WHITE PAPER

Integrated Value Planning

Bringing climate, resource and transition realities into strategy, capital allocation, governance and delivery

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This paper sets out the rationale and architecture for Integrated Value Planning. It is written as a strategic articulation of the approach, not as an implementation manual or commercial proposal.

Contents

Executive summary

Climate, carbon, water, nature, energy, physical risk and critical resource constraints are no longer external considerations. They now influence demand, costs, margins, asset resilience, supply continuity, regulation, customer requirements, investor confidence and access to capital. Yet in many organisations these variables still sit outside the core planning system, managed through sustainability workstreams, risk registers, reporting cycles and transition plans that do not fully alter strategy, capital allocation or operating model choices.

This creates a management problem. Many organisations now have climate targets, transition plans and disclosure programmes, but the decisions that determine business performance still follow established planning assumptions, processes and governance. Strategy is set in one process. Budgets and investment choices are made in another. Climate analysis and reporting often run alongside both. The result is a split between the business plan and the climate plan, with the most important trade-offs sitting between the two.

Integrated Value Planning (IVP) responds to that split. It is a business planning architecture that evolves existing planning and governance so strategy, finance, sustainability, operations, risk and transformation work from one decision system. Its purpose is to bring new business variables into the points where leaders already set direction, allocate capital, design the operating model, shape commercial plans, make trade-offs, govern delivery and report progress.

The core idea is simple. Climate and resource realities should be treated as design inputs, not reporting outputs. They should sit alongside demand, cost, price, capacity, margin, capital and risk assumptions. When this happens, organisations can see exposure earlier, identify value opportunities more clearly, test investment choices more honestly and align transition commitments with funded business action.

IVP is built around a five-phase planning spine: context and vision; strategy formulation; strategy translation; planning and budgeting; implementation and reporting. Its strength lies in how outputs are reused. Shared baselines, boundaries, material topics, scenarios, assumptions, strategic pillars, guardrails and targets are deliberately created early so they can inform portfolio choices, product and service roadmaps, operating model design, investment appraisal, annual budgets, delivery dashboards and disclosures.

This reuse is one of the most distinctive features of the approach. It reduces duplication, improves consistency and gives leaders a clearer basis for decisions. The same fact base supports strategy, capital allocation, transition planning, operational design and reporting.

IVP also recognises that integration cannot rely on analysis alone. Governance must change. The approach introduces a small number of mechanisms that can be built into existing forums: climate guardrails and an exceptions lane, eco-design gates, carbon and energy sensitivity panels, a trade-off forum and an integrated performance dashboard. These mechanisms make tensions visible, clarify decision rights and give leaders a disciplined way to resolve conflicts between cost, carbon, resilience, growth and delivery capacity.

Regulatory and voluntary frameworks are also used differently. Requirements and expectations associated with UK SRS, CSRD, ESRS, ISSB, TCFD, TNFD, TPT, SBTi and the GHG Protocol are not treated as a separate compliance burden. Their analytical components are used as planning inputs. Scenario analysis informs assumptions. Materiality shapes strategic priorities. Scope 3 analysis helps identify supplier, product and value-chain exposure. Transition commitments are costed before budgets are signed off. Reporting then becomes a by-product of funded, governed planning rather than a parallel exercise.

The aim is not perfection. Data will be incomplete. Scenarios will be uncertain. Trade-offs will remain difficult. The aim is better decision quality in a more volatile operating environment. Businesses that integrate climate and resource realities into planning are better placed to identify value, protect resilience, allocate capital intelligently and explain their plans credibly to boards, investors, customers and employees.

Figure 1 summarises the basic logic of IVP: inputs are brought into a common fact base, used to shape decision points, and then converted into integrated plans, performance management and disclosures.

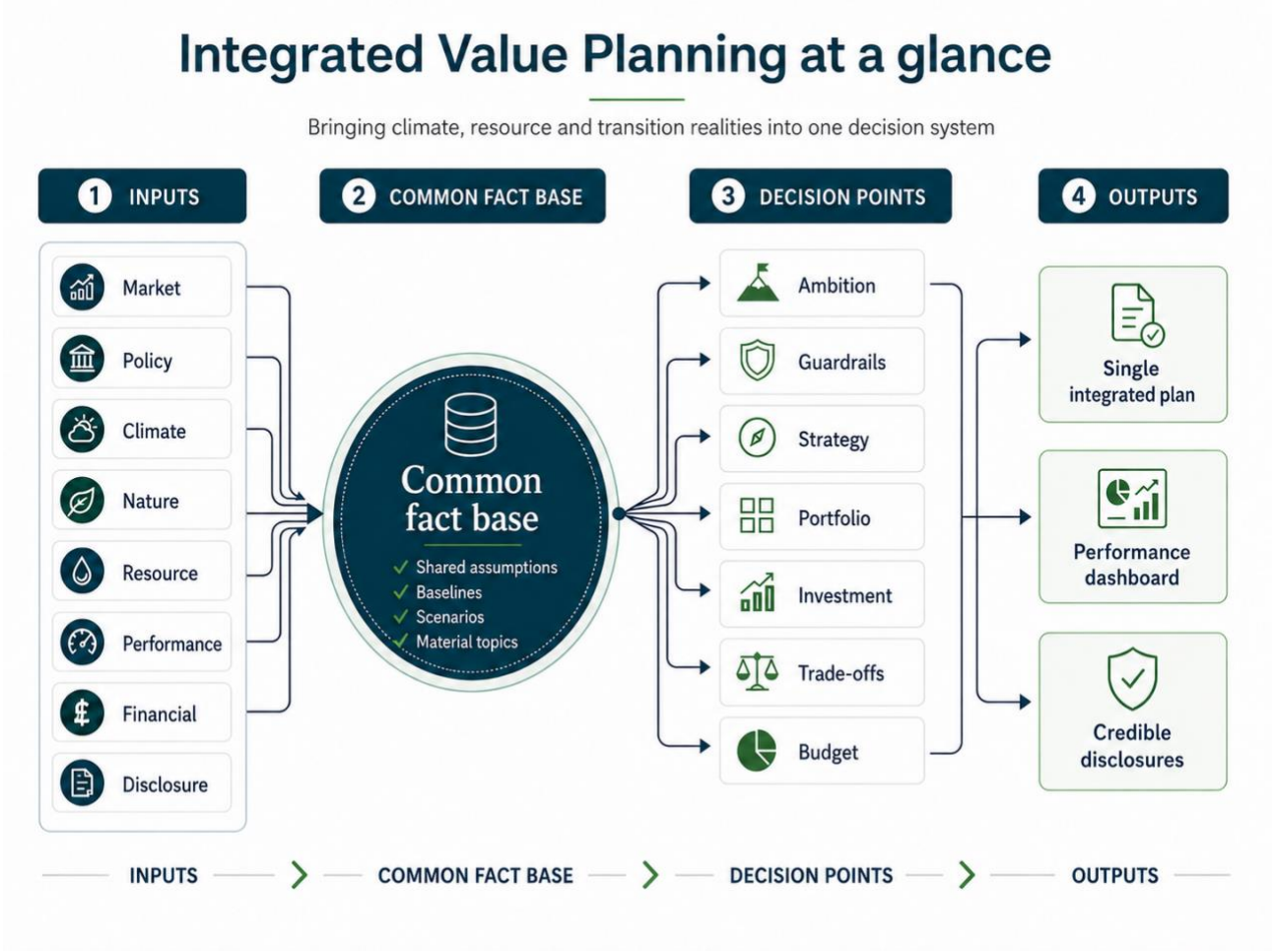

Figure 1. Integrated Value Planning at a glance

1. The planning problem

Corporate planning has always had to deal with uncertainty. The difference now is that some of the most material uncertainties are no longer only economic or competitive. They are physical, policy-led, resource-based, stakeholder-driven and capital-market related. Energy volatility, carbon pricing, water stress, insurance repricing, supply disruption, changing customer requirements and tightening disclosure expectations are now part of the business environment.

These pressures do not sit neatly in one function. They affect strategy, procurement, operations, finance, product design, asset planning, risk, marketing, investor relations and workforce capability. They influence where a business can grow, which products remain attractive, which assets are resilient, which suppliers can be relied upon, and which investments still make sense under plausible future conditions.

The difficulty is that many planning systems were designed for a more stable operating environment. They assume that the main questions are demand, competition, cost, capacity and capital. These questions remain central, but the assumptions behind them now need to be tested against climate, transition and resource realities. A business plan that does not reflect these variables may look financially coherent while carrying hidden exposure.

This is why climate cannot be managed only through reporting, risk or sustainability plans. Reporting can disclose exposure, but it does not by itself change the decisions that created the exposure. Risk registers can identify issues, but they do not necessarily alter product roadmaps, sourcing choices or capex cases. Transition plans can describe pathways, but they remain fragile if they are not funded, governed and embedded in the annual planning and transformation portfolio.

The planning problem is therefore not simply that organisations need more climate activity. Many already have plenty. The problem is that activity often sits outside the machinery that determines the future shape of the enterprise.

The central planning question that requires consideration is:

- Are climate, resource and transition variables shaping the business plan, or are they being explained after the business plan has already been formed?

2. The systems gap

The systems gap appears when climate ambition and enterprise decision-making operate through different cycles, data sets and governance forums. One system sets business strategy, allocates capital, manages budgets and tracks performance. Another system sets climate targets, prepares disclosures, manages ESG data and explains transition activity. Both may be well-intentioned. Together, they can still create a structural split.

The split becomes most visible under pressure. When budgets tighten, teams defend investments with the clearest financial case. When capital is scarce, transition initiatives compete with every other programme. When product or sourcing decisions are made at speed, climate and resource considerations are often treated as late-stage checks. When reporting deadlines approach, teams work backwards from scattered data rather than drawing from a live management system.

The result is a predictable pattern: ambition remains visible, but it is not consistently converted into funded, governed and deliverable business change. Strategy papers acknowledge climate risk but do not test the economics of different transition pathways. Investment cases include demand and cost assumptions but omit carbon, energy, resilience or exposure to supplier cost increases. Scenario analysis is completed for disclosure but does not alter investment or commercial plans. Scope 3 analysis remains a spreadsheet exercise rather than being used to guide supplier strategy or product design. Transition plans describe action but are not fully connected to the annual operating plan, budget, incentives or delivery governance.

The issue is rarely that leaders do not understand the importance of climate and resource constraints. More often, the issue is that the organisation has not adapted the planning, investment and governance mechanisms that determine how those constraints are assessed, priced, prioritised and acted on. As a result, climate is visible in principle and weak in practice. Risks may be acknowledged, but they are still discounted or underplayed because they are not fully reflected in the assumptions, models and forums that shape current and future business performance.

Integrated planning matters because it closes the gap between recognising the issue and changing the business. It brings climate and related variables into the planning moments where ambition becomes choices, choices become funded initiatives, and funded initiatives become delivery and performance management.

Current weakness	What it causes	Integrated planning response
Separate business and climate plans.	Trade-offs are hidden and the business plan usually wins under budget pressure.	One planning flow that links growth, resilience, transition, finance and delivery.
Different data sets and assumptions.	Teams spend time reconciling different numbers instead of agreeing what the business should do.	Common fact base for scenarios, baselines, boundaries, material topics and financial drivers.
Climate considerations introduced late.	Exposure is discovered after options have narrowed or been agreed.	Early integration into context, ambition, strategic pillars and guardrails.
Reporting-led analysis.	Required analysis is completed for reporting, but not reused to shape strategy, investment or operating decisions.	Regulatory and voluntary framework analysis reused as planning input.

Weak trade-off governance.	Important trade-offs are avoided until cost, timing or delivery pressure forces a decision.	Explicit guardrails, exceptions and trade-off forums embedded in existing governance.

3. What Integrated Value Planning is

Integrated Value Planning is a business planning architecture that brings strategy, finance and sustainability into one coherent decision system. It is not a new sustainability process. It is not a reporting exercise dressed up as business planning. It is not a replacement for strategy, financial planning or operating planning. It is an evolution of those systems so they are fit for an operating environment shaped by climate, resource constraints, transition economics and stakeholder scrutiny.

The word Value matters. The approach is not built around climate as a separate objective competing with performance. It treats climate, carbon, water, nature, energy, physical risk and resource constraints as business variables that affect value creation and value protection. They are relevant because they influence growth, margin, volatility, resilience, capital efficiency and credibility.

The word Planning is also important. IVP starts with the planning cycle rather than the reporting cycle. It focuses on how the organisation sets ambition, builds a fact base, makes strategic choices, translates strategy into commercial and operational design, allocates capital, governs trade-offs, tracks performance and reports progress. Reporting remains important, but it becomes an output of planning and delivery, not the organising principle.

The framework has five interlocking components. First, an end-to-end planning process that connects strategy, finance, operations, risk and sustainability. Second, enhanced governance mechanisms that clarify decision rights and resolve trade-offs. Third, RACI and accountability logic so ownership is visible. Fourth, assessment tools that test climate exposure, transition plan credibility and implementation barriers. Fifth, planning and decision support, including value identification, risk and opportunity levers, decarbonisation levers and growth tactics.

A useful way to summarise the model is this: IVP creates one fact base, makes choices once, funds them once, governs the trade-offs openly and reports from the same model. That does not remove complexity. It makes complexity manageable.

4. Design principles

IVP is not defined only by its process steps. It is also shaped by a small number of practical choices about how planning should work: use the systems the business already trusts, start with value, work from shared assumptions, bring climate and resource variables in early, and connect strategy to delivery. Together, these principles explain how IVP improves decision quality without adding unnecessary process.

1. Evolve rather than disrupt. IVP is designed to work through the planning and governance systems organisations already use and trust. This matters because climate integration will fail if it is presented as a large new process imposed from outside the business. The practical move is to identify where climate and resource variables need to enter existing strategy, capital, risk, operating and performance forums, then strengthen those decision points.

2. Start with business value. Climate integration must improve the way the business is run and underpin business performance. The approach deliberately focuses on margin, resilience, cost, growth, capital, volatility, supply continuity and competitiveness. It is business-led and focused on improving decision quality and enterprise performance.

3. Work from one fact base. Strategy, finance, operations, sustainability and risk cannot make coherent choices if they rely on different assumptions, boundaries, baselines and scenarios. A shared fact base reduces reconciliation effort and debate, increases confidence and raises the quality of trade-offs. It also prevents uncomfortable issues being avoided because teams can challenge each other's data rather than address the decision.

4. Integrate the new variables early. Climate, water, nature, energy, regulation and resource constraints should enter the front end of planning, not the back end of reporting. Early integration changes the quality of ambition, improves strategic options and reduces the risk of locking the organisation into decisions that become more costly, exposed or difficult to unwind later.

5. Treat climate as a design input. This is a practical principle. Carbon and resource constraints should influence product design, sourcing, site strategy, logistics, investment choices and customer propositions while there is still room to change course. If they are introduced after commercial and operating choices have been finalised they are experienced as delay, cost or objection.

6. Bridge strategy to execution. Transition goals only become real when they are translated into commercial plans, product roadmaps, operating model changes, supplier engagement, capability plans, technology requirements, investment cases, budgets and governance activities. IVP therefore connects strategic intent to the delivery portfolio and performance system.

Principle	Decision weakness addressed	Business effect
Evolve, do not disrupt	Climate treated as another process layer	Lower adoption friction and better use of existing forums
Business value first	Climate seen only as cost or compliance	Stronger executive relevance and clearer investment logic
One fact base	Conflicting assumptions across functions	Faster alignment and better trade-offs
Integrate early	Exposure discovered after choices made	Better options, less rework and reduced risk
Climate as design input	Carbon and resilience lock-in	Improved product, sourcing and capex choices
Bridge to execution	Unfunded ambition and weak delivery	Clear ownership, sequencing and benefits tracking

5. The five-phase planning spine

Integrated Value Planning is organised around a five-phase planning spine. The spine is important because it shows where climate enters, how it is translated and where governance must make choices. The phases are context and vision; strategy formulation; strategy translation; planning and budgeting; implementation and reporting.

The phases are not intended to create a rigid waterfall. Strategy, planning and execution are iterative. However, the sequence matters because each phase creates the conditions for the next. A weak fact base undermines strategic pillars. Weak guardrails undermine commercial design. Weak translation undermines budgeting. Weak budgeting undermines implementation. Weak implementation undermines reporting credibility.

Figure 2 shows how IVP works through the planning cycle: strategic direction is refreshed over a multi-year rhythm, translated into annual planning and budgeting, then managed continuously through implementation, performance and reporting.

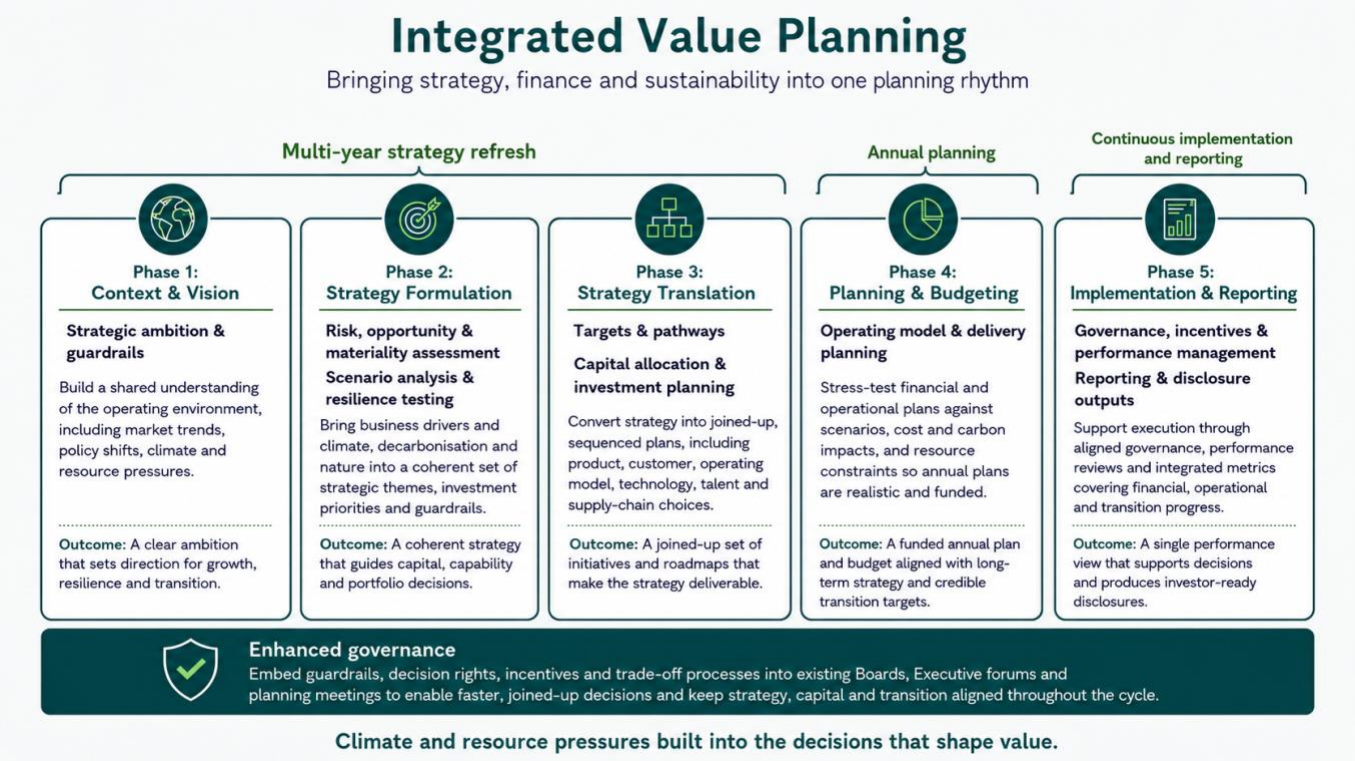

Figure 2. The five-phase planning spine

Phases 1 to 3 usually sit on a multi-year strategic rhythm with annual refresh. Phase 4 aligns with the annual operating plan and budget. Phase 5 runs continuously through the governance and performance cycle. This allows the organisation to steer long-term direction while maintaining the discipline of in-year performance management.

Phase	Role	What changes in an integrated model
1. Context and vision	Build shared understanding, define boundaries, baselines, assumptions and ambition	Climate, nature, water, resource and transition variables enter the fact base and shape ambition early
2. Strategy formulation	Define strategic pillars, guardrails, incentives, targets and portfolio priorities	Strategic choices link growth, resilience, profitability and transition pathways
3. Strategy translation	Translate strategy into commercial, operating model, supply chain, technology, talent and transition plans	Product, customer, sourcing and capability choices are designed with business performance and transition realities in mind
4. Planning and budgeting	Build integrated financial models, test scenarios, apply carbon and energy sensitivity, approve annual operating plan and budget	Capital allocation considers carbon, energy, resilience, cost and timing before commitments are locked
5. Implementation and reporting	Govern delivery, track performance, assure data and produce disclosures	Reporting is drawn from the same governed management system used to steer delivery

6. What makes the process different

The value of IVP is not only in the five phases. Many organisations already have versions of strategy, budgeting and performance management. The difference lies in the design choices inside the process.

The first difference is the deliberate creation and reuse of decision artefacts. The process creates scenarios, boundaries, baselines, material topics, assumptions, dependencies, strategic pillars and guardrails early. These artefacts are then reused downstream in targets, portfolio choices, customer propositions, product roadmaps, operating model design, supplier engagement, investment appraisal, budgets, dashboards and disclosures. This reduces duplication and creates consistency across the organisation.

Figure 3 shows why reuse matters. Core artefacts are created early and then used repeatedly across targets, portfolio choices, roadmaps, appraisal, budgets, dashboards and disclosures.

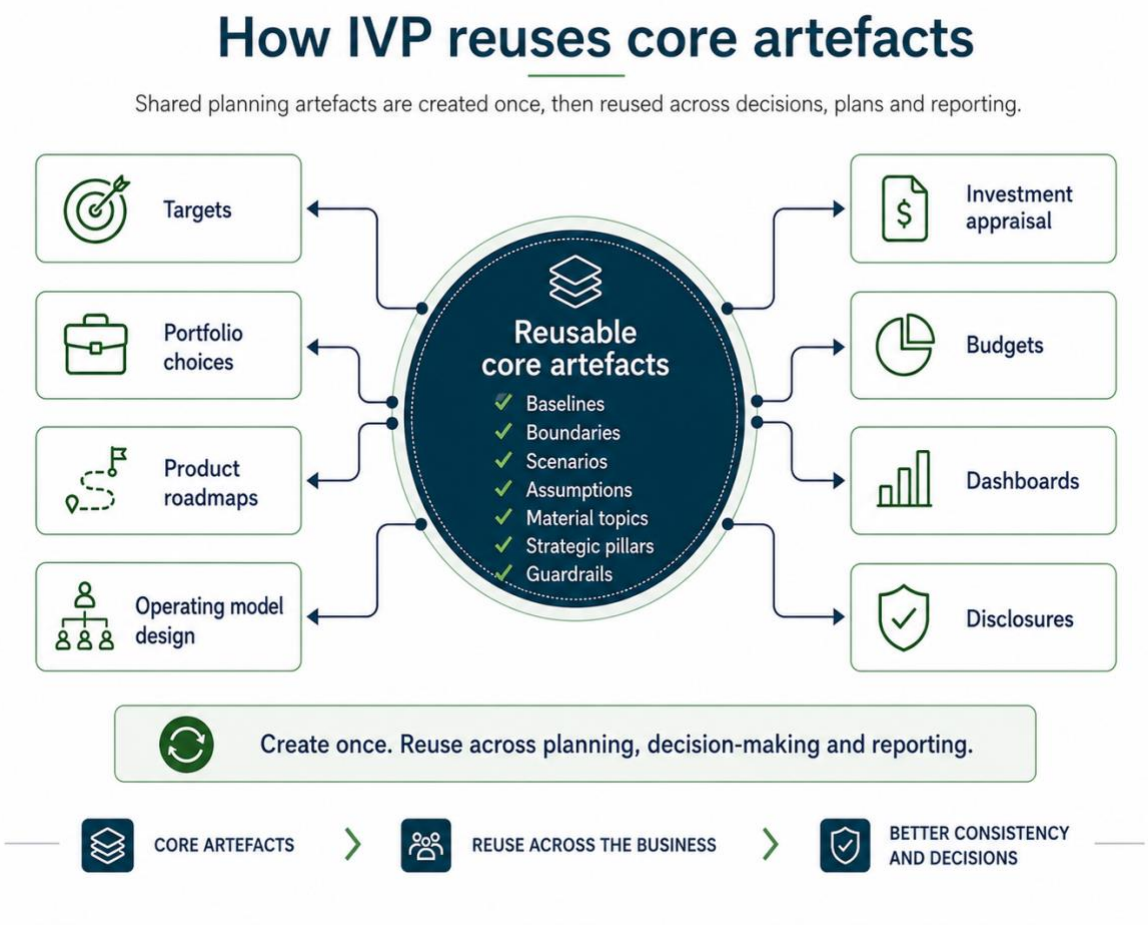

Figure 3. How IVP reuses core artefacts

The second difference is the way data sources are brought together. IVP is not simply adding carbon data to a financial model. It brings together macro and market context, policy signals, capital market expectations, customer and competitor shifts, physical risk, transition risk, nature and water dependencies, emissions baselines, performance data, financial drivers, risk registers, value-chain exposure and regulatory requirements. The purpose is to create a common view of the conditions in which the business will operate.

The third difference is the use of regulatory and voluntary framework components as planning inputs. Materiality clarifies which issues affect strategy, value and disclosure scope. Scenario analysis tests assumptions and resilience. Scope 1, 2 and 3 emissions data can be linked to business segments, products, suppliers and financial drivers. Transition plan requirements force clarity on governance, targets, financing, implementation and performance. Nature and water analysis identify dependencies and constraints that might otherwise sit outside business planning.

The fourth difference is the separation of ambition and credible targets. High-level ambition can be set early to give direction. Credible targets should follow a more disciplined process: define scope and boundaries, establish baselines, quantify exposure, test scenarios, identify pathways, assess feasibility, understand financial

implications and confirm governance. This prevents target-setting from becoming either a communications exercise or an ungrounded negotiation.

The fifth difference is the explicit link between strategy and execution. IVP pushes the logic into customer segmentation, value propositions, commercial and channel strategy, product and service roadmaps, target operating model, organisation and talent plans, technology and data requirements, supply chain design, production, distribution, transition initiatives and adaptation plans. That is where the plan becomes operational.

The sixth difference is the financial resolution loop. The model forces the plan into the financial system through integrated modelling, carbon and energy sensitivity, internal carbon pricing where appropriate, scenario work, transition financing, annual operating plan and budget approval, and explicit go/no-go decisions. This is where ambition either becomes funded action or is exposed as unfunded intent.

Where planning assumptions are tested and aligned

One practical way to understand the logic of the process is to look at the data connection points. These are the moments when different forms of evidence have to line up before a decision can be trusted.

In Phase 1, external context, internal performance, materiality, boundaries and baselines meet. This prevents ambition being set from abstract aspiration or external pressure alone. In Phase 2, financial exposure, strategic pillars, guardrails, incentives, targets and portfolio logic meet. This prevents climate risk being acknowledged without shaping choices. In Phase 3, customer, product, operating model, supply chain, capability and transition data meet. This prevents strategy being translated into isolated workstreams. In Phase 4, financial forecasts, carbon and energy assumptions, resilience scenarios, capital constraints and delivery capacity meet. This prevents commitments being approved without a funded and tested plan. In Phase 5, performance, delivery, controls, assurance and disclosure data meet. This prevents reporting drifting away from management reality.

7. Value creation and value protection

Integrated planning is most credible when it shows where value is created, protected or made visible. IVP uses a resilience, efficiency and growth lens to connect climate-related decisions to the language of business performance.

Resilience is about reducing exposure to volatility, disruption and fragile assumptions. This includes physical risks, water stress, supplier concentration, energy price shocks, regulatory change, insurance pressure, asset vulnerability and operational continuity. Efficiency is about reducing waste, resource intensity, energy use, cost-to-serve, logistics inefficiency and process variation. Growth is about identifying markets, customer needs, product propositions, circular models, tender access and innovation opportunities that become more attractive as customers, regulation and capital shift.

Value becomes visible in different ways at each phase. In Phase 1, value appears through growth signals, risk-led efficiency opportunities and resource constraints that were previously outside the planning view. In Phase 2, value appears through portfolio focus, strategic pillars, guardrails and better capital direction. In Phase 3, value appears through customer propositions, product economics, operating model gains and supply chain choices. In Phase 4, value appears through carbon-adjusted returns, clearer ROI, better sequencing and conscious trade-offs. In Phase 5, value appears through delivery performance, resilience gains, continuous improvement and stronger financial signaling.

Figure 4 shows how IVP connects climate integration to business value. Resilience, efficiency and growth provide the value lens through which climate and resource realities are translated into better decisions across the enterprise.

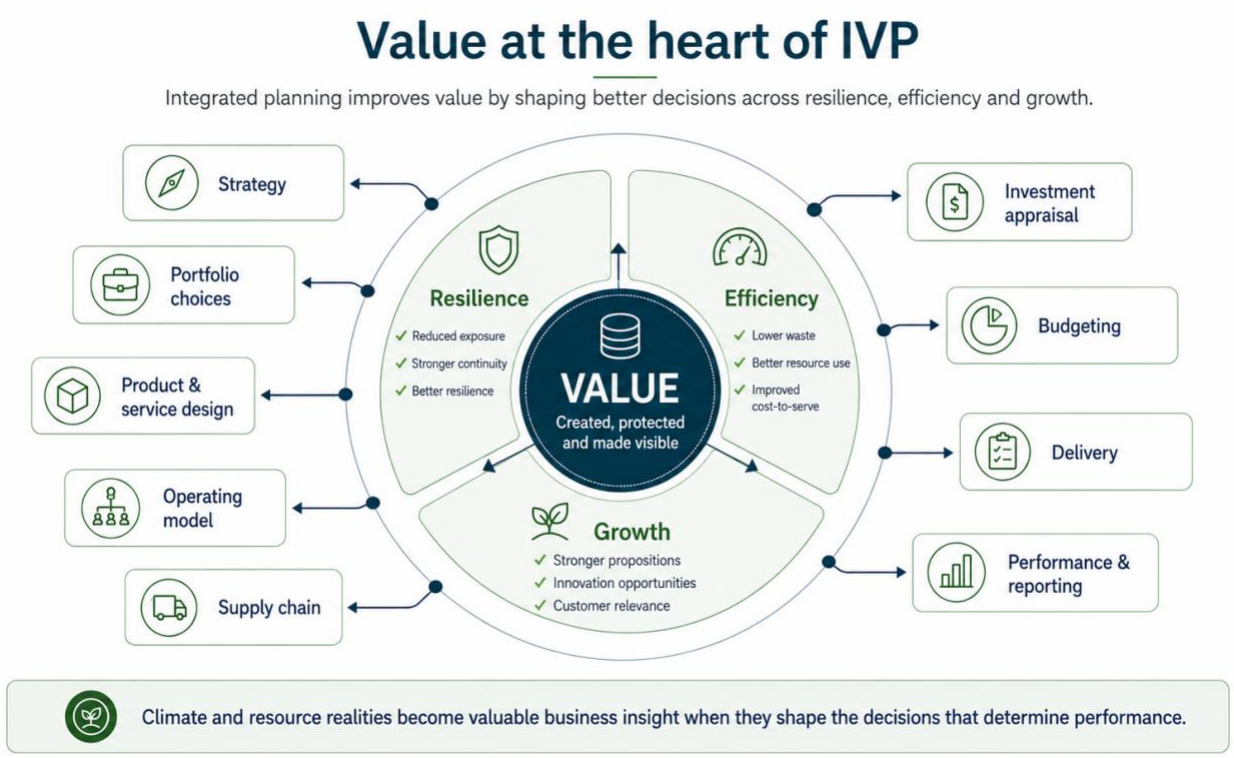

Figure 4. Value at the heart of IVP

This is why the approach should not be seen as compliance work pushed through a planning process. It is a way of improving the quality of business choices under changing conditions. The same actions that reduce emissions can also improve margin, asset reliability, supply security and customer relevance if they are designed into the business rather than added as a separate agenda.

The value case also includes avoided loss. Some of the most important benefits of integrated planning are not visible as new revenue. They appear as avoided capital waste, fewer decisions that become costly to reverse, reduced exposure to volatile inputs, better supplier resilience, fewer late-stage redesigns, improved investor confidence and reduced greenwashing risk. These are material business outcomes, even if they are harder to present as simple growth initiatives.

Value theme	How IVP supports it	Examples of decisions affected
Better decisions	Common fact base, early integration, scenario analysis and decision-grade data	Market entry, portfolio focus, product roadmap, supplier choice
Stronger resilience	Physical risk, water, supplier and energy exposure built into planning	Site strategy, continuity planning, network design, resilience investment
Smarter capital allocation	Carbon and energy sensitivity, internal carbon pricing and guardrails	Capex sequencing, retrofit choices, technology investment, portfolio reshaping
Faster trade-offs	Explicit forums, exceptions lane and decision rights	Go/no-go decisions, budget reallocations, exceptions to guardrails
More reliable delivery	Transition initiatives embedded in the change portfolio and annual operating plan.	Initiative ownership, dependency management, benefits tracking

Clearer value creation	Resilience, efficiency and growth lens used across phases	New propositions, lower cost-to-serve, lower volatility, stronger investor narrative

8. Governance that enables integration

Insights and evidence are not enough unless they change how decisions are made. Governance has to make the evidence consequential. IVP therefore includes an enhanced governance layer designed to fit into existing board, executive, strategy, risk, investment, product, operations and performance forums.

The aim is not to create a heavy climate committee structure. The aim is to improve decision quality in the forums where the business already makes material choices. Governance has four jobs in IVP: set decision rights and accountability; enforce guardrails and exceptions; resolve trade-offs across competing objectives; and provide control and assurance over the data used for decisions and disclosures.

Figure 5 shows the governance mechanisms that make integration practical. Guardrails, eco-design gates, sensitivity panels, trade-off forums and performance dashboards strengthen decision quality without creating a separate governance structure.

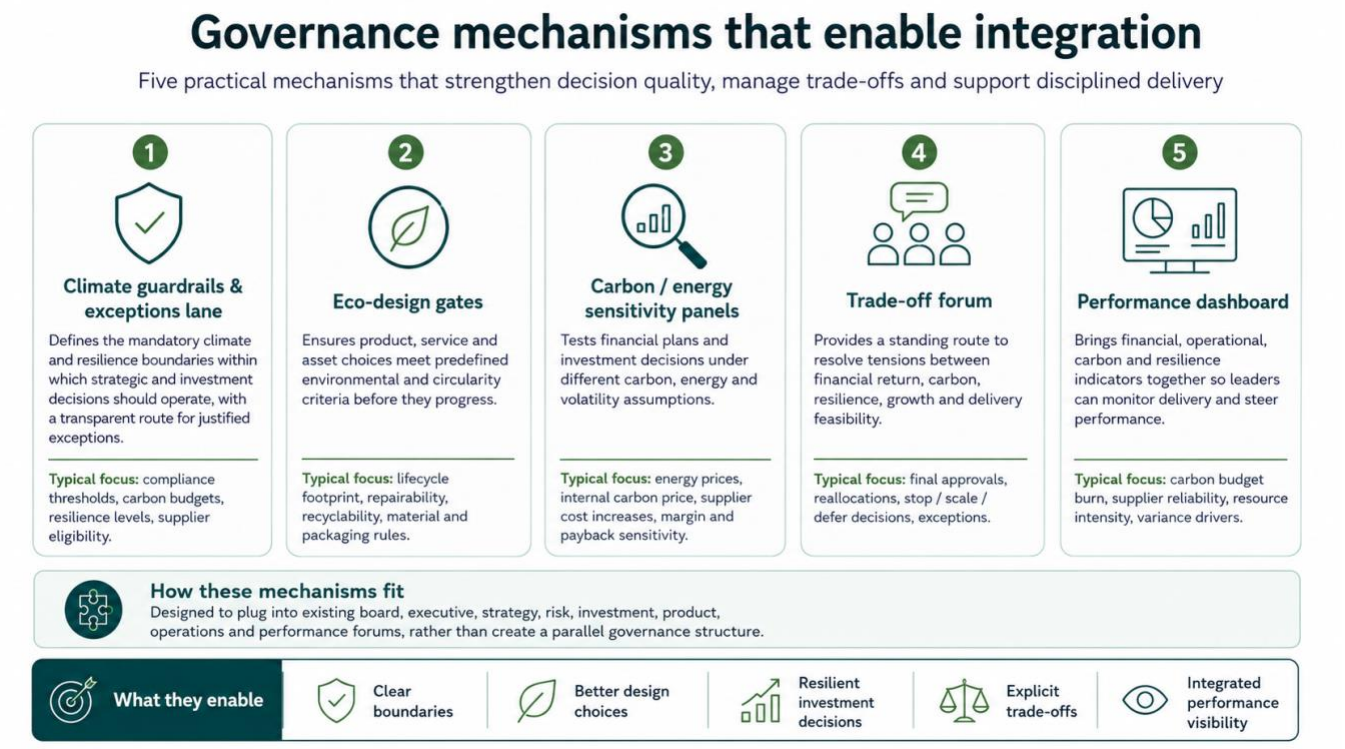

Figure 5. Governance mechanisms that enable integration

The governance mechanisms are deliberately practical. Climate guardrails and an exceptions lane define the boundaries within which strategic and investment decisions should operate, while allowing justified deviations to be approved transparently. Eco-design gates prevent unsustainable or fragile product, service or asset choices from entering the portfolio without challenge. Carbon and energy sensitivity panels test investment and financial plans under plausible future ranges rather than single-point assumptions. The trade-off forum gives leaders a place to resolve tensions between financial return, carbon, resilience, cost, customer impact and delivery capacity. The performance dashboard brings financial, customer, operational, people, carbon and resilience indicators together so leaders can steer the plan through the year.

The most important point is that governance is designed for resolution, not harmony. In an integrated system, some choices will look commercially attractive but breach carbon or resilience guardrails. Some transition actions will reduce emissions but weaken short-term margin. Some investments will be strategically important but difficult to sequence within the available funding. Good governance does not pretend these tensions disappear. It makes them visible and requires a conscious decision.

This is also where accountability becomes real. If climate and transition choices are routed only through sustainability workstreams, they remain peripheral. In IVP, ownership sits with the executive team and the relevant business functions. Finance owns financial logic and capital discipline. Strategy owns strategic choices and portfolio implications. Operations and procurement own delivery realities. Sustainability contributes expertise, standards, data and challenge, but the business owns the decisions.

Mechanism	Where it fits	Role in integration
Climate guardrails and exceptions lane	Strategy formulation and investment governance	Defines mandatory boundaries, thresholds and escalation routes
Eco-design gates	Portfolio, product and service roadmap decisions	Tests environmental, circularity and resilience criteria before design choices harden
Carbon and energy sensitivity panels	Financial modelling, scenario planning and capital appraisal	Tests margin, payback and resilience under plausible carbon and energy ranges
Trade-off forum	Annual operating plan, budget, go/no-go and stop/scale decisions	Resolves tensions between finance, carbon, resilience, customer impact and delivery capacity
Integrated performance dashboard	Implementation, performance management and reporting	Tracks financial, operational, carbon and resilience indicators in one view

9. Financial integration and capital allocation

If climate integration does not affect capital allocation, it has not entered the core of the enterprise. Investment choices reveal what the organisation really believes about future costs, risk, resilience and competitiveness.

IVP brings finance into the process in three ways. First, it connects climate and resource exposure to financial drivers. Carbon, energy, water, physical risk, supplier exposure, regulation and transition cost are linked to revenue, margin, capex, opex, asset values, cash flow and cost of capital. Second, it embeds sensitivity and scenario thinking into investment appraisal and financial planning. Business cases are tested against plausible ranges for carbon prices, energy costs, supplier cost increases, disruption and resilience requirements. Third, it forces financial resolution through the annual operating plan, budget and capital allocation process so commitments are funded, deferred, redesigned or stopped explicitly.

Internal carbon pricing can support this discipline, but only when used as a decision tool. It should help compare options, expose transition cost, test payback and identify investments whose economics depend on assumptions that may not hold. It should not become a symbolic number detached from actual capital decisions.

Financial integration also improves credibility. Transition commitments that are not reflected in budgets, investment plans, operating costs, financing strategy and performance management are vulnerable. They may survive in narrative but fail in execution. By contrast, a pathway that is costed, sequenced, funded and tracked has a stronger chance of surviving commercial pressure.

This does not mean every climate-related decision will have a clear ROI. Some resilience investments protect against downside. Some data and capability investments are enabling conditions. Some actions are required to maintain market access or regulatory credibility. Integrated planning does not remove judgement. It creates a better basis for judgement by making the relevant variables visible before capital is committed.

This is why financial integration cannot be reduced to adding cost estimates to a transition plan. It is only meaningful when the costs, risks, savings, dependencies and trade-offs influence the annual operating plan, capital allocation, investment appraisal and performance reviews. At that point, transition planning stops being a parallel exercise and becomes part of how the business decides what to fund, what to sequence, what to stop and what to manage.

10. Reporting as an output of planning

One of the strongest shifts in IVP is the move from reporting-first to planning-first. Many organisations currently treat climate disclosure as a separate production process. Data is collected, reconciled and a narrative crafted for external reporting, often after management decisions have already been made. This approach is increasingly weak because investors, regulators, customers and employees expect plans to be credible, funded and governed.

IVP uses regulatory and voluntary frameworks differently. It recognises that many of the activities required or expected for disclosure are also useful for business planning if they are completed at the right time and connected to decisions. Materiality can clarify which topics affect strategy and value. Scenario analysis can test assumptions and resilience. GHG accounting can reveal operational, product and supplier exposure. Transition plan requirements can strengthen governance, implementation, financing and performance management. Nature and water frameworks can expose dependencies that affect continuity, sourcing and asset decisions.

The important shift is timing and reuse. The analysis is not completed at the end of the cycle to support a report. It is completed early enough to shape ambition, strategic pillars, guardrails, targets, portfolio choices, product roadmaps, operating model design, supplier engagement, financial modelling and budgets. Reporting then draws from the same governed fact base, the same targets, the same investment plan and the same performance dashboard.

Scope 3 illustrates the point. Treated as a reporting metric, Scope 3 is a difficult annual data challenge. Treated as a planning support tool, it can identify supplier concentration, carbon-intensive inputs, exposure to future carbon border costs, potential customer risk, product redesign opportunities and collaboration requirements across the value chain. The reporting requirement does not disappear, but the analysis becomes useful before the report is written.

This approach also supports disclosure credibility. The organisation can explain not only what it has disclosed, but how the disclosed information connects to strategy, capital allocation, governance, risk management, implementation and performance. That is a stronger position than trying to retrofit a coherent story from disconnected workstreams.

Framework component	How it is often used	How IVP uses it
Double materiality	Reporting scope and compliance exercise	Strategic translation tool linking material topics to priorities, KPIs and disclosure scope
Scenario analysis	Disclosure input or risk exercise	Assumption test for strategy, capital allocation and resilience planning
GHG Protocol and Scope 3	Emissions reporting methodology	Operational and value-chain signal for supplier, product, customer and cost exposure
Transition planning guidance	Standalone plan or investor response	Discipline for governance, financing, implementation, milestones and performance
TNFD / nature and water analysis	Emerging reporting or risk workstream	Input to sourcing, site, asset, resilience and dependency decisions

11. What this means for leadership teams

For leadership teams, the practical implication is not that every strategy conversation should start with climate. It should start with the enduring business questions: where growth will come from, which investments still make sense, how resilient the operating model is, where costs and risks are changing, and what the organisation needs to build, stop, fix or fund. IVP changes the evidence and governance behind those questions.

In practice, this changes the evidence and trade-offs that leadership teams see. Strategy papers identify the climate, resource and transition assumptions behind growth, cost and margin. Portfolio decisions weigh exposure as well as opportunity. Product and service roadmaps bring carbon, circularity, resource use, customer demand and profitability into the same conversation. Supplier strategy reflects resilience, emissions, water, nature and regulatory exposure alongside cost and service. The annual operating plan and budget make clear which transition and resilience actions are funded, which are deferred, and which remain unresolved.

This requires a different level of cross-functional working. Strategy, finance, sustainability, operations, procurement, risk, technology, HR and commercial teams need to work from shared assumptions and decision rules. That does not mean everyone owns everything. It means the organisation stops allowing critical variables to fall between functions.

It also requires discipline on scope. IVP should not become a maximalist exercise that tries to integrate every sustainability topic into every decision. The point is materiality and decision relevance. The model should focus first on the variables that materially affect value, resilience, regulatory credibility, delivery feasibility and stakeholder trust.

Finally, leadership teams should view adoption as staged. The first move is often not a full redesign. It may be a diagnostic review of the business planning cycle, a climate stress test of strategy assumptions, an upgrade to investment appraisal, a guardrails exercise, a Scope 3 to supplier-risk translation, a trade-off forum for the annual plan, or a more integrated performance dashboard. The test is whether each move improves real decisions.

The question is not whether the organisation has climate data, a transition plan or a disclosure programme. The question is whether that work is changing strategy, investment, operating design, governance and delivery decisions.

And in the context of changing operating conditions:

- Are the strategy assumptions still reliable?
- Are investment cases pricing the right variables?
- Are supply chain and operating model risks visible in the plan?
- Are external dependencies explicit enough?
- Are trade-offs governed before they become escalations?

12. Assessing the gap and moving forward

No organisation needs to redesign its whole planning system in one move. Trying to address every capability, process and decision point at once would create too much complexity, too much process and too little traction.

For Integrated Value Planning, the practical starting point is to understand where climate and resource realities create material business exposure, where the current planning and governance system is failing to reflect that exposure, and which improvements would most strengthen decision quality.

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.

A practical starting point is: rules, plan, money, delivery and data. If these 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-grade 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

Integrated Value Planning is a response to a practical business problem. The operating environment has changed faster than many planning 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 planning system.

The result is not simply weak climate performance. It is weaker business planning. Risk is mispriced. Opportunities are missed. Trade-offs are made late or invisibly. Transition commitments are underfunded. Reporting becomes harder because the management system was not designed to generate credible, decision-useful information.

IVP offers a different logic. Bring the relevant variables into the front end of planning. Build one fact base. Use regulatory and voluntary framework analysis as decision input. Translate ambition into guardrails, targets and portfolio choices. Push the strategy into commercial, operating model, product, supply chain, technology and talent decisions. Lock the plan into financial modelling, capital allocation, annual operating plan and budget. Govern the trade-offs explicitly. Track performance through integrated dashboards. Report from the same system used to manage the business.

The approach does not promise simple answers. It does not remove uncertainty or eliminate trade-offs. Its value lies in making those trade-offs visible earlier and improving the quality of choices. That is what businesses now need: not more parallel activity, but better planning, better governance and better decision-making under changing conditions.

The ultimate purpose is to align growth, resilience and decarbonisation inside one coherent decision system. When that happens, climate integration stops being a side agenda. It becomes part of how the enterprise protects value, creates value and adapts to the future.