



Climateworks
CENTRE

June 2026



An introduction to climate transition planning



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Educational Designer
Climateworks Centre



We bring together deep expertise

Monash University

- Australia's largest university, 66 years old.
- 10 faculties, over 100 research institutes and around 17,500 staff.
- Ranked 37th in the QS World Ranking.

Climateworks Centre

- Independent, non-profit organisation established 15 years ago.
- Bridging the gap between research and climate action.
- Over 100 staff in Melbourne, Newcastle, Canberra, Perth and Jakarta.



About Climateworks Centre



+



VISION

Our economies support a safe climate, thriving societies and healthy ecosystems.

MISSION

To accelerate ambitious, evidence-based climate action for net zero in Australia and Southeast Asia.

WHO WE ARE

Climateworks Centre is an independent not-for-profit within Monash University.

As climate transition specialists, we work with decision-makers who have the power to reduce emissions at scale.



We bridge the gap
between research and
climate action.

Meet one another

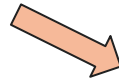
In pairs:

- **Introduce yourself**
- Each person to **share your motivation** for being here today
- Then **introduce your partner** to the others on your table.

What is a climate transition plan?

Why climate transition planning?

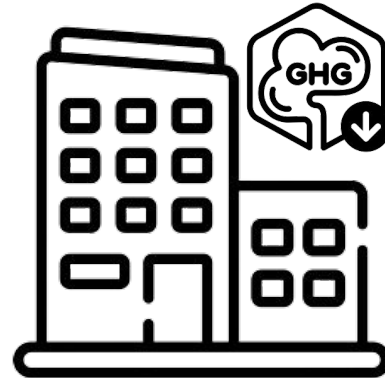
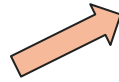
Finance



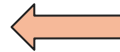
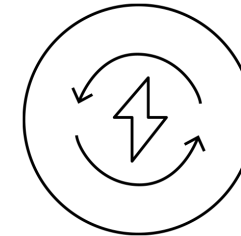
Reputation



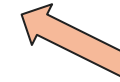
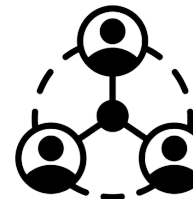
Ethics



Policy, regulation,
legal implications



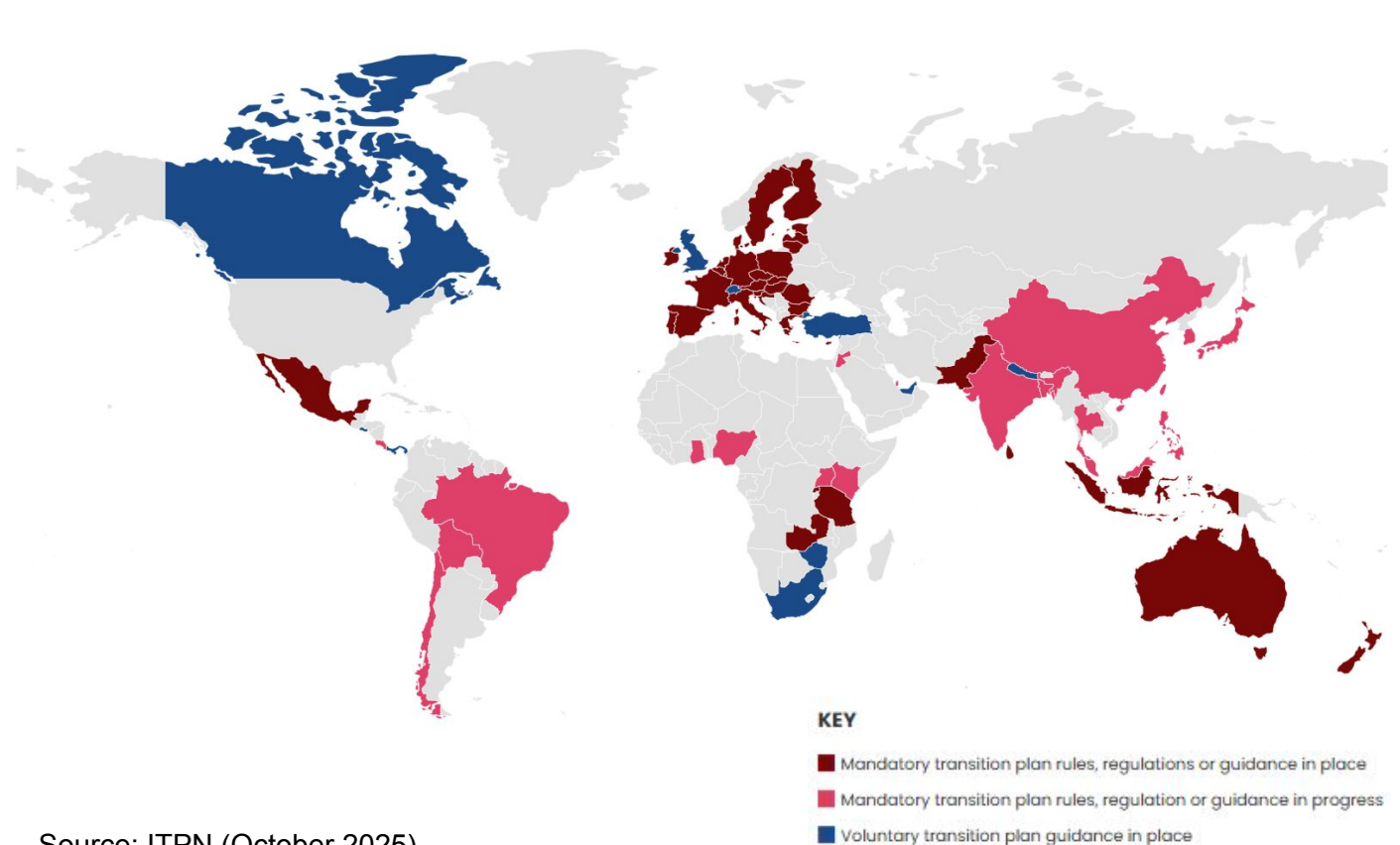
Efficiencies, cost
savings



Stakeholder Pressure

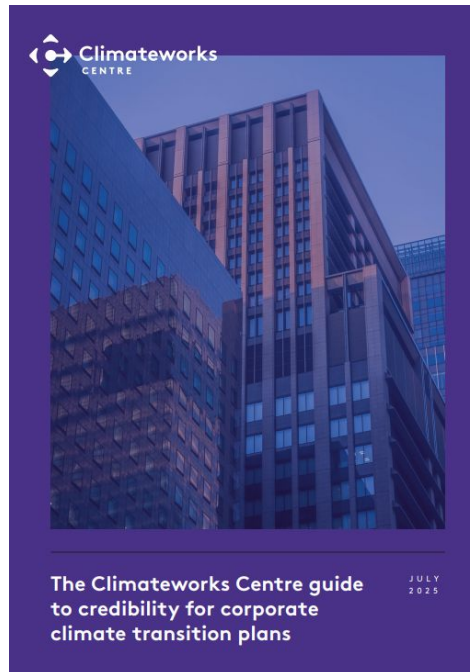
More than 60% of global GDP will be subject to ISSB standards

- 40+ jurisdictions are taking steps to introduce ISSB Standards in their legal or regulatory frameworks.
- OJK Regulation 51/2017 requires certain organisations to implement sustainable finance and submit a Sustainable Finance Action Plan or disclose a Sustainability Report.
- **Taking effect in January 2027, Indonesia has launched PSPK 1 and PSPK 2, as an adoption of IFRS S1 and S2.**
- Given the nature of global value chains, entities and jurisdictions not directly required to report are likely to be caught up in others' reporting processes.



Source: ITPN (October 2025)

Transition planning is a strategic, forward-looking approach to preparing for, and contributing to, the transition to net zero



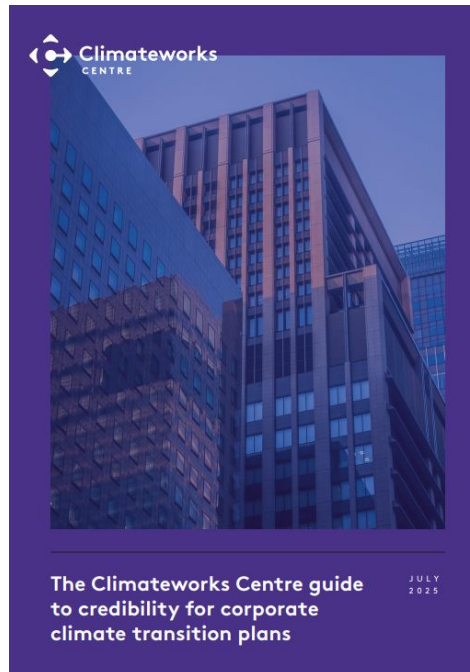
A climate transition plan is a strategic, forward looking document that details how a company plans to prepare for and contribute to the global transition to net zero emissions.

A transition plan sets out a company's emissions reduction objectives and details the actions and accountability mechanisms to reach these objectives.

Climate transition plans are a powerful tool to guide companies through their decarbonisation journey while increasing transparency and integrity.

Transition planning is a strategic, forward-looking approach to preparing for, and contributing to, the transition to net zero

- Climate plans
- Climate action plans
- Climate transition action plans
- CTPs
- CTAPs
- Decarb strategies
- Net Zero Roadmaps
- Green transition plans
- Carbon management plan

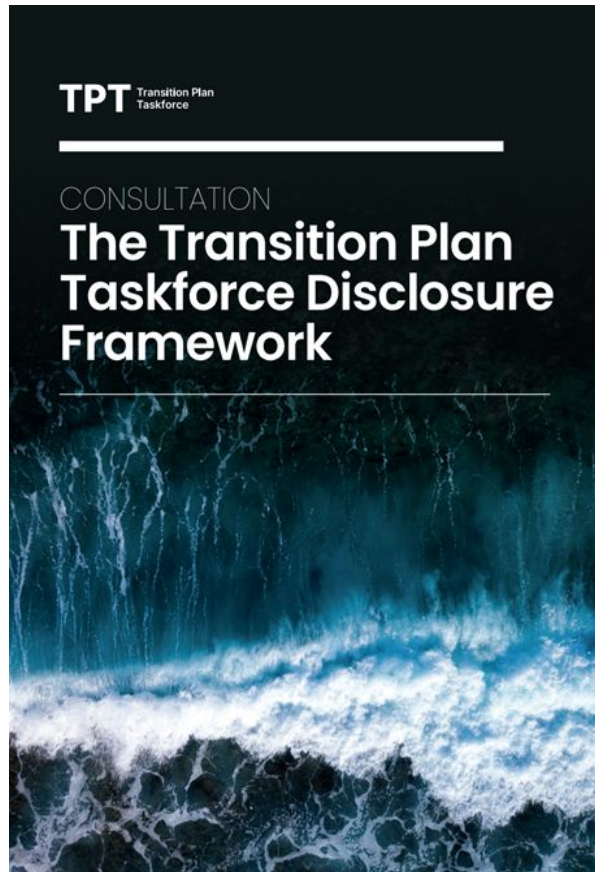


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The UK Transition Plan Taskforce (TPT) has set the standard for transition planning globally



Comprising financial institutions, businesses, policymakers and regulators, and civil society organisations, the TPT established the gold-standard framework for transition plans.

In July 2023, the TPT published the final version of the Disclosure Framework:

- What to include (this session)
- How to engage in transition planning (Tom Wainwright's sessions)

The Framework has influenced international standards, and is incorporated into the regulatory framework globally - including Australia - as part of the IFRS/ISSB climate-related disclosure requirements.

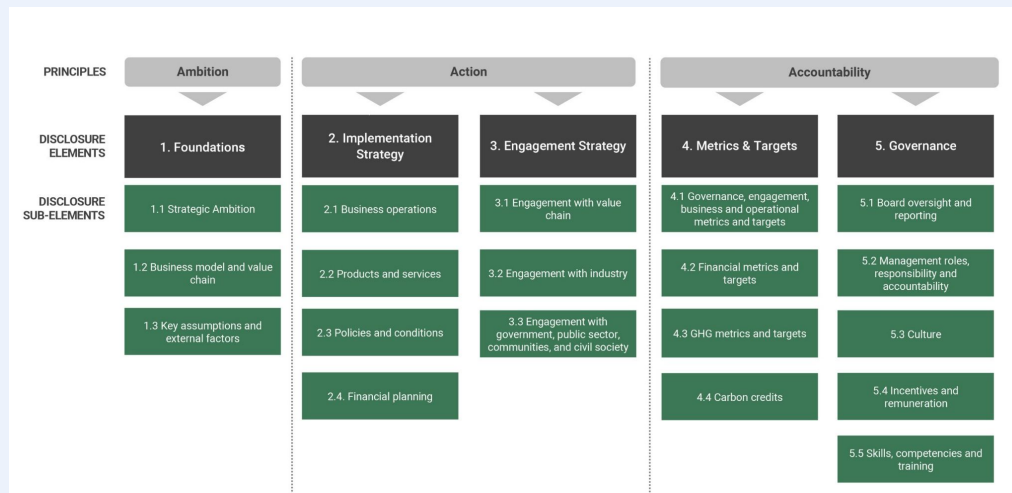
The TPT Disclosure Framework is leading the way in providing the necessary disclosure elements of transition plans



Source: Transition Plan Taskforce (2022)

CASE STUDY

- + Fortescue's Transition Plan is set out according to the Transition Plan Taskforce Disclosure Framework
- + The framework provides comprehensive guidance around what a transition plan should include and what organisations should disclose

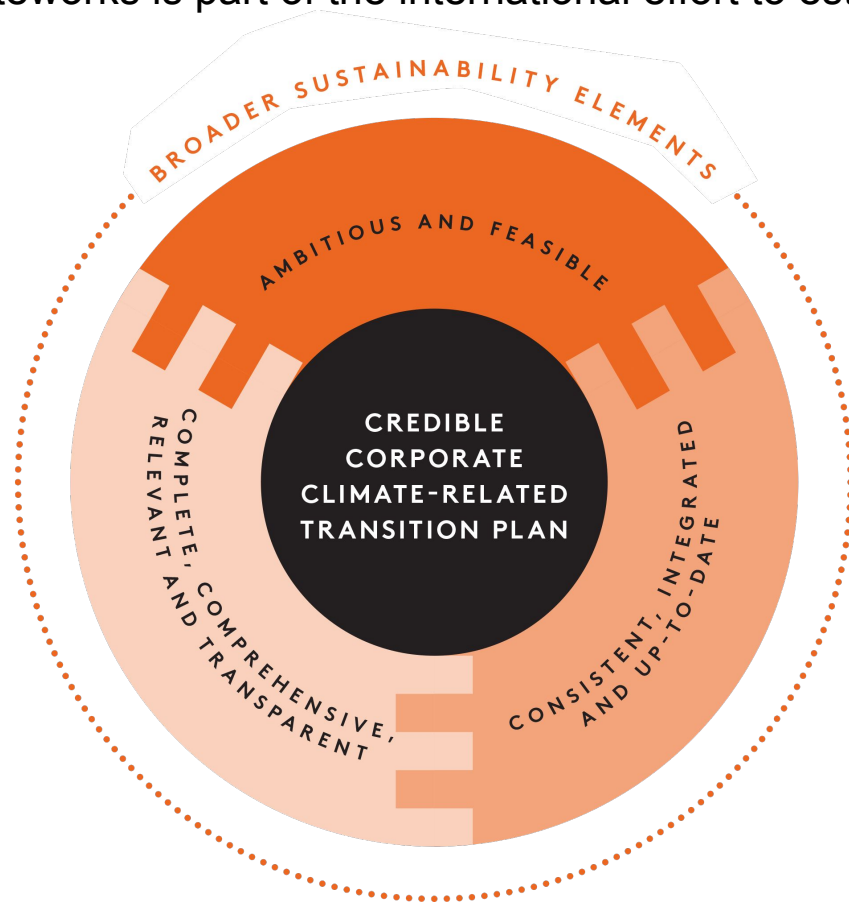


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Source: Fortescue (2024)

To be ‘credible’, corporate climate-related transition plans should be:

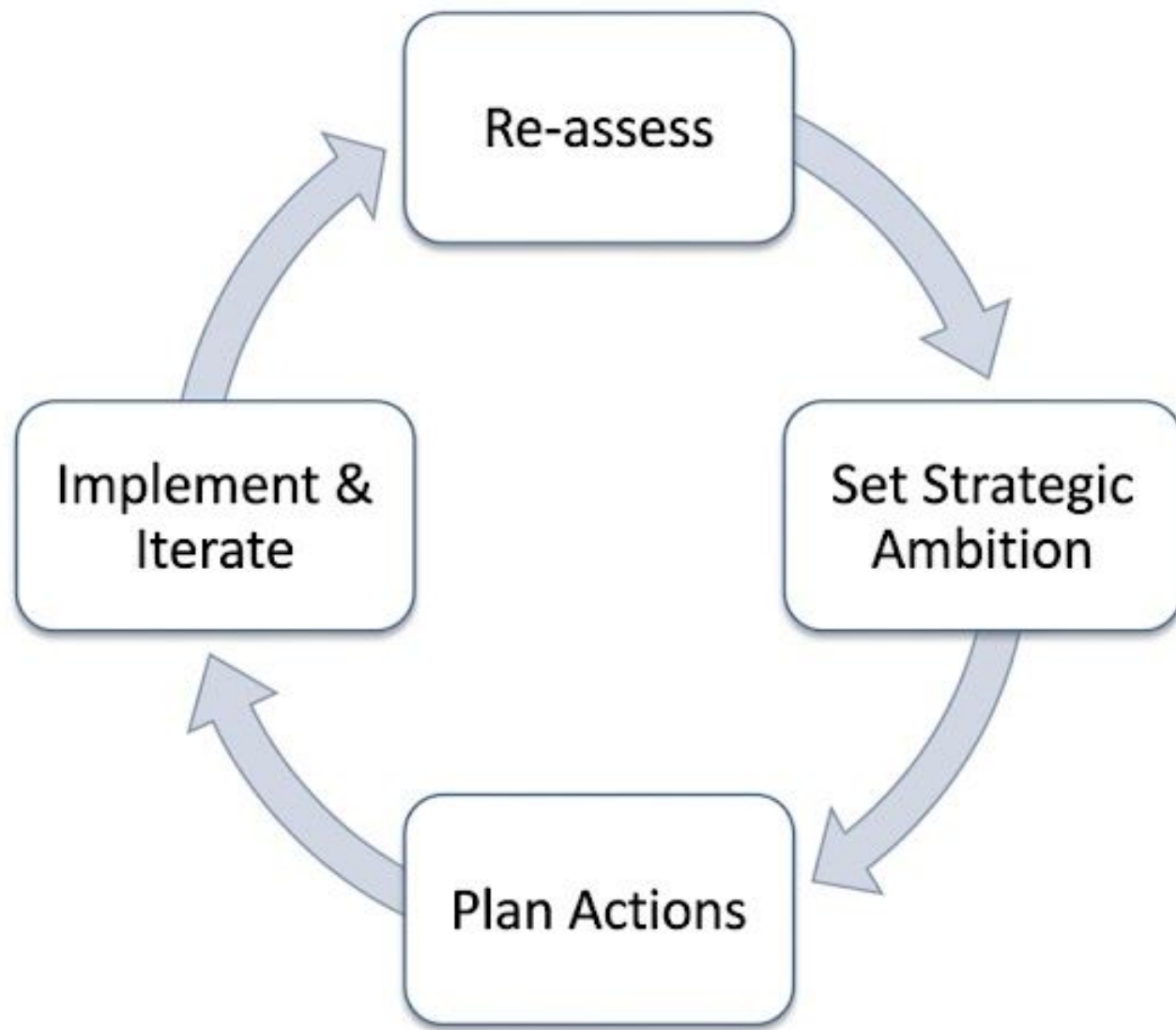
Climateworks is part of the international effort to establish core principles of ‘credible’ climate transition plans.



Transition plans are sufficiently **complete, comprehensive, relevant, and transparent** for users to make informed decisions.

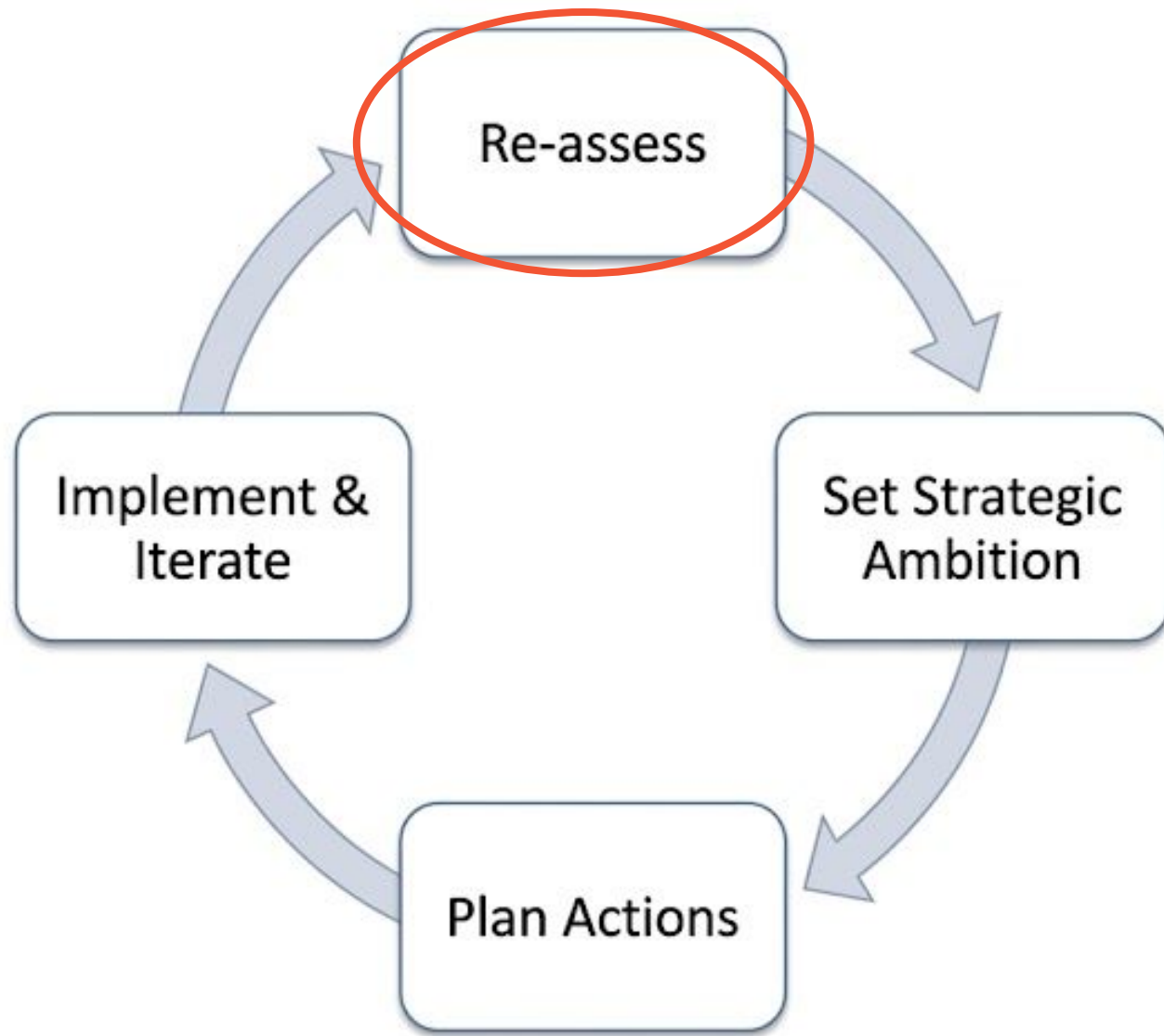
Transition plans are sufficiently **ambitious and feasible** for emissions reductions to occur in line with the Paris Agreement.

Transition plans are **consistent and integrated into the company’s organisational system** to enable, ensure and demonstrate the effective delivery of the strategy, and are maintained up-to-date.



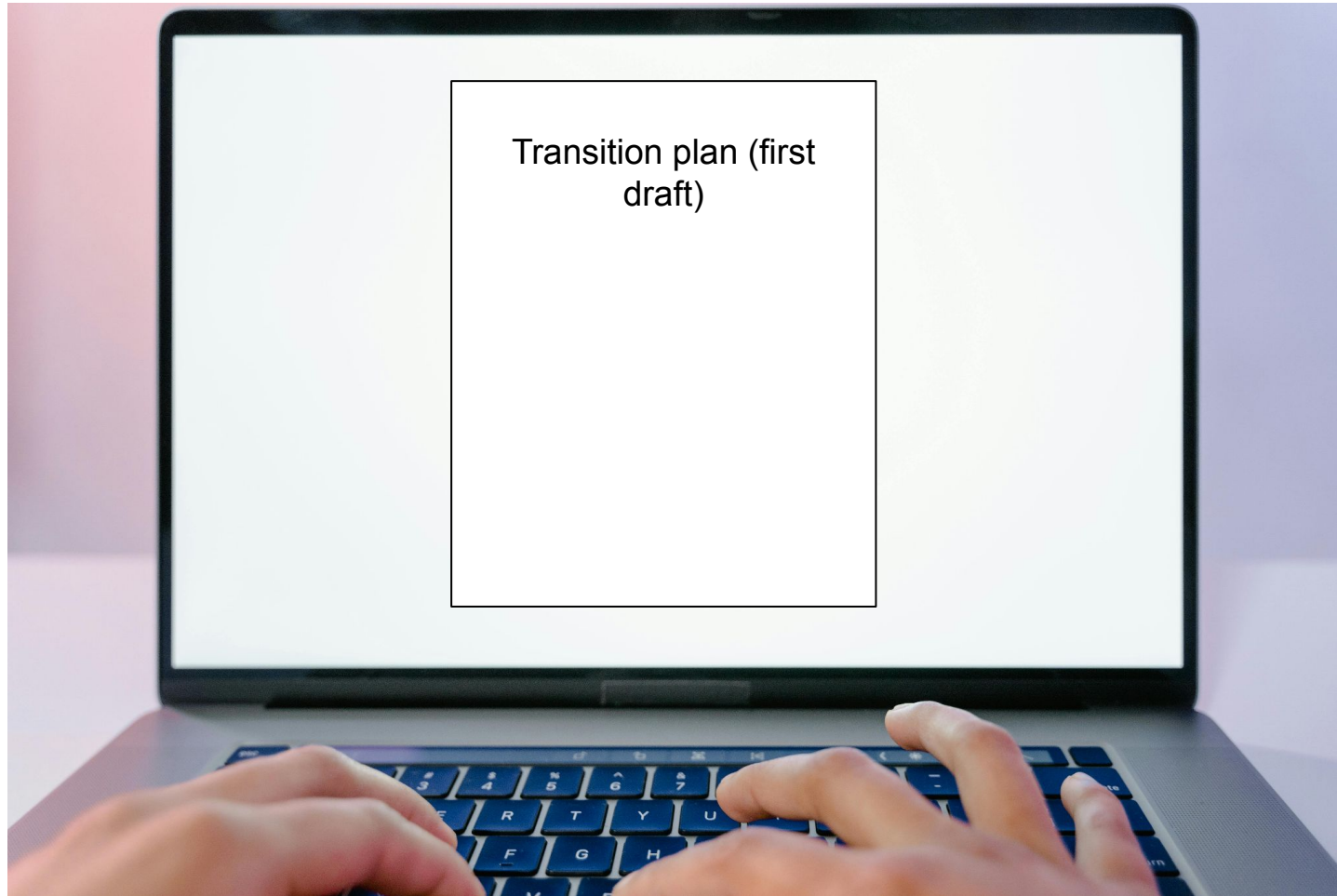
Source: Adapted from TPT (2024)

Getting started: Assess your current state, set your ambition



Source: Adapted from TPT (2024)

Getting started can feel like a daunting task



Start with where you are

1

Map and engage your stakeholders

Board support is key
Understand
cross-organisation support

Map value chain, peer,
industry stakeholders

2

Measure your emissions

Scopes 1, 2 and 3

Clear assumptions,
dependencies

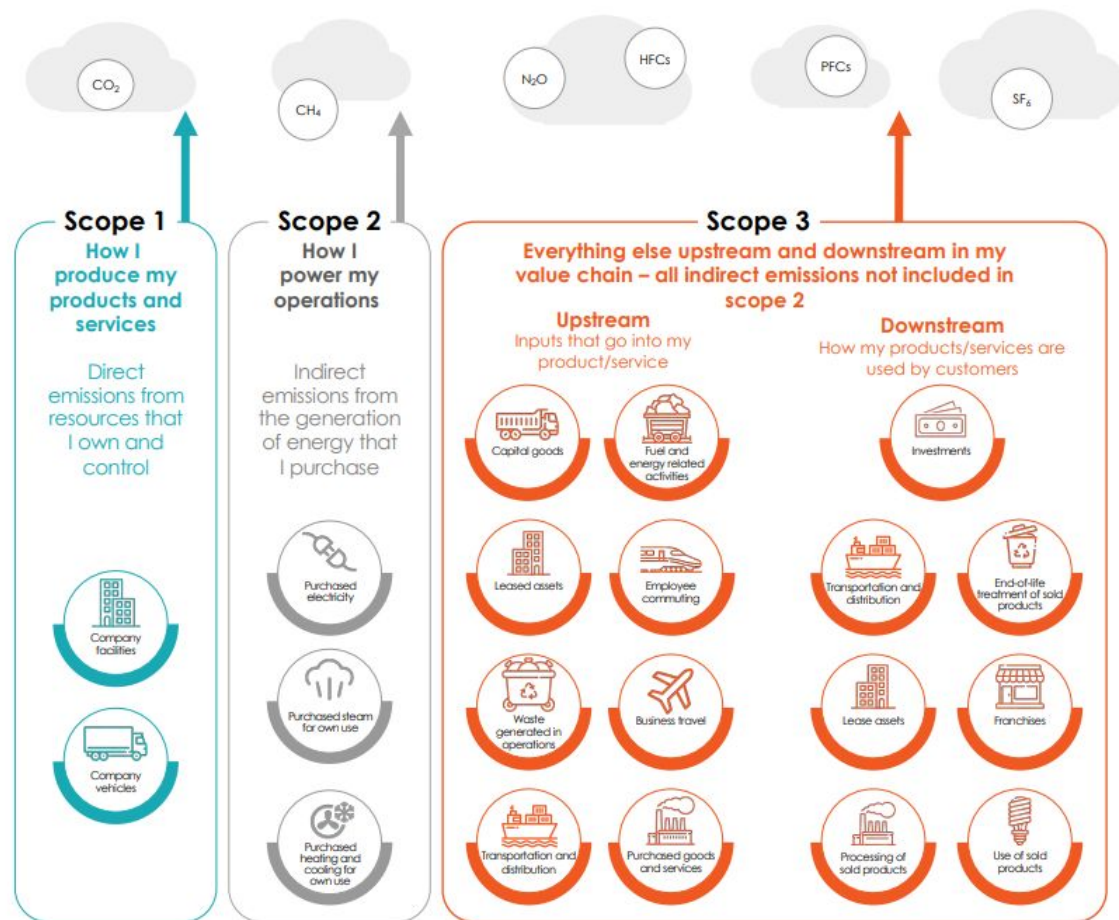
3

Assess your risks and opportunities

Understand **physical** and
transition risks, opportunities

Scenario analysis

For organisations, emissions can be accounted for as scope 1, 2 or 3



Emissions accounting supports companies to identify where their emissions come from and how to best reduce them.

- **Scope 1** emissions are directly emitted through the actions of the company
- **Scope 2** emissions are from purchased electricity used by the company
- **Scope 3** emissions are indirect emissions other than from purchased electricity that occur on the company's value chain

Source: CLC (2023)

Checklist for credibility: Accounting and reporting principles



Relevance



Completeness



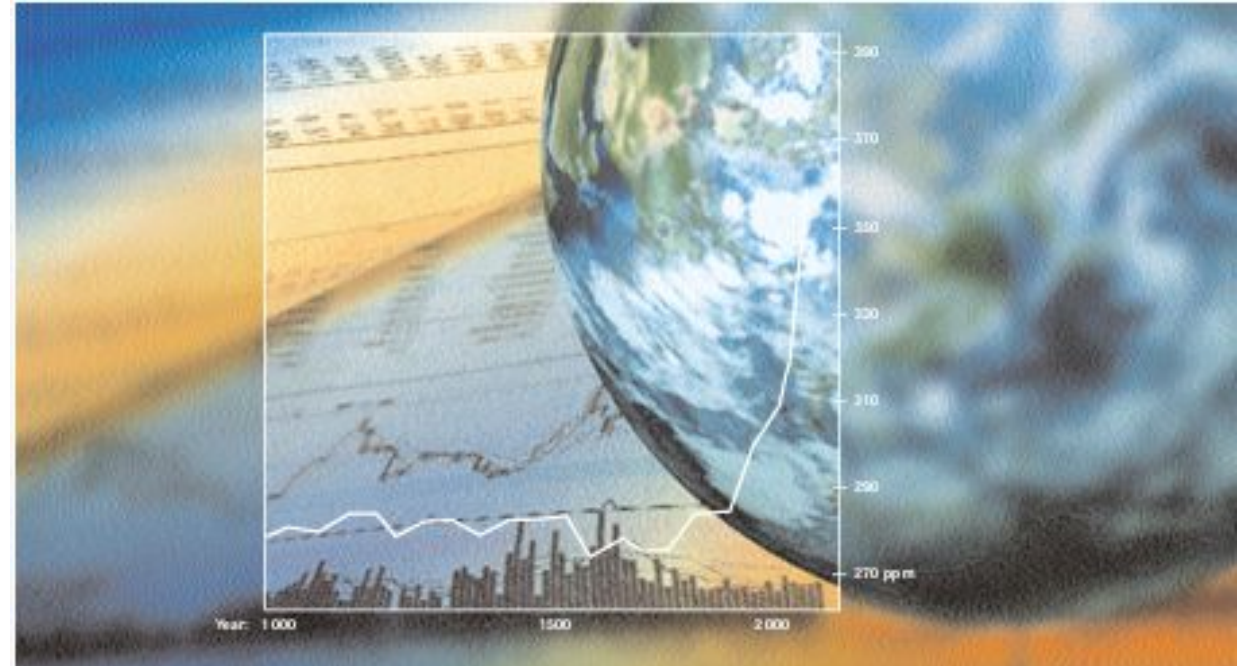
Consistency



Transparency



Accuracy



What are climate risks or opportunities?



Source: TCFD (2017)

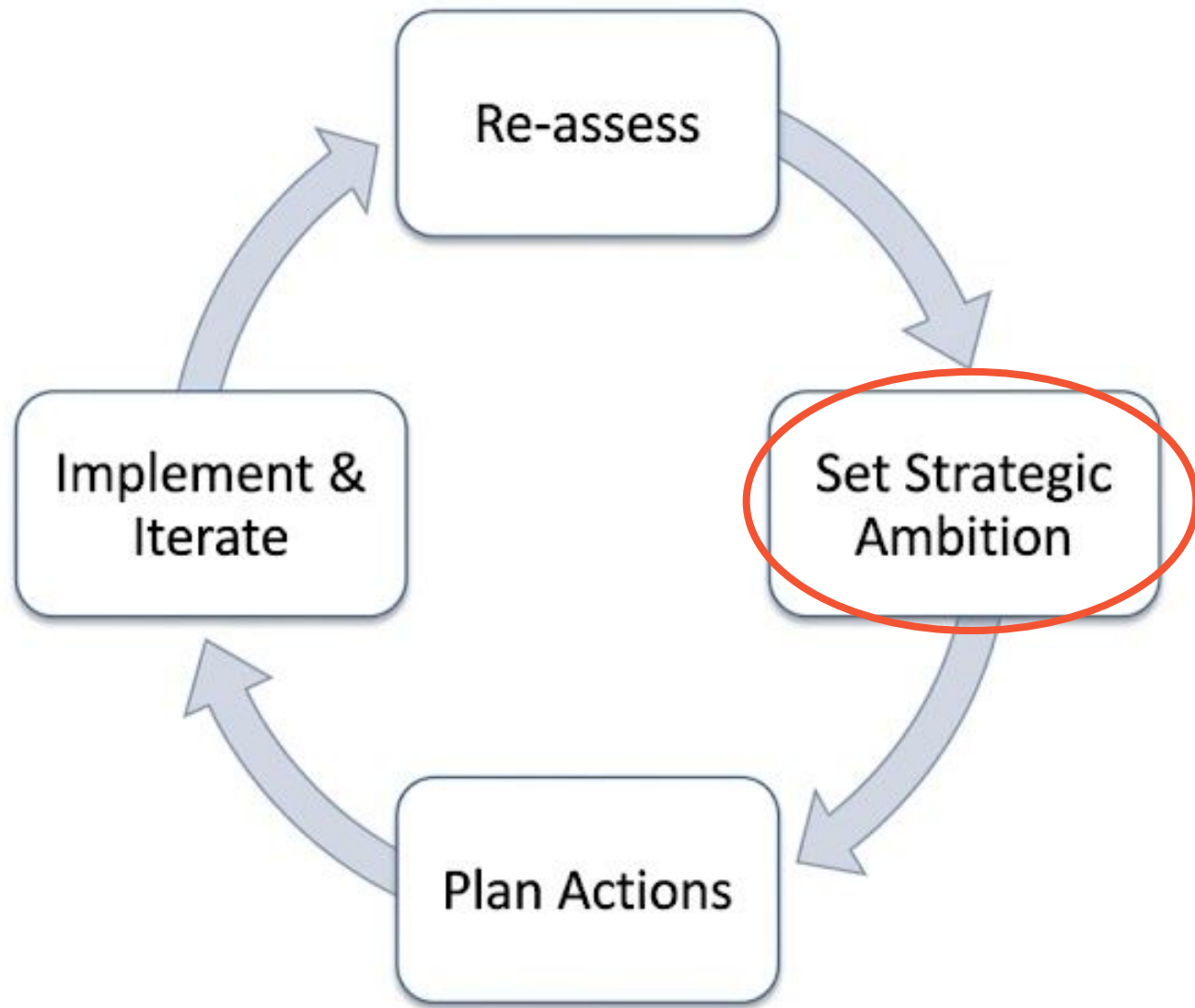
Climate scenario analysis is part of a collaborative and ongoing strategic process, it is not *just* about quantitative outputs

Builds a culture of continuous learning and adaptability, strengthening climate readiness.



Fosters strategic conversations that break down silos and align stakeholders on climate priorities.

Encourages long-term thinking and reveals hidden risks and opportunities for resilience.



Source: Adapted from TPT (2024)

The development of targets plays a crucial, strategic role in driving the reduction of emissions

Setting targets can:

- Signal direction – provide clarity on where the organisation is heading.
- Enable accountability – create milestones that can be tracked and reported.
- Drive investment – guide capital allocation, R&D, and procurement decisions.
- Align stakeholders – give employees, suppliers, and investors a shared goal.



SCIENCE
BASED
TARGETS

A step-by-step process



COMMIT

Submit a letter establishing your intent to set a science-based target



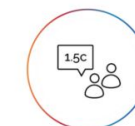
DEVELOP

Work on an emissions reduction target in line with the SBTi's criteria



SUBMIT

Present your target to the SBTi for official validation



COMMUNICATE

Announce your target and inform your stakeholders



DISCLOSE

Report company-wide emissions and progress against targets on an annual basis

Source: Science Based Targets initiative (2024)

Assess

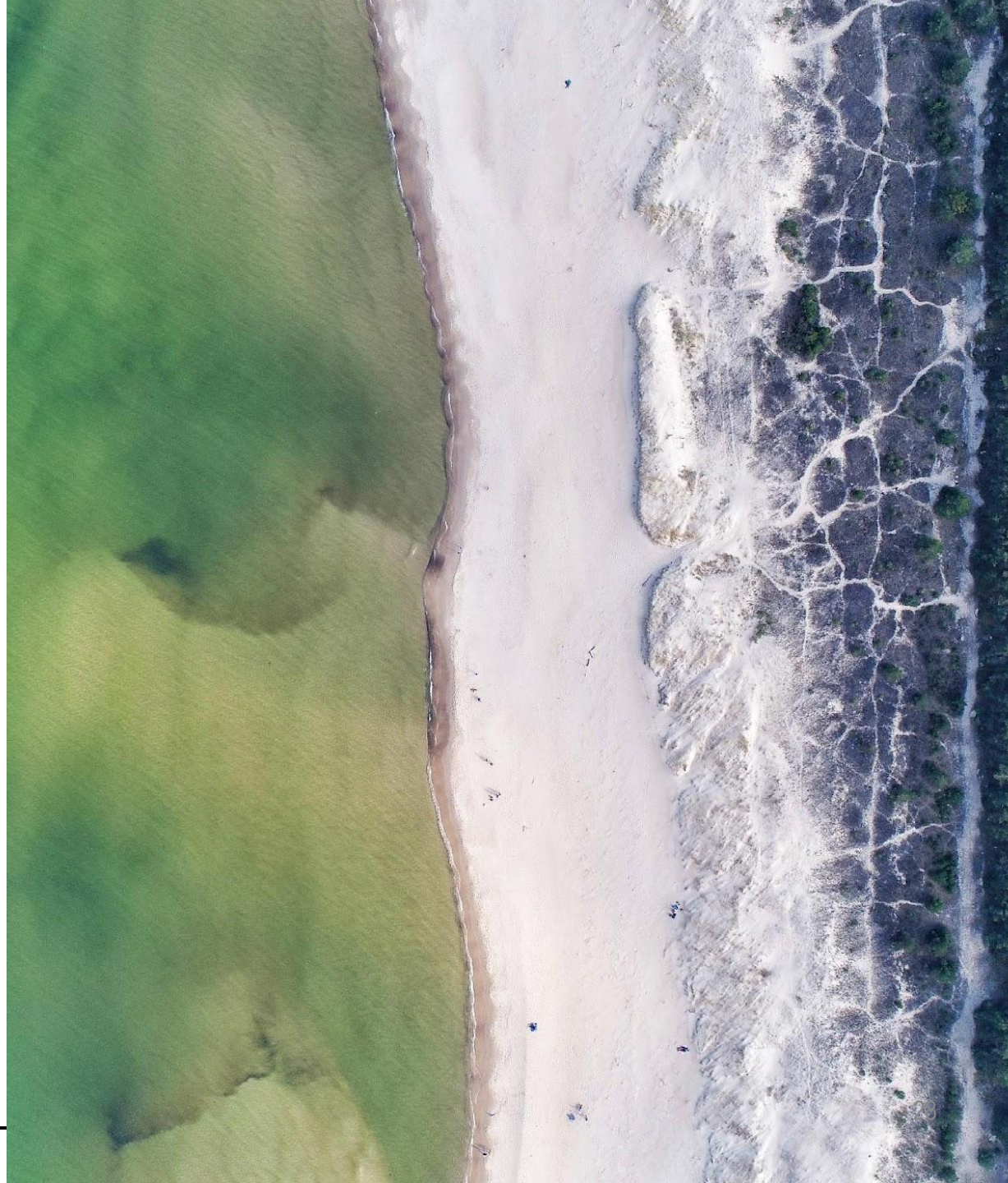
Set your ambition

Plan and implement actions

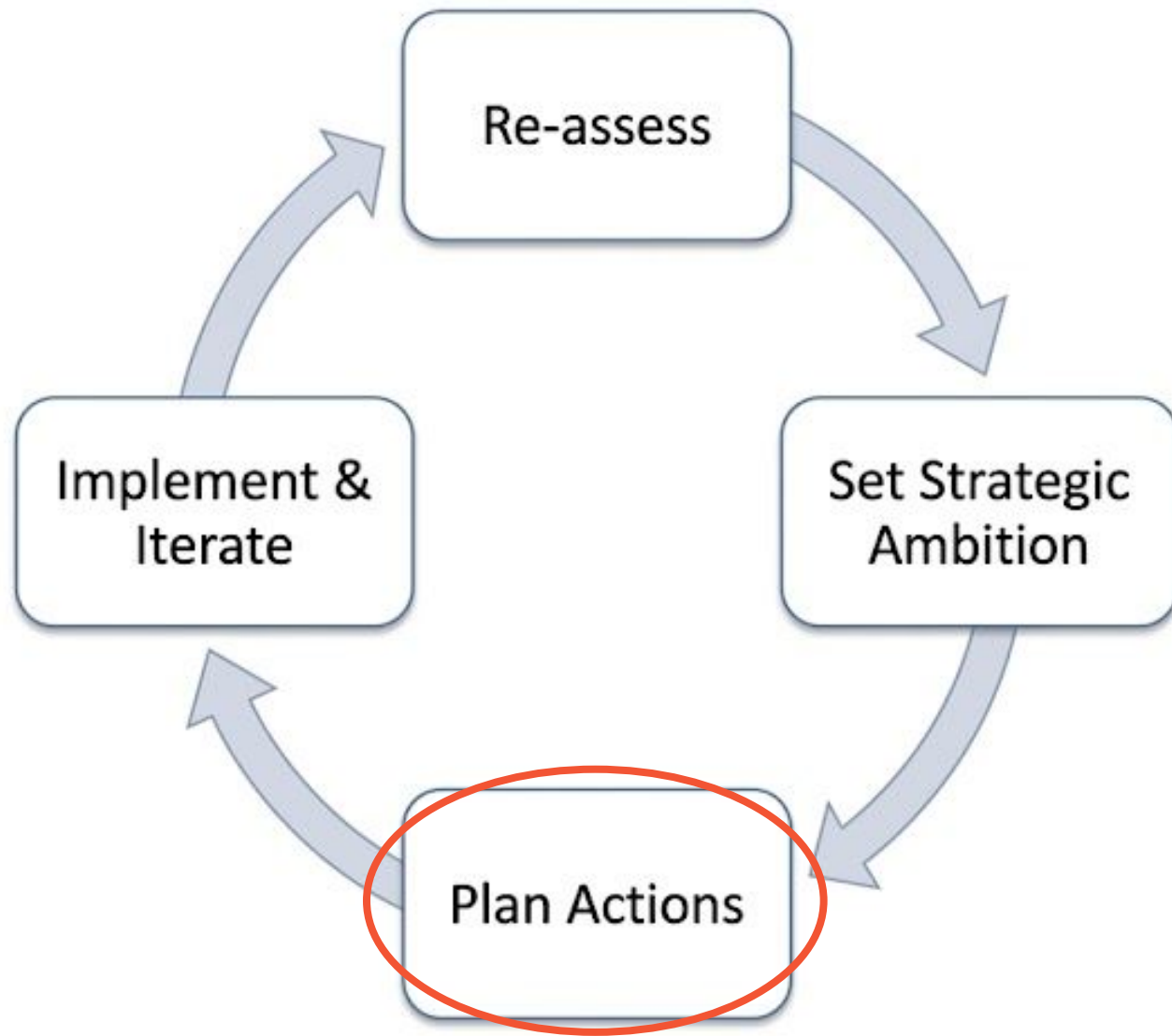
Monitor and re-assess

Document, document, document!

- Assumptions
- Dependencies
- Decisions
- Processes
- Sources

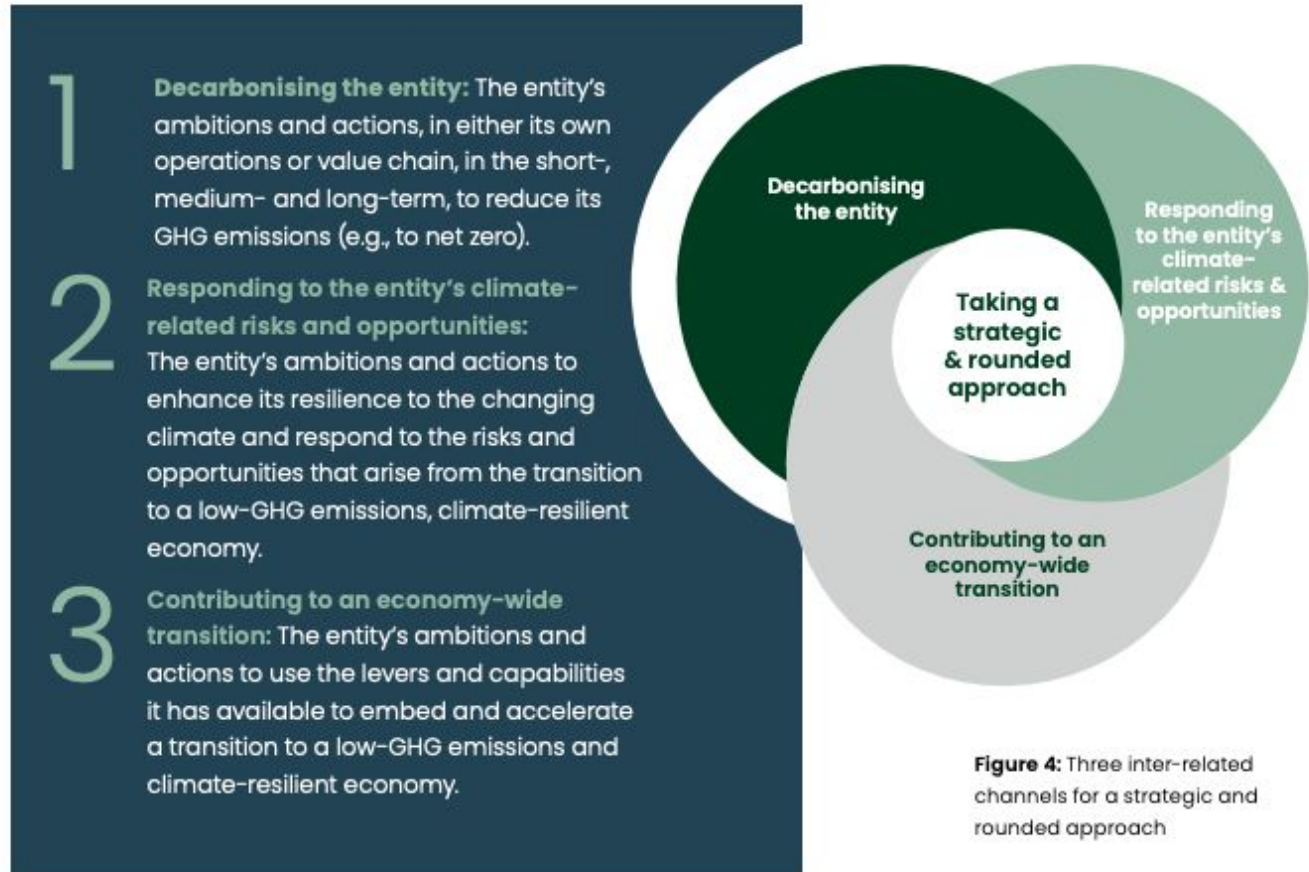


Implementation: Actions, integration, monitoring



Source: Adapted from TPT (2024)

What are your transition levers?



Transition levers refer to the range of approaches an organisation has available to facilitate the transition to net zero.

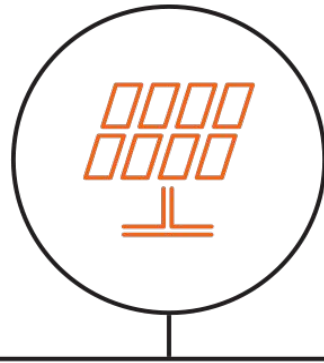
Figure 4: Three inter-related channels for a strategic and rounded approach

Source: International Transition Plan Network

Achieving net zero emissions relies on the four pillars of decarbonisation



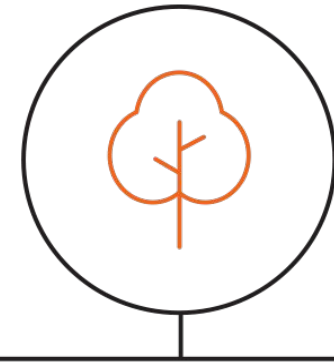
Energy waste reduction, including through energy productivity and a shift away from energy-intensive products and services



100% renewable electricity

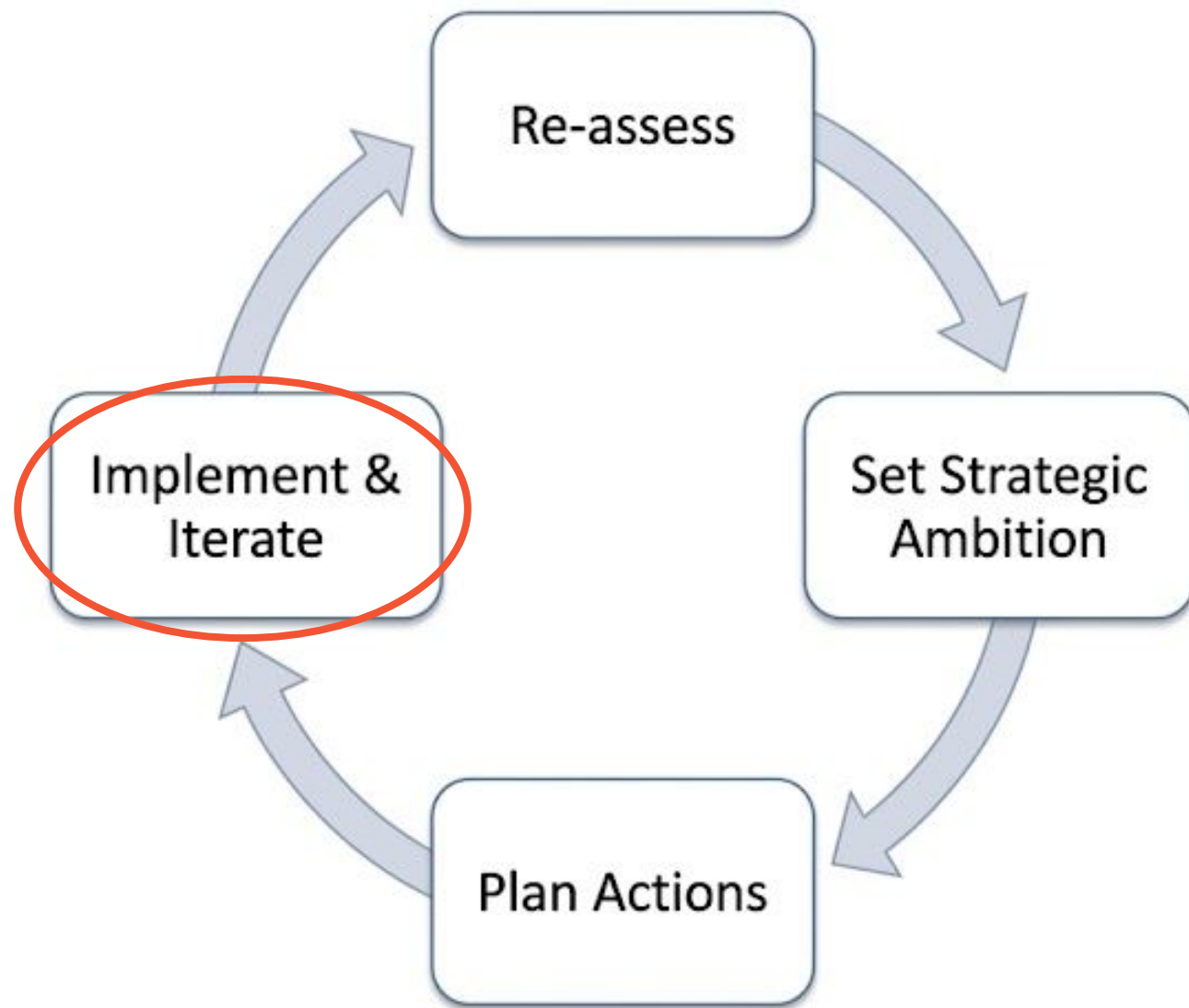


Electrification and a shift away from fossil fuels to zero- or near-zero emissions alternatives



Non-energy emissions reductions and offsetting of residual emissions

Source: Climateworks Centre (2020)



Source: Adapted from TPT (2024)

A climate transition plan should be monitored, reviewed and updated to ensure it remains relevant, credible, and aligned with your evolving context.

Monitor, Review and Disclose Progress

- **Assign accountability** and **track key metrics** (e.g. emissions, capital allocation) with regular internal reporting.
- **Set a formal review cycle** with triggers for interim updates (e.g. major changes or events).
- **Disclose progress transparently**, explain deviations, and consider external assurance.

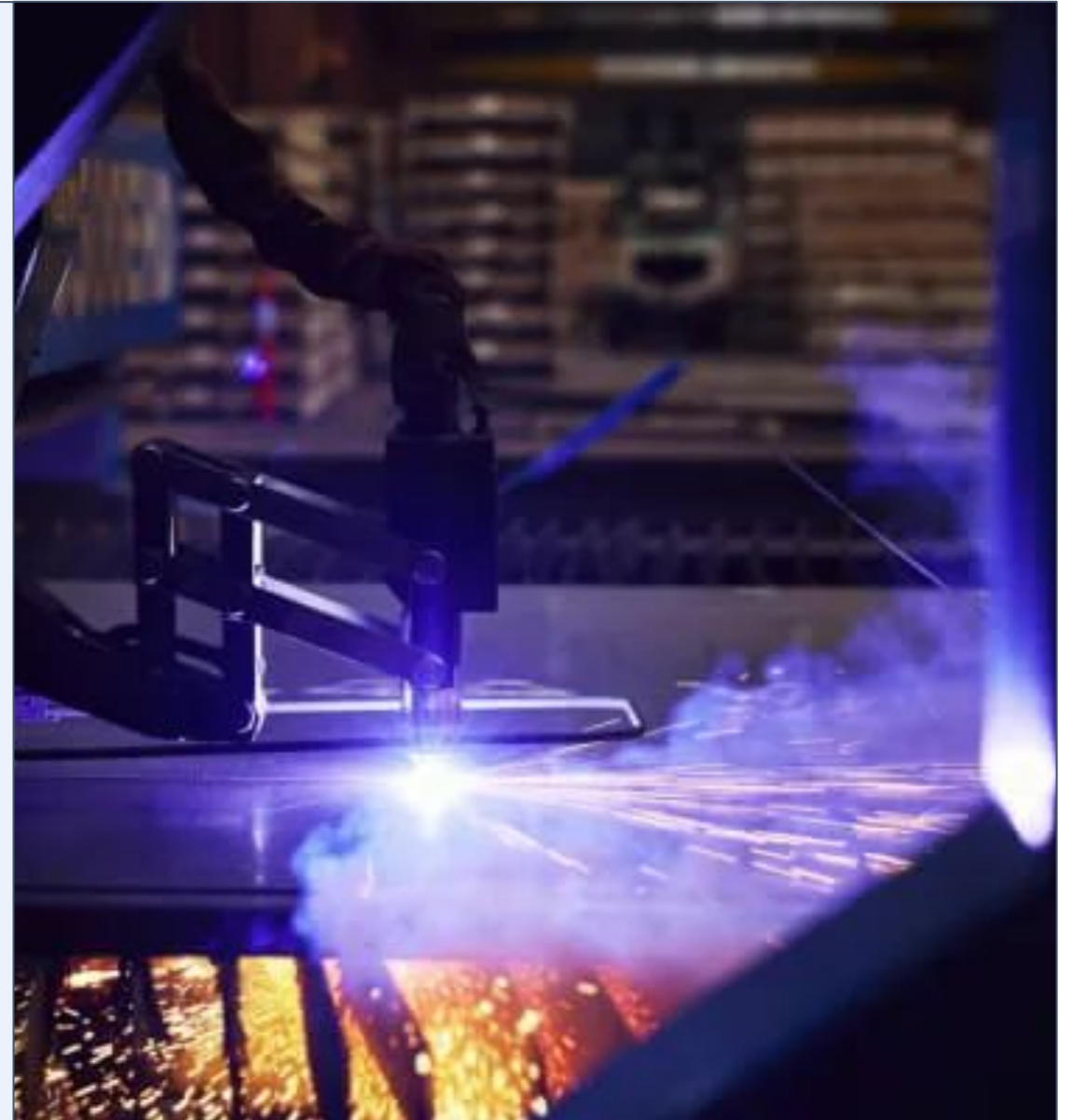


CASE STUDY

- + Bluescope Steel set its first emissions reduction target in 2018, and its first formal action plan in 2021.
- + These targets cover Scope 1 and Scope 2.
- + Over this time, they have learned and improved. The TPI assessments show improvement over time. The lesson? Start, and make incremental improvements year on year.



Source: Bluescope (2026), TPI (2025),
Climate Action 100+ (2025)



Credibility in transition planning

A lack of credibility can lead to:

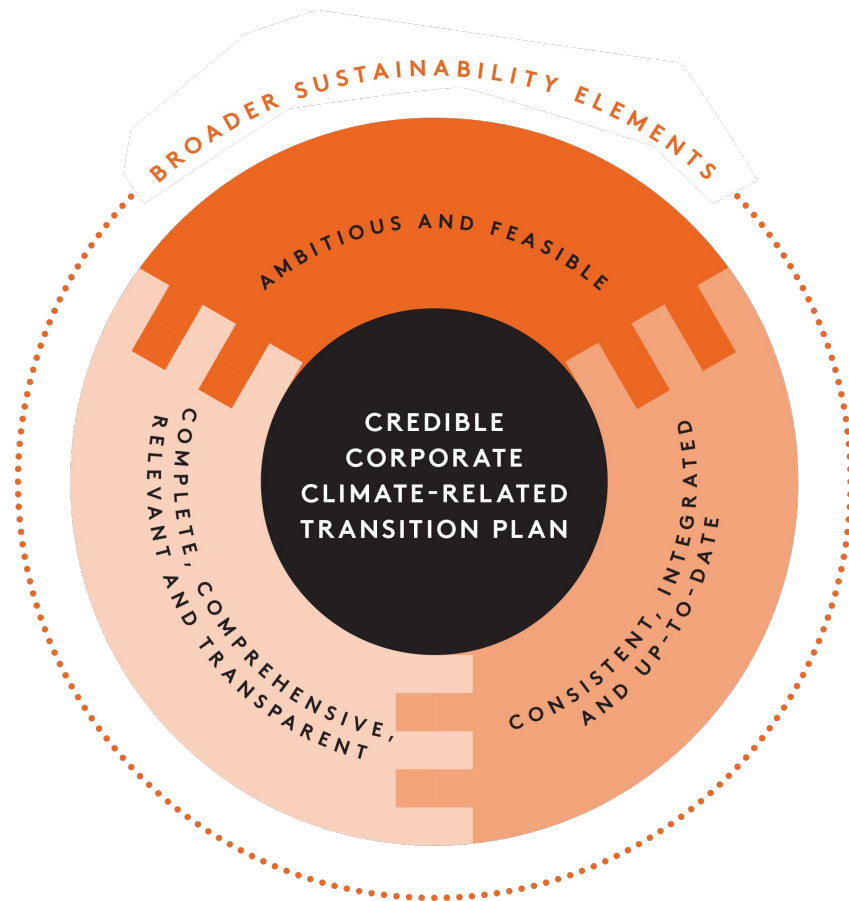
+ Greenwashing and lack of trust

+ Increased risk exposure (financial, reputational and legal)

+ Inadequate and/or insufficient decision-making processes

+ Insufficient progress to decarbonise in line with the Paris Agreement

To be 'credible', corporate climate-related transition plans should be:



Transition plans are sufficiently **complete, comprehensive, relevant, and transparent** for users to make informed decisions.

Transition plans are sufficiently **ambitious and feasible** for emissions reductions to occur in line with the Paris Agreement.

Transition plans are **consistent and integrated into the company's organisational system** to enable, ensure and demonstrate the effective delivery of the strategy, and are maintained up-to-date.

1	Ambitious and robust emissions targets	Science-based, Paris-aligned Long term and interim	Covers scopes 1, 2 and 3 Reviewed annually
2	Feasible action plan	Specific, measurable, feasible Includes locked-in emissions	Clear assumptions, dependencies
3	Emissions reductions before carbon credits	Consider beyond value chain mitigation	Disclosed separately to emissions reductions
4	Strategic and financial alignment	Embedded within business processes and decision-making	Costs and resources clearly articulated
5	Supportive policy and stakeholder engagement	All material stakeholders in the value chain	Metrics and targets clearly articulated
6	Strong governance	From the Board to staff	Culture and policies support implementation
7	Continuous review and disclosure	Reviewed every three years	Changes clearly outlined

Net zero is inevitable, it's now down to how fast we can get there to ensure a thriving society, healthy environment and safe climate.

Further resources:

- Guide to credibility for corporate climate transition plans (Climateworks Centre, 2025)
- Transition planning cycle (Transition Plan Taskforce, 2024)
- ITPN website for further references (including 'A study of how global investors are using transition plans, May 2026)
- Decarbonising Indonesia's manufacturing sector: Case studies from the food, textile and chemical industries (Climateworks Centre, 2025)

Thank you for your interest and action.

For more information:

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Co-founded by philanthropy, Climateworks Centre is an independent not-for-profit within Monash University.