

Net Zero 2030

PwC Italy

SUSTAINABLE MIND

June 2021

Embrace a Responsible Journey

Stand alone services and capabilities embedded into our platform

**SUSTAINABLE
OPERATIONS**

**RESPONSIBLE
INVESTMENT**

**CLIMATE
CHANGE**

**SUSTAINABLE
FINANCE**

**BENEFIT
CORPORATIONS**

**IMPACT
MEASUREMENT**

Strategy

Organisations who understand the impact and urgency of ESG and are able to but make them an integral part of their corporate and business strategies have the potential to not only keep their license to operate, but identify opportunities for growth, enhance reputation, ease access to finance or be competitive in talent acquisition.

Transformation

In order to effectively execute on the ambitions and targets set, organisations need to change the way they operate - reflecting ESG in their organisation, in processes, incentive schemes and daily operations as well as decision making.

Reporting and assurance

There is growing consensus that organisations, investors and governments can no longer rely solely on traditional financial information for decision making. Organisations are integrating insights about their people, intellectual capital, important relationships and social impacts, as well as about natural capital considerations such as climate.

Sustainability can no longer be managed in a silo, nor can our clients focus only on mitigating negative impacts on society and planet.

Instead climate and sustainability are increasingly being built into the core of organisations, reflected in purposes and missions, managed across operations and crucial to engagement with investors and policymakers alike.

Net
Zero

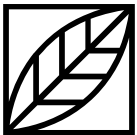
Net Zero 2030 | PwC

At PwC, we believe the business community has a key role to play in making that happen. And we are determined to play our part.

That's why we're making a worldwide science-based commitment to **reach net zero greenhouse gas emissions by 2030**.



We commit to reducing our total greenhouse gas emissions by 50% in absolute terms, switch 100% renewable electricity, as well as energy efficiency improvements in our offices and halving the emissions associated with business travel and accommodation within a decade.



For every remaining tonne (CO2 equivalent) that we emit, we will remove a tonne of carbon dioxide from the atmosphere, to achieve net zero climate impact

This new commitment builds on our 2018 global environment commitment to drive efficiencies, go 100% renewable, and offset 100% air travel emissions from FY19 and residual energy use by FY22.



The climate targets of Fortune 500 companies

Climate Target Type



Carbon neutral

Achieved when a company completely offsets its greenhouse gas emission.



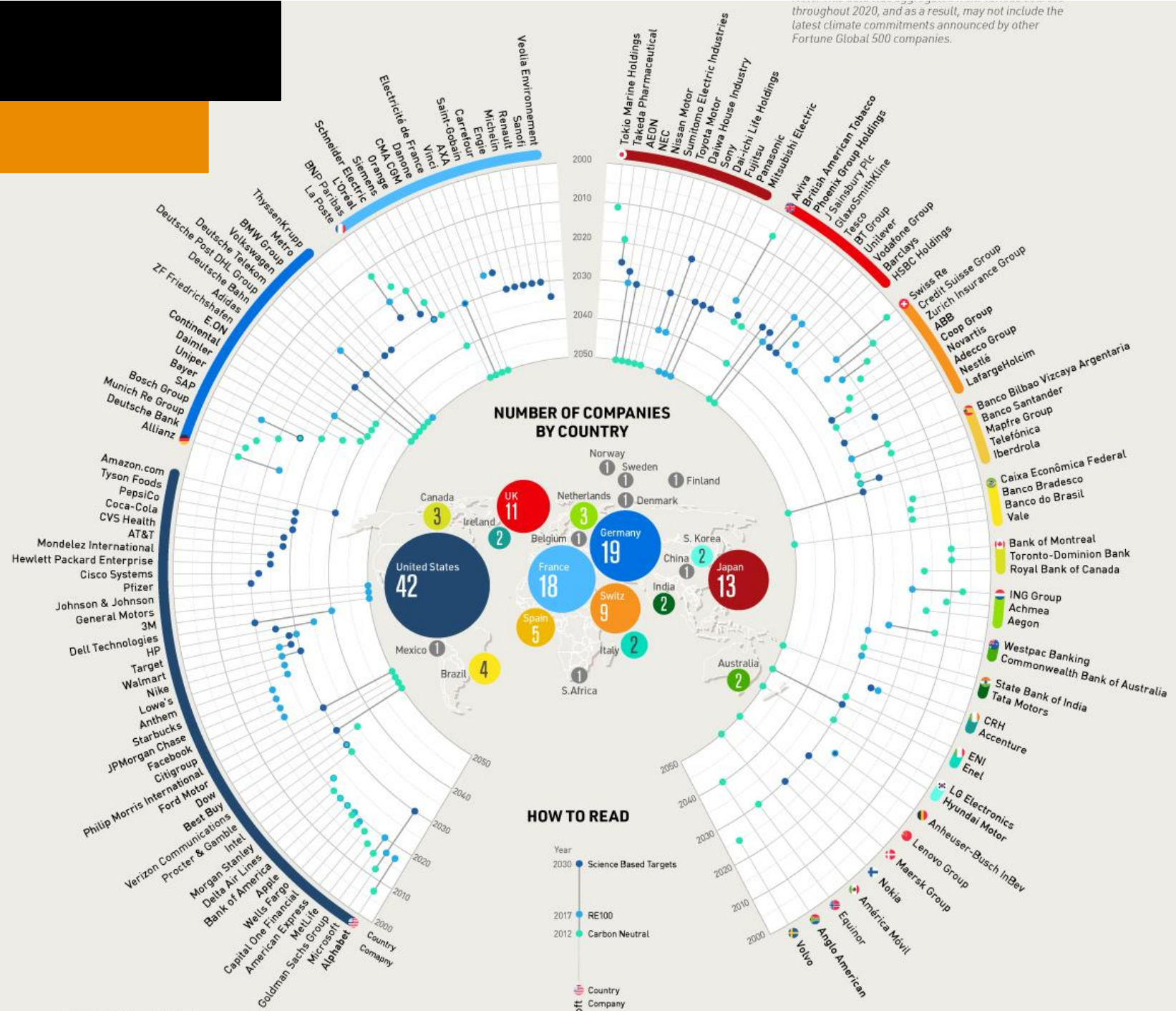
Renewable 100% (RE)

Achieved when a company relies on 100% renewable energy.



Science Based Targets (SBT)

Emissions are reduced in line with the need to keep global warming below 2 degrees Celsius.



Turning business commitments into real action on climate

The Building blocks for Corporate Net Zero transformation

The Building Blocks of Corporate Net Zero Transformation - produced by PwC and commissioned by Microsoft - is the first company research contribution to the Transform to Net Zero initiative.

It sets the scene for what is meant by net zero transformation for businesses and provides a platform that is consistent with the narrative for the work of the Transform to Net Zero initiative.

The report outlines the 9 key building blocks for business transformation needed to deliver net zero. It provides a coherent and good practice framework that business stakeholders can use to inform and guide them on how they embed net zero into a company's strategy and operating model.

This is the framework we are applying to our transition and that will help us in defining our road towards net zero.



How building blocks work

1 **Ambition:** Aligned to achieving global net zero by no later than 2050 & to limit warming to 1.5°C

Alignment of company ambition to achieving global net zero by no later than 2050, underpinned by science-based targets approach to limit warming to 1.5°C of warming. Define what good practice on ambition looks like.

Checklist of key actions:

- ✓ Set a net zero vision that follows a science-based approach
- ✓ Understand total emissions impact across value chain
- ✓ Prioritize actions to deliver your net zero commitment
- ✓ Develop a credible carbon offset approach (including measures to avoid, reduce and remove emissions)

2 **Governance:** Accountability driven from the top

Oversight and accountability for net zero driven through the entire organization, including at the highest levels of the company and Enterprise Risk Management.

Checklist of key actions:

- ✓ Those at highest level of organization assume responsibility for delivering net zero transformation
- ✓ Establish net zero and climate change as standing agenda items at executive level
- ✓ Assign management oversight of net zero transformation
- ✓ Evaluate net zero incentives structure

3 **Strategy:** Embedded and aligned net zero into company strategy

Net zero is embedded into company strategy, including growth strategy and functional strategies to maximize value and build resilience in a changing climate

Checklist of key actions:

- ✓ Understand how net zero is changing market dynamics and value
- ✓ Assess capabilities required to succeed under net zero future
- ✓ Identify options to deliver net zero strategy
- ✓ Develop business case to deliver net zero strategy
- ✓ Align operating model blueprint to deliver net zero strategy

4 **Enterprise transformation:** Key operating model changes in support of transformation

Company is structured to achieve net zero with the operating model designed to deliver net zero targets. A holistic change management program is designed and executed where required.

Checklist of key actions:

- ✓ Establish clear structure of responsibilities and accountabilities to deliver net zero
- ✓ Harness culture and people
- ✓ Establish policies, processes and a measurement framework to deliver net zero transformation
- ✓ Engage customers
- ✓ Leverage technology and digitisation program

5 **Supply chains:** Transformed net zero supply chain

Net zero integrated across the whole supply chain to build a well connected, smart, efficient and low carbon supply chain ecosystem. Includes adapting supply chain strategy, aligning with existing transformation efforts, and supporting the supply chain to decarbonize

Checklist of key actions:

- ✓ Leverage existing supply chain transformation efforts to deliver emissions reductions
- ✓ Assess emissions and climate impacts across whole supply chain
- ✓ Incentivize suppliers to reduce emissions
- ✓ Build supplier capacity to deliver net zero
- ✓ Build a connected and smart supply chain ecosystem amongst suppliers

6 **Innovation:** Developed innovation and technologies to deliver net zero

Company invests in R&D and builds innovation into ways of working to harness emerging technologies and develop new solutions to deliver net zero at pace. Net zero is embedded in to innovation/R&D strategy, in to product and service development, and corporate ventures.

Checklist of key actions:

- ✓ Ensure net zero is embedded in corporate R&D and innovation
- ✓ Provide finance to develop innovative net zero solutions
- ✓ Innovate to develop products and services that deliver net zero
- ✓ Leverage Corporate Innovation to unlock internal barriers to net zero transformation
- ✓ Build innovation ecosystem through partnerships

7 **Finance:** Financing the net zero transformation

Substantial commitment and willingness to finance net zero transformation through existing and new finance functions and modalities.

Checklist of key actions:

- ✓ Develop investment strategy
- ✓ Embed into corporate finance decision-making
- ✓ Identify and prioritize sources of financing
- ✓ Deliver investment

8 **Transparency:** Communicating action

Provides transparent and balanced information on progress against net zero ambition, including business transformation.

Checklist of key actions:

- ✓ Communicate your net zero strategy
- ✓ Disclose progress against your net zero strategy
- ✓ Disclose with clarity and transparency

9 **Engagement and influence:** Enhancing the pace and scale of net zero action

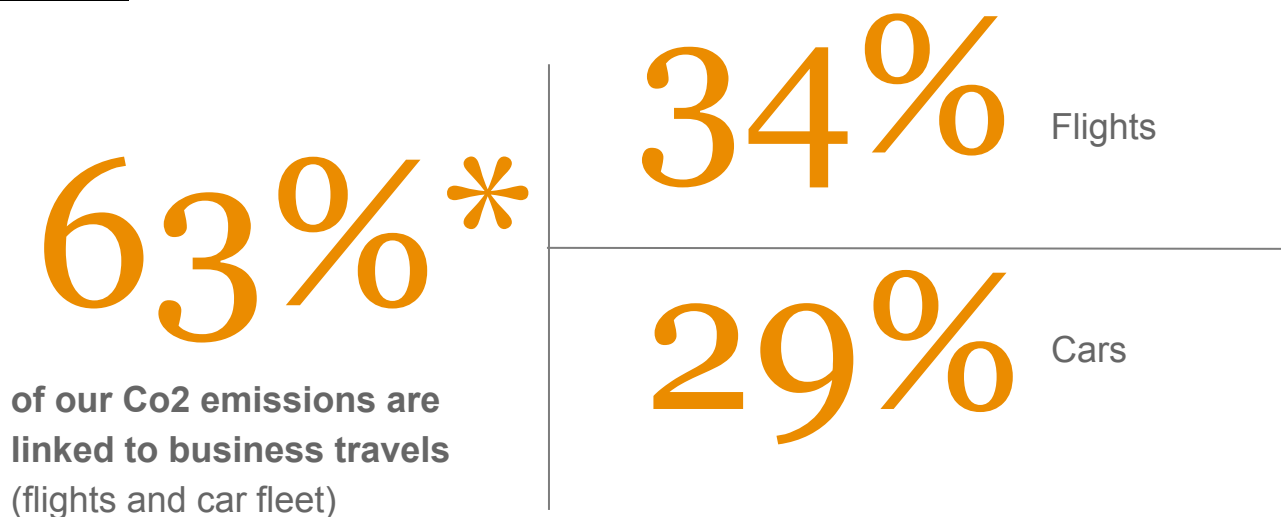
Engages and influences stakeholders across ecosystems to enable change at pace and scale.

Checklist of key actions:

- ✓ Develop engagement strategy
- ✓ Inspire and lead by example
- ✓ Influence value chain
- ✓ Promote policies and behaviors that enable and accelerate progress

Understanding our impact

Mobility is the #1 cause
of CO₂ emissions by
PwC Italy



PwC Italia - FY19 CO₂ reporting

*From 2022 this figure will raise as we will extend our Scope 3 reporting also to cab, trains and hotels for our business travels.

Business trips are central to our delivery model.

The COVID-19 pandemic will drive towards a mixed delivery model?

Our main challenges and priorities



Cultural change



Flexibility in our service model delivery



Sustainability in mobility



Renewables and energy efficiency improvements in our offices

Measuring and reporting our impact

We report on our CO2 emissions, since 2012, according to the main reporting standards such as the GHG Protocol and the Global Reporting Initiative.

We communicate our impact internally and externally, on our website, using social media and in documents shared with our main stakeholders.

Our CO2 impact, together with that of other PwC Firms, is published in our Global Annual Reporting.

FY19 is our base year for reducing emissions in absolute terms. We defined a target that is aligned to the Science Based Target Initiative (SBTi) launched by CDP, UN Global Compact, WRI and WWF to limit global warming to 1,5 degrees above pre-industrial levels.



Thank you

