary view in the short term, can significantly improve credibility and usability.

Executive summary

India's transition to a low-carbon economy will increasingly be shaped not by the absence of climate ambition, but by the credibility, comparability, and financial relevance of corporate transition plans. While Indian corporates have made rapid progress in announcing net-zero and emission reduction commitments, most disclosures remain weakly integrated with business strategy, financial planning, and capital allocation. This gap matters because transition plans are quickly becoming a core facet of how capital providers assess risk, price finance, and determine long-term access to domestic and global capital markets.

With India requiring an estimated USD10 trillion (INR883 lakh crore)[1] in financing to meet its decarbonisation goals, credible corporate transition planning is no longer a disclosure exercise but a prerequisite for capital mobilisation. Yet despite growing pressure from global supply chains, investors, and financial-sector regulators, India's corporate transition planning landscape remains fragmented, uneven, and largely compliance-driven. The absence of dedicated transition plan disclosures within the Business Responsibility and Sustainability Reporting (BRSR) framework, combined with limited guidance on financial materiality and forward-looking metrics, has resulted in disclosures that are difficult to compare, verify, or use meaningfully for investment and lending decisions.

Analysis of transition planning practices in India

Given the importance of transition planning and disclosures in the context of financing the corporate energy transition in India, IEEFA has undertaken a detailed analysis of the current landscape of climate transition planning among Indian corporates. This report presents a comprehensive corporate transition planning assessment of Indian companies, covering 33 companies across six high-emitting sectors—namely, power, steel, cement, chemicals, commodities, and oil and gas. Using a framework of 14 components and 77 metrics (which form the IEEFA framework), the assessment evaluates how well Indian companies articulate their decarbonisation ambitions, align financial planning with transition pathways, manage climate-related risks, and disclose information needed by investors and regulators.

The analysis revealed several important insights into the current state of transition planning and disclosure practices, with clear leaders emerging in certain sectors and widespread gaps in others. Across sectors and components, the following three systemic weaknesses cut through India's current transition planning landscape:

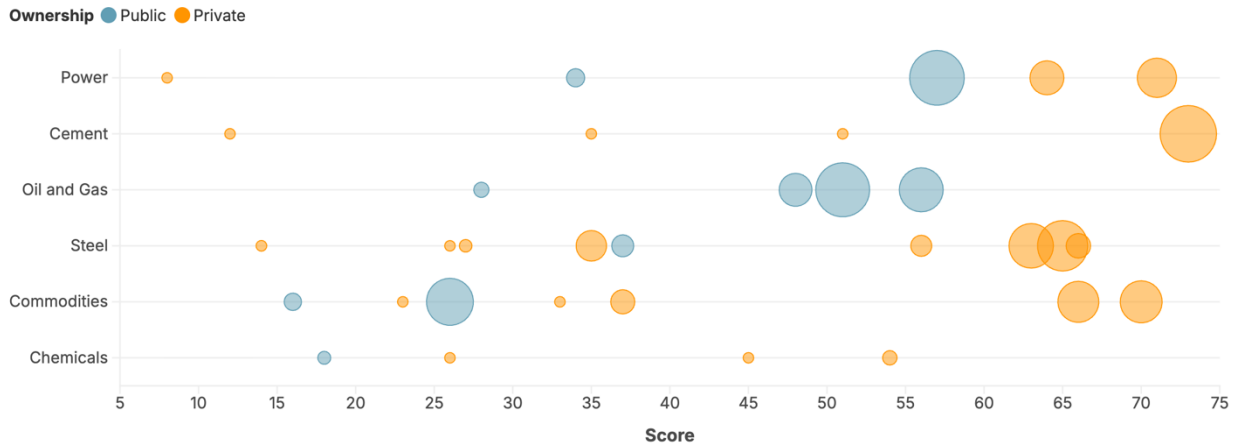
1. Transition ambition is rarely translated into quantified, time-bound, and financially integrated pathways, with limited linkage between targets, capital expenditure (CapEx), revenues, and risk management.

[1] CEEW. India Will Require Investments worth over USD 10 Trillion to Achieve Net-Zero by 2070.

2. Governance structures are often present in form but weak in substance, with limited accountability, capacity building, and incentive alignment to drive execution.

3. Disclosures remain fragmented and backward-looking, with inadequate Scope 3 coverage, weak scenario analysis, and limited assurance, reducing their usefulness for capital providers.

Figure 1: Overview of IEEFA's analysis of 33 companies across six high-emitting sectors



Each bubble represents a company, and its size corresponds to the company's market capitalisation as of 25 October 2025.

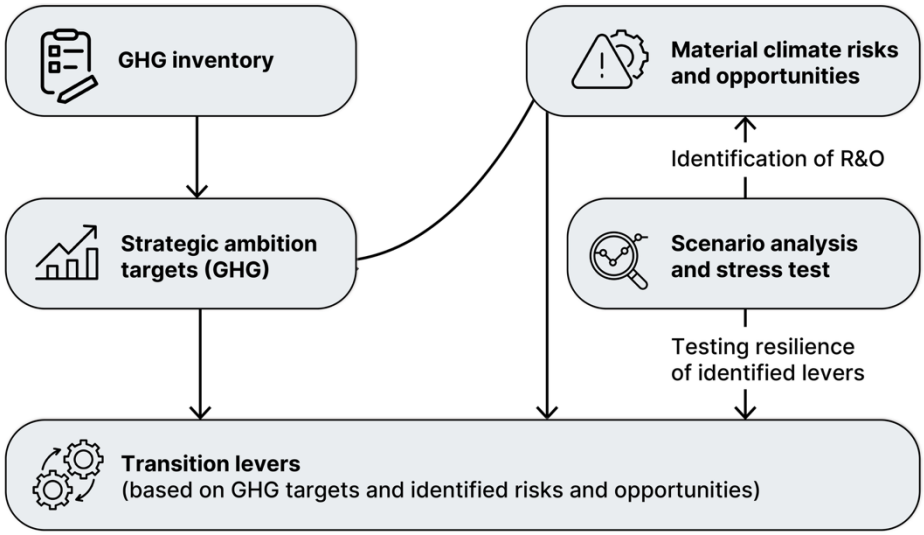
Source: IEEFA analysis; BloombergNEF

As shown in Figure 1, while a small group of large companies across sectors has begun articulating more forward-looking decarbonisation strategies, the majority continue to provide patchy and non-comparable information, resulting in a bifurcated disclosure landscape where private and large-cap firms, driven by stronger investor expectations and greater institutional capacity, outperform public enterprises and smaller companies, which increasingly risk falling behind as disclosure expectations rise.

Foundation components: Widespread adoption of climate commitments, but limited depth

An assessment of how clearly organisations define their strategic ambition for a low-carbon transition, including plans to reduce greenhouse gas (GHG) emissions and manage related risks and opportunities, provided several key insights. In addition, an evaluation of how the transition is expected to impact business models through identified decarbonisation levers and scenario analysis revealed further gaps and patterns across companies.

Figure 2: Components under the foundation category assessed under IEEFA's transition plan assessment framework



Source: IEEFA analysis

While 13 companies align their net-zero timelines with Paris-aligned horizons, eight of them do not specify Scopes, undermining credibility. Overall, companies tend to present strategic ambition, decarbonisation levers, and scenario analysis in isolation which creates a fragmented, often contradictory picture of how they plan to achieve their wider GHG goals and how resilient their plans are.

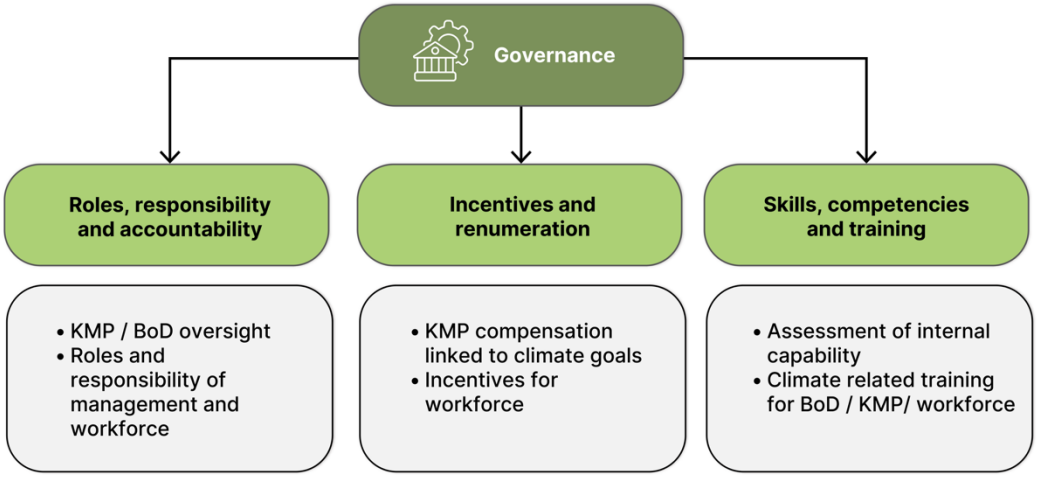
The steel sector shows the strongest overall performance across foundation components, with the highest scores in strategic ambition driven by the fact that most steel companies have set net-zero targets, and have comparatively better scenario planning, particularly among large private firms.

Sectors such as oil and gas, commodities, chemicals, and cement perform better on transition levers than on strategic ambition, indicating that while companies recognise specific decarbonisation actions, their overarching long-term commitments remain weak or unclear. Scenario planning remains poor across most sectors.

Governance components: Strong structural disclosures, but limited accountability and integration

Governance disclosures indicate that while most companies have established formal environmental, social, and governance (ESG) oversight structures, these arrangements remain largely procedural and have yet to translate into clear accountability, incentive alignment, or execution capacity for delivering climate transition objectives.

Figure 3: Components under the governance category assessed under IEEFA's transition plan assessment framework



Source: IEEFA

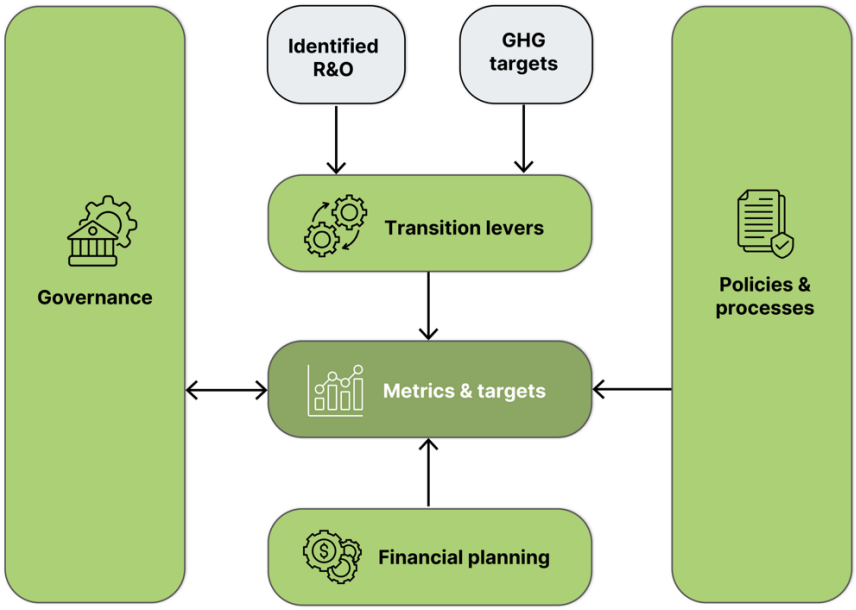
- Roles, responsibility, and accountability remain limited, with only 10 companies—primarily large-cap—appointing dedicated key management personnel (KMP), and only nine companies establishing a dedicated sustainability committee. Small and mid-cap firms typically lack internal ESG functions, resulting in weak oversight and minimal role clarity.
- Incentives and remuneration are at nascent stages, with only nine of 33 companies disclosing climate or ESG-linked incentives for KMP, all being private sector except one. Further, only two (large-cap) firms specify whether key performance indicators (KPIs) are tied to short-term or long-term plans.
- Skills, competencies, and training show major gaps, as only eight companies disclose a board of directors (BoD) skill matrix including ESG expertise, and most nomination policies do not assess climate-related competencies.
- Governance practices are relatively stronger among large companies in sectors such as power and steel, where ESG committees and accountability are more clearly defined.
- In contrast, governance arrangements in chemicals, commodities, and parts of the public-sector universe remain compliance-oriented, with limited evidence of climate expertise, incentive linkage, or systematic capacity building.

Implementation strategy: Limited translation of ambition into execution

An analysis of implementation strategy explains how a company will operationalise, track, and report on its strategic ambition goals by aligning business decisions, financial planning, and operations. The identified transition levers, governance mechanisms, and engagement strategies are further broken down into specific metrics and targets.

Implementation strategy disclosures reveal the weakest link in corporate transition planning, with most companies failing to translate stated ambition into quantified, time-bound, and financially integrated execution pathways.

Figure 4: Interlinkage of components under the implementation strategy with foundation and governance categories



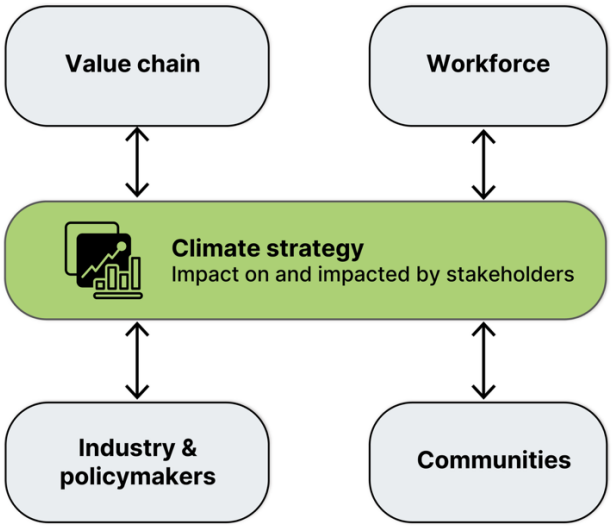
Source: IEEFA analysis

- Metrics and targets remain the most neglected component across all sectors under the implementation strategy element. Most companies disclose metrics only when linked to targets, with targets often confined to specific levers and short-term horizons. Linkages between board or KMP remuneration and specific climate KPIs and targets are limited, while climate-related training is rarely supported by forward-looking metrics.
- Financial integration is also weak. Most companies do not demonstrate a structured linkage between transition levers and budgeting, CapEx allocation, or research and development (R&D) planning. Internal carbon pricing is largely absent, with only a third of companies reporting its use and application in capital allocation decision making. Only 11 companies provide estimates of CapEx for a few transition levers in the short to medium term. Lastly, most companies do not explain how transition activities will be funded.
- Companies across sectors perform well with respect to the policies and processes component. Most companies disclose an overarching environment-related policy, but these are generally high level and lack specific guidance on climate risk, opportunities, or emissions reduction.

Engagement strategy: Engagement is acknowledged, but remains process-led and weakly linked to delivery

Stakeholder engagement strategy defines how a company identifies and manages its reliance on external actors to achieve transition objectives. Engagement captures both stakeholder impacts on enterprise value and the company's impacts on stakeholders and the environment, making it essential for translating climate ambition into credible and achievable outcomes.

Figure 5: Components under the engagement strategy assessed under IEEFA's transition plan assessment framework



Source: IEEFA analysis

IEEFA's analysis finds that while engagement is acknowledged across the value chain, it remains largely process-led rather than outcome-driven. Current disclosures create a basic scaffolding for engagement and signal recognition that external actors are integral to delivery of transition plan objectives. However, execution signals are weak. Overall, engagement with value chain and workforce is better reported compared to industry and policy-level engagement.

The oil and gas sector emerges as a relative leader in the engagement strategy element, where three of four companies demonstrate engagement with suppliers on ESG capacity building, customers through low-carbon solutions, and industry and policymakers on sustainability issues. However, none of the companies disclose how achievement of sustainability or climate goals depends on stakeholder engagement.

Transparency components: Limited verification and weak linkage between disclosures and business outcomes

Transparency components provide a firm-level view of how transition plans translate into measurable and verifiable outcomes, acting as an accountability layer that links ambition with delivery and reduces greenwashing risk.

- Across sectors, reporting on emission inventory largely stops at Scope 1 and 2 emissions, with limited Scope 3 coverage. Third-party verification of GHG inventory practices is still evolving, with the power sector performing relatively better with four of five companies having external assurance for Scope 1 and 2 emissions, and three covering Scope 3.
- The alignment between climate strategy and business decisions is also unclear. No company explains the GHG impact of investments. To analyse trends of increasing revenues from transition levers, most (apart from power companies) do not classify operations into green vs. non-green products. Lastly, CapEx reporting to ascertain if firms are committing a material portion of their CapEx to transitioning is not clear.

Coverage of transition plan-specific metrics within BRSR

India's BRSR framework lacks key elements required for credible transition planning. These include lack of linkage between GHG targets and transition levers, no requirement for scenario analysis, limited governance disclosures, and no forward-looking financial metrics or funding strategy for transition plans. BRSR includes strong social and community engagement indicators. However, climate-specific stakeholder dependencies (suppliers, customers, workforce transitions) remain underdeveloped and require enhancement.

IEEFA's report mapping IEEFA framework metrics with current requirements under BRSR and the International Sustainability Standards Board (ISSB) Standards provides much deeper analysis on this front.[2]

Key recommendations for the regulator and corporates

The following recommendations and roadmap outline the actions necessary to enhance credibility, comparability, and integration of transition plan disclosures within India's climate finance architecture.

[2] IEEFA. Corporate climate transition planning and disclosures in India. January 2026.

Table 1: Proposed roadmap for implementation of recommendations

Action area	Short term (1-2 years)	Medium term (2-4 years)	Long term (4-6 years)
1. Update BRSR guidance	Expand BRSR guidance to show how transition plan metrics can fit within existing sections.	Add sector-specific templates, especially for high-emitting sectors.	
2. Strengthen interoperability	Publish a BRSR-TPT-ISSB Mapping Framework for alignment with global standards.		
3. Introduce "transition plan snapshot" disclosure	Mandate a one-page summary table showing targets, CapEx, governance, and verification (based on existing disclosures).	Expand to include sectoral pathways and scenario indicators.	
4. Introduce transition plan metrics	Identify key transition metrics not covered under BRSR. Phase in new metrics using a BRSR Core style approach for large caps.	Expand to full TPT/ISSB-aligned coverage across all listed firms.	
5. Ensure regulatory coherence	Form a cross-regulatory group (SEBI, RBI, MoF, NITI Aayog, BEE) for coordination.	Align BRSR with Climate Finance Taxonomy, RBI climate norms, and sectoral roadmaps.	
6. Build capacity and ecosystem	Launch training programs via ICAI, NISM, and stock exchanges on transition planning, scenario analysis, and carbon pricing.	Support certification for auditors, analysts, and sustainability officers.	
7. Enhance assurance & reliability	Introduce limited assurance for key data (targets, governance, CapEx).	Move to reasonable assurance for material transition data.	Work with ICAI/IAASB to formalize transition plan assurance within financial audits.

For corporates, Figure 6 lists the key priorities to focus on.

Figure 6: Key priorities for corporates to focus on

Source: IEEFA Analysis

1. Introduction

Since the start of the decade, companies worldwide have set ambitious net-zero goals. Nearly USD27 trillion (INR2,383 lakh crore), or about 66% of the combined annual revenue of the world's largest 2,000 companies are now linked to their net-zero targets.[3] Nonetheless, these targets have sparked concerns about greenwashing among stakeholders, prompting scrutiny of several companies. Their apprehensions are exacerbated by the firms' lack of credible transition plans to support their net-zero assertions. According to CDP, among companies that say they have a transition plan in CDP's environmental questionnaire, only 2% disclose information across all 21 of CDP's transition-planning indicators.[4]

Indian corporates are also moving towards a net-zero future, driven by a surge in emission-reduction commitments among listed companies, growing supply-chain pressures from global partners, and the need for alignment among financial sector regulators. With an estimated USD10 trillion (INR883 lakh crore)[5] in financing needed to meet its decarbonisation goals, India's corporates will increasingly need to adopt credible transition plans to align with growing requirements from domestic and global capital markets and ensure investor confidence in their long-term net-zero strategies.

In this context, the Institute for Energy Economics and Financial Analysis (IEEFA) has initiated a project to support robust climate transition planning among Indian companies. The project's primary objectives include helping stakeholders in India's listed companies to recognise the importance of transition planning and disclosures to access global sustainable finance markets, undertake assessments of current preparedness, and identify areas for improvement.

The initiative is being carried out via a multi-pronged strategy that includes assessing corporate transition planning practices and disclosures in India; engaging stakeholders to understand their current priorities, preparedness, and capacity for transition planning; and undertaking capacity building for identified stakeholders.

This report focuses on the first element of assessing the transition planning practices of corporates in high-emitting sectors. The report presents the findings of the assessment exercise, outlining key trends across sectors, disclosure categories, and company types. It also highlights best practices, and identifies major bottlenecks faced by stakeholders, drawing on both analysis and stakeholder consultations. Finally, it sets out key action items for both corporates and the regulator (SEBI) to help build a robust transition planning ecosystem in the country.

2. Defining climate transition plans

As defined by the International Financial Reporting Standards Foundation (IFRS) S2, a corporate climate transition plan "is an aspect of an entity's overall strategy that lays out the entity's targets,

[3] Net Zero Tracker. New analysis: Half of world's largest companies are committed to net zero. November 2023.
[4] CDP. 2023 Climate Transition Plan Disclosure. June 2024.
[5] CEEW. India Will Require Investments worth over USD 10 Trillion to Achieve Net-Zero by 2070.

actions or resources for its transition towards a lower-carbon economy, including actions such as reducing its greenhouse gas emissions."[6] It is the external-facing output of an entity's internal strategic planning and risk management processes for navigating the changing business and regulatory landscape associated with the transition. As highlighted by Net Zero Policy Matters, transition planning is a dynamic, iterative process through which an entity develops an organisation-wide approach to achieving net zero, including adapting operations, strategies, and business models; integrating goals across governance, investment, and stakeholder engagement; and continuously monitoring and updating actions over time. Transition plans, by contrast, are the formal outputs—often published disclosures—that detail how the entity intends to achieve its stated goals (e.g., net zero by 2050), typically structured around recognised frameworks with metrics, targets, engagement strategies, and governance processes.[7]

Transition plans serve as a strategic disclosure of a company's decarbonisation ambition with, ideally, an ultimate net-zero target divided into interim and long-term targets, implementation actions (i.e., decarbonisation levers) with financial investment plans, and governance mechanisms. As defined by the Glasgow Financial Alliance for Net Zero (GFANZ),[8] a transition plan articulates an entity's overall approach to the net-zero transition, including its climate objectives, actions, progress, and accountability frameworks, and helps situate its level of ambition and role within the broader transition.

Global best standards on corporate climate transition planning converge around a set of key principles that define a credible climate transition plan. A robust transition plan is:

- **Strategic and forward-looking:** Anchored in a long-term view but emphasising near-term actions.
- **Time-bound and quantitative:** Includes measurable interim targets, key performance indicators, and clear timelines.
- **Internally coherent:** Fully integrated with corporate strategy, business model, and financial planning.
- **Governed and accountable:** Clearly defined roles for oversight, with board-level responsibility and implementation incentives.
- **Complete and transparent:** Covers the full value chain and applies the principle of double materiality—how a company's operations and transition plan affect stakeholders and vice versa—in disclosures.
- **Responsive and adaptive:** Updated regularly based on feedback mechanisms and evolving science, technology, and policy.

Together, these principles ensure that a corporate climate transition plan moves beyond aspirational targets to become a credible, actionable, and accountable blueprint for achieving long-term decarbonisation and climate resilience.

[6] IFRS. Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2. June 2025.
[7] Taskforce on Net Zero Policy. COP30 REPORT. November 2025.
[8] GFANZ. Expectations for Real-economy Transition Plans. September 2022.

3. Why transition plans matter for corporates

There has long been a perception, particularly in developing economies, that undertaking environmentally positive actions comes at a financial cost for companies. However, this view is increasingly outdated. Corporate transition planning should not be seen as a cost-intensive burden, but as a strategic investment that yields measurable returns. In today's global economic landscape, where the impacts of climate change are widely acknowledged and the need to shift towards low-emission, net-zero pathways is urgent, this shift in perspective is essential.

As global economic structures realign around decarbonisation and climate resilience, companies that fail to anticipate this shift risk losing market access, financing opportunities, and consumer trust. However, these risks are also opportunities for corporates that can communicate robust transition planning backed by credible actions.

Figure 7: Benefits of robust climate transition planning & disclosure for corporates

Source: Climateworks Center, ERM, International Review of Economics & Finance, CDP, World Economic Forum; ITPN; IEEFA analysis

3.1 Access to capital markets and transition finance

A key aspect of transition plan disclosures by corporates is their impact on capital flows, investor confidence, and the overall credibility of sustainable finance markets. Investors increasingly see the development and disclosure of transition plans as an entity's material business imperative, particularly in high-emitting sectors, to maintain access to capital. According to an International Organization of Securities Commissions (IOSCO) survey[9] of global investors, while the current use of transition plans is in nascent stages due to availability, comparability and reliability of the information, they are increasingly interested in using transition plans for their capital allocation, risk assessment, pricing, valuation, and decision-making processes.

[9] IOSCO. IOSCO Report on Transition Plans. November 2024.

A well-articulated transition plan can help an entity, which may currently be a high carbon emitter, to craft a narrative that demonstrates to existing and potential investors that it can decarbonise ambitiously enough while remaining a profitable business with sufficient returns for investors. According to a Robeco 2024 Global Climate Investing Survey, 37% of investors invest in funds or strategies allocating to transitioning companies, which are companies with high present-day emissions but credible plans to reduce them. Another 26% of investors intend to do so within the next one to two years.[10] Another survey by Southpole finds that 77% of global financial institutions find portfolio companies more attractive when they maintain transition plans.[11] Transition plans provide investors with confidence by laying out not just climate ambitions, but also the operational, financial, and governance changes that underpin them.

Accordingly, comparable, consistent and reliable disclosures on the core components of transition plans may have a positive impact on market participants' ability to make informed decisions. Conversely, poor-quality disclosures may result in inefficient capital allocation and investor harm. A recent survey of 420 asset owners, asset managers, and private capital firms—collectively managing USD33.8 trillion (INR2,981.7 lakh crore) in assets—found that 58% of respondents identified challenges with environmental, social, and governance (ESG) data as a major barrier to allocating capital to ESG and sustainability investments.[12] Another study of 350 investment decision-makers revealed that 85% view greenwashing and misleading sustainability claims as more serious concerns than they did five years ago. These concerns highlight a growing consensus that robust, comparable, and verifiable transition plan disclosures are essential to gain investor trust.

3.1.1 Impact on sustainable finance markets[13]

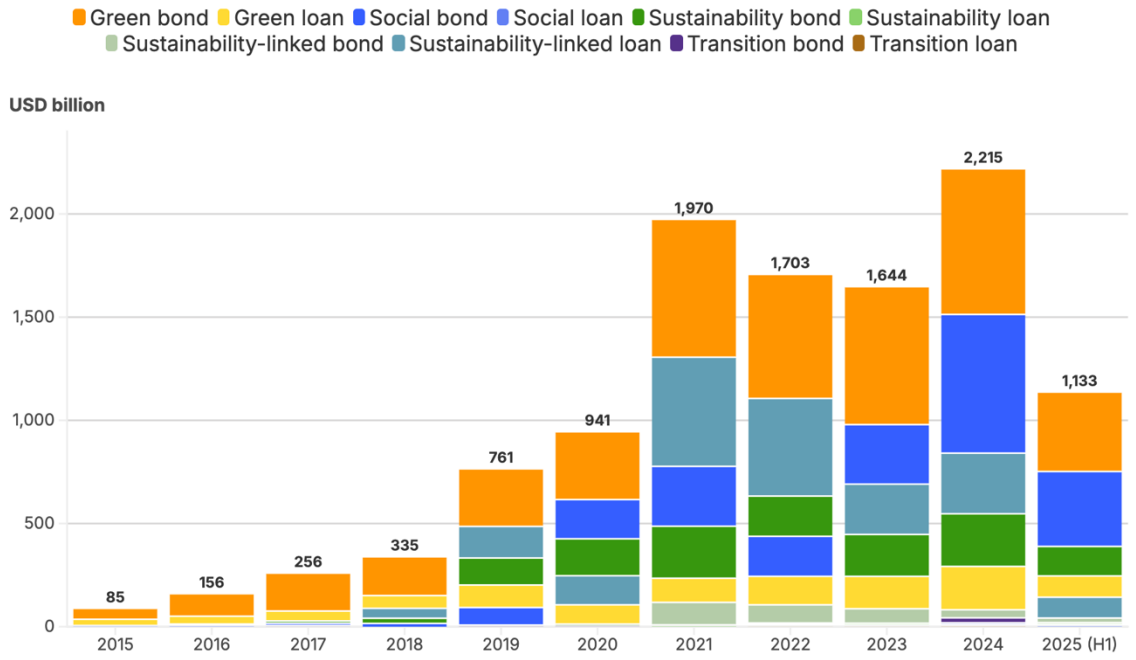
The global sustainable debt market—which encompasses green, social, sustainability, sustainability-linked, and transition instruments—has seen investors increasingly demanding higher transparency, consistency, and credibility in climate-related disclosures before committing capital.

Sustainability-linked instruments, particularly sustainability-linked bonds (SLBs) and sustainability-linked loans (SLLs), illustrate this trend. The SLB market experienced a sharp contraction, with global issuance plummeting to just USD39 billion (INR3.44 lakh crore) in 2024, down from over USD70 billion (INR6.18 lakh crore) in 2023, and far below the peak of USD109 billion (INR9.62 lakh crore) in 2021. Investors have grown wary of weak or inconsistent key performance indicators (KPIs), vague targets, and insufficient post-issuance reporting. While the SLL market has shown some resilience, transparency remains low with issuers often failing to disclose the KPIs tied to their deals. The overall decline in sustainability-linked debt, from its peak at USD637 billion (INR56.17 lakh crore) in 2021 to USD333 billion (INR29.37 lakh crore) in 2024, has been attributed to growing concerns about insufficient disclosure of targets and the risk of greenwashing, making it harder for issuers to convince investors of the robustness of their transition strategies.[14] As of 2024, all steel sector SLBs

[10] Robeco. 2024 Global Climate Investing Survey. May 2024.
[11] South Pole. The 2025 South Pole Net Zero Report. 2025.
[12] BNP Paribas. From definition to deployment: turning ESG intentions into action. May 2025.
[13] EY. EY 2024 Institutional Investor Survey. December 2024.
[14] BloombergNEF.

and 80% of those for the cement sector globally, for instance, are issued by companies that include key elements of transition plans.[15]

Figure 8: Global annual sustainable debt issuance by instrument type (USD billion)



Source: BloombergNEF; till first half of 2025

Transition debt issuance tells a similar story. While global transition debt issuance spiked to USD26 billion (INR2.29 lakh crore) in 2024, largely driven by the Japanese government's landmark USD20 billion (INR1.76 lakh crore) sovereign climate transition bond, the market outside Japan remains small, with the Asia-Pacific (APAC) region (excluding Japan) raising less than USD3 billion (INR26,466 crore).[16] Moreover, disclosure data suggests that 61% of transition debt proceeds were directed toward natural gas activities, further raising questions about whether such capital is genuinely accelerating decarbonisation or merely extending the life of fossil fuel assets. These questions remain unclear without detailed transition plans that explain how investment in a particular asset algins with and supports an entity's decarbonisation goals.

From an issuer perspective, the perceived transaction costs for sustainable debt issuance are too high and the financial benefits too low when you can access vanilla finance. However, transition plans become critical beyond labelled instruments as many financial institutions are requesting transition plan information for risk management.[17]

[15] Climate Bonds Initiative. The role of policymakers in mobilising private finance to ensure a credible and just transition in steel and cement. 2024.
[16] BloombergNEF.
[17] ICMA. Transition Finance in the Debt Capital Markets. February 2024.

Together, these trends highlight a critical challenge: The absence of credible transition plans and robust disclosures is causing the sustainability-linked and transition debt markets to risk stagnation as investors grow increasingly cautious about the integrity of ESG-labelled instruments. Transition plans can be used as the basis for SLLs, SLBs, and transition debt. Through the calibration of sustainability performance targets (SPTs), these instruments can link financing terms to the types of targets articulated in a transition plan, including emissions reduction, resilience, and other climate milestones.

Transition plans have been central to several recent transition finance frameworks, including for transition loans, transition bonds and other entity-level transition finance.[18, 19] The International Capital Market Association (ICMA) highlights that transition plans can provide strategic context for assessing issuer commitments, avoiding carbon lock-in, and strengthening target-setting in sustainability-linked bonds.[20]

In India, corporate (both public and private) and sovereign entities have raised USD11.2 billion (INR99,362 crore) from sustainable debt markets in 2025 (till September 2025). However, this figure remains modest compared to the USD1.68 trillion (INR149.02 lakh crore) raised globally during the period, highlighting untapped potential, especially for companies in hard-to-abate sectors, or those transitioning from fossil fuel-based operations.[21] Strengthening corporate transition plan disclosures will be pivotal in mobilising private capital and positioning Indian firms within global sustainable finance flows.

4. Situating transition plans within the climate finance architecture

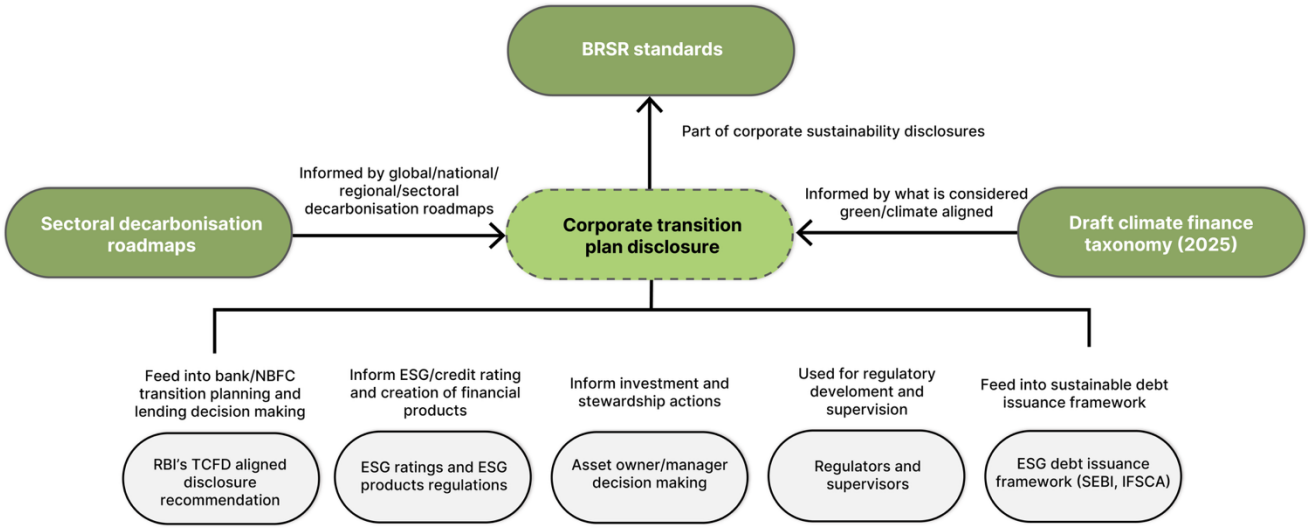
Transition plans serve as a bridge between an entity's climate ambition and the financial system's ability to price, allocate, and channel capital toward credible decarbonisation pathways. However, transition plans do not operate in isolation. They are a part of a broader enabling ecosystem that underpins the scaling of climate-aligned finance and ensures that both corporates and financial institutions can transition effectively toward net zero. This ecosystem is built on several interlinked components that feed into each other and provide a holistic picture of firm-level transition.

- Corporate transition plans are ideally part of broader sustainability reporting, but can also be independent publications by corporates. In India, the Business Responsibility and Sustainability Reporting (BRSR) standards should include specific requirements on transition plan disclosures, rather than a new standalone requirement for disclosures by corporates.
- At a macro level, corporate transition plans are informed by sectoral transition plans, either at the national or global level, that define realistic emission reduction trajectories

[18] Transition Finance Council. Consultation on entity-level Transition Finance Guidelines.
[19] Guide to Transition Loans. October 2025.
[20] International Capital Market Association (ICMA). Climate Transition Finance Handbook.
[21] BloombergNEF.

and technology pathways. These plans provide the macro-level direction against which company-level plans can be assessed.[22] In India, such alignment currently exists only in the steel sector, where a sectoral roadmap has been developed consistent with the country's net-zero target.

Figure 9: Sustainable finance eco-system and interdependencies



Source: IEEFA analysis

Transition plans are also informed by taxonomy regulations that define what is green and transitionary within the domestic context. Corporate transition plans must demonstrate that their strategies and investments are consistent with taxonomy-aligned activities. This ensures financing flows only to credible projects consistent with transition. India's upcoming climate finance taxonomy will play that role.

Transition plans are used by financial intermediaries across the value chain. Asset owners and managers use them to gauge the credibility of corporate net-zero strategies; banks rely on them to assess counterparty risk and capital allocation (and also feed into their own transition plans); bond and debt markets require them to meet issuance standards under Securities and Exchange Board of India (SEBI) and International Financial Services Centres Authority (IFSCA) frameworks; and ESG rating agencies incorporate them into scoring.

Finally, corporate transition plans also support regulatory decision making and supervisory actions. The effective integration of forward-looking metrics (provided by transition plans) into financial decision-making may support their objectives of enhancing investor protection, ensuring market integrity and promoting financial stability through reduction in systemic risk.

[22] ITPN. Sector Transition Plans. November 2025.

Taken together, these linkages make transition plans an important aspect of the climate finance ecosystem. Currently, the lack of regulatory integration across these components risks creating a fragmented disclosure landscape, requiring corporates particularly mid-cap firms, to align simultaneously with multiple regulatory requirements. This increases compliance costs, reporting complexity, and internal coordination burdens, underscoring the need for greater cross-regulatory coherence within India's climate finance architecture.

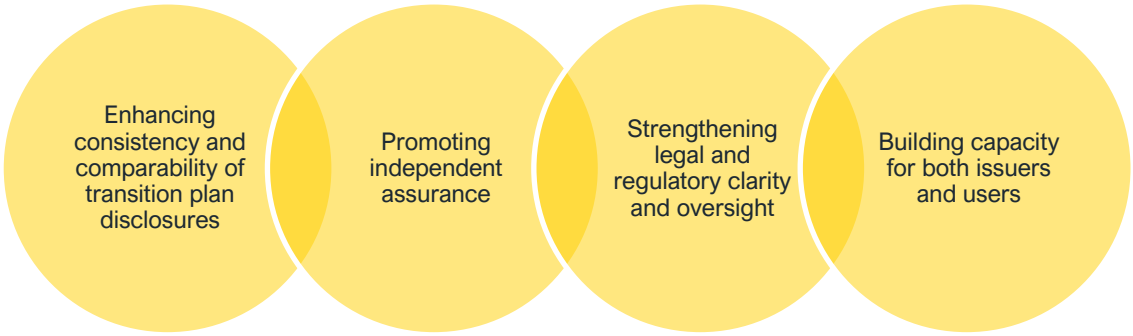
5. Global transition plan disclosures momentum

With their growing significance in the climate finance ecosystem, there is now a strong global push to formalise transition plan disclosures and harmonise expectations across jurisdictions. This momentum is being driven by the convergence of voluntary frameworks, investor-led initiatives, and emerging regulatory mandates. Collectively, these developments are positioning transition planning as a critical underpinning of global financial markets.

5.1 Endorsement by leading global standard-setting bodies and investor coalition

The credibility of transition plans has been reinforced by leading standard setters. In November 2024, IOSCO, the global body of securities regulators that sets international standards for capital markets oversight, issued its report on transition plan disclosures.[23] The report set out four priority areas for coordinated action (see Figure 10).

Figure 10: IOSCOs priority areas for coordinated action on transition plan disclosures



Source: IOSCO

Importantly, IOSCO underlined the need for alignment of disclosure guidance across jurisdictions to enable investors to evaluate and compare transition strategies globally, while still allowing flexibility for national-level requirements. This marked the strongest regulatory signal to date that transition planning must move from fragmented practice to mainstream disclosure.

[23] IOSCO. IOSCO Report on Transition Plans. 2024.

Alongside independent standard setters, investor coalitions are exerting growing influence. Climate Action 100+, representing more than 600 institutional investors, has made transition plan disclosure central to its corporate engagement. A recent report, analysing 220 institutional investors globally, highlighted that 56% investors also reported that they disclose transition plans or elements of their plans.[24] Similarly, GFANZ has issued guidance that positions transition plans as the operational backbone of net-zero commitments across banks, asset managers, and insurers. Public investor statements have reinforced this demand by urging regulators to make transition planning mandatory.[25]

5.2 Emerging landscape of transition plan reporting frameworks

These regulatory and investor signals are being reinforced by a rapidly evolving landscape of voluntary and mandatory disclosure frameworks. The International Sustainability Standards Board (ISSB), established by the IFRS Foundation to create a global baseline for sustainability reporting, has embedded transition plan disclosures into its standards. IFRS S2 explicitly requires companies to disclose information about their climate transition plans.

A critical contributor to this evolving global architecture is the UK's Transition Plan Taskforce (TPT). Launched by the UK's Treasury in April 2022, the TPT was tasked with defining a "gold standard" framework for corporate transition plan disclosures. In October 2023, it released its final disclosure framework, structured around three guiding principles—ambition, action, and accountability—and organised into five essential elements.

The Transition Plan Taskforce disclosure framework

The TPT has drawn on the transition plan components identified by GFANZ to set out the five key elements of a good practice transition plan.

Foundations: An entity shall disclose the strategic ambition of its plan. This shall comprise the entity's objectives and priorities for responding and contributing to the transition towards a low-greenhouse gas (GHG) emissions, climate-resilient economy, and set out whether and how the entity is pursuing these objectives and priorities in a manner that captures opportunities, avoids adverse impacts for stakeholders and society, and safeguards the natural environment. Under this element, an entity should also disclose the high-level implications that this transition plan will have on its business model and value chain, as well as the key assumptions and external factors on which the plan depends.

2. Implementation strategy: An entity shall disclose the actions it is taking within its business operations, products and services, and policies and conditions to achieve its strategic ambition,

[24] The Investor Agenda. New report suggests climate change is integral to investors' considerations around their investment approach. 6 November 2025.
[25] UNEPFI. 2024 Global Investor Statement to Governments on the Climate Crisis. September 2024.

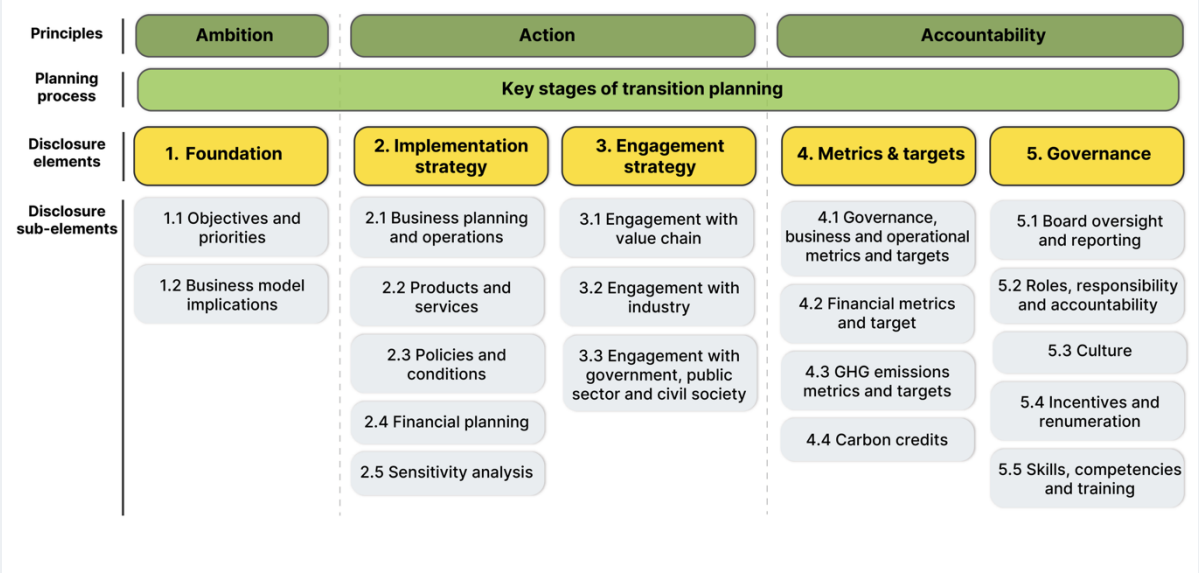
as well as the resulting implications for its financial position, financial performance, and cash flows.

3. Engagement strategy: An entity shall disclose how it is engaging with its value chain, industry peers, government, public sector, communities, and civil society in order to achieve its strategic ambition.

4. Metrics & targets: An entity shall disclose the metrics and targets that it is using to drive and monitor progress towards its strategic ambition.

5. Governance: An entity shall disclose how it is embedding its transition plan within its governance structures and organisational arrangements in order to achieve the strategic ambition of its transition plan.

Figure 11: Components of TPT's transition plan disclosure framework



Source: UK's Transition Plan Taskforce (TPT)

IEEFA's transition planning analysis framework (discussed in detail in later sections), takes significant inputs from the TPT framework and its five guiding elements. However, the IEEFA framework should be treated as an assessment framework rather than a disclosure framework.

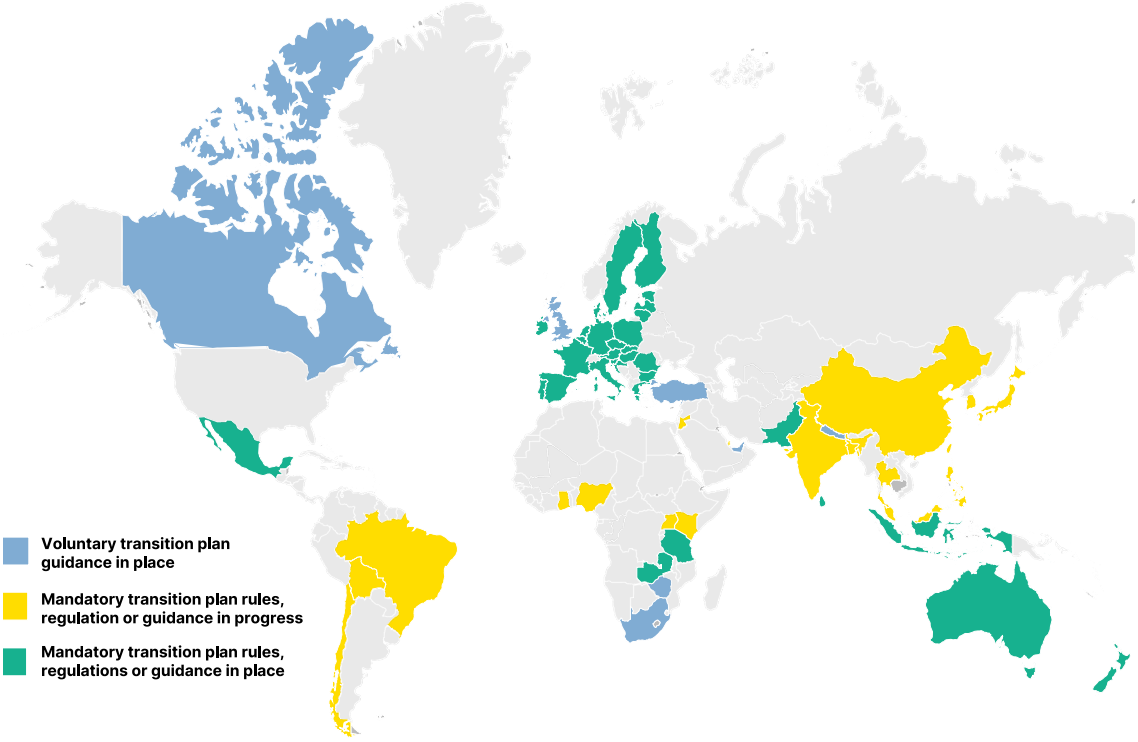
On the voluntary side, CDP has become a key platform for companies to disclose transition plans, supported by its technical note that provides guidance on how organisations can demonstrate they have a credible transition plan in place.[26] Together, these tools are strengthening the credibility and comparability of transition-related disclosures across industries.

[26] CDP technical note. Reporting on Climate Transition Plans. 2025.

5.3 Regulatory momentum gaining pace on transition planning globally

Alongside these voluntary and market-led efforts, regulatory momentum is accelerating across jurisdictions. As of November 2025, 37 jurisdictions are adopting ISSB standards, which require the disclosure information about a climate transition plan. The International Transition Plan Network, a global network of leaders from over 30 public sector organisations, has published an interactive map of global transition plan requirements and guidance.[27]

Figure 12: Global transition plan requirements



Source: International Transition Plan Network

Many jurisdictions are adopting additional transition plan guidance, often building on the TPT Disclosure Framework. The framework builds closely on the ISSB standards, and the IFRS Foundation has published transition plan guidance that draws heavily on the TPT Framework.[28] The TPT Framework's five-element structure is also being drawn on widely internationally, including by the UK, Hong Kong, Australia, and the European Banking Authority.[29] The five-element structure, also used by GFANZ, is being adopted by international bodies including the UN Sustainable Stock

[27] ITPN. Interactive Map website as of 2025.
[28] IFRS Foundation. Disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2. 2025.
[29] See: UK. Climate-related transition plan requirements. 2025; HKMA. Annex: Good practices on transition planning. 2024; Australian Government. Climate-related transition planning guidance consultation. 2025; EBA. Guidelines on the management of environmental, social and governance (ESG) risks. 2025.

Exchanges Initiative, the UN Forum for Insurance Transition, the Global System for Mobile Communications Association, the Taskforce on Nature-related Financial Disclosures, and the Network for Greening the Financial System.[30]

In the European Union (EU), the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) go further by requiring in-Scope companies to develop and implement transition plans. This wave of regulatory action highlights the growing expectation that transition planning is no longer optional but a core element of corporate strategy and reporting.[31]

However, while many frameworks are converging around ISSB standards, there is still no universally accepted definition of the core elements of a transition plan. The increasing convergence around the TPT Framework structure may provide a solution, helping to aid comparable and decision-useful transition plan information for investors that is consistent with the ISSB standards. This will avoid risks of fragmentation, increasing compliance burdens for companies and limiting comparability for investors. Overall, the direction of travel is clear. Transition planning is moving from a voluntary practice to a regulatory and market expectation.

5.4 Global practices on corporate transition plan disclosures

These voluntary and regulatory developments are leading to a proliferation of corporate transition plan disclosure globally. However, the gap between having a plan and credibly disclosing one remains large. In 2023, roughly 1 in 4 companies that report through CDP said they have a 1.5°C aligned transition plan (5,906 firms), yet only 140 companies disclosed against all 21 transition planning indicators in CDP's rubric, a tiny fraction of the global universe.[32]

Beyond transition plans, corporate target-setting continues to expand. As of mid-2024, 22% of listed companies had either approved or committed science-based targets per MSCI's Net-Zero Tracker,[33] and by late 2024, 58% of listed companies had some form of climate commitment (not all science-aligned).[34] Meanwhile, the Science Based Targets initiative (SBTi) now lists more than 10,000 companies with validated targets and over 2,000 with net-zero targets, underscoring growing ambition even if plan credibility is uneven.[35]

[30] GFANZ. Financial Institution Net-zero Transition Plans. 2022; UN Sustainable Stock Exchanges Initiative. Model Guidance on Climate Transition Plans. 2025; UN Forum for Insurance Transition. Underwriting the transition: A deep-dive transition plan guidance for insurance and reinsurance underwriting portfolios. 2025; TNFD, Guidance on nature in transition plans. 2025; The GSMA and ITU. Climate Transition Planning Guidance for Telecommunication Companies. 2025; NGFS. Integrating Adaptation and Resilience into Transition Plans. 2025

[31] CDP technical note. Reporting on Climate Transition Plans. 2025.

[32] CDP. The state of play: 2023 Climate Transition Plan Disclosure. June 2024

[33] MSCI Sustainability Institute. The MSCI Sustainability Institute Net-Zero Tracker. July 2024

[34] MSCI Sustainability Institute. The MSCI Sustainability Institute Net-Zero Tracker. July 2025

[35] SBTi. Corporate climate action momentum builds as SBTi reaches 10,000 companies with validated targets. 22 January 2026.

Taken together, this accelerating convergence of standards, investor expectations, and regulatory mandates is rapidly shifting transition plan disclosures from the periphery of sustainability reporting into a core, mainstream component of corporate financial disclosure and capital allocation decisions.

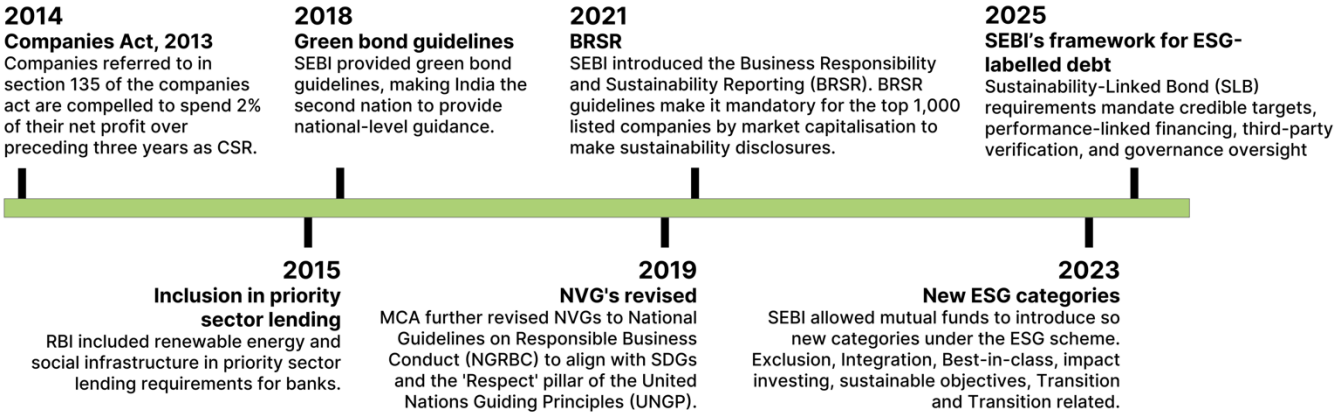
6. Emergence of sustainability reporting in India

India's ESG reporting landscape has steadily evolved over the past decade, moving from early voluntary disclosures to a more structured regulatory regime. This progression, from initial corporate responsibility reporting to mandatory sustainability disclosures, is illustrated through Figure 13.

At the core of this evolution is the BRSR framework, mandated by SEBI for the top 1,000 listed entities. BRSR, and the phased adoption of BRSR Core,[36,37] has brought Indian corporate reporting closer to global standards. However, while BRSR requires disclosures on emissions, governance, and sustainability strategies, it does not yet include dedicated transition plan disclosures.

Beyond BRSR, several complementary reforms are underway from SEBI and other financial sector regulators in India. In June 2025, SEBI issued a framework for ESG-labelled debt (social, sustainability, and sustainability-linked).[38] Notably, the SLB requirements under this framework require issuers to set credible targets, outline implementation strategies, and link financing terms to performance against those targets. They also mandate third-party verification and governance structures, such as sustainability committees, to oversee target setting, monitoring, and risk management. Taken together, these provisions reflect some of the core elements of corporate climate transition planning. In effect, SEBI has already started embedding transition plan disclosure principles into capital market regulation.

Figure 13: Advancement of sustainability reporting in India



Source: IEEFA analysis, India Brand Equity Foundation

In June 2025, the IFSCA, the financial regulator for Indian special economic zones, introduced a transition bond framework—India's first explicit recognition of the need for credible, entity-level

[36] The BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators / metrics under nine ESG attributes.
[37] SEBI. BRSR Core - Framework for assurance and ESG disclosures for value chain. 12 July 2023.
[38] SEBI. Framework for Environment, Social and Governance (ESG) Debt Securities. June 2025.

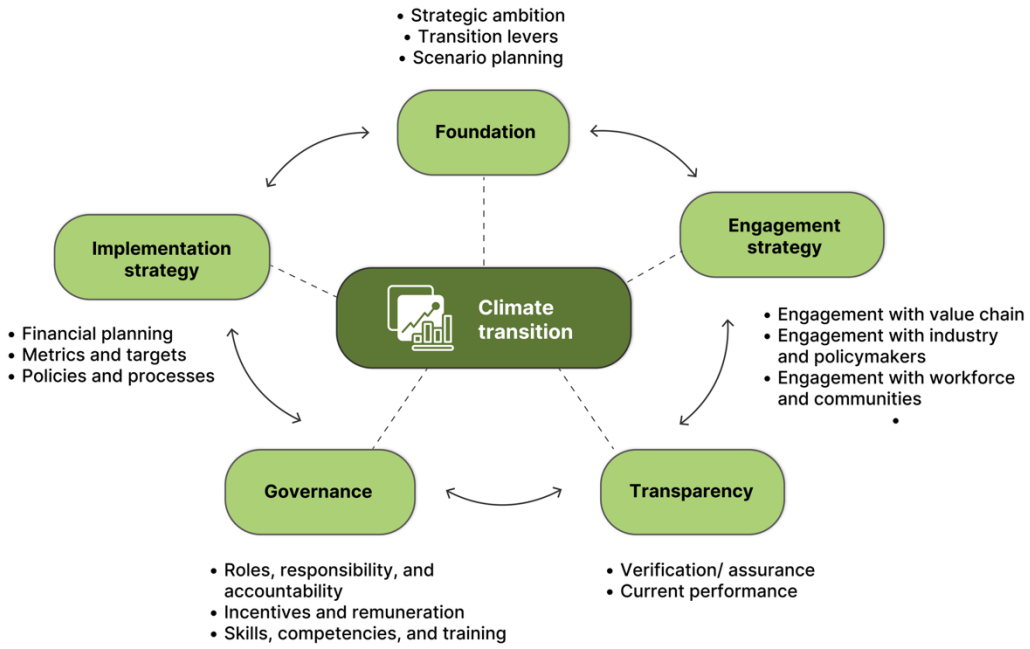
transition plans in financing.[39] Issuers are required to disclose how bond proceeds align with their broader decarbonisation strategies, demonstrating targets, implementation pathways, and governance oversight, thereby embedding transition planning principles into the eligibility criteria for capital raising.

Complementary measures by the Reserve Bank of India (RBI) have also recognised the importance of climate-related financial risks and issued a draft framework aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Applicable to domestic banking institutions, the framework recommends that these entities disclose key information on their governance, strategy, risk management, and metrics and targets—key aspects of an entity's climate transition plan.[40]

7. IEEFA's transition plan assessment framework

As mentioned at the start of the report, given the importance of transition planning and disclosures in the context of financing the corporate energy transition, IEEFA has undertaken a detailed analysis of the current landscape of climate transition planning among Indian corporates. In this context, the IEEFA team developed a transition plan assessment framework. IEEFA developed this framework to evaluate the presence of climate-related disclosures and essential elements of transition plans, as well as progress towards the corporate climate transition in India.

Figure 14: Components of IEEFA's transition plan assessment framework and their interlinkages



Source: IEEFA analysis

[39] IFSCA. Proposed Framework for Transition Bonds. June 2025
[40] Reserve Bank of India. Draft Disclosure framework on Climate-related Financial Risks. 2024.

IEEFA's framework is based primarily on the Transition Plan Taskforce (TPT) but has also taken inputs from review of 18 globally recognised transition plan assessment and disclosure frameworks, complemented by stakeholder consultations with regulators, corporates, investors, research institutions, and sustainability service providers. As mentioned previously, the IEEFA framework should be treated as an assessment framework rather than a disclosure framework. The different components of our framework have been structured to assess if a company provides a holistic picture of its transition planning, including inter-connectedness. IEEFA recommends that as a disclosure framework, the TPT guidance serves as the best available resource globally.

The IEEFA framework is composed of 14 interconnected components, each essential for a thorough evaluation of a company's decarbonisation strategy and its ability to navigate the complexities of a low-carbon future. This approach, underpinned by a set of 77 metrics (grouped under the 14 components), recognises that a successful transition requires a multifaceted strategy, involving strategic planning, operational changes, governance, and stakeholder engagement. The individual components are discussed in a later section along with insights from IEEFA's analysis.

Lastly, IEEFA framework is not specific to any one sector and is focused on assessing the availability of disclosures rather than the quality of disclosures. This accommodates the fact that some sectors, such as power generation, are in a better position to disclose their transition strategies given the technological, policy, and market-related tailwinds. However, in others, especially industrial sectors, where deep decarbonisation technologies are still evolving and the sector is at a nascent stage in decarbonisation, transition planning will be more challenging. Additionally, emerging market corporates, including those in India, are still at an early stage of their climate transition planning journey, and many of these practices are evolving. Hence, disclosure on some of the metrics is deemed satisfactory for IEEFA's analysis even if the depth and quality of disclosures vary.

7.1 Selection of companies and data for analysis

To provide a comprehensive assessment of the Indian corporate sector's climate transition efforts, we have selected a diverse group of companies from each of the following sectors: power, steel, cement, commodities, oil and gas, and chemicals. This selection includes both large-capitalisation, and small and mid-capitalisation companies, ensuring a representative sample that captures the full spectrum of companies. (See appendix for more details on companies assessed.)

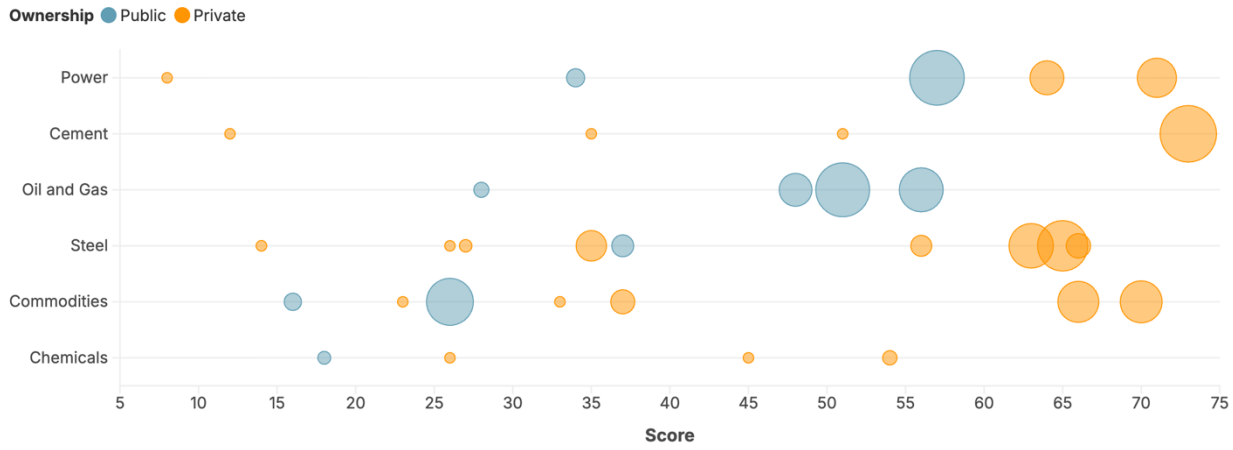
The analysis relies on data from various company filings, such as annual reports (including BRSR), investor presentations, call transcripts, press releases and company web pages, and if available, sustainability reports and climate-related reports (such as TCFD reports). Lastly, the analysis is based on financial year 2024-25 reporting, or the most recent and relevant information available.

8. Analysis of companies based on IEEFA framework

The IEEFA team applied its assessment framework to evaluate 33 companies across the sectors mentioned in the previous section. The analysis revealed several important insights into the current state of corporate disclosure and transition planning practices. To ensure meaningful interpretation, the assessment compares companies within their respective sectors, recognising that ESG maturity

levels and decarbonisation pathways vary significantly across industries. While efforts were made to maintain a balanced and representative sample for each sector, the inherent heterogeneity in sectoral structures and technological readiness should be taken into consideration while comparing analysis across sectors.

Figure 15: Overview of IEEFA's Analysis of 33 companies across six high-emitting sectors



Each bubble represents a company, and its size corresponds to the company's market capitalisation as of 25 October 2025.

Source: IEEFA analysis; BloomberNEF

As can be seen in the above figure, while the power sector leads in average disclosure maturity, it also exhibits wide internal variance—for example, large capitalisation companies score much higher than small and mid-sized corporates. Sectors such as oil and gas are more consistent, but comparatively less advanced on overall disclosure maturity. The cement sector also shows variability: It includes one leading large-cap company and three other small-cap companies with significant variation in scores.

An analysis by ownership and company size gives more insights into inter- and intra-sector variations and underscores how institutional capacity and market positioning shape disclosure performance.

- **Private vs. public:** Private companies outperform public enterprises, reflecting greater responsiveness to global investor expectations. In contrast, public (state-owned) enterprises, though under the ambit of BRSR, often lack depth in disclosures—possibly due to lack of investor pressure and regulatory requirement for transition plan disclosure within the current BRSR framework.
- **Large vs. small and mid-capitalisation**: Large-cap companies report almost 2 times higher scores than small and mid-sized firms, underscoring the structural challenges of limited human resources, data systems, and overall ESG maturity among smaller entities.

The gap between large private leaders and smaller entities indicates that India's corporate transition disclosure landscape is bifurcated: High-capacity firms progress rapidly, while smaller entities risk being left behind as disclosure expectations rise. The next section explores the results of individual categories and components under each category.

9. Category-wise insights from transition plan analysis

This section explains each of the categories within the framework and analyses them at the component and metric level. The five categories and 14 components have been mentioned in figure 16 below, and also in the appendix section of the report.

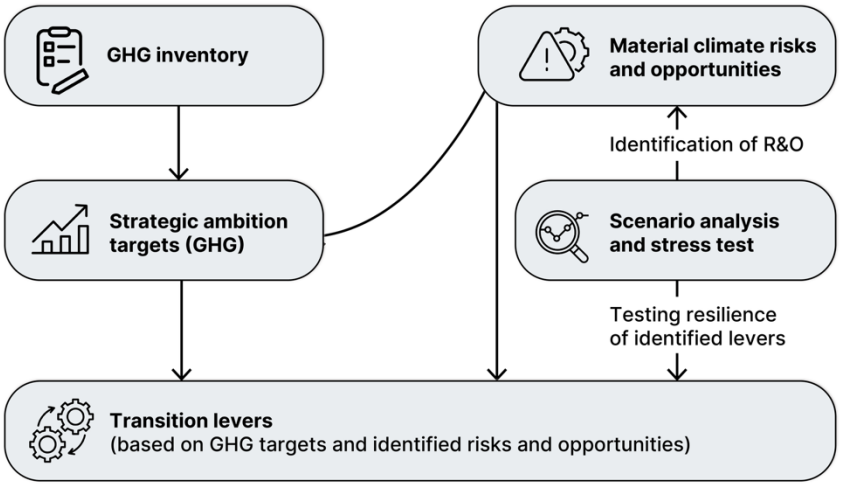
Figure 16: Categories within the transition plan framework

A key aspect of the analysis is to examine the degree of interconnectedness among the different categories of the framework. In essence, the five components should be mutually reinforcing, collectively providing a coherent and comprehensive view of a company's overall climate transition plan.

9.1 Foundation components

The "foundation" element of the framework assesses how clearly organisations define their strategic ambition for transitioning to a low-carbon future, including how they will reduce GHG emissions, and manage related risks and opportunities. It also asks them to assess and explain how the transition will affect their business model through identified transition levers and scenario analysis, ultimately clarifying why the transition is necessary and what it means for their operations and future direction. While the key focus of the framework is on transition risks, it incorporates metrics assessing physical climate risks if they are deemed material by the corporates themselves.

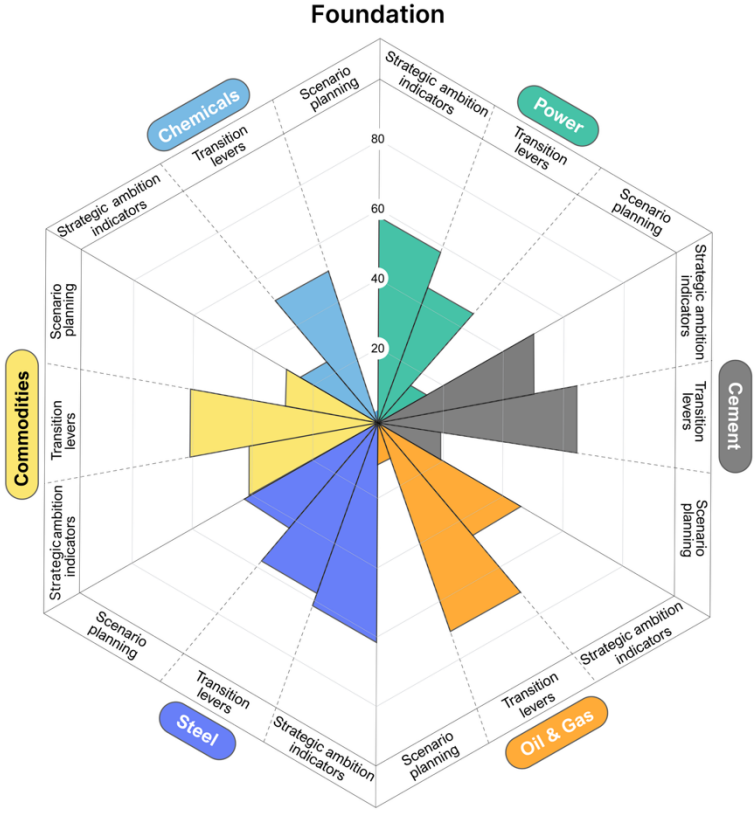
Figure 17: Components under the foundation category assessed under IEEFA's transition plan assessment framework



Source: IEEFA analysis

As illustrated in Figure 17, the three components of the foundation category, namely the strategic ambition, transition levers, and scenario analysis should be inter-linked with each other.

Figure 18: Sector-wise average disclosure scores for foundation components



Source: IEEFA analysis

Figure 18 indicates that the steel sector has the best performance in the foundation category. Oil and gas, commodities, chemicals, and cement sectors perform better under the transition levers component than in strategic ambition, suggesting that while companies have identified specific levers for emission reduction, their overarching strategic ambition remains under-defined or absent.

For scenario planning, most sectors perform poorly. However, steel sector companies, particularly large private sector firms, provide detailed disclosures on scenario analysis.

The chemicals sector scores lowest in both strategic ambition and scenario planning. One key factor is that all four companies selected fall under the small-cap category.

A broader issue across all sectors is the lack of interlinkages across the foundation components. Strategic ambition, transition levers, and scenario analysis are often presented in isolation rather than connected to show how each supports the company's pathway to net zero.

The next section details the analysis across the different components under the foundation category.

9.1.1 Strategic ambition

The strategic ambition of the company essentially lays out the clarity, Scope, and credibility of its long-term climate commitments covering net-zero targets across all emissions Scopes, and alignment with science-based, national or sectoral decarbonisation pathways. The key to a robust climate commitment is ensuring the key metrics required for communicating the targets are covered (as detailed in Figure 19).

Figure 19: Key metrics required for disclosure of GHG targets

Source: IEEFA analysis

Based on IEEFA's analysis of strategic ambition across these key target-setting metrics, we have identified some important insights.

Scope covered

Among all the companies that have a net-zero target in place, eight do not specify the different Scopes (among Scopes 1, 2, and 3) included. This means that often, the Scope of a net-zero target

must be assumed. For instance, companies in the oil and gas sector only have net-zero targets covering Scopes 1 and 2.

Business coverage

None of the companies analysed by us explicitly mention the business boundary (such as business units or percentage of turnover) that is covered by strategic ambition targets. The BRSR boundary is referred to as a proxy if the target is mentioned as part of BRSR.

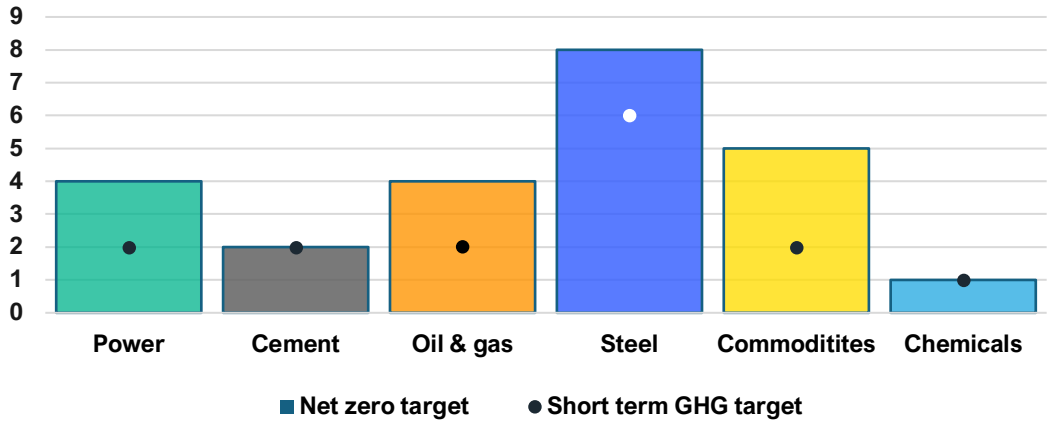
Methodology used to calculate GHG inventory and target

While most companies follow the globally recognised GHG inventory calculation standards such as the GHG Protocol,[41] this information is not explicitly asked under BRSR, and hence not included by most corporates. This also extends to the GHG targets set by the company. For IEEFA's analysis, we also take third-party assurance of the GHG inventory as a proxy. As a best practice where not apparent, organisations should provide a description of the methodologies used.

Interim and long-term targets

A robust transition plan includes long-term targets broken down into intermediate short- and medium-term targets to track progress and communicate trajectory. However, most companies, mostly small and mid-cap, either only have a long-term or a short-term net-zero target. The Scopes covered also vary, with most short-term targets covering only Scope 1 and 2. While Scope 3 inventory and target setting are evolving practices among corporates globally, companies should ensure that even if they have just Scope 1 and 2 targets, those are covered across multiple timeframes. Moreover, for companies in sectors where Scope 3 emissions constitute a material share of total emissions, Scope 3 should necessarily be included in target-setting.

Figure 20: Number of companies with net-zero as well as interim GHG emissions target



Source: IEEFA analysis

[41] Greenhouse Gas protocol

Baseline for identified target

Some companies define a baseline. Some have a common baseline year for all kinds of targets, not just GHG. However, most companies that have a target do not link them with baseline year value. Companies should disclose the rationale behind taking a particular year as a baseline, which should ideally come from a normalised year.

Inclusion of other material GHG gases in targets

This will depend on whether the company's other GHG gases form a material portion of their overall GHG inventory (more than 20% in IEEFA's analysis). However, only two companies provide this information, even though it's requested as part of BRSR. An example of a good practice is Oil and Natural Gas Corporation (ONGC), an oil and gas giant. It discloses methane emissions inventory and includes the inventory as part of net-zero target setting. Similarly, Indian Oil Corporation Limited (IOCL) provides detailed breakdown of its GHG emissions into gases including CO_2, CH_4 and N_2O in its BRSR.

Use of carbon offsets for residual emissions

Only 11 companies among the 33 analysed disclose use of carbon offsets, but they do not link them with residual emission or target-setting. Some companies provided details of carbon offsets through measures such as agroforestry, but it is not clear how they relate to climate targets. Offsets should ideally be used only for residual emissions (less than 10% of total emissions in our analysis) after significant reductions have been achieved through operational changes. Additionally, information on certification, independent verification, and quality criteria such as additionality, permanence, and avoidance of double-counting, should be fully disclosed to credibly support emissions targets.

Alignment with recognised decarbonisation trajectories

Thirteen companies that have a net-zero target align in principle with the Paris timeline of 2050 or before. However, this is complicated because some companies do not provide details of Scopes covered and boundaries of targets (as mentioned earlier). If Scope 3 is not included in net zero, then the target does not align with Paris agreement goals. Most companies that have a net-zero target date do not give a reasoning on why this target was chosen. A good practice example is UltraTech Cement, which has committed to Global Cement and Concrete Associations' (GCCA's) "Net-Zero Concrete Pathway" to produce carbon-neutral concrete by 2050.[42]

9.1.2 Transition levers

Transition levers are the core of a company's climate transition plan. They are the specific actions, technologies, operational changes, or strategic initiatives a company identifies to address material climate-related risks and opportunities. They form the practical means of reducing GHG emissions and delivering on climate objectives. Effective transition levers are clearly linked to short and

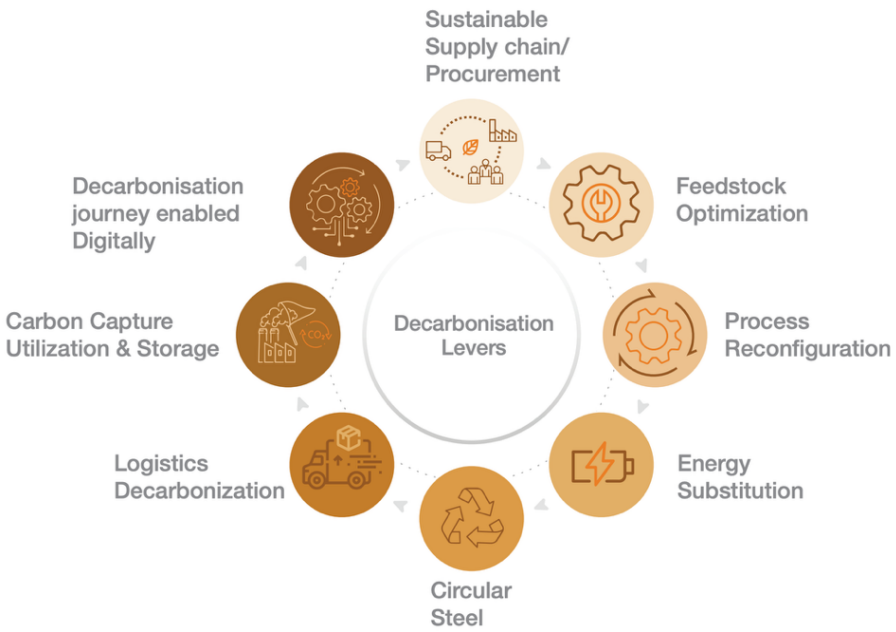
[42] Ultratech. UltraTech commits to Net Zero Concrete Roadmap announced by GCCA. November 2021.

medium-term emission reduction targets, quantitatively tied to those targets where possible, and designed to contribute to the achievement of long-term net-zero goals. They help ensure that climate related actions are both targeted and measurable.

Identification of key risks and opportunities and associated levers

Disclosures on transition levers reveal varying levels of detail, consistency, and linkage with other components. Our assessment found that while 32 companies disclose at least one climate-related risk or opportunity (R&O), they do not always specify transition levers to address (or capitalise on) them, or provide only broad approaches without clear, actionable measures. Companies that clearly connect identified risks and opportunities with relevant transition levers demonstrate stronger alignment, whereas gaps remain where no such linkage is made.

Figure 21: Decarbonisation levers identified by Jindal Stainless Limited



Source: Jindal Stainless Sustainability Report

In some cases, companies present climate-related R&O within broader materiality assessments or as part of enterprise risk management frameworks (detailing how these are monitored and managed). However, inconsistencies were observed where certain climate risks identified as material in one disclosure (such as materiality assessment) were not reflected in others (BRSR), highlighting the need for greater alignment and consistency across reporting.

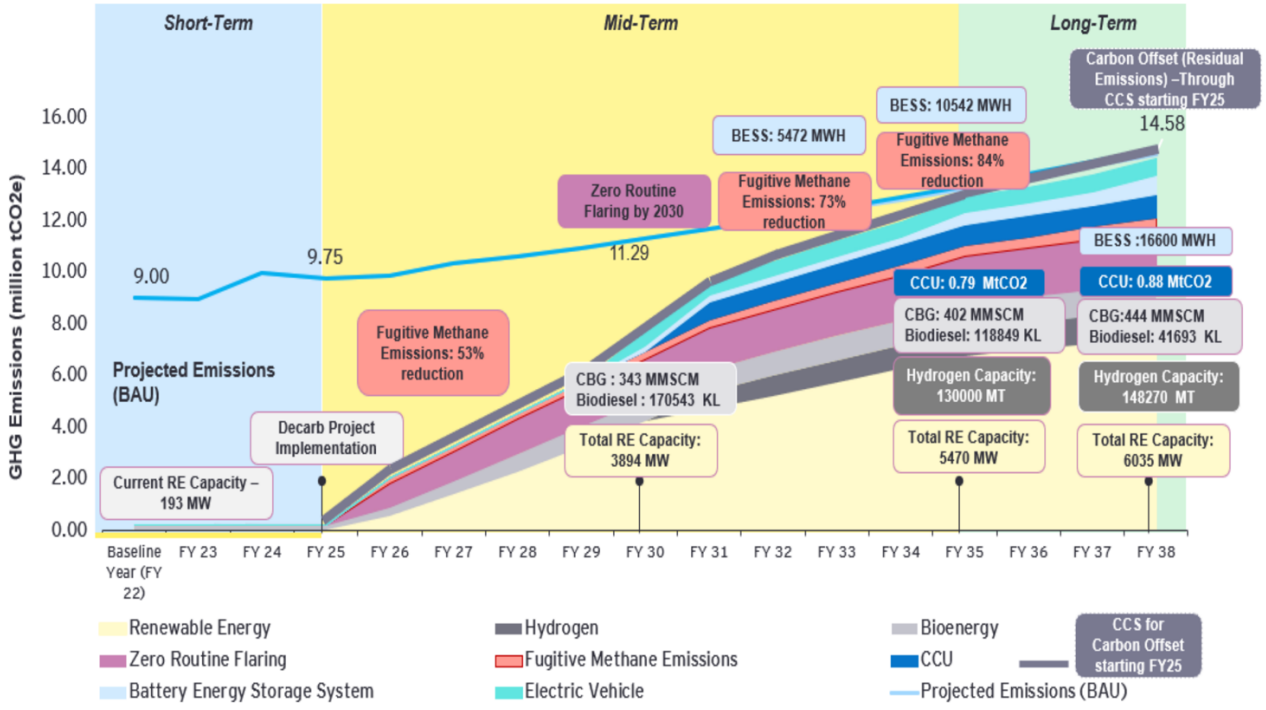
There were thirty cases where the company reported GHG reduction initiatives beyond transition levers identified in the BRSR, requiring investors to review the entire annual report to make these connections. Best practice is to clearly align all transition levers with disclosed risks and opportunities, which improves accountability and builds investor confidence. While some companies demonstrate this linkage effectively, others list initiatives without establishing such connections.

Linking transition levers with strategic ambition goals

Another key aspect of ensuring interconnected disclosures is linking transition levers to strategic ambition goals across the short, medium, and long term. IEEFA's analysis shows that while most companies identify transition levers, only seven companies connect them clearly to GHG targets over these timeframes, making it difficult for investors to assess when the levers will drive emissions reduction.

Another important aspect of linking transition levers with strategic ambition is quantifying their impact on emissions reduction across different timeframes. While some companies identify levers against short-, medium-, or long-term GHG targets, they often fail to specify how much each lever will contribute to achieving those targets. Only five companies have done this quantitative linkage exercise between targets and levers. Without this linkage, stakeholders cannot assess the relative importance of different levers in meeting climate goals.

Figure 22: ONGC decarbonisation roadmap



Source: ONGC

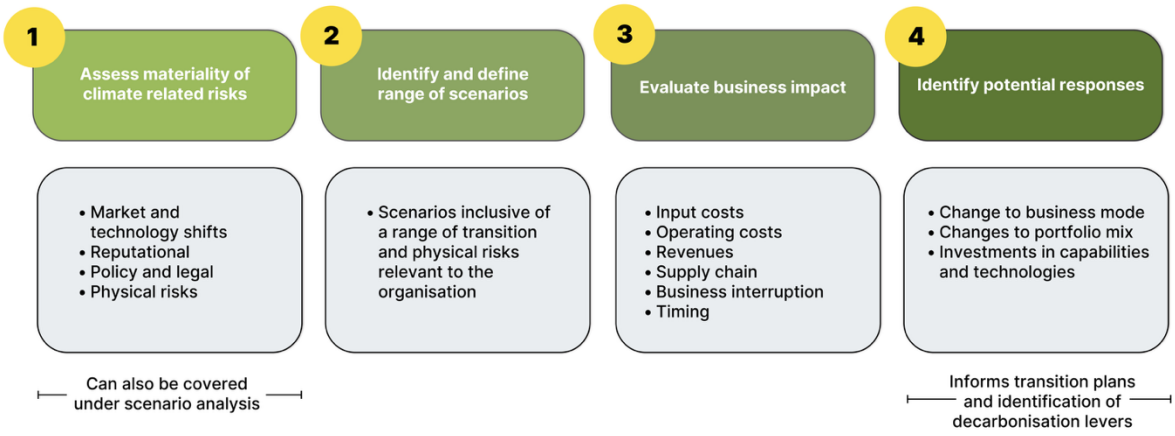
Even where mitigation potential is disclosed, it is usually at the project level (e.g., a single renewable energy initiative) rather than at the lever level. Providing such quantification may be easier for levers like renewable energy, where baseline emission reductions are well established, but more challenging for emerging technologies such as CCUS and green hydrogen, where outcomes are context-specific (e.g., in steel or cement). In such cases, companies should adopt best available estimates grounded in globally accepted science and, where precise numbers are difficult, communicate potential in ranges or proportions.

9.1.3 Scenario planning

The TCFD defines climate scenario analysis as a tool for assessing the resilience of an organisation's strategy under different plausible climate futures. Rather than predicting the future, it tests business strategies and financial performance against a range of climate scenarios, such as a 1.5 degrees Celsius/2 degrees Celsius low-carbon pathway, a current policy pathway, or a high-physical risk, delayed-transition pathway.

Under the TPT framework, climate scenario analysis provides the basis for credible transition planning. By testing strategies against different climate futures, companies can identify the right transition levers, link them to time-bound emissions targets, and assess financial implications. This ensures transition plans are robust, science-based, and resilient.

Figure 23: Scenario analysis process for corporate transition planning

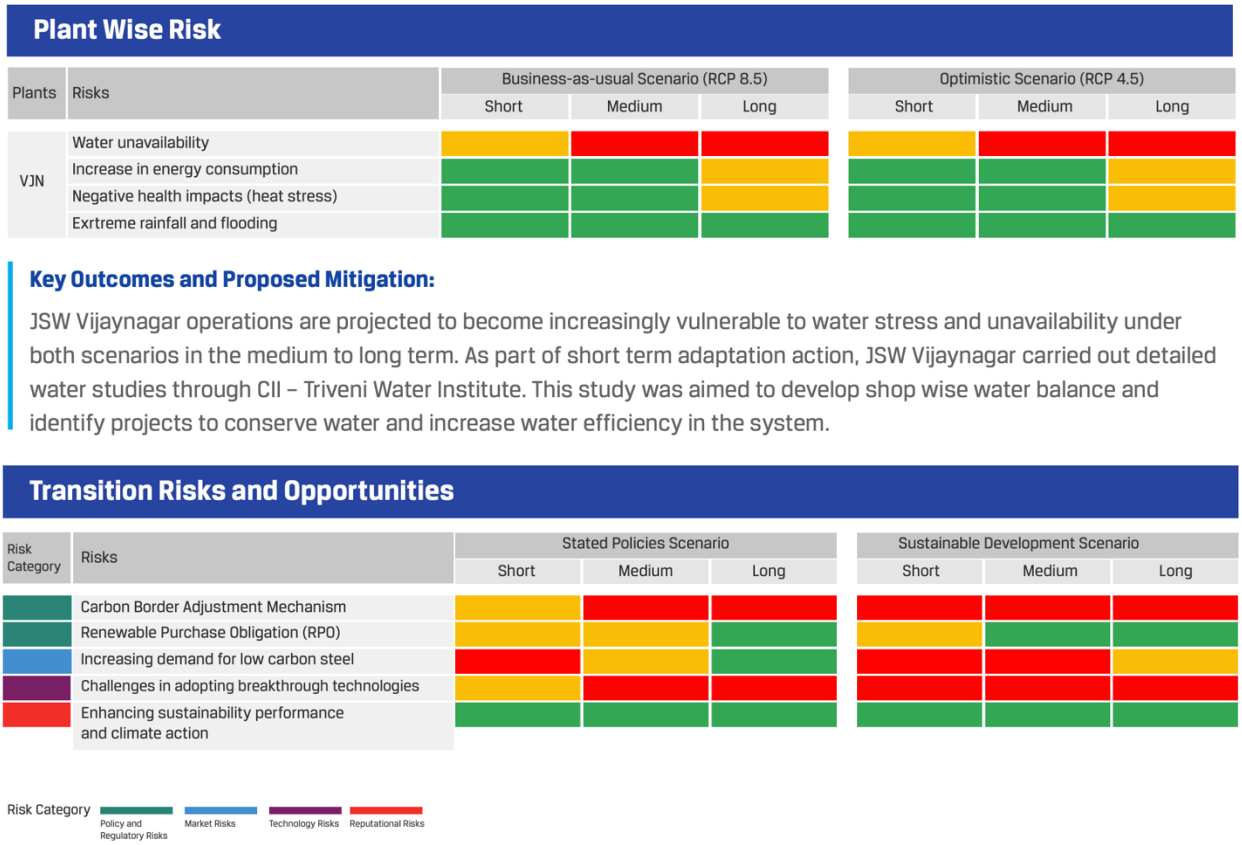


Source: TCFD; IEEFA analysis

Only 11 companies analysed conduct climate scenario analysis or stress testing or both. Among the 11 companies that do, 10 do it for transition risks. Among the 10, only Vedanta and Jindal Stainless provide a qualitative assessment of scenario impacts on key metrics such as revenue or capital expenditure (CapEx) across different scenarios in different time horizons. The eight other companies do not link their assessments to specific KPIs. Instead, results are often presented through a broad "traffic light" risk and opportunity framework, that shows impact as red, green or orange based on severity of risk, with red being most severe.

Only five companies provide site-level physical climate risk assessments (traffic light). Four are large-cap companies, and one is a mid-cap. In several cases, companies mention conducting scenario analyses but provide no details. Others have reported scenario work in previous years but have not disclosed it in their most recent reports.

Figure 24: JSW Steel's transition and physical risk—a traffic light-based assessment



Source: JSW Steel Climate Report

Types of scenarios considered, organisational boundaries, and key outcomes

Most companies that conduct scenario analysis disclose which scenarios they have used but rarely explain the rationale behind their selection. For investors, this rationale is key to ensuring that companies are not cherry-picking favourable pathways, and that the chosen scenarios are appropriate for their sector, geography, and operations. Tata Steel, for instance, uses Stated Policies Scenario (STEPS) and Net Zero Emissions (NZE), both globally recognised scenarios, but provides limited detail on a "bespoke scenario" considered for India. Jindal Stainless explains its choice, noting that it selected two Network for Greening the Financial System (NGFS) scenarios because of their extensive regional and national data coverage, including India, and their time horizon extending to 2050, which aligns with the company's long-term strategy.

Lastly, most companies do not explicitly define the organisational boundary of their scenario analysis. In our framework, we have assumed the boundary aligns with the report or section where the scenario is disclosed.

9.1.4 Coverage under BRSR

Foundation components are only sparsely covered under the current BRSR disclosures. This section sets out the different BRSR components covered under the foundation category.

Strategic ambition

BRSR covers GHG-related targets and commitments broadly across its disclosure principles, particularly in Sections B.5 and B.6 for commitments, timelines, baselines, and entities covered.[43] However, explicit requirements for net-zero commitments across Scope 1-3, Paris Agreement alignment (or other trajectory/roadmap alignment), and carbon offset reliance are absent. Interim and long-term targets are not specifically required but may be disclosed under general commitment metrics.

Transition levers

Climate-related risks, opportunities, and associated transition levers are generally captured under Section A.26, which requires disclosure of "material responsible business conduct and sustainability issues," including rationale for selection, and adaptation and mitigation actions. Short, medium, and long-term transition levers are referenced indirectly here, though often without clear quantitative linkages. For more concrete disclosures, sections B.5 and B.6 allow entities to disclose commitments and expected results or outcomes, which can include transition levers tied to emission reduction goals.

Scenario planning

Unlike strategic ambition and transition levers, scenario planning is entirely absent from the BRSR framework.

9.2 Governance components

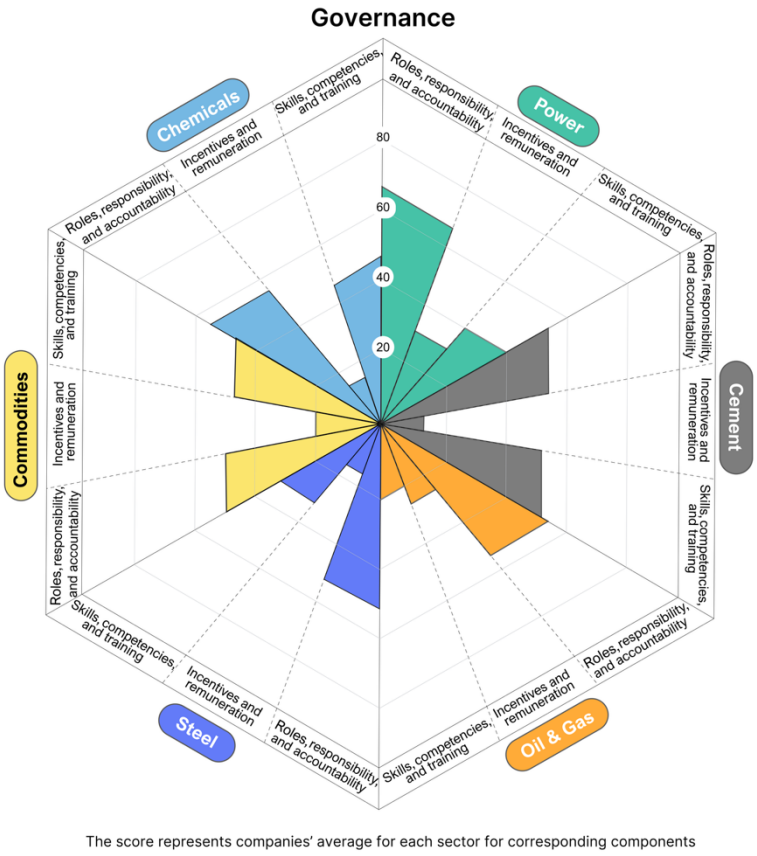
The "governance" category of the framework focuses on how accountability for transition planning is embedded within an organisation's oversight and decision-making structures. It requires companies to explain the role of the board in reviewing, approving, and monitoring the transition plan, the responsibilities of senior management in implementing it, and the mechanisms that hold leadership accountable, such as linking executive remuneration and performance evaluation to climate targets. Governance also requires building skills and competencies and training the board, key managerial personnel (KMP), and workforce to effectively deliver transition objectives.

Governance is closely interconnected with the foundation category. While the foundation sets the "what and why" of climate ambition, Governance ensures the "who and how," embedding responsibility at the board and management level, aligning incentives, and overseeing delivery.

[43] Business Responsibility & Sustainability Reporting Format

Together, these two categories establish both the direction and accountability needed for credible and effective transition planning.

Figure 25: Sector-wise average disclosure scores for governance components



Source: IEEFA analysis

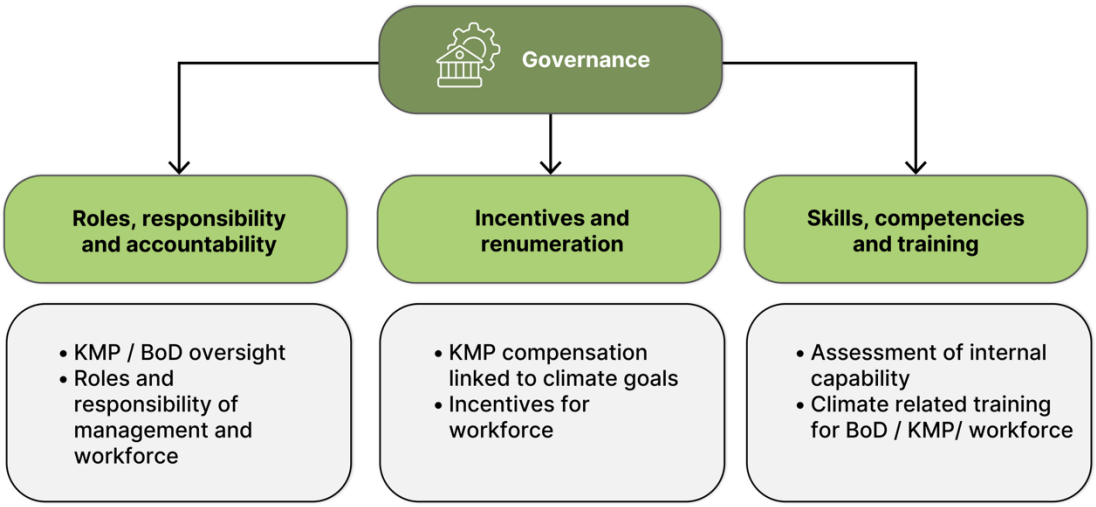
As illustrated in Figure 25, some progress is visible in governance of transition planning across sectors, especially in the categories of roles, responsibility and accountability, with a few companies across sectors appointing sustainability leaders and creating board-level committees. The commodities sector scores the lowest due to absence of accountability-related information among the public sector undertaking (PSU) firms included.

Gaps remain in skills and training across sectors as most firms lack dedicated KMPs with climate expertise and provide only generic or limited training disclosures. The oil and gas sector scores lowest here, possibly due to all the firms being PSUs, where appointments of board members may be based on factors beyond skill and competencies.

Finally, the incentives and remuneration component is the weakest across all governance areas. Larger and more internationally exposed companies have begun defining management-level responsibilities. For most companies, particularly in public-sector or smaller-cap categories, there are no disclosed mechanisms that tie climate-related targets to compensation.

IEEFA's analysis shows weak interlinkages between governance and foundation. While companies set net-zero targets or identify transition levers, there is a lack of information on how these are governed. As a result, both governance and foundation are treated as silos, reducing the credibility of transition planning. The section below elaborates on the analysis under governance category components.

Figure 26: Components under the governance category assessed under IEEFA's transition plan assessment framework



Source: IEEFA

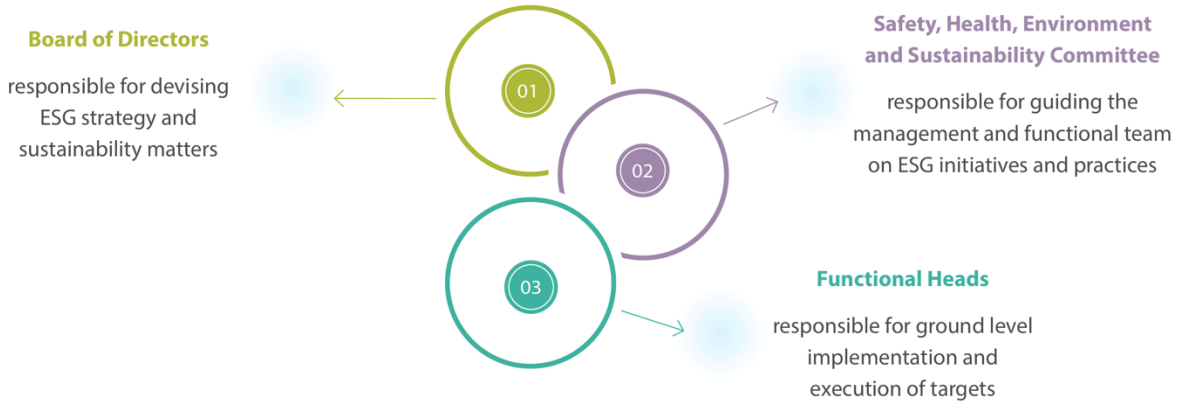
9.2.1 Roles, responsibility, and accountability

Only 10 companies, primarily large-cap companies, have appointed dedicated personnel such as a chief sustainability officer (CSO) to lead climate policy and transition planning. In many cases, companies list existing executives, board members, or committees in their BRSR disclosures, with additional responsibilities even though they often have no background or direct link to ESG, sustainability, or climate issues.

This may reflect the fact that small and mid-cap firms typically lack dedicated ESG functions and may outsource reporting to consultants, resulting in limited internal oversight or strategy formulation. In our framework, only designated KMPs were considered valid. Executives with unrelated roles were not deemed sufficient.

Nine companies have established a dedicated sustainability committee, while others have combined this role with their corporate social responsibility (CSR) or risk management committee. In many cases, the responsibility is assigned to the audit or risk management committee, though such details are not always disclosed in the BRSR.

Figure 27: ESG governance structure disclosure of Tata Chemicals



Source: Tata Chemicals

Where a board-level committee is absent, some companies rely on a council or internal team to oversee ESG functions. Our assessment considers only a dedicated sustainability committee, or a combined CSR and sustainability committee, as valid.

Information on dedicated sustainability or ESG committees is usually found in the corporate governance section of the annual report. However, most companies provide little detail beyond the committee name itself, particularly regarding the roles of KMP or the wider workforce in executing the transition plan. Only a few companies disclose an organisational chart outlining their climate or ESG management structure.

9.2.2 Incentives and remuneration

Only nine companies have disclosed specific incentives for KMP tied to the achievement of climate or ESG targets (with varying details). Except for IOCL, all belong to the private sector. While most are large-cap entities, Gujarat Heavy Chemicals Limited (GHCL) and APL Apollo Tubes are exceptions.

UltraTech Cement's climate-based incentives

UltraTech incentivises the management and achievement of climate-related targets by embedding them into the key responsibility areas (KRAs) of its executives. Climate change and sustainability goals are formally integrated into the KRAs of the executive directors and senior management, ensuring accountability at the leadership level.

Incentives are linked to progress on initiatives such as increasing the use of alternative fuels, improving energy efficiency, expanding waste heat recovery systems (WHRS), achieving water positivity, and scaling up renewable energy adoption. This alignment of executive rewards with sustainability outcomes demonstrates how the company uses compensation levers to advance its climate agenda.

JSW Steel sustainability-linked remuneration

At JSW Steel, ESG criteria are embedded in leadership performance evaluations and serve as a critical pillar of executive accountability. ESG forms a mandatory KRA for the assessment of top leadership, including executive directors, and carries a significant weightage of 15% to 20% in their individual KRAs linked to the annual variable pay out.

Source: UltraTech Cement; JSW Steel

In cases where such KPIs are disclosed, the percentage weightage or quantification is usually not specified. Only two large-cap companies provide clarity on whether these ESG-linked KPIs are tied to short-term or long-term incentive plans or explain the mechanism for their evaluation and payout. IEEFA's analysis was based only on the linking of incentives with climate targets even if the name of specific KPIs, percentage of incentives and timeline are not provided. This has been done considering that this is a very new practice among Indian companies.

9.2.3 Skills, competencies, and training

Our analysis finds that only eight companies disclose a board skill matrix that explicitly includes ESG/environment as an assessment criterion, while others publish a matrix but omit ESG-related skills. Some companies provide board member profiles in their annual reports or websites, which may reference past experience, but it is not always clear whether such experience qualifies as relevant ESG expertise. In some cases, committee profiles are absent from annual reports and only partially available on websites, making it difficult to evaluate competencies for the reporting year. Further, in some cases the board member profile and skill matrix for the board do not match.

Most companies' nomination policies do not include explicit criteria to assess climate change, sustainability, or broader ESG competencies for board members, even when a committee is designated to oversee climate-related risks and opportunities.

GHCL nomination policy

GHCL provides detailed criteria for selection of board of directors (BoD). Its Nomination and Remuneration Committee considers six parameters for variable pay, three of which are ESG-related: Sustainability and ESG targets; effective implementation of BRSR principles and annual targets; and ensuring sustainable supply chain management and vendor sustainability initiatives.

Source: GHCL

Disclosures on climate-related training for the board and KMP are primarily made through the BRSR, which typically reports the percentage of members who underwent training. However, details on what these trainings include are limited, with most companies only providing a list of generic topics without clarity on specific ESG or climate focus areas.

Information on workforce reskilling or upskilling related to transition levers is also reported mainly through the BRSR, which provides the percentage of employees trained but little detail on the areas covered. Most disclosures do not explain whether specific ESG or climate-related needs informed these trainings. In some cases, additional information on training for the board, KMP, or workforce appears in annual reports but is not aligned with or included in the BRSR.

9.2.4 Coverage under BRSR

Roles, responsibility, and accountability

BRSR requires disclosure of the highest executive authority responsible for sustainability, which may include a board director, board committee, senior management, or employee committee. If a committee or director is responsible, composition, names, designations, director identification numbers (DINs), and categories must be disclosed under sections B.8 and B.9. However, specific accountability of senior management and workforce in executing the transition plan is not required.

Incentives and remuneration

BRSR does not require disclosure of whether executive or workforce incentives are linked to climate or transition plan objectives.

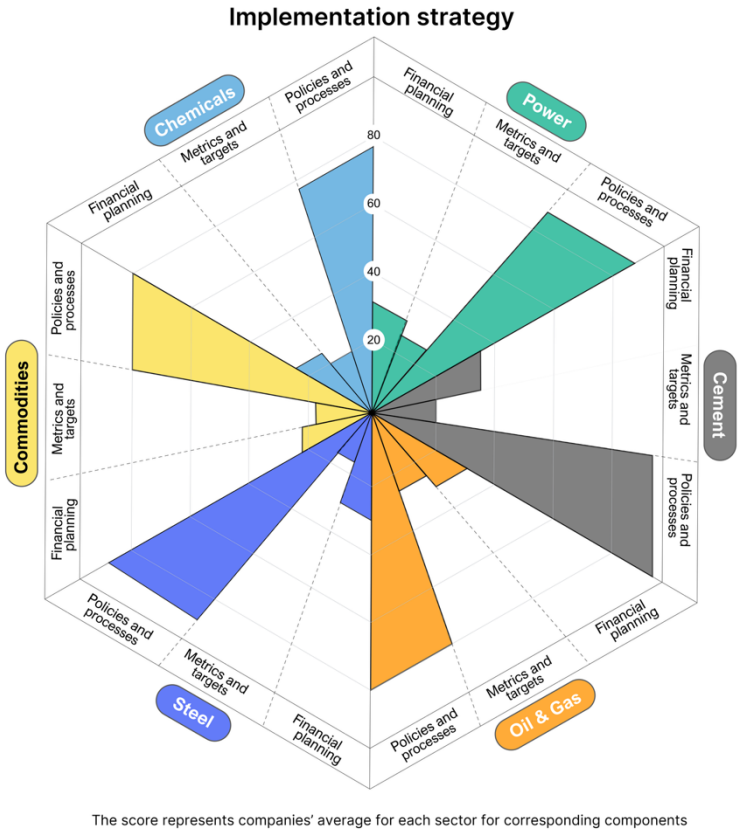
Skills, competencies, and training

BRSR does require disclosure of the percentage of board, KMP, and employees covered by training/awareness programs on any of the nine principles (Section C.1). However, it does not mandate details on alignment with transition needs. Similarly, there is no requirement to include ESG or climate-related criteria in board nomination policies.

9.3 Implementation strategy

The implementation strategy in the transition plan framework explains how a company will operationalise its climate goals by aligning business decisions, financial planning, and operations with its transition levers.

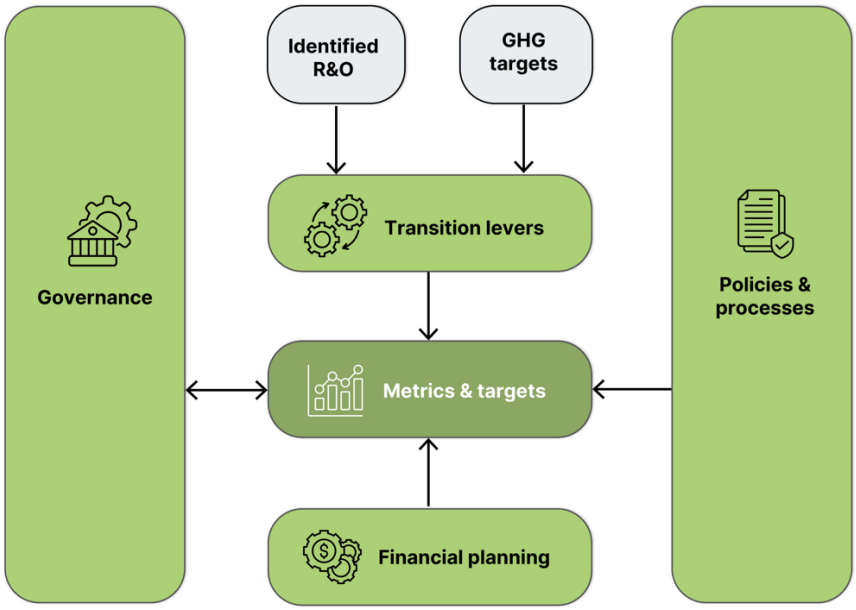
Figure 28: Sector-wise average disclosure scores for implementation strategy components



Source: IEEFA analysis

Metrics and targets are core parts of an implementation strategy—tools to translate a company's climate ambition into action. These metrics and targets link directly to the overarching objectives set out under other categories, such as foundation and governance. As illustrated in figure 29, the linkage between GHG targets and identified transition levers established at the foundation level needs to be further broken down into specific metrics and targets for each lever, enabling progress to be tracked. Governance is also broken down into metrics and targets to ensure alignment and active support for the company's strategic ambition. This approach ensures that climate ambition is converted into measurable outcomes and credible delivery.

Figure 29: Interlinkage of components under the implementation strategy with foundation and governance categories



Source: IEEFA analysis

As shown in Figure 28, companies are performing exceptionally well with respect to the policies and processes component, with most companies across sectors having well-defined risk management processes and overarching sustainability policies that emphasize emission reduction. Additionally, all companies have clearly defined and disclosed communication channels for grievances or stakeholder input. A caveat is that the analysis has not looked at the quality of their policies, which differ significantly across companies.

"Metrics and targets" remains the most neglected component across all sectors under this category, with no disclosures on governance or financial planning-related targets.

Most companies do not show a structured link between environmental risks or opportunities (element under foundation component) and core financial planning or budgeting.

9.3.1 Financial planning

When it comes to showing how environmental risks and opportunities are integrated into financial planning and budgeting, most companies do not provide a structured linkage. Some make limited references through sustainability or environmental risk management (ERM) committee mandates.

Companies across sectors are performing low in the financial planning component as CapEx and research and development (R&D) information related to wider environmental and social initiatives of the company are almost always disclosed in the BRSR (as this is an essential metric to be reported under BRSR). However, disclosures on transition levers are inconsistent and often unclear. Our

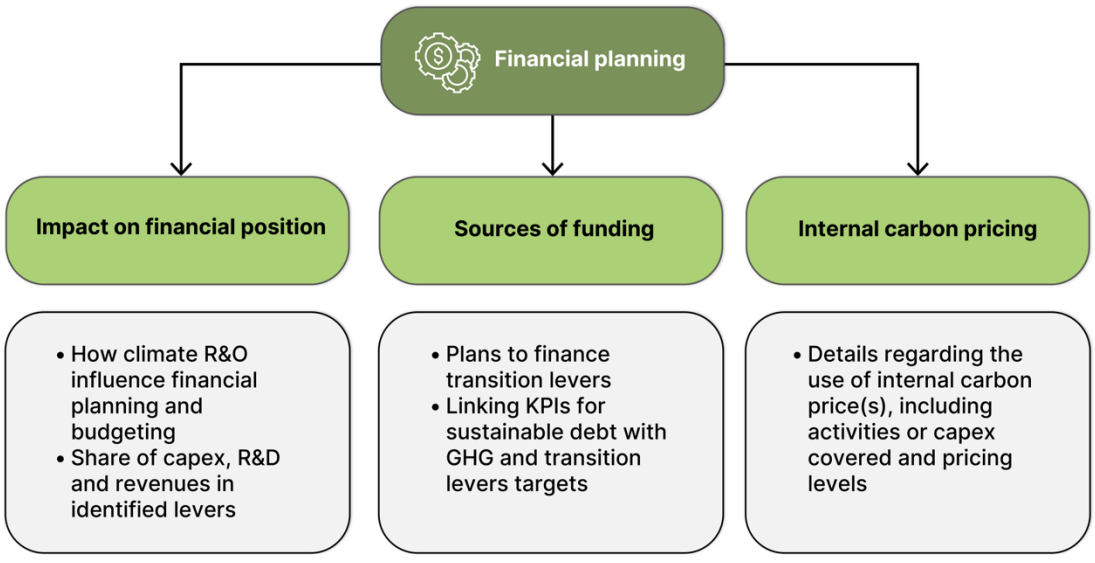
assessment for capital expenditures (CapEx) under financial planning is focused on the investment made in identified transition levers. Around three-quarters of the analysed companies present data only in percentage terms in BRSR filings (on overall CapEx), but without clarity on what the percentage represents. In many cases, reported figures cover broad ESG activities, making it difficult to isolate investments in emission reduction or specific levers.

Similarly, R&D expenditure disclosures are either presented in percentage terms without context or aggregated across ESG activities, making it difficult to assess how much is directed towards emission reduction or specific transition levers. IEEFA's analysis provides the highest marks if CapEx and R&D are broken down into individual levers; however, we still give half marks if an overall low-carbon CapEx is disclosed by the entity.

Internal carbon pricing (ICP) is largely absent from disclosures. Most companies do not indicate if ICP is applied in CapEx decisions. Of the 33 companies analysed, only 11 have disclosed the use of ICP, along with details on its application and the price level adopted. The cement sector is the best performing on this sub-component with 3 of 4 companies reporting implementation of internal carbon pricing.

Disclosure on financing transition levers is also weak. Most companies do not explain how transition activities will be financed. Only four companies—all large-cap and private-sector—have disclosed information on financing through sustainable finance markets, reflecting how exposure to global capital markets can encourage stronger sustainability reporting. In such cases, they provide a separate issuance framework.

Figure 30: Financial planning component under IEEFA framework



Source: IEEFA analysis

Tata Steel's use of ICP and financing plans

Tata Steel mentions that the company's environmental and climate change impacts are assessed on a continuous basis. The company factors the climate impact into key business decisions, including how it chooses and funds capital projects. As part of this, the company uses an internal carbon pricing framework. Tata Steel uses a carbon-adjusted internal cost of USD40 per tonne of CO_2 for capital project appraisals.

Source: Tata Steel

JSW Steel's Sustainability Linked Bond (SLB) issuance

JSW Steel issued its inaugural SLB in September 2021, becoming the first steel company globally to issue this instrument denominated in a hard currency. The company raised a total of USD1 billion in the USD bond markets subscribed to by institutional investors across Asia, the Middle East, Europe and the US. The issuance comprised two tranches of 5.5 years and 10.5 years, each for an amount of USD500 million.

The 10.5-year tranche was issued as an SLB where the company committed to achieving an ambitious target of less than or equal to 1.95 tonnes of CO_2 per tonne of crude steel produced (tCo_2/tcs), by March 2030, representing a 23% reduction from its 2020 levels. This is also the target as part of its overall corporate transition strategy. The company has started to integrate transition planning into its financial planning, adopting an internal carbon price to screen new capital expenditure, helping to integrate expected carbon costs into investment decisions.

Source: JSW Steel

Revenue disclosures are more common in the power sector, where companies break down revenue from renewables versus fossil fuels. In other sectors, such information is generally absent. This may be due to currently immaterial revenues from low-carbon activities and/or limited visibility on future revenue streams from low-carbon sources. However, not all sectors have viable revenue-related decarbonisation levers either.

Table 2: NTPC's projected revenue split as part of their "Brighter Plan (sustainability plan)"

Strong finance & ethics	FY2020	FY2021	FY2022	FY2023	FY2024	FY2032
Market share (%)	**0.22**	**0.26**	**0.24**	**0.25**	**0.24**	**0.25**
Revenue from other business streams (Non-fossil-based business %)	0.08	0.13	0.13	0.11	0.1	0.25
a. Total revenue (INR crore)	95,158	115,482	134,994	177,977	180,605	
b. Revenue from cons., trading & non-fossil generation	7,565		17,282	19,139	9,642	

Source: NTPC Brighter Plan

9.3.2 Metrics and targets

The metrics and targets section under the implementation strategy category provides the next level of disclosures on breaking down identified transition levers, governance mechanisms, and engagement strategy into objectively defined metrics and targets.

Transition levers

While most companies disclose metrics only when linked to targets, there are instances where projections are shared without timelines. Targets are often limited to specific levers and short-term horizons. However, most companies lack medium- and long-term visibility across all identified levers. Annual disclosures on progress are usually made, but these focus primarily on energy efficiency and renewable energy, limiting insights on other levers.

Governance

As mentioned earlier, only a small number of companies link remuneration of boards or KMPs to climate or ESG performance. However, even where this is disclosed, details on specific climate metrics (KPIs) and associated targets as part of short-term and long-term incentive plans are limited, making it unclear how the linkage operates. Climate-related training for boards, KMPs, or employees is rarely backed by forward-looking metrics or targets.

Financial planning

Disclosures on forward-looking financial planning remain limited. Only 11 companies in IEEFA's analysis provide quantitative or qualitative estimates of CapEx for transition levers in the short- to medium-term, and even fewer break this down at the lever level.

Tata Power's financial plan

Tata Power has set a target of achieving 70% of its capacity from green sources, alongside revenue of INR1 lakh crore (USD11.76 billion) and profit after tax (PAT) of INR10,000 crore (USD1.18 billion) by 2030. To support this, the company is scaling up investments in solar, wind, and hybrid projects. Its planned CapEx for FY25 stands at around Rs 21,000 crore (USD2.47 billion), almost double the INR12,000 crore (USD1.41 billion) spent in FY23, driven by new opportunities in renewables and the transmission and distribution (T&D) segment. Between FY25 and FY30, the company has outlined a CapEx plan of INR1.46 lakh crore (USD17.2 billion), with INR25,000 crore (USD2.94 billion) allocated for FY26. Of this, approximately 60% will be directed towards the renewable energy sector, covering large utility-scale projects as well as renewable manufacturing operations.

Source: Tata Power

Revenue estimates for green products or services, both short- and long-term, are generally absent, except in cases where renewable energy is a major business line. Similarly, companies do not

disclose R&D spending plans at the transition lever level, with investments often aggregated across broader ESG categories.

Stakeholder engagement

Eleven companies disclose targets for assessing supply chain partners on ESG performance. There is often little clarity on whether assessments include emission reduction criteria, or what the outcomes of such assessments are (such as rejection, training, or compliance codes).

Metrics and targets for supplier training are almost entirely absent, with only four companies disclosing information on this. Where companies reference ESG awareness programs for suppliers, they rarely provide measurable commitments. Moreover, BRSR leadership indicators report coverage of value chain partners under awareness programs, but do not clarify whether these are upstream or downstream partners, or whether climate-related criteria are included.

9.3.3 Climate policy framework

A company's climate policy is a board-approved, enterprise-wide rule that sets the organisation's purpose and Scope on climate action; embeds climate into strategy, capital allocation, risk management, operations and culture; and establishes clear governance, implementation, assurance, and public reporting mechanisms.

Most companies disclose an environment-related overarching policy. However, these documents typically provide only broad guidance for the company's operations, leaving out specific guidelines for implementation and compliance. IEEFA's analysis only considers a policy relevant if it specifically guides on climate risk and opportunity for business such as emission reduction. However, we have not assessed the robustness of the policy.

A key component here is the disclosure of the process to identify, assess, and manage climate-related risks. This metric is generally covered by companies in the risk management section of the Integrated Report. Further, all companies disclose details on how stakeholder feedback and communication is integrated in the climate strategy formulation, as BRSR requires disclosure of complaints/grievances on any of the nine principles.

Finally, information on whether the company conducts internal controls of its GHG reporting is also important. A handful of companies integrate sustainability, ESG, or climate-related data into internal audit processes, adopting standards such as ISO 14064. As proxies for robust GHG reporting and control, we also consider companies obtaining third-party assurance for their Scope emissions or following globally recognised methodologies such as the GHG Protocol. In our analysis, 25 companies have adopted ISO or GHG Protocol standards, or obtained third-party assurance for their GHG inventory.

9.3.4 Coverage under BRSR

Financial planning

BRSR does not prescribe a dedicated metric for linking capital raising with emission or transition lever targets, nor for explaining how environmental risks or opportunities influence financial planning and budgeting. BRSR Section C.2 requires disclosure of the percentage of R&D and CapEx invested in specific technologies to improve environmental and social impacts, relative to total R&D and CapEx, however this is not specific to transition levers.

Metrics and targets

Under BRSR Section B.5, all metrics and target disclosures are captured through the same generic requirement to disclose "specific commitments, goals and targets with defined timelines." Under B.6, entities must report performance achieved against each goal or target and explicitly indicate changes to timelines, delays, or partial achievements with reasons.

There are no metrics specific to governance, stakeholder engagement or financial planning. Where companies choose to disclose those items (such as lever-wise CapEx/revenue/R&D in short-/medium-/long-term or governance KPIs), they still fall under the same B.5/B.6 commitments, goals, or targets framework.

Additionally, per a BRSR guidance document by SEBI, entities "may" provide baseline and contextual information, Scope of coverage, and expected outcomes, and should specify the expected timeline for each goal or target and clarify whether it is mandatory or voluntary.

Policies and processes

Under B.1, entities disclose on a yes-or-no basis whether their policy or policies address each of the nine principles within BRSR. These policies may cover the process of identifying, assessing, and managing climate-related risks, specifically pertaining to principles two and six.

C.4 requires a description of processes for identifying key stakeholder groups and the frequency of engagement processes as essential indicators. Within leadership indicators, it also requires disclosure of the process for consultation between stakeholders and the board on economic, environmental and social topics, and disclosure if consultation is used to support the identification and management of environmental and social topics.

C.6 requires disclosure of whether independent assessment or assurance of the GHG emission inventory has been conducted.

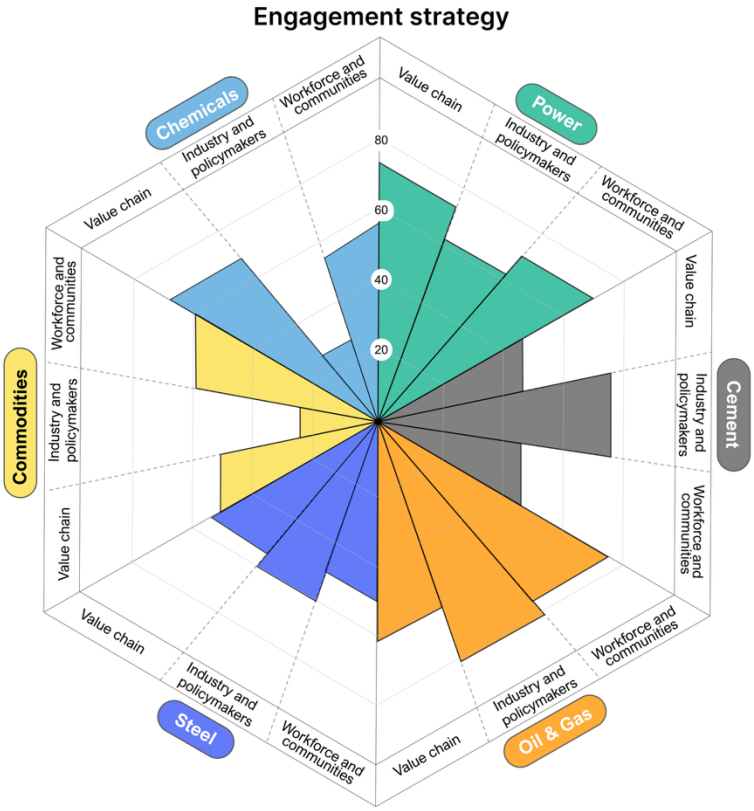
9.4 Engagement strategy

A stakeholder engagement strategy in corporate climate transition planning is the structured process by which a company identifies and manages its dependencies on external actors to achieve its

transition objectives. It is critical because transition plans cannot be delivered in isolation and most decarbonisation levers—from supply chain emissions to financing, grid access, or community acceptance—rely on active cooperation beyond the company's boundaries.

Engagement helps capture both how stakeholders influence enterprise value (e.g., cost of capital, supply security, market demand) and how the company's actions impact stakeholders and the environment (e.g., job losses, community impacts, ecosystem stress). By systematically aligning these dependencies with clear commitments, feedback loops, and accountability, stakeholder engagement becomes essential for turning climate ambition into credible and achievable outcomes.

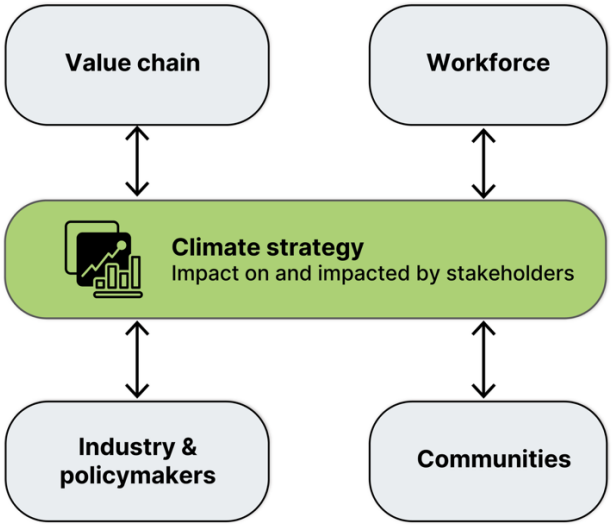
Figure 31: Sector-wise average disclosure scores for engagement strategy components



Source: IEEFA analysis

IEEFA's analysis finds that while engagement is acknowledged across the value chain, it remains largely process-led rather than outcome-driven. Current disclosures create a basic scaffolding for engagement, and signal recognition that external actors are integral to delivery. However, execution signals are weak. Overall, engagements with the value chain and workforce are better reported compared to industry- and policy-level engagement. The latter has been dragged down due to poor performance by commodities and chemicals sector companies.

Figure 32: Components under the engagement strategy assessed under IEEFA's transition plan assessment framework



Source: IEEFA analysis

Overall, the oil and gas sector stands out in this component with 3 of 4 companies (IOCL, ONGC, and GAIL) actively engaging suppliers in ESG-related capacity building; customers through developing low-carbon solutions; and industry associations and policymakers on sustainability-related matters.

None of the firms disclose stakeholder dependency on achieving sustainability or climate goals, a critical component of transition planning.

9.4.1 Supplier engagement

One of the metrics analysed under the framework for supplier engagement is integration of GHG requirements in selection and renewal. Companies usually report this information in the Supplier Code of Conduct or ESG screening criteria disclosed in the Integrated Report (IR). A key limitation encountered in disclosures by companies here is that these rarely clarify what happens after screening—whether the code acts only as guidance or as a firm criterion for rejection or renewal.

Another key aspect of supplier engagement is ensuring that transition plans also address negative externalities for supply-chain partners. This support can be through capacity building, financial aid, or other mechanisms to help suppliers transition. None of the companies analysed offer financial support, though some conduct capacity-building or awareness programs. However, disclosures often lack clarity on whether partners are upstream or downstream, and such programs rarely specify ESG, sustainability, or emission-reduction content.

9.4.2 Industry and policymaker engagement

Companies are expected to ensure that the climate policy positions of their industry affiliations are consistent with their own climate policy positions. Companies disclose industry memberships as part of BRSR. However, none of the companies analysed disclose how they ensure consistency. And while affiliations with associations actively advocating for emission reduction or transition levers (such as the Green Hydrogen Council) are still valid indicators, those with general industry bodies (Federation of Indian Chambers of Commerce & Industry [FICCI], Confederation of Indian Industry [CII]) are insufficient to assess alignment. There is good practice guidance available globally on engagement that can be leveraged by corporates to improve their performance on this metric.[44]

Companies must also ensure that their policy advocacy activities do not come in conflict with their transition objectives. Firms disclose their public policy positions as part of BRSR. However, most corporates do not explicitly state that advocacy efforts align with climate policy. Five companies also mark the field as "not applicable," in which case this metric is excluded from our assessment.

9.4.3 Community and workforce engagement

Some companies disclose rehabilitation and resettlement policies, though how community consent is integrated remains unclear. A broader gap is that no company discloses how achievement of sustainability or climate goals depends on stakeholder engagement, something also not required under BRSR. For workers, only a few firms mention upskilling, reskilling, or redeployment aligned with Just Transition principles.

9.4.4 Coverage under BRSR

Engagement with value chain

BRSR Section C.6,1 (Leadership Indicators) captures process-level supplier coverage through: (i) the percentage of value-chain partners assessed for environmental impacts, and (ii) awareness programs for value-chain partners (principle 1). It also requires disclosure on significant adverse value-chain impacts and related mitigation measures (principle 6), as well as preferential procurement for vulnerable groups, including the percentage share (principle 8). These proxies reflect activity, but the BRSR does not require companies to detail how this information is used or how they address negative externalities. There is no dedicated BRSR field requiring a strategy to help customers lower emissions.

Engagement with industry and policymakers

For trade and industry associations, section C.7 requires companies to disclose the number and a top 10 list of affiliations but not consistency checks with the company's climate position. Public policy

[44] We Mean Business Coalition. Climate ambition to advocacy: A framework for responsible policy engagement.

engagement is disclosed via Section C.7 (public policy positions advocated), yet alignment with the firm's climate or ESG strategy is not required.

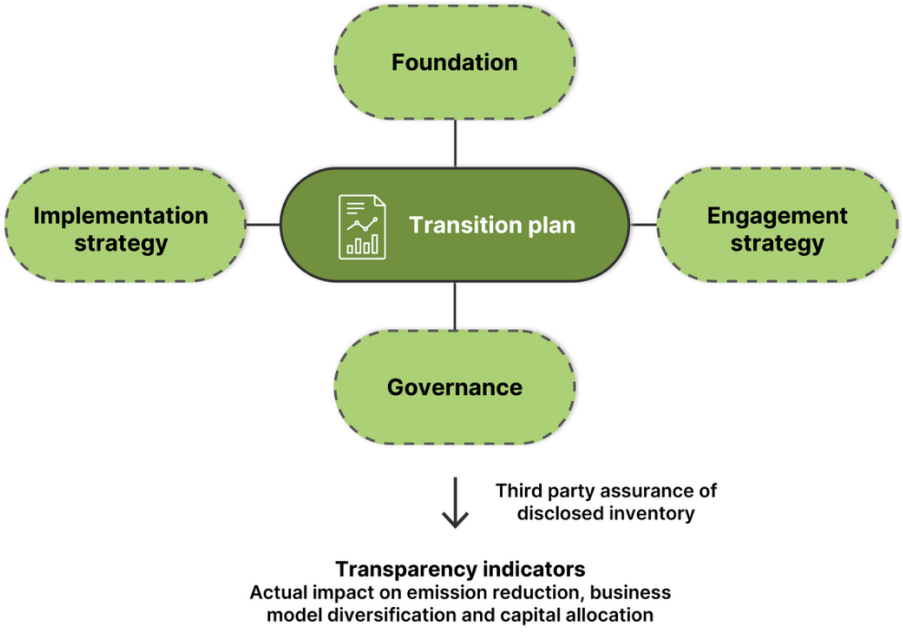
Engagement with workforce and communities

Under Section C, across principles 6 and 8, BRSR requires description of stakeholder consultation processes (and how feedback reaches the board), disclosure of environmental impact assessments for projects, grievance mechanisms, and actions taken for vulnerable groups (providing process visibility on equitability). However, a specific requirement to seek consent for new decarbonisation projects is not mapped.

9.5 Transparency

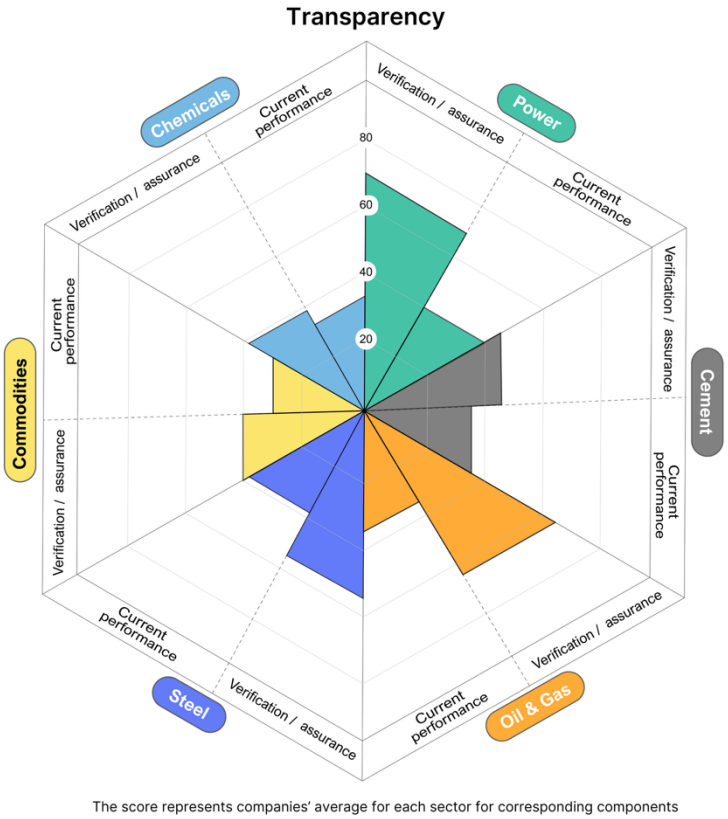
Transparency components are designed to provide a firm-level, holistic view of how transition plan implementation is affecting the company and its operations. By consolidating the outcomes of identified transition levers, these components help assess the robustness and credibility of transition plans in reducing emissions, reshaping capital allocation, and supporting business model diversification.

Figure 33: Linking transition plan implementation to actual impact on the firm



Source: IEEFA analysis

Figure 34: Sector-wise average disclosure scores for transparency components



Source: IEEFA analysis

As shown in Figure 34, third-party verification or validation practices are still evolving. However, the power sector stands out with most companies (four of five) providing third-party verification of their Scope 1 and Scope 2 emissions, and a majority (three of five) also cover Scope 3 emissions.

Chemicals have not performed adequately in this component with only one company having external verification of their emissions. Most disclosures are limited to internal reports without independent assurance. This also stems from the fact that all companies in the chemicals sector are small/mid-cap, and as of late 2025, small-cap companies were exempt from the mandatory third-party assurance requirements under the BRSR Core.

In terms of current performance, all sectors perform poorly. Even though there is reporting of GHG inventory, this is limited to Scope 1 and 2. Other metrics such as the impact of corporate actions on GHG inventory are not reported.

9.5.1 Verification and assurance

Under this metric, we gauge whether companies obtain independent assurance or verification through a third party to assure stakeholders that the disclosed GHG inventory information is credible. Most companies obtain external assurance for Scope 1 and 2 emissions as required under BRSR.

Scope 3 assurance remains rare, particularly among smaller and mid-sized companies, and even when disclosed in BRSR, assurance reports often omit details on category-level coverage. A few companies also mention assurance without publishing the underlying report, limiting transparency. Overall, while basic practices exist, disclosure of Scope, methodology, and coverage remains uneven and inconsistent.

9.5.2 Current emissions intensity and performance

All companies report Scope 1 and 2 emissions, and most provide at least three years of data, reflecting regulatory requirements under BRSR. Scope 3 disclosure is less common (as it is a leadership indicator), making it difficult to assess full value-chain emissions. Around one-quarter of the companies analysed do not disclose their total Scope 3 emissions for financial year 2025 under BRSR. Emissions-intensity trends are also hard to evaluate since Scope 3 is often missing and companies rarely disclose physical output metrics needed for intensity calculations.

One of the metrics assessed companies on decreasing emissions intensity trends over the last three years, which was not possible for most firms due to lack of Scope 3 emissions inventories. For those that provide all their Scope data, only five of the companies show decreasing trends in two years.

9.5.3 Alignment with climate strategy

Disclosures on whether recent strategic decisions support transition objectives are weak. No company explains how mergers and acquisition (M&A) or investments affect its GHG footprint, even though financial reports list such transactions.

Similarly, CapEx in transition levers as a proportion of overall company CapEx is also assessed to ascertain the amount of overall capital deployment focused on transition. This information is often unclear. As mentioned in the financial planning section, some firms disclose only percentages without a clear base, while others report ESG-related CapEx that exceeds consolidated CapEx, raising questions about whether figures are cumulative. None break down CapEx by individual transition lever, and materiality is hard to judge.

Finally, to analyse trends of increasing revenues from transition levers, most (apart from power companies) do not classify operations into green vs. non-green products.

9.5.4 Coverage under BRSR

Verification of GHG emissions

This is covered via section C principle 6, which asks entities to state whether an independent assessment, evaluation, or assurance has been conducted and to name the external agency (mandatory for Scope 1 and 2, and leadership for Scope 3). Additionally, BRSR Core requires assessment or assurance on specified GHG inventory KPIs, extending to value-chain disclosures.

Current emissions intensity and performance

Scope 1 and 2 emissions and intensity are disclosed under section C principle 6 (essential indicators), while Scope 3 sits under leadership indicators. Formats typically provide data tables from current and prior years for comparability.

Alignment with climate strategy

No explicit BRSR field links M&A, capital, or revenue shifts to a transition plan. Coverage is indirect via proxies like section C.2 on the percentage of R&D and CapEx in technologies improving environmental or social impacts.

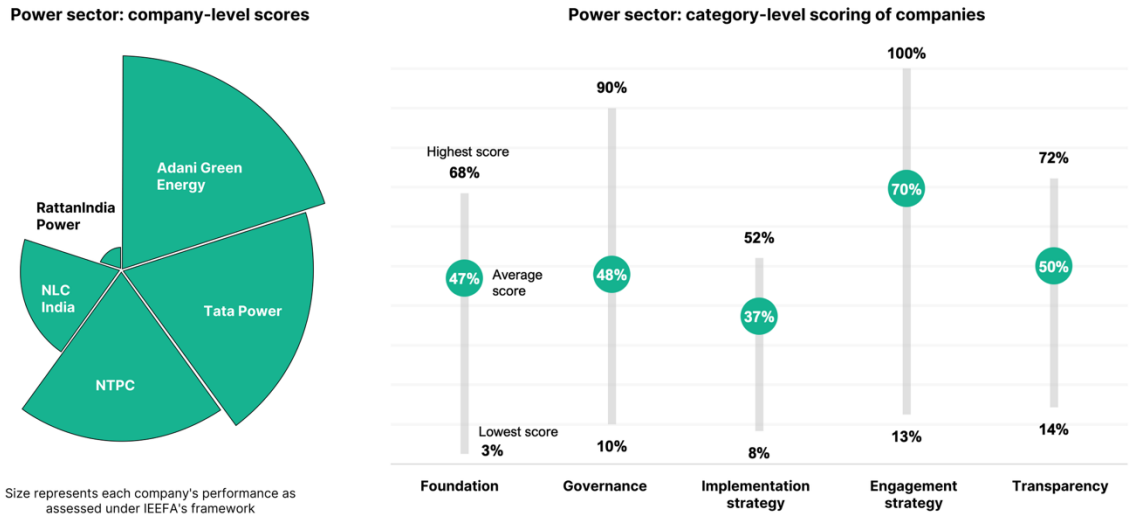
10. Sectoral analysis of transition plan disclosure practices

The previous section detailed how, on a pan-sector level, companies report across the various components and sub-components within the IEEFA framework. For a holistic picture, an analysis of disclosures practice within sectors is also critical. The below section provides sector-level analysis of companies on the six components.

10.1 Power sector

India's power sector comprises a diverse mix of large integrated utilities and smaller generation companies, spanning both public sector enterprises and privately owned firms. The landscape includes conventional power producers with significant thermal portfolios as well as pure-play renewable energy companies leading the clean energy transition.

Figure 35: Performance observed in the power sector



Source: IEEFA analysis

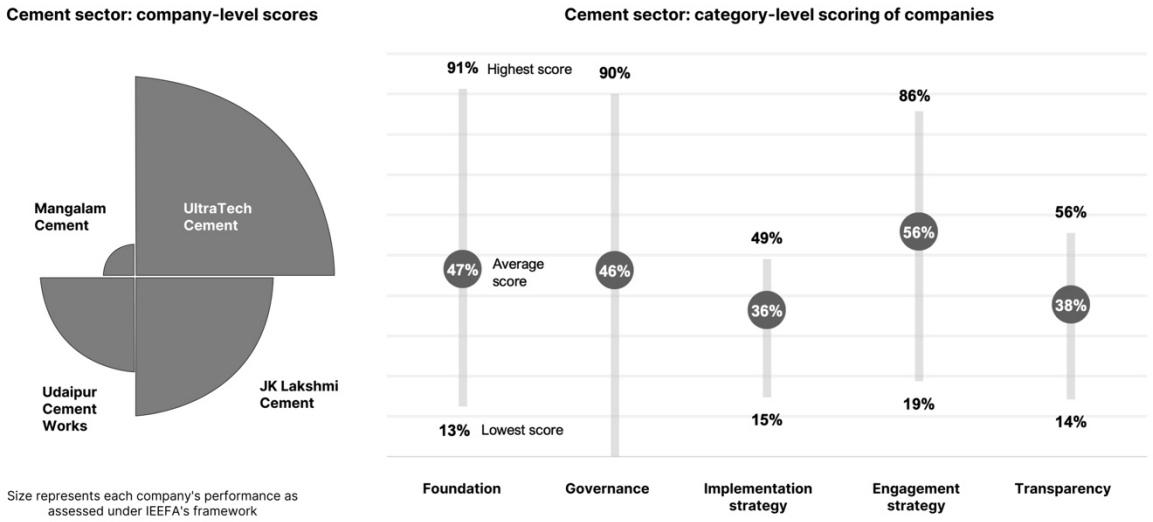
As illustrated in the figure above, there is significant variability among the power sector companies analysed. The data exhibits a bimodal distribution, with three companies demonstrating advanced disclosure maturity and two showing nascent transition planning practices. This reflects a dual track where a few progressive utilities are increasingly aligned with transition planning requirements, with smaller entities largely outside the disclosure ecosystem.

- **Foundation:** Most companies have articulated time-bound decarbonisation goals aligned with India's 2070 net-zero vision. However, there is limited lever-level quantification. Most companies lack structured sensitivity analyses. Tata Power and Adani Green Energy lead with clear 2030 renewable capacity targets and Scope 1-2 carbon-neutral commitments. Both companies also report internal scenario testing (with limited details disclosed).
- **Governance:** All companies barring one have established board-level ESG or sustainability committees with clear executive-level accountability (such as chief sustainability officer). Capacity-building disclosures vary, with some firms mentioning ESG training for management, but systematic programs remain limited. Only Adani Green Energy and Tata Power report climate-linked KPIs influencing executive performance evaluation.
- **Implementation strategy:** All companies report renewable energy-specific metrics, but not all have targets across timeframes. Most firms integrate environmental and climate policy frameworks within corporate governance charters. Adani Green and Tata Power mention funding of future growth through sustainable finance instruments, while NTPC and NLC India quantify investment in renewable energy in the short term. But sector-wide disclosure on quantification and financing for transition targets remains weak.
- **Engagement strategy:** The top three scored companies are active in national forums shaping India's green hydrogen mission, carbon market design, and grid-modernisation dialogues. Reporting on workforce retraining, reskilling, and community transition support (especially for renewable project development) is also present. Adani Green Energy and Tata Power lead through ESG-linked procurement and supply-chain localisation policies. Both Adani Green and NTPC explicitly link workforce engagement to Just Transition frameworks.
- **Transparency:** Larger companies perform strongly on transparency components, with near-full scores driven by Scope 3 emissions disclosure and external assurance.

10.2 Cement sector

The cement sector also displays a highly uneven distribution of disclosure maturity, with one clear leader, one moderate performer, and two laggards.

Figure 36: Performance observed in the cement sector



Source: IEEFA analysis

- **Foundation:** Only UltraTech Cement and JK Lakshmi Cement have declared a target of net zero by 2050, aligned with global sectoral decarbonisation roadmaps. Other firms focus on lever-specific targets but lack strategic ambition goals. The top quartile mention transition levers such as clinker-factor reduction, alternative fuels and raw materials, renewable power, and carbon-capture pilots, but without GHG quantification or timelines. Only UltraTech Cement references scenario analysis (International Energy Agency trajectories), while others have no forward-looking resilience assessment.

- **Governance:** Board-level ESG oversight is formalised in leading firms (UltraTech Cement, JK Lakshmi Cement), supported by dedicated sustainability teams while smaller players lack identified climate accountability roles. Only UltraTech Cement links sustainability KPIs to leadership evaluation. While the larger firms conduct some technical training on topics such as energy management and GHG accounting, small producers show negligible climate-related capacity-building initiatives.

- **Implementation strategy:** UltraTech Cement discloses dedicated CapEx as part of sustainability-linked financing instruments, while JK Lakshmi Cement and Udaipur Cement Works show partial alignment on disclosing CapEx on few transition levers.

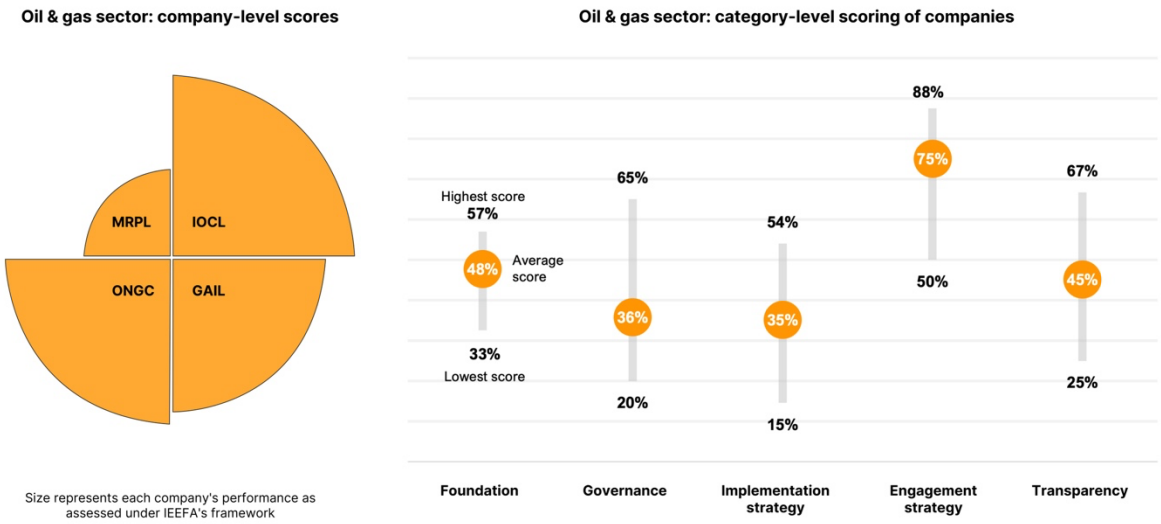
- **Engagement strategy:** UltraTech Cement and JK Lakshmi Cement engage suppliers on low-carbon inputs and clinker substitution, however other firms show little disclosure beyond regulatory compliance. Participation in industry and policy advocacy is also disclosed by larger firms. CSR initiatives (dust management, skill training, afforestation) are common but not framed within Just Transition narratives.

- **Transparency:** Transparency and assurance practices are closely correlated with firm scale and investor exposure. UltraTech Cement reports verified data and Scope 3 emissions, whereas smaller firms lack any external assurance, highlighting a disclosure divide between industry leaders and smaller players.

10.3 Oil and gas sector

India's oil and gas sector is dominated by state-owned enterprises that control the bulk of exploration, refining, and marketing activities across the value chain. IEEFA's analysis shows that the three large oil and gas PSUs operate within a range, with IOCL leading the pack.

Figure 37: Performance observed in the oil and gas sector



Source: IEEFA analysis

- **Foundation:** None of the companies rank high on strategic ambition, primarily due to the exclusion of Scope 3 emissions within the ambit of their net-zero target. Additionally, the interim goals are still missing for Scope 1 and 2. Scope 3 disclosures remain partial, despite high relevance. GAIL alone quantifies a Scope 3 reduction target (35% by 2040) but omits category-wise details. Disclosure of decarbonisation levers (such as biofuels, CCUS, hydrogen, gas expansion, energy efficiency) is strong, but quantitative linkages to emissions reductions are rare. On scenario planning and stress testing, only IOCL gives some details.

- **Governance:** The governance structures are relatively clear with companies having relatively clear accountability mechanisms such as ESG oversight committees in place. However, climate or ESG expertise on boards is minimal, and there is limited evidence of systematic upskilling or ESG capacity-building for executives. IOCL is the only firm linking climate performance to executive pay.

- **Implementation strategy:** Every company has sustainability or environment-related policies guiding operations. But only IOCL and ONGC specify integration with corporate strategy. Disclosures lack quantified transition CapEx, R&D allocation, and use of internal carbon pricing. None of the oil and gas companies reveal lever-level financial outlays or expected revenues from green products.

- **Engagement strategy:** Engagement with industry and policymakers is robust on low-carbon initiatives. However, there is limited evidence of supplier assessment on GHG metrics or

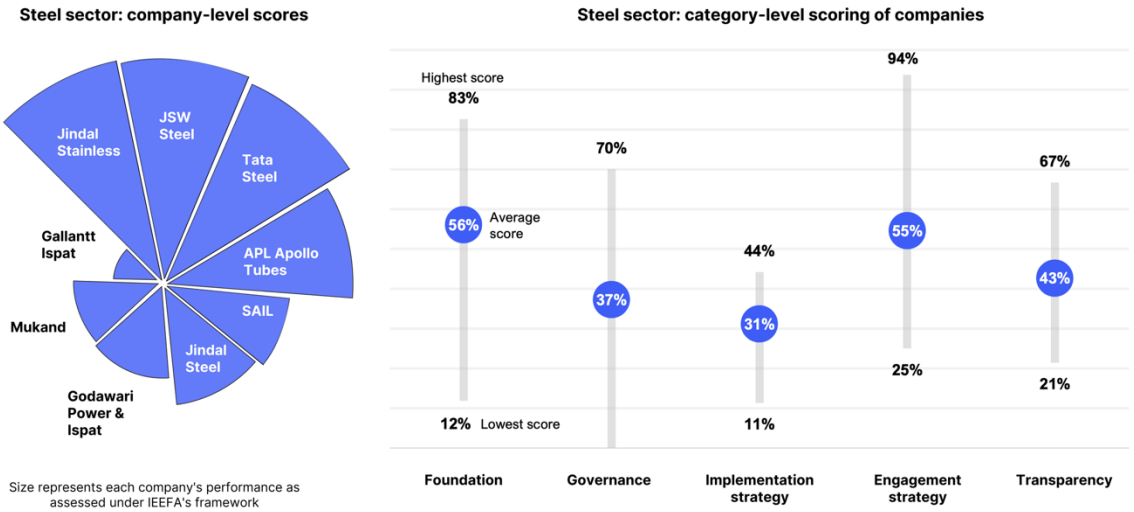
climate-linked procurement requirements. Engagement remains CSR-centric, with no explicit Just Transition frameworks for affected communities or refinery workforces.

- **Transparency:** All companies except one conduct external assurance on Scope 1 and 2 emissions, however, Scope 3 disclosure remains incomplete.

10.3 Steel sector

India's steel sector is diverse in structure, comprising integrated primary producers such as Tata Steel, JSW Steel, Steel Authority of India Limited (SAIL), and Jindal Steel, alongside secondary and mid-sized players like Jindal Stainless, APL Apollo Tubes, Godawari Power & Ispat, Mukand, and Gallantt Ispat that specialise in alloy, stainless, or long products.

Figure 38: Performance observed in the steel sector



Source: IEEFA analysis

- **Foundation:** Sector leaders (Tata Steel, JSW Steel, Jindal Stainless) articulate net-zero ambitions by 2045-2050, with partial inclusion of Scope 3. However, mid-tier firms lack any long-term climate commitments. Companies disclose multiple mitigation levers like energy efficiency, waste-heat recovery, hydrogen trials, biochar injection, and RE integration, but with limited quantification of emission-reduction potential. Smaller players disclose operational energy-saving initiatives but not strategic decarbonisation pathways. Tata Steel and JSW Steel are the only companies disclosing scenario analysis use. However, none of the companies quantify the impact on specific metrics such as revenues, operational expenditure (OpEx) or CapEx.

- **Governance:** Climate oversight is integrated within board-level ESG or sustainability committees for Tata Steel, JSW Steel, and Jindal Stainless. However, other firms lack dedicated key executive positions and climate oversight committees. In terms of incentives and remuneration, only JSW Steel and APL Apollo Tubes indicate partial ESG-linked remuneration, but no company provides quantification of incentive weightage or integration with long-term climate goals. Lastly, disclosure of structured training or ESG skill matrices

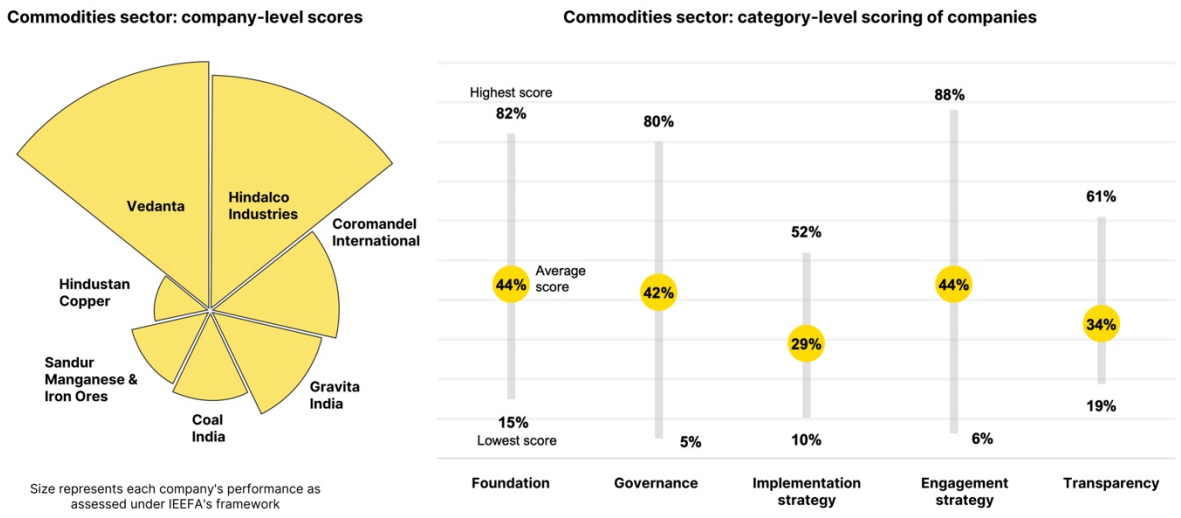
are rare, and mid-tier companies provide no evidence of targeted reskilling for transition-related capabilities.

- **Implementation strategy:** Two companies (Tata Steel, JSW Steel) link climate risks to financial planning and disclose use of internal carbon pricing, but there is little transparency on allocation of CapEx for transition levers. Similarly, companies provide long-term net-zero targets but lack lever-level metrics and targets. Climate or sustainability policies exist among large companies but lack strategic integration with corporate decision-making. Smaller firms report generic business responsibility policies without alignment with climate goals.
- **Engagement strategy:** On engagement metrics, Tata Steel, Jindal Stainless, Jindal Steel and APL Apollo Tubes have supplier engagement frameworks and ESG risk assessments. However, other firms provide no evidence of GHG screening or green procurement criteria. Tata Steel leads the pack in industry and policy advocacy, while other companies disclose engagement but without any indication of whether it aligns with their climate policy. Engagement on workforce transition and reskilling remains limited and community consultations are often treated as CSR.
- **Transparency:** Among all companies, most companies provide external assurance on Scope 1 and 2 data. However, assurance quality varies with few reports clarifying boundary coverage or Scope of verification clearly. Multi-year emissions disclosure exists but often lacks normalisation (per tonne steel) and Scope 3 granularity.

10.4 Commodities sector

The commodities sector considered for this analysis includes several sub-sectors such as metals, mining, and resource processing. The landscape is dominated by integrated conglomerates (Vedanta, Hindalco Industries), state-owned miners (Coal India, Hindustan Copper), and specialised players (Coromandel International, Gravita India).

Figure 39: Performance observed in the commodities sector



Source: IEEFA analysis

- **Foundation:** Vedanta, Gravita India, and Coal India have announced net-zero targets by 2050 (or earlier) but exclude Scope 3 emissions. While, Hindalco Industries and Hindustan Copper have set net-zero targets on a similar timeline, but do not disclose the emission Scopes covered, leaving the boundary of their commitments unclear. Other companies have restricted disclosures to regulatory compliance or to lever-specific targets. On transition levers, leaders among the pack outline levers such as energy-efficiency upgrades, waste heat recovery, renewable integration, recycling, and mine-reclamation plans. However mid-tier players discuss isolated projects (biofuel blending, waste-to-energy) without measurable emission-reduction linkages. Vedanta and Hindalco Industries show scenario analysis practices aligned to global pathways.

- **Governance:** Vedanta and Hindalco Industries maintain dedicated sustainability committees and CSO-level oversight. However, others have no clear ESG accountability hierarchy. Both of these companies also mention ESG-linked KPIs for executives but neither quantifies their materiality in pay structures. There is limited evidence of formal ESG capacity-building programs among all companies.

- **Implementation strategy:** Only Vedanta and Hindalco Industries report internal carbon pricing and climate-risk integration into capital planning while only Hindalco Industries outlines green financing mechanisms (such as sustainability-linked loans). None of the firms, except for Vedanta, provide any metrics related to financial planning across CapEx, OpEx or revenues. Lastly, nearly all firms publish sustainability and environmental-management policies, but few track their operational outcomes.

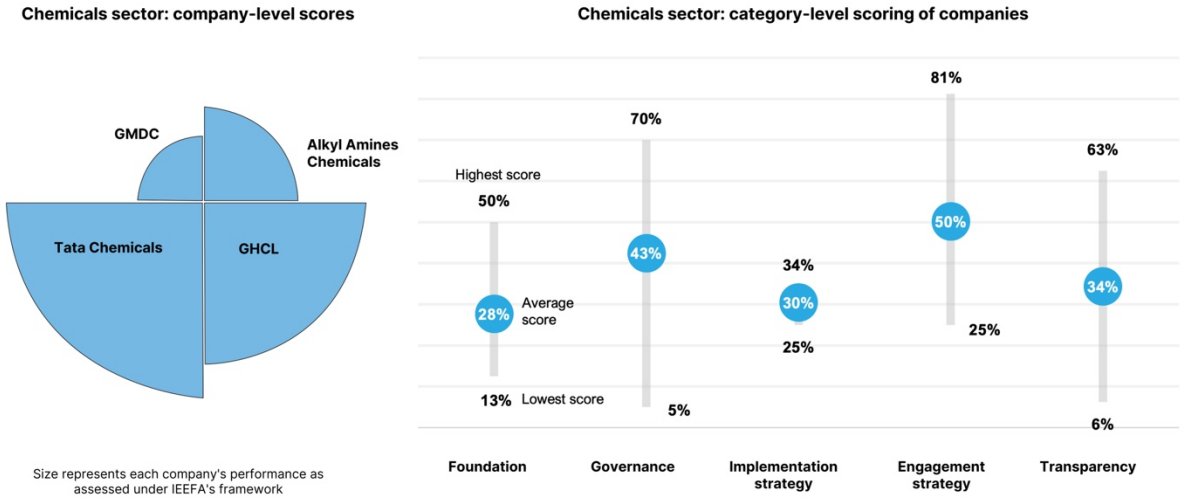
- **Engagement strategy:** Vedanta and Coromandel International report supplier ESG screening but most others lack climate or ESG-linked procurement standards. Scope 3 engagement remains negligible, which is critical given mining-to-metal value-chain emissions. On engagement, firms emphasise community programs (rehabilitation, CSR, afforestation) but rarely frame them as Just Transition initiatives tied to decarbonisation. Industry and policy engagement is limited to a few top private firms.

- **Transparency:** Only Hindalco Industries has obtained third-party assurance covering Scope 1, 2, and 3 emissions; the remaining companies either have assurance limited to Scope 1 and 2 or have no assurance across emission Scopes.

10.5 Chemicals sector

India's chemical industry spans bulk chemicals, fertilisers, and specialty products and is heavily reliant on coal and natural-gas feedstocks. The sector is dominated by diversified conglomerates (Tata Chemicals, GHCL), niche producers (Alkyl Amines Chemicals), and state-backed resource firms (Gujarat Mineral Development Corporation Limited (GMDC))

Figure 40: Performance observed in the chemicals sector



Source: IEEFA analysis

- **Foundation:** Only Tata Chemicals articulates a long-term net-zero goal by 2050. A few companies discuss "sustainability" in broad terms, focused on resource efficiency and compliance, not on quantified decarbonisation targets. Mid-tier peers limit climate ambition to regulatory obligations, such as energy conservation reporting underperform, achieve, and trade (PAT) schemes.

There is articulation of transition levers such as renewable energy procurement, green ammonia pilots, circular raw materials, and process efficiency measures. However, the quantitative attribution of these levers to emission-reduction trajectories is missing. No company reports climate-scenario analysis or transition-risk modelling.

- **Governance:** GHCL and Tata Chemicals report defined ESG governance structures with board-level oversight and sustainability committees, but others show minimal role clarity with no mention of climate accountability within leadership. Only GHCL links executive remuneration to ESG performance, though the weighting and KPIs remain undisclosed. Disclosures on ESG or decarbonisation capability-building are limited with training programs focussed on compliance (safety, energy audits) rather than ESG or climate strategy.

- **Implementation strategy:** On financial planning, Tata Chemicals provides broad commentary on circular-economy investments without specifying financial commitments. No company discloses climate-linked budgeting or internal carbon pricing, except GHCL. Similarly, none of the companies have metrics and targets for all identified transition levers.

- **Engagement strategy:** GHCL and Tata Chemicals demonstrate early supplier engagement through ESG assessments and green procurement. Smaller firms have not extended transition considerations to their upstream or downstream value chains. Industry and policy advocacy for decarbonisation remains limited to large private companies. Lastly, community engagement is framed largely as CSR (waste management, afforestation, water

conservation), not as Just Transition planning. Workforce retraining for green production processes is not reported.

- **Transparency:** GHCL and Tata Chemicals provide partial third-party verification of GHG or energy data, but assurance boundaries are rarely specified, limiting comparability.

Overall, the sectoral review reveals significant heterogeneity in transition plan disclosure maturity across India's key emitting industries. A consistent pattern emerges where a handful of large, listed, or globally exposed companies demonstrate relatively advanced practices, while the majority remain at an early stage of transition planning.

Disclosures are strongest on high-level ambition statements, and weakest on lever-level quantification, financial integration, and Scope 3 coverage. Governance structures are often in place, but operational embedding, capacity building, and climate-linked remuneration remain limited. Engagement on workforce and community transition continues to be framed as CSR rather than Just Transition, and external assurance practices vary sharply by firm size. Overall, disclosure quality correlates strongly with corporate scale and investor visibility, resulting in a dual track landscape of a few leaders alongside a wide base of compliance-driven reporters.

11. Key recommendations and roadmap to improve transition plan disclosure practices

Strengthening corporate transition planning and disclosure practices in India requires a coordinated effort among regulators and corporates. The following recommendations and roadmap outline the actions necessary to enhance credibility, comparability, and integration of transition plan disclosures within India's climate finance architecture.

11.1 Recommendations for SEBI

- **Update BRSR guidance to embed transition planning elements:** Expand the existing BRSR guidance document to illustrate how transition plan specific metrics can be disclosed within existing sections of the current disclosure framework.

- **Incorporate sector-specific guidance and templates:** A "one-size-fits-all" approach will not work for transition plan disclosures and sector-specific nuances should be captured through dedicated guidance. This is more important for high-emitting sectors.

- **Publish a BRSR-TPT-ISSB mapping framework**: Issue a technical guidance document mapping BRSR metrics against the TPT Disclosure Framework sub-elements and the ISSB S1 and S2 standards for transition plan disclosures.[45] This will ensure interoperability between Indian and global reporting frameworks, enabling comparability for international investors.

[45] The entire body of work on TPT has been absorbed by the ISSB.

- **Introduce an integrated "transition plan snapshot" disclosure:** Mandate a one-page integrated summary table within BRSR filings showing existing metrics that align with transition plan disclosure requirements (if the company is already disclosing them in either BRSR or other public facing disclosures). This summary could include net-zero or emissions reduction targets (Scopes 1-3, baseline year, and interim milestones), key transition levers and associated capital expenditure, governance arrangements (Board and KMP oversight), relevant policies, stakeholder engagement initiatives, and verification status. This will provide a comprehensive view of a company's current disclosure that aligns (or doesn't) with transition readiness for investors and regulators.

- **Introduce transition plan specific metrics in a phased manner:** Introduce key metrics that are currently not included within BRSR standards, in the context of transition planning, in a phased manner. A similar approach as followed with BRSR core can be followed given the comparatively better position on transition plan disclosures among larger corporates compared to smaller ones.

- **Ensure coherence with other regulatory and policy instruments:** Establish a cross-regulatory transition planning working group to maintain consistency and integrate BRSR disclosure with other regulatory developments in India including:

- RBI's proposed TCFD-aligned climate disclosure framework for banks and NBFCs

- National Climate Finance Taxonomy (Ministry of Finance)

- Sectoral decarbonisation roadmaps (Ministry of Steel, NITI Aayog)

- Bureau of Energy Efficiency's (BEE) Carbon Credit Trading Scheme (CCTS)

- **Help create capacity-building infrastructure:** Engage national institutions (IICA, ICAI, NISM, stock exchanges) to create domestic ecosystem of training key stakeholders within regulators and corporates on topics such as transition planning, scenario analysis and internal carbon pricing methodologies.

- **Enhance assurance and reliability of transition plan disclosures:** Gradually introduce limited and then reasonable assurance requirements for transition plan data, especially on emissions targets, CapEx alignment, and governance. These datapoints have a direct bearing on enterprise value, investor decision making, and the credibility of corporate transition plans, and therefore require independent assurance to ensure accuracy, completeness, and consistency across reporting cycles. Work with ICAI and organisations such as IAASB to promote transition plan assurance as a market integrity measure.

Table 3: Proposed roadmap for implementation of recommendations

Action area	Short term (1-2 years)	Medium term (2-4 years)	Long term (4-6 years)
1. Update BRSR guidance	Expand BRSR guidance to show how transition plan metrics can fit within existing sections.	Add sector-specific templates, especially for high-emitting sectors.	
2. Strengthen interoperability	Publish a BRSR-TPT-ISSB Mapping Framework for alignment with global standards.		
3. Introduce "transition plan snapshot" disclosure	Mandate a one-page summary table showing targets, CapEx, governance, and verification.	Expand to include sectoral pathways and scenario indicators.	
4. Introduce transition plan metrics	Identify key transition metrics not covered under BRSR. Phase in new metrics using a BRSR Core style approach for large caps.	Expand to full TPT/ISSB-aligned coverage across all listed firms.	
5. Ensure regulatory coherence	Form a cross-regulatory group (SEBI, RBI, MoF, NITI Aayog, BEE) for coordination.	Align BRSR with Climate Finance Taxonomy, RBI climate norms, and sectoral roadmaps.	
6. Build capacity & ecosystem	Launch training programs via ICAI, NISM, and stock exchanges on transition planning, scenario analysis, and carbon pricing.	Support certification for auditors, analysts, and sustainability officers.	
7. Enhance assurance & reliability	Introduce limited assurance for key data (targets, governance, CapEx).	Move to reasonable assurance for material transition data.	Work with ICAI/IAASB to formalize transition plan assurance within financial audits.

11.2 Recommendations for corporates

- **Embed climate transition into core corporate strategy by developing a climate transition plan**: Integrate climate-related targets and transition levers into capital allocation, fundraising, product development, M&A strategy, and risk management.
- **Align transition planning with financial planning:** Identify opportunities for value creation by translating transition levers and climate risk exposures into budgets, CapEx and operating plans. Additionally identify opportunities for long-term value creation such as new revenue streams, efficiency gains, and reduced exposure to physical and transition risks, and improved competitiveness in future low-carbon markets.
- **Strengthen internal governance architecture**: Establish board-level sustainability/ESG committees with defined mandates. Designate a KMP (e.g., a chief sustainability officer)

responsible for transition plan execution. Create cross functional working groups across departments to ensure vertical and horizontal accountability.

- **Integrate climate into board oversight, nomination, and remuneration**: Include ESG and climate competence as criteria in board nomination policies. Link executive and employee incentives to climate KPIs (such as emission intensity reduction, renewable energy share, green revenue ratio). Conduct annual board skill mapping and align learning & development (L&D) with identified capability gaps.
- **Build scenario analysis and stress-testing capabilities**: Adopt recognised frameworks (such as NGFS, IEA, or IPCC scenarios) to stress-test business models under 1.5°C and 2°C pathways. Quantify potential impacts on revenues, EBITDA, CapEx, and cost of capital under each scenario.
- **Develop internal systems and digital infrastructure**: Create data management systems and IT backbones for tracking Scope 1-3 emissions, transition lever metrics, and stakeholder engagement outcomes. Develop internal standard operating procedures (SOPs) and control processes linking each lever to governance, financing, and reporting requirements.
- **Enhance value-chain and stakeholder engagement**: Conduct assessments to quantify interdependencies between corporate and stakeholder transition outcomes. Strengthen supplier codes with ESG clauses, provide capacity building support to micro, small, and medium enterprises (MSMEs), and report on supplier decarbonisation progress. Engage communities and workforce on reskilling and just transition programs linked to operational shifts.
- **Progressive disclosure and assurance**: Create a disclosure roadmap that aligns with internal capacity development, expanding coverage each year. Obtain third-party assurance not only for GHG data but also for transition progress, governance implementation, and carbon offset integrity. Clearly disclose assurance Scope, boundaries, and methodologies.

12. Conclusion

India's corporate transition planning landscape stands at an inflection point. While a limited subset of large, listed corporates—mainly private sector leaders among the top 100 by market capitalisation—have developed transition planning and disclosure practices broadly comparable to global peers, the gap between the top and bottom quartiles remains substantial. This dual-track development highlights the uneven pace of preparedness within India's corporate sector and underscores the need for stronger guidance, supervision, and capacity building to close the disclosure divide.

IEEFA's analysis finds significant variability in how companies disclose even identical metrics, driven by limited guidance within the BRSR framework and the absence of supervisory controls or climate transition specific standards. Current disclosures often prioritise regulatory compliance over strategic clarity and forward-looking information. They do not capture the financial materiality of climate risk adequately, limiting their usefulness for capital providers—both investors and lenders—who increasingly depend on transition plan disclosures to assess risk, allocate capital, and price financial

instruments. The lack of interlinkages between BRSR metrics and other transition-relevant disclosures further fragments the picture, while sectoral nuances and cross-document data (such as from integrated reports or investor presentations) remain largely unaccounted for.

This fragmentation matters because transition planning is quickly becoming a core determinant of a company's access to capital. Investors and financial institutions, domestic and international, are now embedding transition plan credibility into their lending criteria, investment mandates, and sustainability-linked financing terms. Over the next decade, credible, science-based transition plans will not only shape the cost of capital but also influence market access for Indian corporates in offshore green and transition bond markets, sustainability linked loans, and increasingly plain vanilla bank lending too. The ability to demonstrate verifiable progress toward decarbonisation will increasingly define competitiveness.

At the same time, global transition plan frameworks themselves are still evolving. Regulatory regimes such as the TPT and the ISSB S2 standard are only now being operationalised, creating a window of opportunity for India. This is the right moment for Indian corporates to invest in internal capacity building, in scenario analysis, data systems, and governance structures, and for SEBI to initiate regulatory action to embed transition planning within the BRSR framework. A phased approach, anchored in regulatory guidance, interoperability, and capacity building, can allow India to leapfrog toward a globally aligned disclosure system that reflects domestic realities.

Beyond SEBI, regulatory coherence will also be key. Integration with RBI's proposed climate risk disclosure framework, the upcoming national climate finance taxonomy, sectoral decarbonisation roadmaps, and BEE's Carbon Credit Trading Scheme will ensure that corporate transition planning becomes part of a unified ecosystem driving India's low-carbon transformation.

If implemented cohesively, these reforms can transform transition planning from a compliance exercise into a strategic tool for competitiveness and capital mobilisation. Robust transition plan disclosures can help Indian corporates secure the confidence of domestic and offshore investors, deepen access to sustainable finance, and position India as a global leader in credible transition planning among emerging markets. The next few years will be decisive. Establishing a sound regulatory foundation today will shape India's ability to finance its energy and industrial transition for decades to come.

Annexure

Framework scoring methodology and sub-component weightage

The framework assesses companies using 77 metrics across 14 components (see Table 1 used in the analysis.

1. The maximum achievable score for a company is 100.
2. Each component is assigned a weight based on its relevance to climate transition. For example, the "Strategic ambition" component has a weight of 10, while "Metrics and targets" has a weight of 12.5, reflecting its higher importance. The total weight of all 14 components is 100. Please refer to Table 1 for detailed weightages. These weightages reflect the relative importance of each component, informed by inputs from 18 external stakeholders across corporates, investors, regulators, think tanks, and ESG service providers.
3. Each metric has a maximum score of 1. The score assigned to a company for a specific metric depends on its performance level. For instance, under the "Strategic ambition" component, the metric "Does the company provide interim and long-term targets for all emission Scopes?" has five levels:
    a. Level 1: No targets across any Scopes (score: 0)
    b. Level 2: Only long-term targets for some or all Scopes (score: 0.25)
    c. Level 3: Only interim targets for some or all Scopes (score: 0.50)
    d. Level 4: Both interim and long-term targets, but not for all Scopes (score: 0.75)
    e. Level 5: Both interim and long-term targets for all Scopes (score: 1)
4. Conversely, under the "Strategic ambition" component, the metric "Does the company's emission reduction targets align with the Paris Agreement goals (well below 2 degrees) or more ambitious goals?" has only two levels:
    a. Level 1: No, the company's targets don't align with Paris Agreement goals (score: 0)
    b. Level 5: Yes, the company's targets align with the Paris Agreement goals (score: 1)
5. Thus, the number of levels for each metric determines the potential score range (minimum score being 0 and maximum score being 1).
6. For several metrics, we have considered having a disclosure itself as the highest level, even if the quality of disclosure is not robust. This is done to accommodate the current level of disclosure practices prevalent among Indian corporates.

7. The component score is calculated by averaging scores of all its metrics and the result multiplied by the component's weight. For example, if the average score of all metrics in component "Strategic ambition" is 0.75, the component score would be 0.75 * 10 = 7.5.

8. The overall company score is the sum of all 14 component scores.

Table 4: Framework components: Weightage and metric count

Component	Weightage	No. of metrics
Foundation	***25***	*24*
Strategic ambition	*10*	*14*
Transition levers	*10*	*6*
Scenario planning	*5*	*4*
Governance	***22.5***	*10*
Roles, responsibility, and accountability	*10*	*4*
Incentives and remuneration	*7.5*	*2*
Skills, competencies, and training	*5*	*4*
Implementation strategy	***27.5***	*26*
Financial planning	*10*	*7*
Metrics and targets	*12.5*	*15*
Policies and processes	*5*	*4*
Engagement strategy	***10***	*8*
Engagement with value chain	*5*	*3*
Engagement with industry and policymakers	*2.5*	*3*
Engagement with workforce and communities	*2.5*	*2*
Transparency	***15***	*9*
Verification/assurance	*5*	*3*
Current performance	*10*	*6*
Total	***100***	*77*

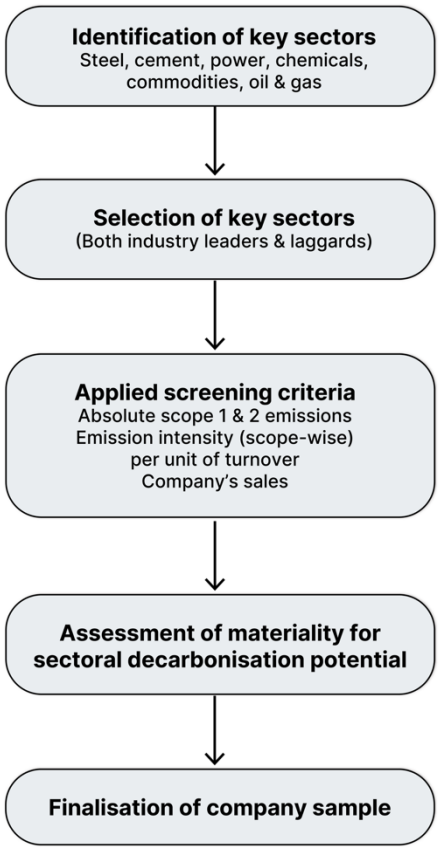
Criterion for company selection

To provide a comprehensive assessment of the Indian corporate sector's climate transition efforts, we selected a diverse group of four to nine companies from each of the following sectors: Steel, cement, power, chemicals, commodities (including coal and metals), and oil and gas. The selection includes both sectoral leaders and laggards, ensuring a representative sample that captures the spectrum of transition practices and disclosure quality.

We also took into account the absolute Scope 1 and 2 emissions (primarily), and in some cases absolute Scope 3 emissions, Scope-wise emission intensity per unit of turnover, and the sales data of

the companies to ensure companies are materially significant and contribute considerably to sectoral emissions. Additionally, all the companies shortlisted are under the ambit of BRSR regulations.

Figure 41: Process followed for selecting companies



Source: IEEFA analysis

Heatmap of company scores across sub-components

The below table gives a comparative analysis of the scores of all 33 companies across all the 14 sub-components. Scores across each sub-component have been derived based on their given weightage.

Table 5: Heatmap of company score based on IEEFA framework

Strategic ambition
Transition levers
Scenario planning
Roles, responsibility, and accountability
Incentives and remuneration
Skills, competencies, and training
Financial planning
Metrics and targets
Policies and processes
Engagement with value chain
Engagement with industry and policymakers
Engagement with workforce and communities
Verification/ assurance
Current performance
Adani Green Energy
Tata Power
NTPC
NLC India
RattanIndia Power
UltraTech Cement
JK Lakshmi Cement
Udaipur Cement Works
Mangalam Cement
IOCL
GAIL
ONGC
Mangalore Refinery and Petrochemicals Limited
JSW Steel
Tata Steel
Jindal Steel
Jindal Stainless
SAIL
APL Apollo Tubes
Gallantt Ispat
Mukand
Godawari Power & Ispat
Coromandel International
Vedanta
Sandur Manganese & Iron Ores
Hindalco Industries
Coal India
Hindustan Copper
Gravita India
Alkyl Amines Chemicals
GHCL
Tata Chemicals
GMDC
Lowest score
Highest score

About IEEFA

The Institute for Energy Economics and Financial Analysis (IEEFA) examines issues related to energy markets, trends and policies. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy. www.ieefa.org

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