



Just transition metrics

THESE DRAFT METRICS HAVE BEEN DEVELOPED BY SHIFT WITH INPUT FROM A RANGE OF ORGANIZATIONS.

The draft quantitative metrics in this document should be understood in the following context:

They are a work in progress that represent research and conversations that Shift has conducted with various experts to date, and they will be continually updated and improved based on on-going discussions and feedback.

They are designed:

- as a limited, foundational set of sector-agnostic metrics that can provide a first insight into the ‘justness’ of companies’ climate-related transition plans and activities.
- to address the need for a clear set of widely-supported practical and decision-useful quantitative metrics that can provide measurable evidence of whether good intentions regarding the implementation of a ‘just transition’ are achieved in practice.
- to complement existing qualitative indicators and benchmarks regarding companies’ climate-related transition plans and activities, recognizing that qualitative information can provide important context to the interpretation of quantitative data.
- for companies to apply within the same ‘boundaries’ as those that they apply to their climate transition plans and activities: that is, they would be implemented in the same scope of locations, entities and facilities as those for which GHG emissions and other climate-related metrics are measured and reported.

Further work is underway to specify precise definitions and methodologies for the application of the draft metrics.

Shift welcomes all feedback on the draft metrics as a means to their further improvement.

Issue	Proposed metric	Additional qualitative context	Rationale
Workforce/own employees			
Job security (employees)	<p>No. of <u>employee jobs that are created</u> as a result of the organization's transition plan, within the reporting year, with a breakdown by region and the proportion of those jobs that are:</p> <ul style="list-style-type: none"> i) permanent jobs ii) temporary jobs iii) full-time jobs iv) part-time jobs 		<p>To understand the change in the number of employee jobs available, both created and lost, due to the transition plan and the financial security provided by those jobs</p> <p>To understand the breakdown by region in order to see whether jobs are moving, on balance, towards or away from developing or emerging market economies.</p>
	<p>No. of <u>employee jobs that are lost</u> as a result of the organization's transition plan, within the reporting year, with a breakdown by region and the proportion of those jobs that are:</p> <ul style="list-style-type: none"> i) permanent jobs ii) temporary jobs iii) full-time jobs iv) part-time jobs 	<p>In cases where there are significant changes as a result of the implementation of a company's transition plan, which results in mass termination for employees, the organization should provide qualitative information regarding how it manages: the termination procedure, including how workers' representatives are consulted; the appeal procedure; notice periods provided; and termination payments and separation benefits (inspired by GRI SICH 1(c)). The organization should also provide qualitative context around any public social protection programmes available to impacted employees (inspired by GRI REWO 6).</p>	
Reskilling, upskilling & redeployment (employees)	<p>No. of <u>employees whose jobs have been lost</u> as a result of the organization's transition plan, within the reporting year, that have</p> <ul style="list-style-type: none"> (a) been offered training (b) that have taken up training (c) have accepted early retirement agreements (d) been offered redeployment (e) been redeployed into employee jobs created as a result of the transition plan (f) been redeployed into non-employee jobs created as a result of the transition plan 	<p>The organization should provide qualitative context to explain how it is making use of early retirement agreements, as well as why some employees are moving into non-employee jobs.</p>	<p>To understand not only whether retraining and redeployment are offered, but the extent to which they are taken up in practice. For retraining this is significant to avoid counting retraining offers that are widely distributed but not pertinent to or truly accessible for the workers who are losing their jobs.</p> <p>To understand the degree to which employees that are accepting redeployments are being redeployed into less secure jobs</p>
Job security (non-employees)	<p>No. of <u>non-employee jobs created</u> as a result of the organization's transition plan, within the reporting year, with a breakdown by region, and the proportion of those jobs that are:</p> <ul style="list-style-type: none"> i) full-time jobs ii) part-time jobs 		<p>To understand the change in the number of non-employee jobs available, both created and lost, due to the transition plan.</p> <p>To understand the breakdown by region in order to see whether jobs are moving, on balance, towards or away from developing or emerging market economies.</p>
	<p>No. of <u>non-employee jobs lost</u> as a result of the organization's transition plan, within the reporting year, with a breakdown by region, and the proportion of these jobs that are:</p> <ul style="list-style-type: none"> i) full-time jobs ii) part-time jobs 	<p>The organization should provide qualitative context around any public social protection programmes available to impacted non-employees (inspired by GRI REWO 6).</p>	
Redeployment (non-employees)	<p># of <u>non-employees redeployed</u> as a result of the organization's transition plan, within the reporting year, into:</p> <ul style="list-style-type: none"> a) employee jobs created as a result of the transition plan b) non-employee jobs created as a result of the transition plan 		<p>To understand whether and how many non-employees are being redeployed and the security of jobs into which they are being redeployed.</p>

Issue	Proposed metric	Additional qualitative context	Rationale
Remuneration & Living wage	a) % of <u>employees in jobs created</u> through the implementation of the organization's transition plan, within the reporting year, who are paid: - at or above the legal minimum wage - at or above the living wage		To understand whether employee jobs being created through the transition plans are decent jobs that allow employees to maintain a basic decent standard of living for themselves and their families.
	b) For the <u>employees below the Living Wage</u> , the percentage of these employees that are paid: - 90% to 99% of the Living Wage estimates for the countries/regions where the organization operates - 75% to 89% of the Living Wage estimates for the countries/regions where the organization operates - 50% to 74% of the Living Wage estimates for the countries/regions where the organization operates - less than 50% of the Living Wage estimates for the countries/regions where the organization operates		To understand, over time, the extent to which employees in jobs created through the transition plan are moving towards a living wage. This recognizes that securing a living wage can take time given wider economic factors, such that data on the progress in that direction is important information alongside the more binary measure of the % of employees above (and therefore below) the living wage.
	% of <u>non-employees</u> in jobs created through the organization's transition plan, in the reporting year, who are paid: - at or above the legal minimum wage - at or above the living wage	To supplement the wage information and understand the quality of remuneration packages, the organization should provide qualitative, contextual information about the types of social protection made available to its employees in these newly created jobs such as: medical and health care insurance; sickness benefit; maternity and paternity benefits; employment injury benefit; unemployment benefit; invalidity benefit; survivors benefit retirement benefit. This should include discussion of which of types of protections are/are not provided by public programs.	To understand whether workforce non-employee jobs being created through the transition plan are decent jobs that allow non-employee workers to maintain a basic decent standard of living for themselves and their families.
FoA/CBA	% of <u>employees</u> in jobs created through the organization's transition plan, within the reporting year, who are covered by collective bargaining agreements		To understand the degree to which employees in jobs created through the transition plan are covered by agreements that protect their rights, ensure fair wages, benefits and working conditions, as well as providing insight into the stability and well-being of the new workforce being created through the transition plan over time.
Stakeholder engagement	No. of dialogues held with worker representatives regarding: (a) the design of the organization's transition plan (b) the implementation of the organization's transition plan	The organization should provide qualitative information to supplement this metric, including: methods utilized to reach out to workers, points in the transition process at which consultations took place, workforce participation in dialogues, how feedback received informs/informed planning and implementation processes, tripartite considerations in jurisdictions where there is more institutionalized collective bargaining, and how the workforce is engaged in the governance and monitoring of the organization's transition plan.	To understand the extent to which workers - employees and non-employees - have a voice in decisions regarding the transition plan and how it will affect them.
	Have any agreements been reached with worker representatives regarding: (a) design of the organization's transition plan (Y/N) (b) implementation of the organization's transition plan (Y/N)	The organization should provide qualitative context with regard to the nature of that agreement and the degree of coverage for workers, as well as how the agreement has impacted decision-making pertaining to transition planning and implementation.	To understand whether the organization has actively sought the agreement of worker representatives on the design and implementation of the transition plan, which implies that representatives are aware of and have agreed to the associated organizational changes that will impact them.

Issue	Proposed metric	Additional qualitative context	Rationale
Communities			
Stakeholder engagement	% of locations where the organization's transition plan affects local communities and/or Indigenous Peoples where those communities/Indigenous Peoples have been engaged in dialogue regarding the (a) design (b) implementation of the organization's transition plan and its impacts and/or benefits?	The organization should provide qualitative information on: how affected communities were identified; how the organization ensured that a representative group of local community members and/or Indigenous Peoples were engaged in dialogue; methods used to engage affected communities and/or Indigenous Peoples; points in the transition process at which dialogue took place; the quality/effectiveness of the dialogue; how feedback received informs/informed planning and implementation processes.	To understand the extent to which affected communities and/or Indigenous Peoples have a voice in communicating how a transition plan and its implementation may affect them, positively or negatively, and ideally in shaping the transition plan and implementation based on these insights.
Consent	% of locations where the organization's transition plan affects local communities, other than Indigenous Peoples, where there is one or more agreement(s) on related impacts and/or benefits	The organization should provide qualitative information as to how affected local communities were identified and how the company ensured that the agreement was reached with a representative group of affected local communities.	To understand the outcomes of dialogue processes.
FPIC	% of locations where organization's transition plan affects Indigenous Peoples where (a) free, prior and informed consent has been achieved and (b) there is one or more agreement(s) on related impacts and/or benefits	The organization should provide qualitative information as to how Indigenous Peoples were identified and how the company ensured that the agreement was reached with a representative group.	To understand the outcomes of dialogue processes, with a specific emphasis on achieving and maintaining free, prior and informed consent, for which an agreement on impacts and/or benefits may not always be a proxy.
Agreement feedback mechanisms	% of locations where the organization's transition plan affects local communities and Indigenous Peoples, where there is a mechanism for addressing disputes	The organization should describe whether these dispute mechanisms are only operational in the case of agreements reached or operate more broadly.	To understand what proportion of established agreements with local communities have built in feedback mechanisms to monitor community feedback regarding the agreement's implementation.
Value chain workers			
Impact assessment	% of sourcing locations where an assessment has been conducted regarding how the organization's transition plan would affect value chain workers	The organization should explain how that assessment has informed the organization's transition planning	Inclusion of this supply chain information can demonstrate that the organization is thinking through the implications for people at its various sourcing locations as a result of the organization's transition plan.
Consumers/End-users			
No proposed indicators at this time.			