

**Shift**

# Just Transition Metrics



In collaboration with



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

They are the result of collaboration between Shift and the following organisations: Business and Human Rights Centre, Business for Social Responsibility, Council for Inclusive Capitalism, LSE's Just Transition Finance Lab, World Benchmarking Alliance, and World Business Council for Sustainable Development.

### 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 across the same inventory of entities, facilities and locations as those for which the company's climate-related metrics are measured and reported.

We welcome all feedback on the metrics as a means to their further improvement.

Issue	Proposed metric	Rationale	Methodology	Additional qualitative context
<b>Own Workforce</b>				
<b>Job security (employees)</b>	<p>No. of employee jobs that are created as a result of the organization's transition plan, within the reporting year, with a breakdown by region, gender and the proportion of those jobs that are:</p> <ul style="list-style-type: none"> <li>i) permanent jobs</li> <li>ii) temporary jobs</li> <li>iii) full-time jobs</li> <li>iv) part-time jobs</li> </ul>	<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>Will require standard definitions of 'employee', 'permanent', and 'temporary' jobs</p> <p>Will require some clarification of the term 'region' - which may also suggest the use of a different term ('region' could be domestic, international or both).</p> <p>Organizations should be encouraged to use a similar methodology as they do for any existing workforce reporting, given the particular impacts of the transition on the workforce should be seen as enhancing workforce metrics.</p>	
	<p>No. of employee jobs that are lost as a result of the organization's transition plan, within the reporting year, with a breakdown by region, gender and the proportion of those jobs that are:</p> <ul style="list-style-type: none"> <li>i) permanent jobs</li> <li>ii) temporary jobs</li> <li>iii) full-time jobs</li> <li>iv) part-time jobs</li> </ul>	<p>To understand the breakdown by gender in order to understand how the transition plan may be affecting genders differently.</p>		<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 SCH 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>
<b>Reskilling, Upskilling and Redeployment (employees)</b>	<p>Total No. of employees who, as a result of the organization's transition plan, within the reporting year, with a breakdown by gender, have</p> <ul style="list-style-type: none"> <li>(a) been offered training relevant to the organization's transition plan</li> <li>(b) taken up the offered training relevant to the organization's transition plan</li> </ul>	<p>To understand the degree to which a company is providing training opportunities to help equip its employees for a low-carbon and climate-resilient future.</p>	<p>Training must be relevant and linked to the company's transition plan</p>	
	<p>Total No. of employees whose jobs have been lost as a result of the organization's transition plan, within the reporting year, with a breakdown by gender, that have</p> <ul style="list-style-type: none"> <li>(a) been offered training</li> <li>(b) taken up training</li> <li>(c) accepted early retirement agreements</li> <li>(d) been offered redeployment</li> <li>(e) been redeployed into employee jobs created as a result of the transition plan</li> <li>(f) been redeployed into non-employee jobs created as a result of the transition plan</li> </ul>	<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>	<p>Will require standard definition of 'non-employee'. There may need to be some factor included for the timeframe.</p>	<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>

Issue	Proposed metric	Rationale	Methodology	Additional qualitative context
<b>Own Workforce</b>				
<b>Job Security (non-employees)</b>	<p>No. of non-employee jobs created as a result of the organization's transition plan, within the reporting year, with a breakdown by region, gender and the proportion of those jobs that are:</p> <p>i) full-time jobs ii) part-time jobs</p>	<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>Will require standard definition of 'non-employee' and will require some clarification of the term 'region' - which may also suggest the use of a different term.</p>	<p>The organization should provide qualitative context around any public social protection programmes available to impacted non-employees (inspired by GRI REWO 6).</p>
	<p>No. of non-employee jobs lost as a result of the organization's transition plan, within the reporting year, with a breakdown by region, gender and the proportion of those jobs that are:</p> <p>i) full-time jobs ii) part-time jobs</p>	<p>To understand the breakdown by gender in order to understand how the transition plan may be affecting genders differently.</p>		
<b>Redeployment (non-employees)</b>	<p>No. of non-employees redeployed as a result of the organization's transition plan, within the reporting year, into:</p> <p>a) employee jobs created as a result of the transition plan b) non-employee jobs created as a result of the transition plan</p>	<p>To understand whether and how many non-employees are being redeployed and the security of jobs into which they are being redeployed.</p>		
<b>Remuneration &amp; Living Wage</b>	<p>a) % of employees in jobs created through the implementation of the organization's transition plan, within the reporting year, who are paid:</p> <ul style="list-style-type: none"> <li>at or above the legal minimum wage</li> <li>at or above the living wage</li> </ul>	<p>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.</p>	<p>This will need to draw upon the definitions and methodology of the <a href="#">Living Wage Accounting Model and Progress Tool</a> (developed by Shift and the Capitals Coalition).</p>	
	<p>b) For the employees below the Living Wage, the percentage of these employees that are paid:</p> <ul style="list-style-type: none"> <li>%90 to %99 of the Living Wage estimates for the countries/regions where the organization operates</li> <li>%75 to %89 of the Living Wage estimates for the countries/regions where the organization operates</li> <li>%50 to %74 of the Living Wage estimates for the countries/regions where the organization operates</li> <li>less than %50 of the Living Wage estimates for the countries/regions where the organization operates</li> </ul>	<p>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.</p>	<p>This will need to draw upon the definitions and methodology of the <a href="#">Living Wage Accounting Model and Progress Tool</a> (developed by Shift and the Capitals Coalition).</p>	

Issue	Proposed metric	Rationale	Methodology	Additional qualitative context
<b>Own Workforce</b>				
<b>Remuneration &amp; Living Wage</b>	<p><b>% of non-employees in jobs created through the organization's transition plan, in the reporting year, who are paid:</b></p> <ul style="list-style-type: none"> <li>at or above the legal minimum wage</li> <li>at or above the living wage</li> </ul>	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.	The preferred methodology would require that companies have data on the wages paid to non-employees. In the case of self-employed individuals, they hold this data, albeit it may not be held by the HR function that deals with employees. In the case of individuals hired via third-party agencies, it would require that there is transparency of the wages paid and it may take time to secure that information.	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.
<b>Freedom of Association / Collective Bargaining Agreements</b>	<b>% of employees in jobs created through the organization's transition plan, within the reporting year, who are covered by collective bargaining agreements</b>	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 stability and well-being of the new workforce being created through the transition plan over time.		
<b>Stakeholder Engagement</b>	<p><b>No. of dialogues held with worker representatives regarding:</b></p> <p>(a) the design of the organization's transition plan (b) the implementation of the organization's transition plan</p>	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.	Will need to be clear that this includes all workers covered by a CBA, not just those who are members of a union, where the former exceeds the latter. [May need to elaborate on and/or provide definitions for 'equivalent worker bodies']	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.
	<p><b>Have any agreements been reached with worker representatives regarding:</b></p> <p>(a) design of the organization's transition plan (Y/N) (b) implementation of the organization's transition plan (Y/N)</p>	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.		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.

Issue	Proposed metric	Rationale	Methodology	Additional qualitative context
Communities				
Impact Assessment	<p>The organization has assessed the potential impacts on and/or benefits to local communities, including Indigenous Peoples, arising from its climate transition plan across existing and planned entities/facilities/locations (Y/N)</p>	<p>To understand the extent to which the organization has analyzed and understood the potential impacts and benefits arising from its climate transition plan for local communities, including Indigenous Peoples, across its operating portfolio.</p>	<p>The focus here is on assessments undertaken of the organization's climate strategy/ies, programme/s or plan/s, such as a Strategic Environmental and Social Assessment, Strategic Sustainability Assessment, Human Rights Impact Assessment or Integrated Impact Assessment, that provide insight into how communities and/or Indigenous Peoples current or planned company operations or activities that may be impacted by climate actions/objectives, such as with respect to land acquisition and use, community health and safety, environmental impacts (e.g. pollution, noise), availability of ecosystem services (e.g. water quality and quantity), cultural heritage or economic/social benefits (e.g. jobs).</p>	<p>The organization should provide qualitative context around the nature of the assessments undertaken, whether potentially affected communities, including Indigenous Peoples, have been consulted, when the assessment was undertaken and how the results are informing organizational decision-making in relation to the design, implementation and monitoring of the climate transition plan.</p>
Stakeholder Engagement	<p>% 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</p> <p>(a) design (b) implementation</p> <p>of the organization's transition plan and its impacts and/or benefits?</p>	<p>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.</p>	<p>(a) and (b) should be addressed separately since so many aspects of roll out could differ from what was understood in terms of the design. Moreover, for many Indigenous Peoples and local communities it is that involvement in the implementation that is the bedrock of their own agency and partnership (and the expression of their rights) in the process. If the plan is not yet in the implementation phase, that may be explained.</p> <p>The denominator here is the number of locations where the transition plan affects local communities and/or Indigenous Peoples.</p> <p>The numerator in this context is the number of locations where local communities and/or Indigenous Peoples have been engaged in dialogue regarding the (a) design and (b) implementation of the organization's transition plan and its impacts and/or benefits.</p> <p>To provide further context and comparability, both the numerator and denominator can be shown and described as separate numbers rather than a percentage.</p> <p>'Locations' could be given large scope - an area with lots of communities - or small scope - areas with just one or two communities each. This flexibility is necessary given the very different local circumstances and proximity of/distance between communities. However, whether 'locations' are defined broadly (for example, in terms of 'countries') or narrowly (for example, in terms of 'counties') will not affect the integrity of the indicator provided that the number of affected communities within the defined 'location' is fully captured.</p>	<p>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.</p>

Issue	Proposed metric	Rationale	Methodology	Additional qualitative context
Communities				
Consent	<p>% 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</p>	<p>To understand the outcomes of dialogue processes.</p>	<p>The aim here is to use the reaching of agreement as the quality indicator for the success and authenticity of the process as well as the fact of the outcome. It is important to get beyond process alone but also not to fall back on indicators of 'violations' of rights as the outcome measure.</p> <p>The denominator here is the number of locations where the transition plan affects local communities other than Indigenous Peoples.</p> <p>The numerator in this context is the number of locations where local communities (other than Indigenous Peoples) have reached agreement(s) on related impacts and/or benefits.</p> <p>To provide further context and comparability, both the numerator and denominator can be shown and described as separate numbers rather than a percentage.</p> <p>'Locations' could be given large scope - an area with lots of communities - or small scope - areas with just one or two communities each. This flexibility is necessary given the very different local circumstances and proximity of/distance between communities. However, whether 'locations' are defined broadly (for example, in terms of 'countries') or narrowly (for example, in terms of 'counties') will not affect the integrity of the indicator provided that the number of affected communities within the defined 'location' is fully captured.</p>	<p>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.</p>
Free, Prior and Informed Consent (FPIC)	<p>% 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</p>	<p>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.</p>	<p>The aim here is to use the reaching of agreement as a quality indicator for the success and authenticity of the process as well as of the outcome(s). The aim is to get beyond process alone and avoid falling back on indicators of 'violations' of Indigenous Peoples' rights as the outcome measure.</p> <p>The denominator here is the number of locations where the transition plan affects Indigenous Peoples.</p> <p>The numerator in this context is the number of locations where (a) free prior and informed consent has been achieved with affected Indigenous Peoples and (b) there is an agreement on impacts and/or benefits where this may be distinct from consent agreements covered by (a).</p> <p>To provide further context and comparability, both the numerator and denominator can be shown and described as separate numbers rather than a percentage.</p> <p>'Locations' could be given large scope - an area with lots of communities - or small scope - areas with just one or two communities each. This flexibility is necessary given the very different local circumstances and proximity of/distance between communities. However, whether 'locations' are defined broadly (for example, in terms of 'countries') or narrowly (for example, in terms of 'counties') will not affect the integrity of the indicator provided that the number of affected communities within the defined 'location' is fully captured.</p>	<p>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.</p>

Issue	Proposed metric	Rationale	Methodology	Additional qualitative context
<b>Communities</b>				
<b>Agreement Feedback Mechanisms</b>	% of locations where the organization's transition plan affects local communities and Indigenous Peoples, where there is a mechanism for addressing disputes	To understand what proportion of established agreements with local communities have built in feedback mechanisms to monitor community feedback regarding the agreement's implementation.	<p>What constitutes acceptable mechanisms for addressing disputes will need to be defined.</p> <p>The denominator here is the number of locations where the transition plan affects local communities and Indigenous Peoples.</p> <p>The numerator in this context is the number of locations where there is a mechanism in place for addressing disputes.</p> <p>To provide further context and comparability, both the numerator and denominator can be shown and described as separate numbers rather than a percentage.</p> <p>'Locations' could be given large scope - an area with lots of communities - or small scope - areas with just one or two communities each. This flexibility is necessary given the very different local circumstances and proximity of/distance between communities. However, whether 'locations' are defined broadly (for example, in terms of 'countries') or narrowly (for example, in terms of 'counties') will not affect the integrity of the indicator provided that the number of affected communities within the defined 'location' is fully captured.</p>	The organization should describe whether these dispute mechanisms are only operational in the case of agreements reached or operate more broadly.
<b>Value chain workers</b>				
<b>Impact Assessment</b>	% of sourcing locations where an assessment has been conducted regarding how the organization's transition plan would affect value chain workers	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.	Need to ensure definition for 'sourcing locations' is clear.	The organization should explain how that assessment has informed the organization's transition planning.
<b>Consumers/End-users</b>				
Given the wide variation in potential risks and impacts to consumers/end-users across sectors, we believe that a subsequent phase of this work would be to build out sector-specific metrics pertaining to consumers/end-users, such as for the energy or utilities sectors.				

## About **Shift**

Shift is a non-profit, mission-driven organization working globally to embed respect for human rights into business. We leverage the UN Guiding Principles on Business and Human Rights to shape the standards, incentives and practices that are needed for a fairer economic system in which everyone, not just the few, can thrive.

Visit [shiftproject.org](https://shiftproject.org) and follow us at [@shiftproject](https://twitter.com/shiftproject).

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