



THURSDAY 24<sup>th</sup> APRIL 2025

## Masterclass #3: Beyond the boardroom

### Event summary

#### Our transition planning masterclass series

In collaboration with the Oliver Wyman Forum, as part of our wider series on transition planning, we launched this series of three interactive, practical transition planning masterclasses. Building from our [Getting Started](#) series, these masterclasses allowed us to explore transition planning concepts in greater detail. These were in-depth learning experiences where attendees learn from both experts and peers. The third masterclass explored transition planning beyond the boardroom, exploring the ever-changing external landscape, engaging with key stakeholders, and considering the broader implications beyond climate. This document provides a summary of the rich learnings and key takeaways from the event.

#### Key takeaways

As Non-Executive Directors (NEDs), we have a unique role to help create broad and deep alignment behind transition plans in our organisations and across our value chains.

- Placing shareholder value, commercial opportunity, and business growth as the drivers of climate transition planning helps ensure that climate remains a core business priority despite shifts in the operating context.
- On-the-ground engagement with employees, suppliers, communities, investors, and customers is essential to activate climate transition plans.
- In a consistently shifting external environment, scenario analysis can help NEDs understand key dependencies and plan effectively for different futures
- The transition of an organisation needs to be considered as a change programme. Approach it with a nimble, people-centred strategy that integrates across your business processes and systems.
- Identifying and addressing policy dependencies in transition plans is an underdeveloped area where NEDs can provide challenge and guidance, with scenario analysis again a useful tool.



MASTERCLASS #1  
**Transition planning and your role**



MASTERCLASS #2  
**Putting it into Practice**



MASTERCLASS #3  
**Beyond the Boardroom**

# Climate change and decarbonisation, a global perspective

We explored climate change and decarbonisation from a global perspective with Sir Mark Tucker, Supporting Chair of Chapter Zero, Chair of HSBC plc, and Chair of the Discovery Group of South Africa. Our discussions focused on navigating a complex and evolving geopolitical landscape as well as engaging with stakeholders to develop and implement transition plans. The following summarises the general learnings from the overall conversation with NEDs in the room:

- **Anchoring the transition in risks and opportunities:** In particular, thinking about how to transition and contribute to transition in the wider economy can catalyse innovation and lead to new products and new business models.
- **Commitment to customer transition:** Anchor climate transition plans in supporting your customers' needs and their transitions.
- **Geopolitical and geoeconomic complexity:** The ever-changing geopolitical environment introduces additional complexity in transition planning. Expect non-linear progress, and leverage the latest scientific evidence, peer and expert networks to examine your plan and maintain momentum.
- **Set your board up for success:** Recognise that developing a transition is a material time commitment, including for board members. Consider if you need to set up a dedicated working group and board level "sounding boards", leverage internal and external experts and expect an iterative review and challenge process.
- **Be open to collaboration and feedback:** Listen to customer and investor feedback, participate in peer initiatives to discuss industry standards, facilitate investment in climate solutions, and engage with NGOs. Consider the role of your organisation in the wider ecosystem and where collaboration and partnerships can amplify impact and accelerate progress.
- **Dynamic approach:** Continuously evolve your thinking, approaches, and plans to reflect the latest scientific evidence.

*"Rather than waiting for better data, we need to utilise the information at hand to create the best plan possible, recognising that circumstances will continue to evolve."*

*"We face the challenge of balancing our company's climate ambition with pragmatism. This requires cross-functional debate to transform targets into achievable goals."*

*"As NEDs, we can amplify successful case studies, such as those presented today, that illustrate how companies can create significant shareholder value through climate transition planning."*

Note - Quotes above synthesized from the group discussion with NEDs in the room



# Engaging beyond the boardroom

The stakeholder landscape beyond the boardroom is vast, and engaging in the broader ecosystem is key for transition planning to be successful. We took a deep dive into the engagement of various stakeholder groups, surfacing a series of key considerations.

## Deep dive 1. Organisational alignment

Engaging Executives, senior leaders and employees in climate transition planning is important not only because prioritising sustainability helps to attract and retain top talent. Climate transition can require complex transformation and the number of transformations that fail to reach all objectives has risen to a staggering 81%<sup>1</sup>. Harnessing the ideas and commitment of the workforce will increase the likelihood of successful design and implementation. We considered three dimensions to managing organisational alignment:

- **Frame the future** by creating leadership alignment, engaging employees at scale, and developing a compelling narrative around transition plans.
- **Build the movement** by involving business leaders in the development of implementation plans, shifting culture amongst employee and connecting with grassroots champions.
- **Sustain momentum** by integrating the transition plan into business processes, aligning incentives and performance management, and building plans to address skill and competency gaps.

We explored what works well in practice, including working ESG committee meetings with business involvement, engaging all employees to address challenges and opportunities of decarbonization (e.g. in product design) and NEDs responsible for workforce 'walking the floor' to gauge organizational alignment.

## Deep dive 2. Investors and transition finance

We are seeing mixed investor sentiment driven by shifting concerns about physical, transition, and political risks.

- **Navigate a rapidly evolving transition finance landscape:** In this evolving landscape, some companies are reinforcing their commitments while others are softening their climate goals due to investor pressure.
- **Engage with investors and harness transition plans:** Achieved through direct investor engagement and by rigorously challenging transition plans to ensure they are credible and deliverable.

- **Understand your investors:** Investors are not a homogenous group and their perspective will be influenced by their definition of value and their investment time-horizon.
- **Foster partnerships:** NEDs have the opportunity to foster partnerships between investment firms and real economy companies to drive innovation.
- **Deploy transition finance strategies:** Key strategies for transition finance include financing entities and activities that develop or scale climate solutions, supporting those aligned with a 1.5°C pathway, and accelerating the managed phase-out of high-emitting assets.

## Deep dive 3. Understanding and informing policy

NEDs play a crucial role in challenging and supporting their companies to engage with policymakers, addressing barriers and accelerating progress in a complex and changing policy environment.

- **Oversee responsible policy engagement:** Engaging on policy barriers and enablers in transition plans can help to unlock progress, so overseeing this strategic activity is a core responsibility of the company board.
- **Consider the private sector role:** Companies can engage in policy by collaborating on policy development, addressing implementation barriers, and partnering to scale solutions.
- **Understand the benefits of engagement:** Engaging in policy development can help organisations inform policies that support the successful delivery of transition plans, while also providing better visibility of the evolving policy landscape.
- **Make the most of your NED role:** NEDs are well positioned to challenge executives to identify and engage on key policy dependencies in transition plans, and capture opportunities to join public-private initiatives focussed on co-creating solutions.
- **Inform the set-up of public support mechanisms:** NEDs should stay informed and encourage direct involvement in informing climate-focused financing vehicles and other policy solutions.

*"Relying on government commitments is currently challenging. As NEDs, we must help our companies manage the risks of changing or reversed policies."*

1. Source: Oliver Wyman 2024 Performance Transformation Global Executive Survey

# Headline scenarios

Climate and sustainability is a hot-topic and organisations can often be the subject of headline news. During the event, participants tackled scenarios highlighting climate and sustainability issues in the news, considering the impacts they may have on their own transition plans and how they should communicate with key stakeholder groups, highlighting the following learnings:

## Greenwashing and Greenhushing

Exploring headlines about greenwashing and greenhushing, considering how these might impact how we engage with investors:

- **Be specific in your communications:** Try to avoid high level messages that can be mis-understood.
- **Be mindful of the rise of greenhushing:** It's important to remember that your transition plan needs to be an accurate reflection of what you are and aren't doing. Holding back on disclosing initiatives can mean that companies can't take advantage of the investment and work that they're putting in. Being transparent about plans, the context of them and the dependencies can give confidence around fuller disclosures.
- **Follow through with plans:** NEDs should challenge their organisations to ensure they are doing what they said.

## Shareholder backlash

Conflicting headlines highlighting shareholder backlash, following activist-driven U-turns on green strategy:

- **Have consistent messaging:** It's important to stay on message when engaging with shareholders, and ensure there is the same clarity internally and externally.
- **Understand your shareholders:** It's important to understand shareholder's perspectives, considering their needs.

## Employee activism

Engaging with employees in the light of employee activism, seeking to pressurise organisations to adopt more aggressive climate policies and practices:

- **Listen to your employees:** It's important to take the time to listen to employees to understand their concerns and needs.
- **Consider the longer-term employee value proposition:** Use this when engaging with employees.
- **Transparency, awareness building and education are critical:** This should be part of the plan for engaging with employees across all levels.

## Global instability

Headlines highlighting continued global instability with respect to climate commitments and investment in sustainability:

- **Focus on your 'North Star':** Regardless of the volatile geopolitical landscape, it's vital to retain focus on your 'North Star', enabling you to make decisions on what's right for your organisation.
- **Look for opportunities:** Try to focus messaging on commercial opportunities, innovation, and growth.
- **Leverage international initiatives:** While necessary policy shifts are often country-specific or regional, we can leverage international initiatives for support.
- **Consider alternative scenarios:** Use these to explore the potential impacts they may have for your organisation.

## Informing policy

Exploring government plans to increase investment in sustainability initiatives, and the opportunities to inform the direction of future policy:

- **Understand policy dependencies:** Policy dependencies are challenging but crucial. NEDs have a role to play in getting on top of these.
- **Create an action plan in the boardroom:** Decide who gets involved, how, and where.
- **Engage in taskforces and other government activities:** Do this to position yourselves well to be able to help inform policy.



*"Change happens very slowly... and then all at once!"*

## A taste of related topics

During the session we introduced additional learning topics valuable for NEDs. To find out more, reach out to the Oliver Wyman and MMC experts or click the links below:



### Supply chain risk – Sentrisk: [Rob Bailey](#)

- [Sentrisk: Achieve breakthrough risk outcomes](#)
- [Climate resilience: Five steps to strengthen supply chains](#)



### Adaptation and nature: [Swenja Surminski](#)

- [How a holistic risk approach increases resilience in the face of a changing climate](#)
- [Embracing nature: how business can engage with new environmental imperatives](#)
- [Staying above water: A systemic response to rising flood risk](#)



### Physical risk and resilience: [Chris Johnstone](#) and [Nick Faulk](#)

- [Global climate resilience and adaptation hub](#)



### Insurance in the climate space: [Edmund Woolcock](#)

- [Climate and sustainability embedded within insurers' underwriting frameworks](#)



### Engaging customers in the transition: [Alex Paine](#)

- [Make climate meaningful](#)



### Additional 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 = Strategy Planning — Chapter Zero](#)
- [Chapter Zero Knowledge Hub](#)
- [Oliver Wyman Climate and Sustainability Platform](#)

# Reach out to Oliver Wyman experts

This session was developed by Oliver Wyman experts, in partnership with Chapter Zero. To explore this further, please reach out to:



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