



TRANSITIONING TO A CLIMATE-RESILIENT FUTURE

WHY YOUR CLIMATE TRANSITION PLAN MATTERS



THE RISE OF THE TRANSITION PLAN

A transition plan is your roadmap for adopting, and thriving in, a low carbon economy. It is a demonstration of your ambition, a strategic tool for action and evidence of your accountability.

- Globally an increasing number of jurisdictions are supporting transition plan adoption through regulations, rules, and guidance including CSRD, TCFD and CDP.
- Transition plans are quickly becoming an industry standard – from 2022 to 2023 there was a 44% increase in companies reporting a climate transition plan that aligned with a 1.5-degree goal.
- The gold standard for transition plans has been established by the Transition Plan Taskforce (TPT), but most companies are still falling short of disclosing all the data required for a ‘credible’ transition plan. However, transition planning is an iterative process. For most companies it takes at least two years to develop a ‘credible’ plan in line with the TPT standard.
- The future for climate transition plans will involve developing expertise, creating effective tools, integrating plans into core business strategies, and ensuring global consistency.



WHAT THAT MEANS FOR YOUR BUSINESS

Your business needs to develop and iteratively improve its transition plan to stay compliant, build business resilience, reduce risk and align for success.

- **Compliance and commitments:** transition plans are now a regulatory requirement for many but are also a strategic tool for leveraging progress towards your climate-related targets.
- **Competitiveness and resilience:** a robust transition plan demonstrates your ambition and leadership and enables you to position for future regulatory requirements, market changes and the changing climate.
- **Transparency and accountability:** your investors, consumers and other stakeholders are increasingly demanding visibility of your climate plans and actions. A strong transition plan will build trust, enhance reputation, attract investment, and signal long-term viability.
- **Risk reduction:** your plan will enable you to identify and mitigate operational, market and financial risks.
- **Access to finance:** Your transition plan can attract investment and unlock access to green financing, loans, and capital, supporting sustainable growth.



ARE YOU PREPARED?



What are the key implications of the wider climate transition for your company's strategy?



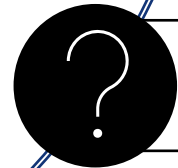
What are the key climate and nature-related risks and opportunities for your company?



How are you telling the climate story and gathering support for your transition plan from all stakeholders?



What are the strategic levers available to the company for decarbonisation?



How is transition planning process being developed and integrated into board review?

TAKING ACTION

1. ASSESS / RE-ASSESS

Before you start:

- Ensure cross-company ownership.
- Map key stakeholders.
- Assess your climate-related risks and opportunities.
- Measure your emissions footprint.
- Identify your transition levers.
- Assess your impacts and dependencies.

2. STRATEGIC AMBITION

Responding and contributing to the transition towards a low GHG-emissions, climate-resilient economy:

- Define your objectives and priorities.
- Identify key assumptions and external factors on which your plan depends.
- Identify key changes to business model and value chain.

3. PLAN YOUR ACTIONS

Plan implementation for operations, products and services:

- Revisit your policies and conditions.
- Assess the resilience of your implementation strategy.
- Review your governance structures, organisational arrangements and people.
- Develop your engagement strategy.
- Integrate your transition plan into your financial plan.
- Set your metrics and targets.

4. IMPLEMENT YOUR PLAN

Establish arrangements to:

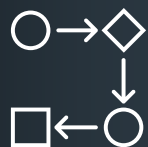
- Continue or start implementation.
- Disclose your transition plan in line with the TPT Framework.
- Monitor and report on progress.
- Learn and reflect from the process.

RICARDO WILL WORK WITH YOU TO ACCELERATE AND OPTIMISE YOUR TRANSITION

A lot depends on getting your transition plan and execution right, including your long-term future. Ricardo is your trusted advisor throughout your transition, providing expert advice, analysis and support across all elements of your climate transition plan development and implementation.



Transition plan gap
analysis against
standards



End-to-end support
from initial gap
assessment to
completed transition
plan documents



Technical support,
strategy and action
plans for all areas
covered by your
transition plan
including GHG
inventories and
climate resilience



Technical review
and quality
assurance of work
completed in-house
or by partners



Authoring and
production of final
standalone report
or integration into
annual report

Get in touch to discuss how we can support you
to make your transition plan robust and impactful



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www.ricardo.com/transitionplans