



TUESDAY 25th MARCH 2025

Masterclass #2: Putting it into Practice

Event summary

Our transition planning masterclass series

In collaboration with the Oliver Wyman Forum and as part of our wider series on transition planning, over 30 NEDs came together for the second of three interactive, practical transition planning masterclasses. These are in-depth learning experiences where attendees learn from both experts and peers. Building from the first masterclass on transition planning foundations and the role of the NED, the second masterclass explored how NEDs can lead through uncertainty, effectively review and challenge transition plans and take into account legal considerations associated with transition planning. This document provides a summary of the rich learnings and key takeaways from the session.

Key takeaways

- 1. Connect transition plans with purpose and strategy.**
Effective transition planning should form part of your corporate strategy (even though it is detailed in a separate document), and in alignment with your organisation's purpose. Transition planning should not be seen as just a moral obligation or compliance exercise; but should be driven by the belief that responding to the climate transition can create significant value for shareholders and enhance sustainability.
- 2. NEDs should actively engage throughout the planning cycle.**
NEDs must be proactively involved throughout the transition planning process, asking probing questions to challenge assumptions and drive deeper exploration of critical topics and risks. It is important to have top-down alignment and engagement from leadership.
- 3. Create credible plans through robust data and clear targets.**
Strong transition plans are underpinned by robust analysis and data, with clear targets and milestones that create accountability and turn a plan from a marketing narrative into a credible plan.
- 4. Understand dependencies but don't let uncertainty be a barrier.**
It is crucial to understand and recognise uncertainties and dependencies on which a transition plan rests, but these should not be used as an excuse or distraction from action.
- 5. Treat plans as dynamic documents, using flexible language.**
Transition plans are inherently dynamic documents that require regular review and iteration. Transparency, early communication and use of flexible language can help to mitigate risks of an uncertain future



MASTERCLASS #1
THURSDAY, 13 FEBRUARY

**Transition planning
and your role**



MASTERCLASS #2
TUESDAY, 25 MARCH

Putting it into Practice



MASTERCLASS #3
THURSDAY, 24 APRIL

Beyond the Boardroom

Leading through uncertainty

We reinforced our learnings from our first masterclass on the importance of transition planning being integrated into the corporate strategy, as well as the criticality of strong executive leadership and taking a pragmatic approach. We also explored how to lead through uncertainty, with key considerations including:

- **Integrated strategy:** Ensure transition planning is embedded in the strategy rather than a sub-strategy
- **Connection with purpose:** Cohesion is driven with one goal - ensure there is a clear link between your transition plan and the organisation's overarching purpose
- **Executive leadership as well as holistic organisational engagement is key:** We recapped the critical role of the CSO, but that they cannot do it alone and need backing and input from the entire business to succeed
- **Commercial considerations:** Work with stakeholders to build transition plans that align with customers and companies wants and needs, ensuring commercial considerations are an input
- **Reality check:** Acknowledge uncertainties and interdependencies in transition plans to ensure realistic and actionable strategies
- **Addressing resistance:** Form alliances amongst stakeholders and ensure the Chair is engaged. Engage less enthusiastic colleagues through sharing peer case studies to highlight benefits, use probing questions, and leveraging regulatory requirements (whilst avoiding box-ticking)

"Many organisations are not being swayed by the current uncertain times as they recognise that the climate transition is connected to their core purpose and hence creates an enduring need for transition planning"

"It is important to keep focus on what actually makes a difference — are we actually saving the planet?"

"Companies have really grown up in this area, but now is time for the sticky part — the action and the real progress"

"Be careful when people say 'we are all saying the same thing' — ask probing questions to ensure you are aligned"

Effective NED review and challenge of transition plans

We explored how NEDs can effectively review and challenge transition plans, covering some key guiding themes including:

The transition planning development cycle is a non-linear iterative process, sometimes spanning 1-2 years; NEDs should be actively engaged at multiple points throughout the entire development, asking probing questions.

To take transition planning to the next level, NEDs should challenge their organisations to explore how the topics of Adaptation, Nature and a Just Transition can be incorporated into plans.





Through review and challenge of real-life examples, participants reflected on areas that make a transition plan strong, considering:

What makes for a strong transition plan?

- Clear targets and milestones to track progress and create accountability
- Plans need to be underpinned by sufficient data and analysis to ensure credibility
- Clear sponsorship, ownership and engagement is evident across the whole business
- The most impactful plans are in line with the sector trends and the company strategy

Where could transition plans go further?

- **Clear baseline and ambition:** Many plans outline ambition, but could be improved by clearly outlining the starting point, lessons learned to date and where you expect to go (with a level of realism and understanding of the level of change needed to implement)
- **Compelling narrative and logical flow:** Many plans could improve the flow of the narrative, highlighting enablers, interdependencies, and a clear link to the overarching company strategy
- **Embracing innovation:** Good plans to embrace innovation, change and flexibility to capture all opportunities

Participants also reflected that, to add value when reviewing and challenging plans, detail, analysis, quality preparation time and carefully curated NED debates are required. To enable this, governance and scrutiny should be applied in the same way as with other technical topics which boards cover.

Participants tackled common debates which often arise within the boardroom when reviewing and challenging transition plans, including how we plan for implicit uncertainty, financial planning detail, how organisations should influence externally, and plans for scope 3 emissions reduction. Through the discussions, participants highlighted several key learnings including:

How should we plan for implicit uncertainty?

It's important for organisations and boards to understand and plan for uncertainties, but this shouldn't be seen as a barrier to action.

How detailed should transition financial planning be, and over what time horizon?

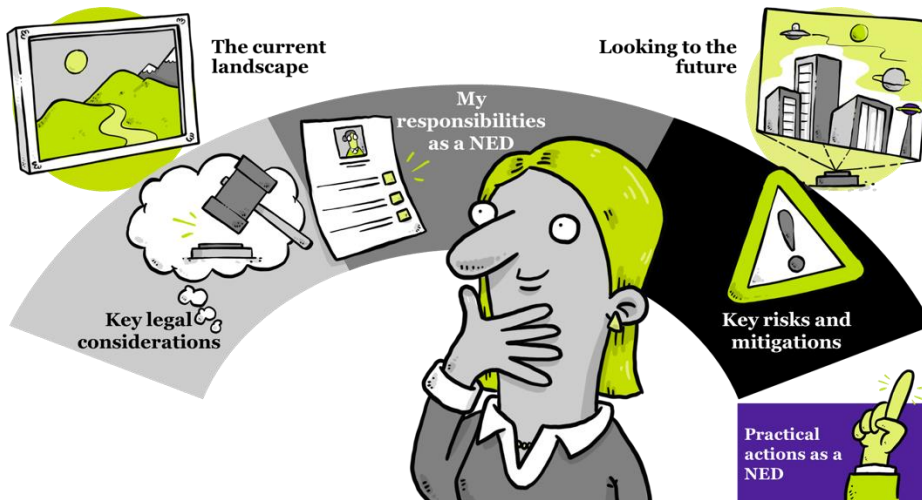
Transparency over financial planning is important to drive credibility in transition plans. However, it is important to acknowledge uncertainty and outline caveats and assumptions. A useful approach is to give different levels of details over different time horizons to balance credibility with certainty.

What level of action should we be taking to influence externally?

There is a need to identify key dependencies and focus lobbying and external engagement on these. A key way of influencing policy is through disclosure and reporting of dependencies.

How should we be thinking about scope 3 emissions reduction?

Reframing our mindsets on scope 3 away from “a challenging task to reduce our own scope 3” and towards “working with our value chain to help them reduce their scope 1 & 2 emissions”, can make the challenge more manageable and help to drive meaningful progress.



What are the legal considerations for NEDS surrounding transition planning?

The current legal landscape: At least currently, in the UK, there is no legal requirement for companies to adopt and put into place a climate transition plan. Companies that are required to produce Task Force on Climate-Related Financial Disclosures (TCFD) reporting under the UK Listing Rules (UKLRs) are expected to make some transition plan disclosures, where appropriate. Companies wishing to adopt a transition plan can choose (and are encouraged) to follow the “gold standard” framework for transition plan disclosures published by the Transition Plan Taskforce (TPT).

Looking to the future: The UK Government is expected to consult on transition plan requirements in H1 2025, and the Financial Conduct Authority (FCA) is expected to consult on transition plan disclosure expectations during 2025.

The adoption of the International Sustainability Standards Board (ISSB) standards in the UK (expected to take place this year) may also enhance expectations around transition plan disclosure requirements.

In the EU, companies in-scope of the Corporate Sustainability Due Diligence Directive (CS3D) will be required to adopt transition plans. However, the EU ‘Omnibus’ proposals, aimed at streamlining some of the EU’s sustainability legislation, have pared back some of the language, and there may be further changes as the proposals are negotiated this year.

There are several key legal considerations to take into account, including:

- Governance
- Compliance with statutory directors’ duties (outlined in sections 172 and 174 of the Companies Act 2006) to promote the success of the company and to exercise reasonable care, skill and diligence
- Mitigating greenwashing risk (and risks associated with making false or misleading statements)
- Verification/third-party assurance
- Compliance with competition law when considering engagement with industry peers or competitors
- Compliance with (future) legislative requirements relating to transition plans
- Careful use of language and disclaimers

What practical steps can NEDs take to mitigate risks and build confidence in the transition plan in the board room?

- Make sure the right governance, including effective policies and processes, is in place for delivering and monitoring a successful transition plan
- Know when to bring in external advisors for support or to fill knowledge gaps
- Remember that transition plans are living, breathing documents, requiring regular review

Note: These key insights were from a presentation delivered in session by Slaughter and May. This material is for general information only and is not intended to provide legal advice. For further information, please contact the Sustainability team at Slaughter and May.

Useful resources

Useful reference materials

- [Spotlight: Transition Planning — Chapter Zero \(incl. TPT wider resource links\)](#)
- [Transition Plan Taskforce \(TPT\) Disclosure Framework](#)
- [Chapter Zero Transition Planning Toolkit](#)
- [Transition Planning Toolkit: Briefing — Chapter Zero](#)
- [Transition Planning = Strategy Planning — Chapter Zero](#)
- [Key takeaways and overview of Masterclass #1: Transition Planning and your role](#)

Resources for further reading and interest

- [Chapter Zero Knowledge Hub](#)
- [Oliver Wyman Climate and Sustainability Platform](#)
- [Oliver Wyman Forum](#)
- [Oliver Wyman Forum — Leadership Reimagined](#)
- [Overview of EU Omnibus changes 2025](#)
- [SBTi releases draft Corporate Net-Zero Standard V2 for consultation](#)
- [Financing a nature positive transition](#)

To explore this area and Oliver Wyman expertise further, please reach out to:



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