



# Transition planning

CLIMATE-RELATED DISCLOSURES | WEBINAR 1

—  
22 October 2024



# FUELLING PROSPERITY

We passionately believe that the flow-on effect from focusing on helping **fuel the prosperity** of our clients significantly contributes to ensuring that our communities, and ultimately our country and all New Zealanders, will enjoy a more prosperous future.

# Your host



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# Strategy, metrics and targets come together



Transition plan aspects of the strategy



“ Year 2 is about moving from a focus on reporting to taking **action**”

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The objective of the Standard is to enable primary users to assess the merits of **how entities are considering** [those] risks and opportunities, and then make decisions based on these assessments.

# Strategy, metrics and targets come together

- ❑ current climate-related impacts;
- ❑ scenario analysis undertaken;
- ❑ the climate-related risks and opportunities identified over the short, medium, and long term;
- ❑ the anticipated impacts of climate-related risks and opportunities; and
- ❑ how it will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state.

Adoption provision



understand how climate change is currently impacting your entity and how it may do so in the future.



The ultimate aim of the Standards is to support the allocation of capital **towards activities** that are consistent with a transition to a low-emissions, climate-resilient future.



# Strategy, metrics and targets come together

- ❑ **Current business model and strategy**
- ❑ **The transition plan aspects of the strategy, including how the business model and strategy might change to address climate-related risks and opportunities**



**understand how  
to position**

# Transition planning vs Transition plan

Transition planning asks the “**so what**” question – so what is your business **doing** in response to what it has learnt from the climate work you’ve done?

Transition plan is an aspect of an entity’s overall strategy that **describes** an entity’s **targets**, including any **interim targets**, and **actions** for its transition towards a low-emissions, climate-resilient future.

# Transition planning guidance

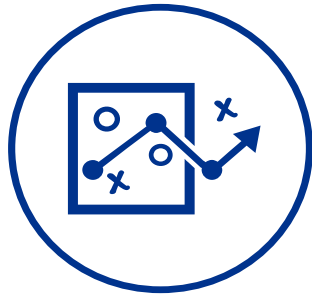


**“The main difference with existing strategic planning processes are the longer time frames and the need to take a systemic view.”**

<https://www.chapterzero.nz/resources-and-insights/transition-planning-a-guide-for-directors>

# What it boils down to...

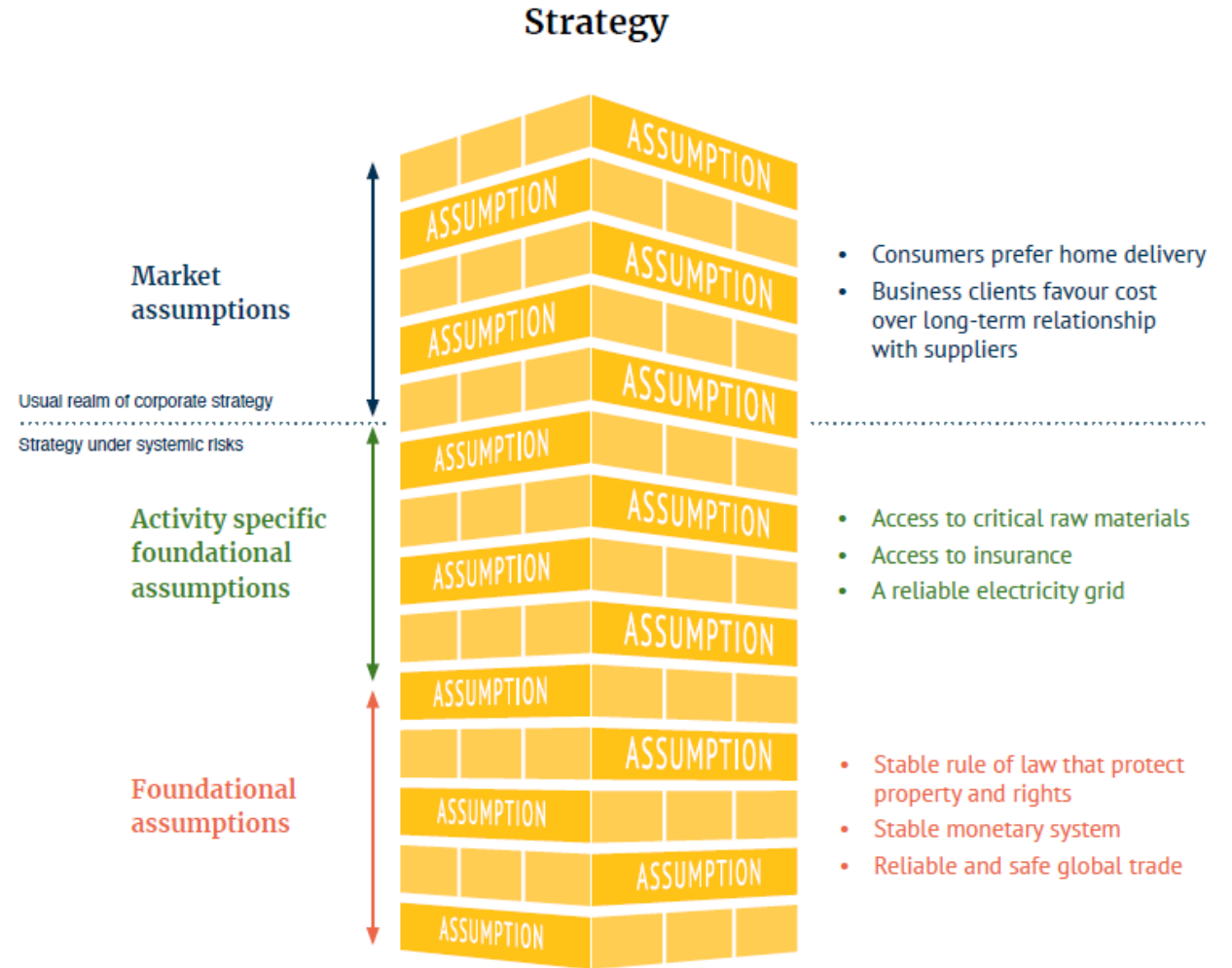
**It is about the repositioning and transformation of the business model and strategy –**



- 1. Explore the options**
- 2. Chart the pathways**
- 3. Take tangible actions**

# Enter scenario work again...

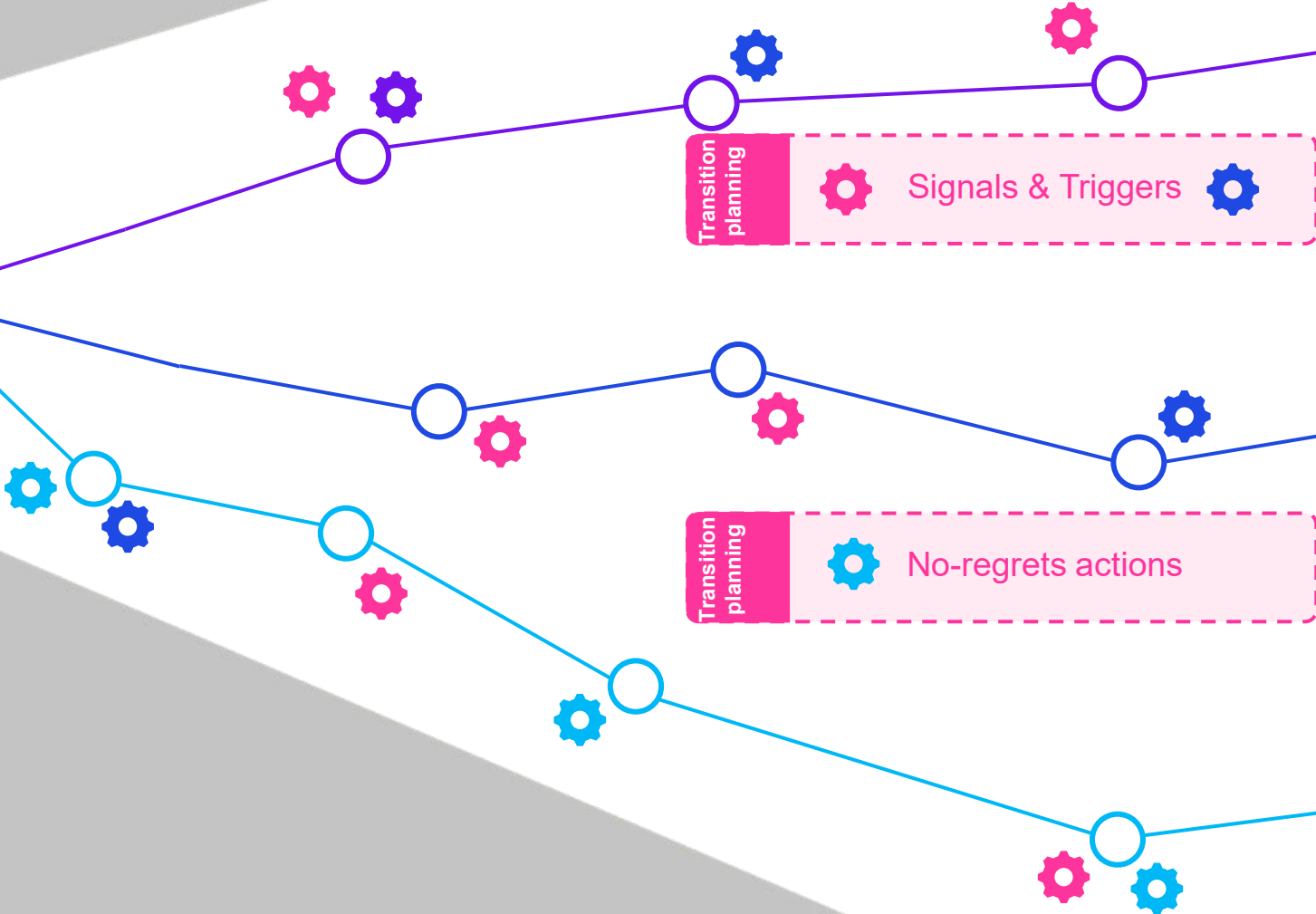
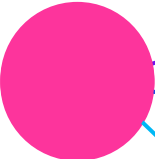
...this time to understand the resilience of the business model and strategy...



<https://www.chapterzero.nz/resources-and-insights/transition-planning-a-guide-for-directors>

# Resilience to uncertain futures

YOU  
ARE  
HERE

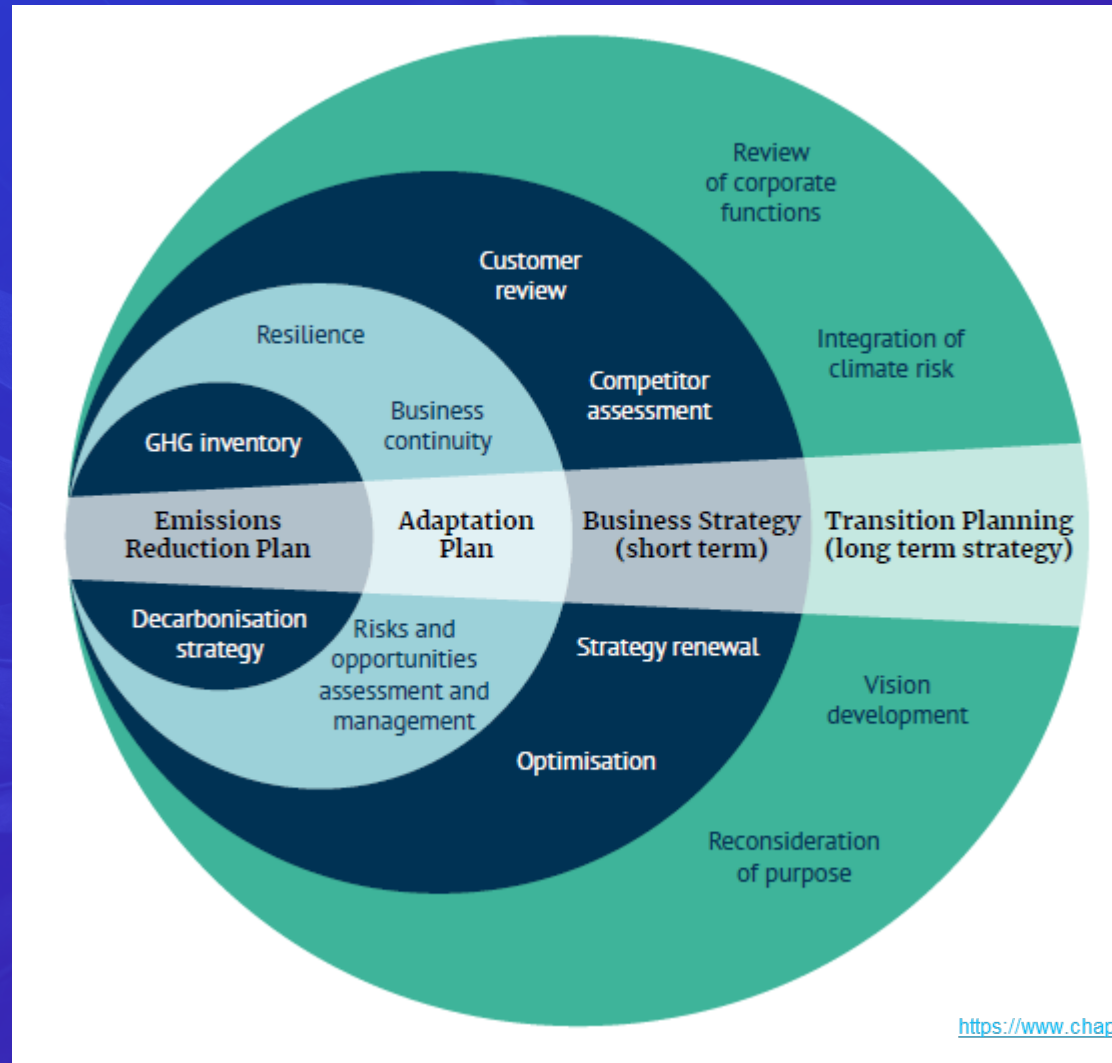


**Possible future #1**

**Possible future #2**

**Possible future #3**

# Bringing it all together...



<https://www.chapterzero.nz/resources-and-insights/transition-planning-a-guide-for-directors>

# Transition plan – then at the right time put pen to paper

Transition plan is an aspect of an entity's overall strategy that describes an entity's **targets**, including any **interim targets**, and **actions** for its transition towards a low-emissions, climate-resilient future.

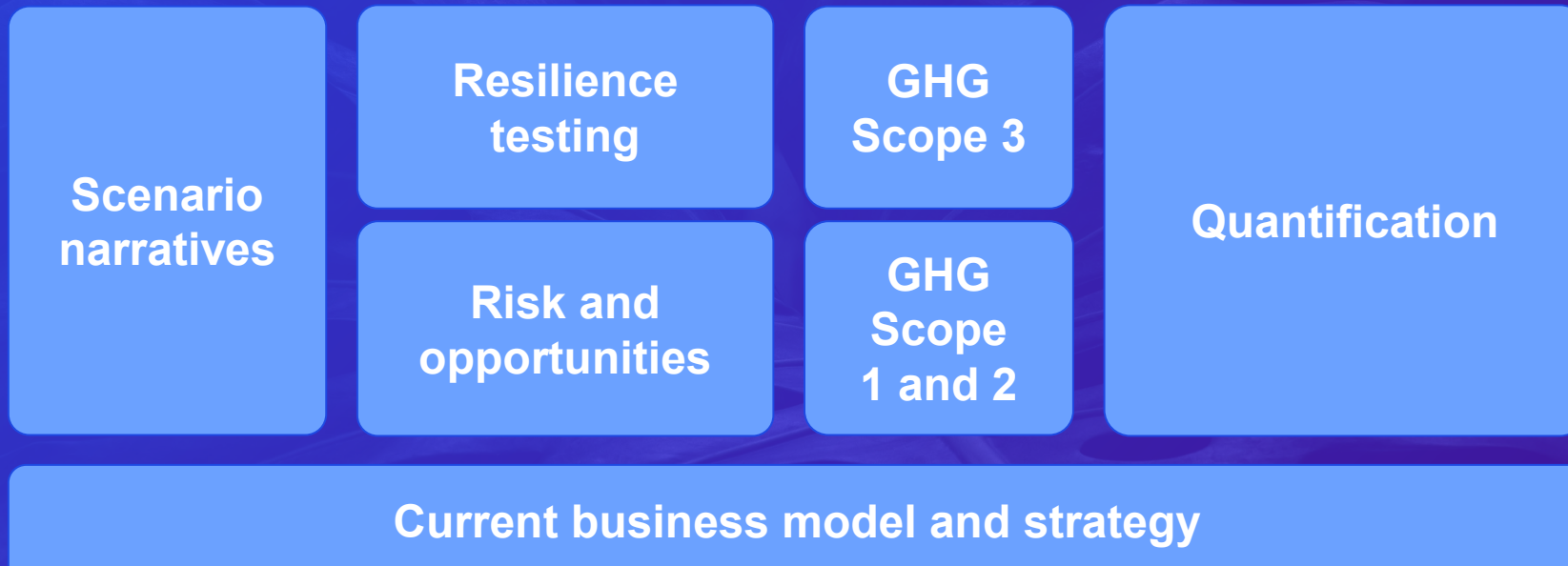




# Then, at the right time, put pen to paper...



**Transition plan aspects of the strategy**



# Key take aways

- It is not about meeting disclosure requirements, it's about **business criticality and resilience** in a time of increasing **disruption and uncertainty**.
- To focus on **purpose, goals and strategy** means climate needs to be at the heart of all your thinking.
- Identifying climate risks and opportunities is important, but **connecting them to strategic decision making** is the ultimate aim.
- Doing this requires you to **challenge your assumptions and mental models**. Approaching with an **opportunity mindset** allows for this to be done constructively.



# Contact us

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