WHITE PAPER

The Climate-Integrated Enterprise

What changes in the management system when climate and natural-resource realities are treated as business variables

Richard Clissold-Vasey
1st June 2026

This paper sets out the rationale and management capabilities of a Climate-Integrated Enterprise. It is written as a strategic articulation of the destination, not as an implementation manual or commercial proposal.

Contents

Executive summary

Climate, energy, water, nature, carbon, regulation and resource constraints are no longer peripheral considerations. They increasingly affect the assumptions behind growth, margin, risk, resilience and long-term value. They influence whether supply chains remain reliable, whether assets and operations are resilient to disruption, whether products remain competitive, whether investment cases still hold, and whether the business can respond to changing customer, investor and regulatory expectations.

Many organisations recognise this. They have targets, transition plans, climate risk registers, emissions baselines and disclosure programmes. That work matters, but it does not automatically mean climate has entered the management system. A business can understand the issue, publish a credible plan and still make core decisions through planning, investment, product, supplier and operating model processes that have not materially changed.

The practical test is whether climate and natural-resource realities change the way the enterprise makes decisions. Do they change what gets funded, which products are developed, how suppliers are selected, where resilience investment is prioritised, how scenarios are modelled, and how trade-offs are resolved when cost, carbon, growth and operational resilience point in different directions?

A Climate-Integrated Enterprise is an organisation where climate and natural-resource realities are built into the way the business makes decisions, allocates capital, designs operations and manages performance. It is not simply a business with a climate plan. It is a business whose management system has changed.

In a climate-integrated enterprise, climate and resource variables are brought into the core management system. They inform strategy and planning, shape capital allocation and investment choices, influence product, commercial and operating model decisions, and are governed through the same forums that manage performance, risk and delivery. The result is not a separate climate agenda with better links to the business. It is an enterprise where climate and natural-resource realities are treated as business variables in the decisions that determine value, resilience and long-term performance.

The benefit is practical. Better integration helps leaders avoid investments that lock in future cost or exposure, strengthen supply chain and operational resilience, protect assets and continuity through adaptation, identify efficiency and growth opportunities, and make trade-offs before they become crises. It also improves the credibility of transition plans and disclosures because the underlying management system is generating the evidence, not trying to assemble it after the event.

This paper describes the capabilities that make that possible. It uses the climate integration capabilities model: nine management capabilities and five enabling conditions that make the system resilient under pressure. The capabilities are deliberately observable. They show whether climate is still a specialist workstream, or whether it has entered the routines, models, forums, roles and controls that determine what the organisation actually does.

The aim is not perfection. No organisation needs to be mature in every area at once. The practical question is where the current management system is strong, where it is exposed, and which gaps most affect decision quality, business resilience and value. That is the role of diagnostic work: to move beyond broad aspiration and identify the specific changes needed to integrate climate and resource realities into the enterprise.

1. The integration challenge

Most organisations no longer ignore climate. The more common problem is that climate sits beside the enterprise system rather than inside it. One system sets strategy, allocates capital, agrees budgets, prioritises transformation work and tracks performance. Another system manages emissions, climate risk, disclosures and transition commitments.

That split is understandable. Sustainability teams have had to respond to increasing disclosure expectations, investor questions, customer requirements and regulatory pressure. Finance, strategy and operations teams have had to protect margins, manage investment choices and deliver near-term performance. But the operating environment has changed, and the split now creates a management problem.

Climate, carbon, energy, water, nature, regulation, physical disruption and resource constraints are no longer external issues. They affect demand, cost, margin, supply continuity, asset resilience, customer value and access to capital. If those variables sit outside the core planning and governance system, the business is making important decisions with an incomplete view of the world.

The question is not whether the organisation has climate activity. Many already have plenty. The question is whether the activity changes the systems through which the enterprise allocates resources, governs trade-offs, designs products, manages risk and delivers performance.

Figure 1 summarises the destination: operating realities are brought into the management system, where they shape decisions and produce stronger enterprise outcomes.

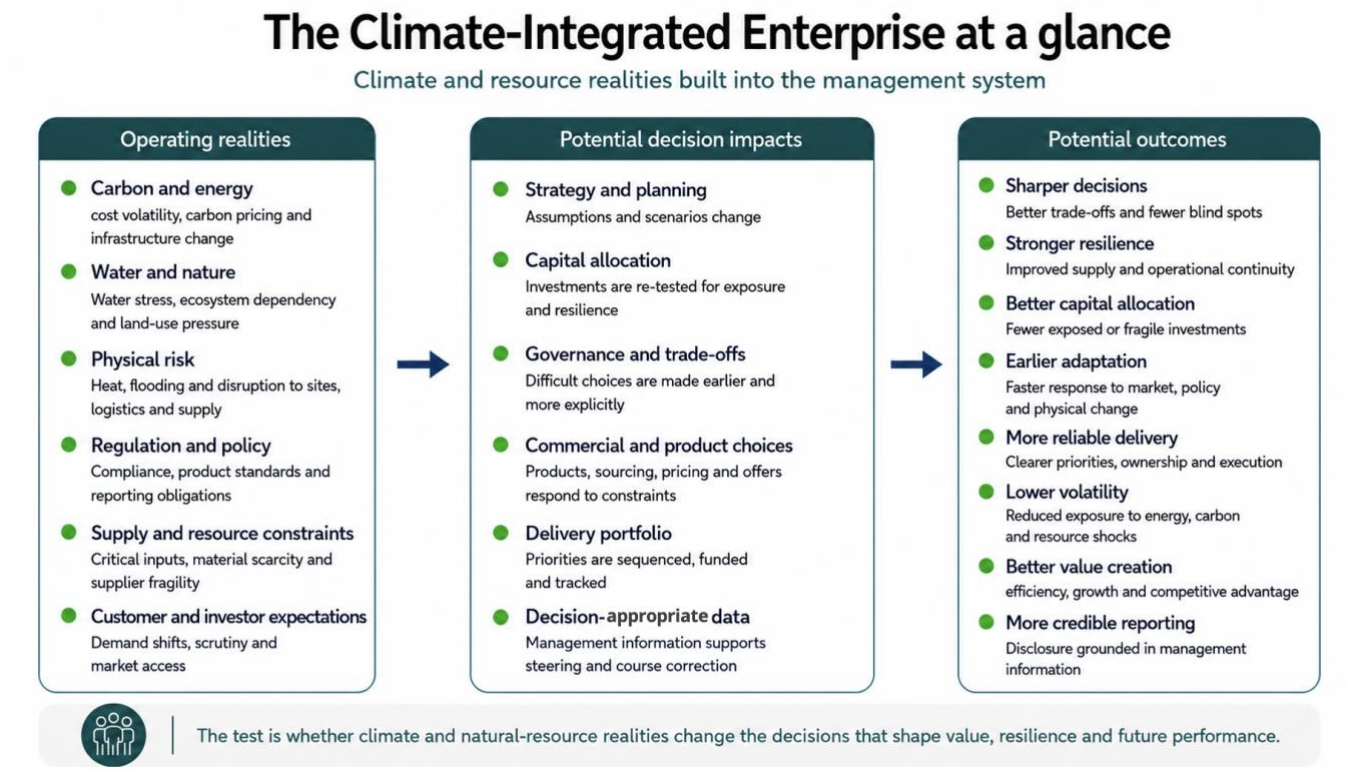

Figure 1. The Climate-Integrated Enterprise at a glance

2. What a Climate-Integrated Enterprise is

A Climate-Integrated Enterprise is an organisation designed to perform in an operating environment shaped by climate, resource and transition pressures. It is an enterprise where climate and natural-resource realities are not treated as external issues, but as business variables that affect growth, margin, resilience, supply continuity, asset performance, customer relevance and long-term value.

This matters because the risks and opportunities are no longer theoretical. Energy volatility can change cost assumptions. Water stress can affect production and sourcing. Physical climate disruption can interrupt operations and supply chains. Carbon, regulation and customer expectations can change product economics and market access. Resource constraints can alter the viability of growth plans. When these variables sit outside the management system, the business may still look coherent on paper while carrying avoidable exposure.

The Climate-Integrated Enterprise is the destination that addresses this gap. Climate and resource variables are brought into strategy formulation, business planning, capital allocation, operating model design, product and commercial decisions, governance, incentives, data and performance management. The result is not a separate climate agenda with better links to the business. It is a better-run enterprise, with a fuller view of the conditions that now shape performance.

The concept works on a simple principle: outcomes are determined less by commitments and more by the systems through which organisations make decisions. Targets can set direction. Disclosures can explain progress. But the future shape of the enterprise is determined by the choices that are funded, governed, sequenced, designed and delivered.

This is why climate integration is best understood as a management capability. Many organisations understand the issue, set targets and run useful projects. Those activities matter, but they do not in themselves change the enterprise. The deeper test is whether climate and natural-resource realities have entered the systems that determine how strategy is formed, capital is allocated, operations are designed, suppliers are managed and performance is governed. A climate-aware organisation understands the issue. A climate-integrated organisation has changed the way the enterprise runs.

This distinction matters because it separates ambition from operating reality. In a climate-integrated enterprise, climate is not a claim added after the business plan has been formed. It is one of the variables used to form the plan. It helps leaders protect continuity, avoid choices that become costly, exposed or difficult to unwind, improve capital discipline, adapt operations, identify new sources of value and build a business better fitted to the conditions ahead.

3. What changes when climate enters the big decisions

For a strategy director, the issue is not whether climate appears in the strategy. It is whether climate and resource realities change the choices behind the strategy: where to grow, what to fund, which risks to accept, which assets to protect and which assumptions no longer hold.

Integration only becomes real when it changes the decisions that shape the business.

The first shift is usually in investment. A new production site is still assessed on return, cost, capacity and payback. But the investment case also has to ask different questions. Is the site exposed to water stress? Is it dependent on energy infrastructure that may become more expensive or constrained? Could carbon pricing, regulation or customer requirements change the economics over the life of the asset? Is the lower-cost option today also the more exposed option tomorrow?

That does not weaken financial discipline. It strengthens it. The business is still making an investment decision. It is simply using a fuller view of the variables that may affect future performance.

The same applies to strategy. A food business planning growth in a category exposed to volatile agricultural inputs cannot treat climate as a separate sustainability issue. It affects supply availability, cost, quality, pricing and customer trust. A retailer reviewing its sourcing footprint cannot look only at unit cost and service levels if key regions face growing heat, water or flood risk. An industrial business considering a major technology or plant investment cannot judge the case only on today’s energy price, today’s regulation and today’s carbon cost.

In each case, climate changes the quality of the strategic question. It moves the discussion from “what is the cheapest or most attractive option now?” to “which option is most likely to hold up under the conditions we are planning into?”

Operating models also start to change. Procurement teams assess supplier resilience alongside price and reliability. Product teams consider carbon, material intensity, circularity and resource use during design, not after launch. Operations teams build adaptation into site, asset, logistics and continuity planning. Finance teams test assumptions against energy, carbon and resilience scenarios. Strategy teams treat climate, water, nature and resource constraints as market and competitive variables, not as background context.

This is where the Climate-Integrated Enterprise becomes a compelling destination. It is not an organisation that talks about climate more often. It is an organisation that is better able to protect continuity, allocate capital, manage exposure, adapt operations and identify new sources of value.

The benefit is practical. Fewer investments that lock in avoidable risk. Stronger supply and operating resilience. Better prepared assets and operations. More credible growth choices. Earlier sight of market shifts. Less late-stage redesign. A clearer line between climate analysis and business performance.

In this context, climate integration is not corporate responsibility with better governance. It is enterprise design. The organisation becomes better equipped to decide what to fund, what to stop, what to redesign, what to protect and where to grow.

4. From climate commitment to management capability

The shift from commitment to capability is the shift from knowing climate matters to being able to use this understanding well. It is the point at which climate and resource realities become part of how leaders understand choices, test assumptions, allocate capital, protect resilience and shape future growth.

A net zero commitment, transition plan or resilience ambition can set direction. But leaders still need practical ways of working that help them make better decisions at the right time. They need planning cycles that bring climate assumptions into the conversation before options have narrowed. They need investment governance that helps them understand carbon, energy, resilience and supplier exposure before capital is committed. They need forums where difficult trade-offs can be worked through with the right evidence, the right people and a shared understanding of the business context. They need data that is useful for steering the business, not only for publishing a report.

This is not a call for a large new climate process. The stronger move is to upgrade the existing management system so climate and resource realities are visible where they are material to performance. Strategy, finance, operations, risk, procurement, product, technology, HR, sustainability and transformation do not need to become one function. They do need to work from a more connected view of the assumptions, dependencies and trade-offs that shape the plan.

The climate integration capabilities model provides a way to describe what that upgraded management system looks like. It is not intended to police every decision or turn every conversation into a climate conversation. It is intended to help leaders make better decisions because the relevant climate and resource variables are present early enough, clearly enough and practically enough to affect the choices that shape business performance.

5. The nine climate integration capabilities

The nine capabilities below describe the management capabilities that exist inside a Climate-Integrated Enterprise. They are not external claims about purpose or sustainability credentials. They are observable features of how the organisation plans, decides, funds, governs, designs, manages risk and delivers.

Figure 2 shows the capability model in summary. The sections that follow explain what each capability changes in practice.

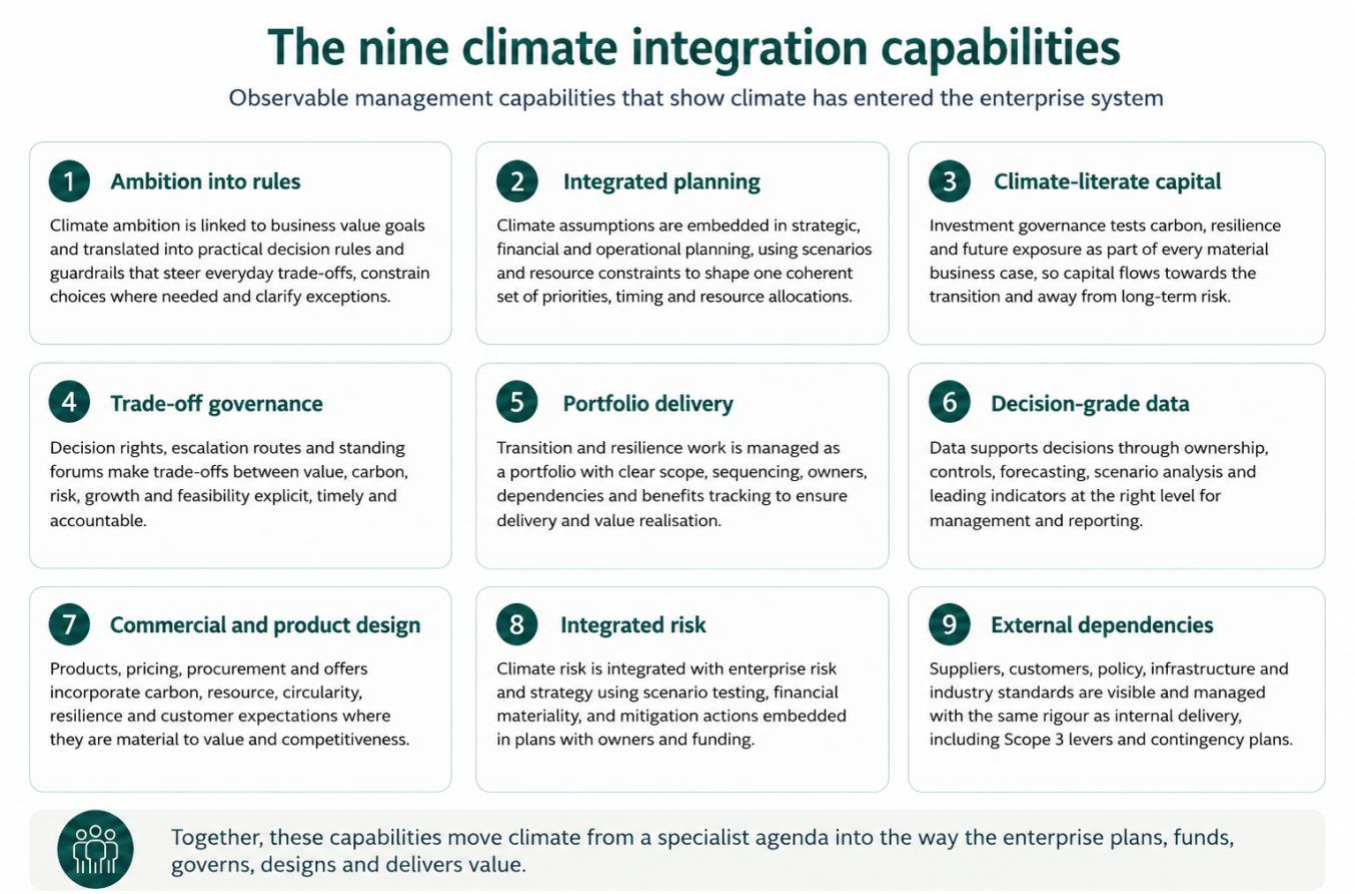

Figure 2. The nine climate integration capabilities

1. Ambition is aligned and translated into decision rules

Climate ambition fails when it remains a statement of intent rather than a rule of decision-making. A net zero target, transition ambition or resilience goal may set direction, but leaders still need to know what it means when a cheaper supplier has higher exposure, a growth opportunity increases emissions, or a capital project creates long-term dependency on energy, water or materials that may become more constrained.

In a climate-integrated enterprise, ambition is translated into practical decision rules. These may include carbon budgets, minimum efficiency thresholds, supplier eligibility requirements, limits on high-carbon growth, resilience standards, or rules on offsets versus direct abatement. The point is not to create bureaucracy. It is to make ambition visible when choices are made, so teams understand the boundaries, the evidence required and when a decision needs escalation.

2. Planning is integrated, not adjacent

Many organisations have a business plan, a financial plan, a transition plan and a reporting plan. The problem is not that these plans exist. The problem is that they often use different assumptions, owners, cycles and levels of financial discipline.

A climate-integrated enterprise works from one planning logic. Demand, cost, capex, risk, carbon, energy, water, resource and physical risk assumptions are considered together where they are material. If energy volatility could affect margin, it is inside the plan. If water stress could affect production, it is inside the plan. If carbon regulation could affect product economics, it is inside the plan. Integration reduces time spent reconciling competing narratives and increases time spent deciding what the business should do.

3. Capital allocation is climate-literate

Capital allocation is where stated ambition meets business reality. An organisation can have strong climate commitments and still fund assets, products or operating models that lock in future cost, carbon or resilience exposure.

In a climate-integrated enterprise, investment governance considers the variables that could materially affect value over the life of the decision. Business cases include carbon cost, energy sensitivity, resilience exposure, supplier risk, regulatory change, water availability and product compliance where they matter. The practical test is whether capital moves differently. High-risk investments are challenged earlier. Transition-enabling investments have a clearer value case. Portfolio choices begin to shift over time.

4. Governance makes trade-offs explicit and timely

Climate integration does not remove trade-offs. It makes them visible earlier. There will be decisions where the lowest-cost option increases exposure, where a resilience investment protects continuity but weakens short-term returns, or where a growth opportunity creates tension with carbon or resource constraints.

In many organisations, those tensions are resolved informally or too late. A climate-integrated enterprise creates clearer routes for the decisions that matter. Decision rights are understood. Escalation routes are used. Forums exist where value, cost, carbon, resilience, growth and delivery feasibility can be considered together. Exceptions are possible, but they are visible, justified and time-bound. The aim is not to slow the business down. It is to help leaders make the best decision at the right time, with the right context.

5. Delivery is treated like a transformation portfolio

Targets do not deliver themselves. Most climate and resilience work depends on changes across functions: procurement, product, operations, finance, technology, suppliers and customers. If that work is managed as a side list of sustainability actions, it will usually lose momentum when budgets tighten or operational pressure rises.

In a climate-integrated enterprise, transition and resilience work is managed with the discipline of transformation. There is scope, ownership, sequencing, milestones, dependencies, benefits, risks and delivery capacity. The work is prioritised alongside other strategic initiatives, not after the business plan has already been agreed. This matters because many organisations do not fail through lack of ambition. They fail because the operating model has not been changed to deliver it.

6. Data and reporting are decision-appropriate

There is a difference between data that can be published and data that can be used to run the business. Annual emissions data may support disclosure, but it may not help a procurement team choose between suppliers, a product team redesign a range, or a finance team test the sensitivity of an investment case.

A climate-integrated enterprise builds data at the level where decisions are made: portfolio, business unit, product, customer, supplier, site, process or asset. The data has ownership, controls, lineage and enough granularity to support action. It includes forecasting, variance analysis and leading indicators, not only historic reporting. Reporting then becomes a by-product of management information, rather than a separate exercise assembled after decisions have already been made.

7. Commercial model and product design incorporate climate constraints

Climate integration eventually has to show up in what the enterprise sells, buys, designs and operates. If it never reaches product strategy, customer propositions, pricing, procurement or service design, it remains partial.

In a climate-integrated enterprise, product and service roadmaps reflect carbon, energy, water, circularity, resilience, customer expectations and regulation where they are material. A product launch is not only judged on demand and margin, but also on material intensity, lifecycle exposure and future compliance risk. A supplier requirement is not only a preference, but part of the commercial model. This is where value creation becomes more tangible: better propositions, lower waste, stronger resilience, improved market access and fewer late redesigns.

8. Risk management is integrated with strategy

Climate risk is often visible in risk registers before it is visible in strategy. That is the problem. If physical and transition risks are recorded but do not change plans, investments or operating choices, risk management has described exposure without reducing it.

A climate-integrated enterprise treats climate risk as enterprise risk. Scenario work tests strategy, capital plans and key assumptions. Physical risk, transition risk, supplier exposure, water stress, regulation and customer change are connected to financial materiality and operational resilience. Mitigation actions are embedded in the plan with owners, funding and milestones. The result is a stronger link between risk insight and business action.

9. External dependencies are managed as part of the plan

Many climate outcomes sit outside the direct control of the organisation. Suppliers, customers, infrastructure, policy, technology, finance and industry standards can all determine whether a transition pathway is deliverable. This is especially true for Scope 3, but it also applies to adaptation, materials, logistics, product use and end-of-life models.

A climate-integrated enterprise makes these dependencies visible and manages them with the same rigour as internal delivery. Supplier programmes are segmented. Customer and partner engagement is planned. Critical dependencies are tracked. Policy, infrastructure and technology assumptions are treated as planning variables, not background noise. This prevents plans depending on changes the organisation has not properly influenced, funded or governed.

Capability	What changes in practice
Ambition into rules	Guardrails, pathways, offset rules and accountability make ambition usable.
Integrated planning	Climate assumptions sit inside strategy, finance and operating planning.
Climate-literate capital	Investment cases test carbon, resilience and future exposure where material.
Trade-off governance	Decision rights and forums resolve tensions between cost, carbon, resilience and growth.
Portfolio delivery	Transition work is sequenced, owned and managed as part of the transformation portfolio.

Decision-appropriate data	Data supports steering, forecasting, assurance and disclosure.
Commercial and product design	Pricing, offers, procurement and product roadmaps reflect material constraints.
Integrated risk	Scenario work changes strategy, investment and resilience priorities.
External dependencies	Suppliers, customers, policy and infrastructure are managed as part of the plan.

6. The five enabling conditions

The capabilities do not operate in a vacuum. They depend on enabling conditions that make the system resilient under quarterly pressure, leadership change, funding cycles and operational disruption. These enablers are often the reason two organisations with similar climate plans deliver very different outcomes.

Figure 3 summarises the five enabling conditions that support the capability model.

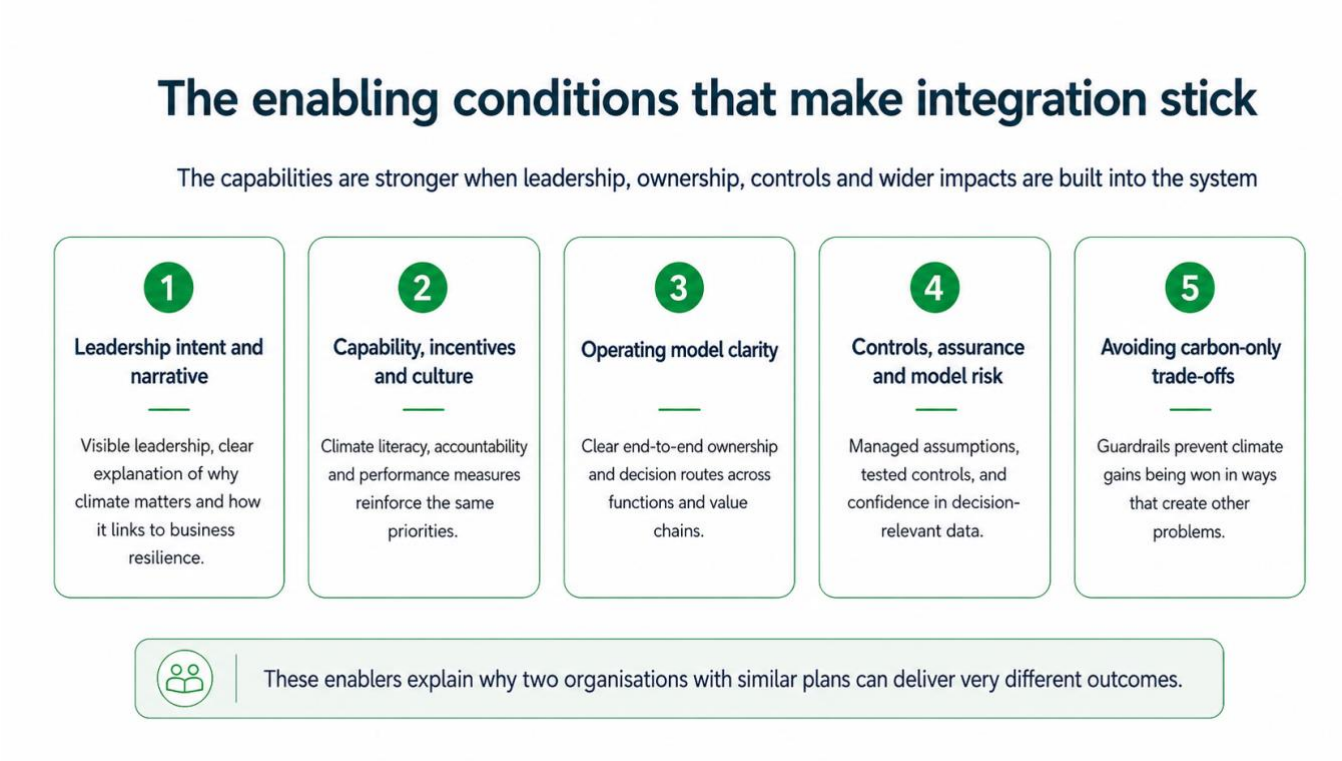

Figure 3. The enabling conditions that make integration stick

The nine capabilities describe what a climate-integrated enterprise does differently. The enablers describe what makes those capabilities hold under pressure.

This matters because many organisations can build a good plan in principle. The harder test is whether the plan survives budget pressure, leadership changes, delivery constraints, data uncertainty and commercial trade-offs. That is where the enabling conditions become important.

1. Leadership intent and an engaging narrative

Climate integration needs visible leadership, but not in the form of slogans. The real test is whether leaders make consistent choices when the work becomes difficult. What gets funded? What gets stopped? Which trade-offs are escalated? Which assumptions are challenged? Which priorities are repeated when short-term pressure rises?

A strong narrative helps because climate integration can otherwise feel like another layer of complexity. The story has to connect transition to the things the business already cares about: value, resilience, competitiveness, supply continuity, customer relevance, capital discipline and long-term performance. It should

help teams understand why the work matters, what is changing in their area, and how their decisions affect the wider plan.

The narrative is not a communications exercise sitting beside the work. It is part of the work. It gives leaders and teams a shared explanation for why decisions are changing.

2. Capability, incentives and culture

Climate integration fails when climate knowledge sits in a small specialist team while the main decisions are made elsewhere. The sustainability function can provide expertise, standards, data and challenge, but it cannot be the only part of the organisation that understands the implications.

Strategy teams need to understand how climate and resource constraints affect markets, portfolio choices and competitive position. Finance teams need to understand carbon, energy, resilience and transition economics. Procurement teams need to understand supplier exposure and Scope 3 levers. Product and commercial teams need to understand customer demand, material intensity and pricing implications. Operations teams need to understand adaptation, energy, resources and physical risk.

This does not mean everyone becomes a climate expert. It means the people making material decisions have enough climate literacy to use the right evidence, ask better questions and act without constant specialist intervention.

Incentives matter for the same reason. If performance conversations reward cost, growth and delivery while climate ambition sits somewhere else, the system will usually follow the incentives. A climate-integrated enterprise aligns capability, accountability and performance management so the stated ambition is not undermined by the way people are actually measured.

3. Operating model clarity and accountability boundaries

Many organisations have plans, forums and working groups, but delivery still falls between sustainability and the business. The result is familiar: everyone supports the ambition, but nobody has the full authority to change specifications, shift suppliers, re-sequence investment, alter product roadmaps or manage cross-functional dependencies.

A climate-integrated enterprise is clearer about ownership. Products, portfolios, value chains, major suppliers, assets and Scope 3 levers need accountable owners who can influence the decisions that determine outcomes. Where ownership crosses functions, dependencies are made visible and managed deliberately.

This is especially important under pressure. When costs rise, delivery capacity tightens or a commercial opportunity appears, the organisation needs to know who has the right to decide, who needs to be consulted, what the escalation route is and what evidence is required. Without that clarity, climate integration slows down, becomes informal, or is pushed back into the sustainability function.

The point is not to create a perfect operating model. It is to stop the most important decisions falling between organisational boundaries.

4. Controls, assurance and model risk

Decision-appropriate climate information needs more than a reporting process. It needs enough control for leaders to trust it when choices are being made.

That is not straightforward. Climate-related decisions often depend on estimates, supplier data, emission factors, scenarios, assumptions and models that are less mature than financial data. A climate-integrated enterprise does not pretend this uncertainty has disappeared. It manages it transparently.

Key assumptions are owned, versioned and reviewed. Supplier data quality is understood. Emission factors and estimation methods are documented. Scenario and model assumptions are governed. Confidence levels are made visible. Assurance focuses on the information that matters for decisions, not only the information needed for disclosure.

This is important because poor controls create two different risks. One is false confidence: leaders make decisions using numbers that look precise but are not robust. The other is paralysis: teams wait for perfect data before acting. Good controls help the organisation act with enough confidence while still being honest about uncertainty.

5. Avoiding carbon-only trade-offs

Climate integration should not mean solving for carbon while creating material problems elsewhere. A lower-carbon option may increase water stress. A new material may reduce emissions but create nature, waste or social risks. A supplier switch may improve one metric while weakening resilience or traceability.

A climate-integrated enterprise has enough discipline to see these trade-offs before choices harden. Guardrails include nature, water, circularity and just transition considerations where they are material. Investment cases surface side effects rather than hiding them. Product and supplier decisions test whether the organisation is reducing real exposure or simply shifting the problem to another part of the system.

This does not mean every decision has to optimise every sustainability outcome. That would be unrealistic and unhelpful. It means material trade-offs are visible, understood and governed. The business can still make difficult choices, but it makes them consciously.

7. How value is created, protected and made visible

The business case for a Climate-Integrated Enterprise is not only about emissions reduction. It is about better business planning under changing conditions. When climate and resource realities are treated as business variables, they improve the quality of decisions that determine value.

Value is created where the organisation identifies stronger propositions, better product economics, lower resource intensity, improved customer relevance or access to new demand. Value is protected where the organisation avoids capital waste, reduces exposure to volatility, improves supplier resilience, prevents late-stage redesign and manages regulatory or reputational risk earlier.

Some of this value will appear as new revenue. Some will appear as avoided loss. Some will appear as improved resilience, better confidence in the plan, or a stronger investor narrative. The important point is that these benefits become visible when climate and resource variables are brought into the management system before decisions harden.

Value Outcome	How the Climate-Integrated Enterprise supports it
Sharper decisions	Carbon, energy, regulation and resilience sit in the same planning model as cost, growth and risk.
Better capital allocation	The organisation avoids investments that lock in high cost, high carbon or fragile operating positions.
More reliable delivery	Transition work is run as a managed portfolio with ownership, sequencing and benefits tracking.
Lower risk of surprises	Scenario testing and dependency management reduce forced, expensive moves later.
Stronger commercial position	Products, procurement and pricing evolve ahead of constraints, and disclosures draw from management information.

8. Why the management system has to change

The strategic logic for climate integration is increasingly clear. The practical challenge is that most organisations were not designed to work this way.

This is not mainly a problem of awareness. Most boards recognise climate as material. Most executive teams discuss transition risk, resilience, regulation and disclosure. Many organisations have targets, plans, risk registers and active workstreams. The harder issue is structural. The systems that shape enterprise behaviour were built around a narrower set of variables.

Annual budgeting cycles, multi-year plans and capital approval processes are disciplined, but they usually optimise around growth, margin, cost, risk and capital. Those remain essential. The problem is that carbon, energy, water, physical risk, resource dependency and supplier exposure often sit outside the core model. They

appear in reports, risk papers or sustainability updates, but not always in the investment case, portfolio review, operating plan or performance conversation.

The result is predictable. The decision machinery defaults to what it was designed to optimise. If the investment model does not price carbon or energy exposure, those risks are underweighted. If supplier resilience is not part of sourcing governance, it becomes a concern after disruption rather than before. If climate scenarios do not influence the strategic plan, they become disclosure evidence rather than decision evidence.

Functional structures reinforce the problem. Sustainability, finance, strategy, operations, procurement, risk and transformation often work through different languages, cycles, metrics and incentives. Each function may be doing sensible work. But the work does not always meet at the point where choices are made.

Climate integration therefore requires more than better analysis. It requires changes in planning architecture, governance, incentives, accountabilities and ways of working. Finance teams need to engage with transition pathways. Strategy teams need to treat emissions, resource constraints and resilience as competitive variables. Procurement and operations need to connect supplier and physical risk to continuity, cost and service. Sustainability teams need to work through the business systems that allocate resources and govern delivery.

That capability shift takes time. It also needs a practical route. The question is not whether every organisation should adopt a single method. It is whether the existing management system is capable of bringing material climate and resource variables into the decisions that shape performance.

This is where integrated planning becomes important. It provides a way to evolve the planning, investment, governance and delivery routines the business already uses, rather than creating another parallel climate process.

9. How Integrated Value Planning supports the transition

Integrated Value Planning is one practical route to the Climate-Integrated Enterprise. It is not the only reason to be interested in the destination, and it should not be treated as a mandatory gateway. The destination matters in its own right because the operating environment now requires stronger enterprise capabilities.

Figure 4 shows the distinction between organisations that recognise climate as important and organisations that have embedded climate and natural-resource realities into the management system that shapes decisions, funding, delivery and performance.

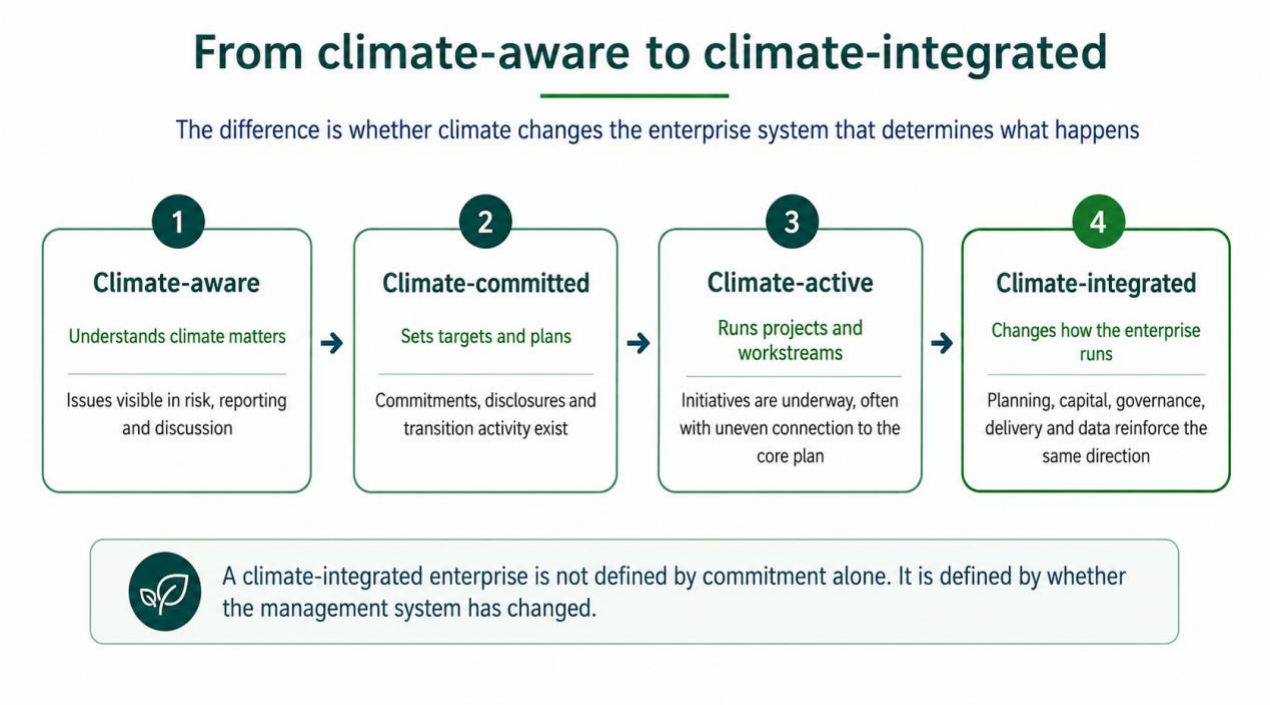

Figure 4. From climate-aware to climate-integrated

IVP supports the transition because it works through the planning system. It brings climate and resource variables into strategy, finance, sustainability, operations, risk and transformation so the organisation can work from one fact base, make choices once, fund them once, govern trade-offs openly and report from the same model.

The relationship is therefore simple. The Climate-Integrated Enterprise describes the organisational state: what the enterprise becomes when climate and resource realities are embedded in the management system. IVP describes one method for building that state through planning, governance, capital allocation and delivery. Structured assessment then helps leadership teams understand how much of that state is already present, where the management system is exposed, and which improvements would make the biggest difference.

10. Assessing the gap and moving forward

No organisation needs to become fully climate-integrated in one move. Trying to address every capability, system and decision point at once would create too much scope, too much process and too little traction. The more practical starting point is to understand where climate and resource realities matter most to the business, where the current management system is already strong, and where specific gaps are weakening decisions.

That starts with business need, not maturity scoring. The first question is where climate, energy, water, nature, carbon, regulation or resource constraints could materially affect performance. The answer will vary by organisation. For some, the priority may be supply continuity. For others it may be asset resilience, product competitiveness, investment exposure, cost volatility, market access, regulatory credibility or customer demand.

Once the material priorities are clear, the next question is whether the organisation has the management capabilities to respond. Are the relevant assumptions inside the strategy and planning cycle? Are investment cases testing the right variables? Are trade-offs governed in the right forums? Is delivery owned by the business? Is the data good enough to steer decisions? Are external dependencies visible and managed? These questions help explain why important priorities may be recognised but still missed, delayed or underfunded.

The purpose is to create a clearer view of what is affecting business decisions and what needs to change: where climate and resource realities are already shaping decisions, where they remain adjacent to the business, and where targeted changes to planning, governance, data, capital allocation, delivery or accountability would make the biggest difference.

The practical response should then be sequenced. Some organisations may need to bring climate assumptions into the next strategy refresh. Others may need to upgrade investment appraisal, define guardrails, strengthen supplier exposure analysis, improve delivery governance, or create a clearer performance view. The point is not to build a perfect system. It is to identify the few changes that are material, manageable and most likely to improve decision quality.

The core integration starting point is simple: rules, plan, money, delivery and data. If those elements are weak, the wider system is exposed.

- Ambition translated into decision rules that genuinely steer trade-offs.
- Climate and resource assumptions inside the core plan, not beside it.
- Capital allocation that follows the rules, so funding and portfolio choices change.
- Delivery portfolio discipline, so the work lands and benefits are tracked.
- Decision-appropriate data for the material drivers, so leaders can steer and course-correct.

A simple test can help leadership teams judge whether integration is becoming real.

1. Is ambition converted into operational guardrails that steer real decisions and constrain the plan when needed?
2. Do climate and resource realities measurably change capital allocation and portfolio choices, including what gets funded, deferred, redesigned or stopped?
3. Is there an execution system, including governance, delivery portfolio management and decision-appropriate data, that keeps integration true over time?

If the answer is no, or only partly, the organisation may still be managing climate as a parallel activity. If the answer is yes, climate and resource realities are beginning to enter the management system that determines what the enterprise actually does.

Conclusion

The Climate-Integrated Enterprise is a response to a practical business problem. The operating environment has changed faster than many management systems. Climate, energy, water, nature, resource constraints, regulation, customer requirements and capital market expectations now affect the assumptions behind strategy and performance. Yet many organisations still manage these variables outside the core system that determines what gets funded, designed and delivered.

The result is not simply weaker climate performance. It is weaker enterprise management. Risks are underweighted. Opportunities are missed. Trade-offs are made late or invisibly. Transition commitments remain vulnerable because the organisation has not changed the routines, models and forums that determine action.

A Climate-Integrated Enterprise closes that gap. It translates ambition into rules, integrates planning, makes capital allocation climate-literate, governs trade-offs, manages delivery as a portfolio, builds decision-appropriate data, reflects climate realities in commercial and product choices, integrates risk with strategy and manages external dependencies as part of the plan.

The purpose is not to make every conversation a climate conversation. It is to make sure the business plan is built on a fuller view of reality. When climate and natural-resource realities are in the room for the decisions that shape the future, the enterprise starts to make different choices. That is the practical promise of the Climate-Integrated Enterprise: better decisions, stronger resilience and a business plan built for the conditions ahead.