

Responsible value chains in practice – ESG as a driver of risk management and value creation

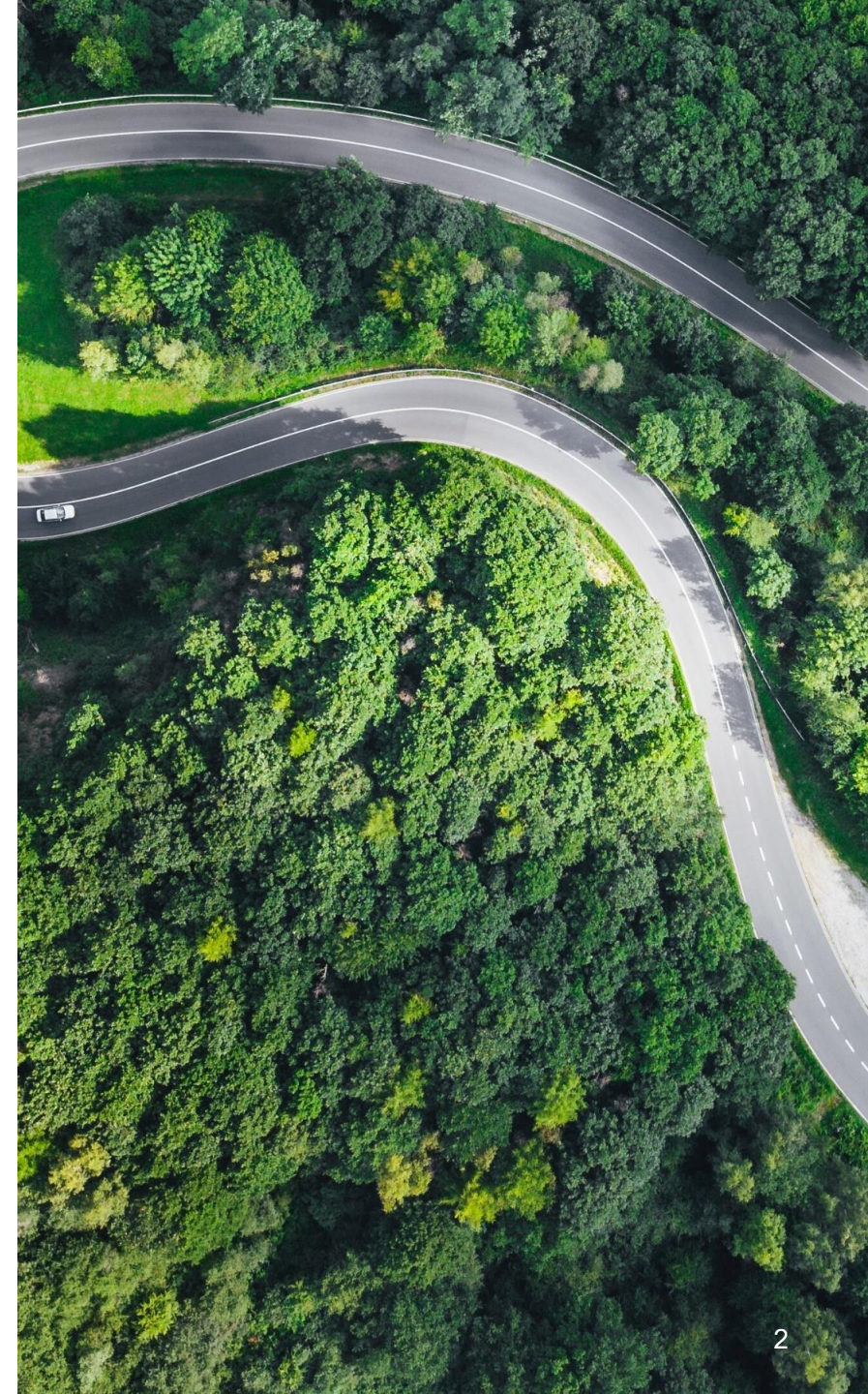


Webinar

25th of September 2025

- 1 Global megatrends and the impact on responsible value chain management
- 2 Toms Group: Practical approach as a “small player” in deep commodity chains
- 3 ISS Denmark: Supplier collaboration and governance as a lever
- 4 Q&A

Agenda





Global megatrends and the impact on responsible value chain management

Natascha Linn Felix, Director

PwC

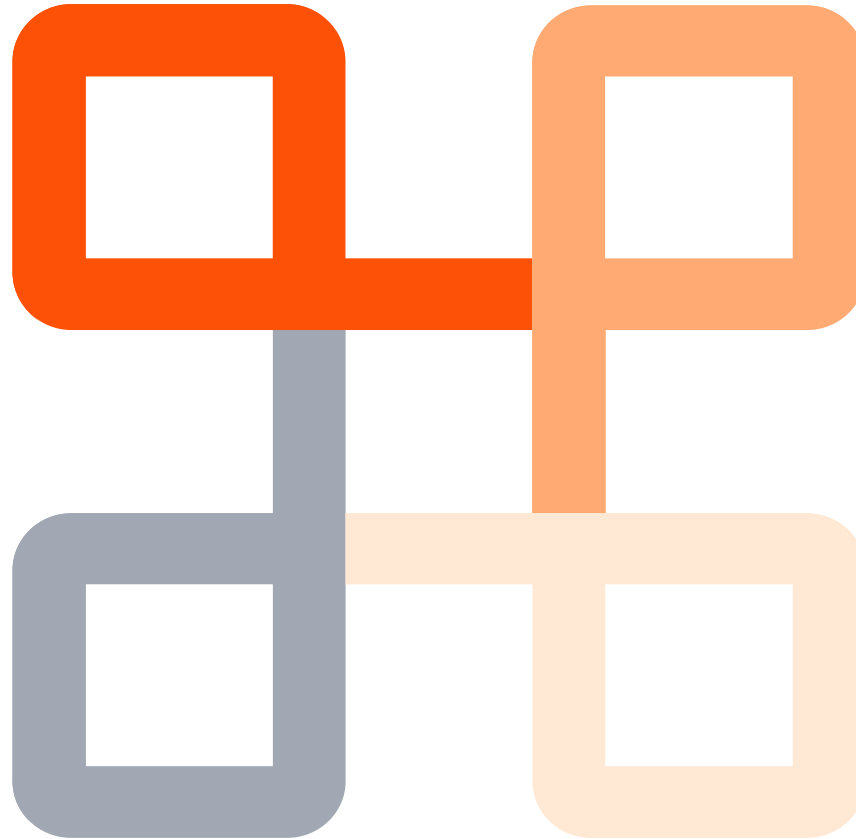
Putting responsible value chain management into practice - redesign your value chain for resilient, compliant, transparent **growth**

1 Resilience

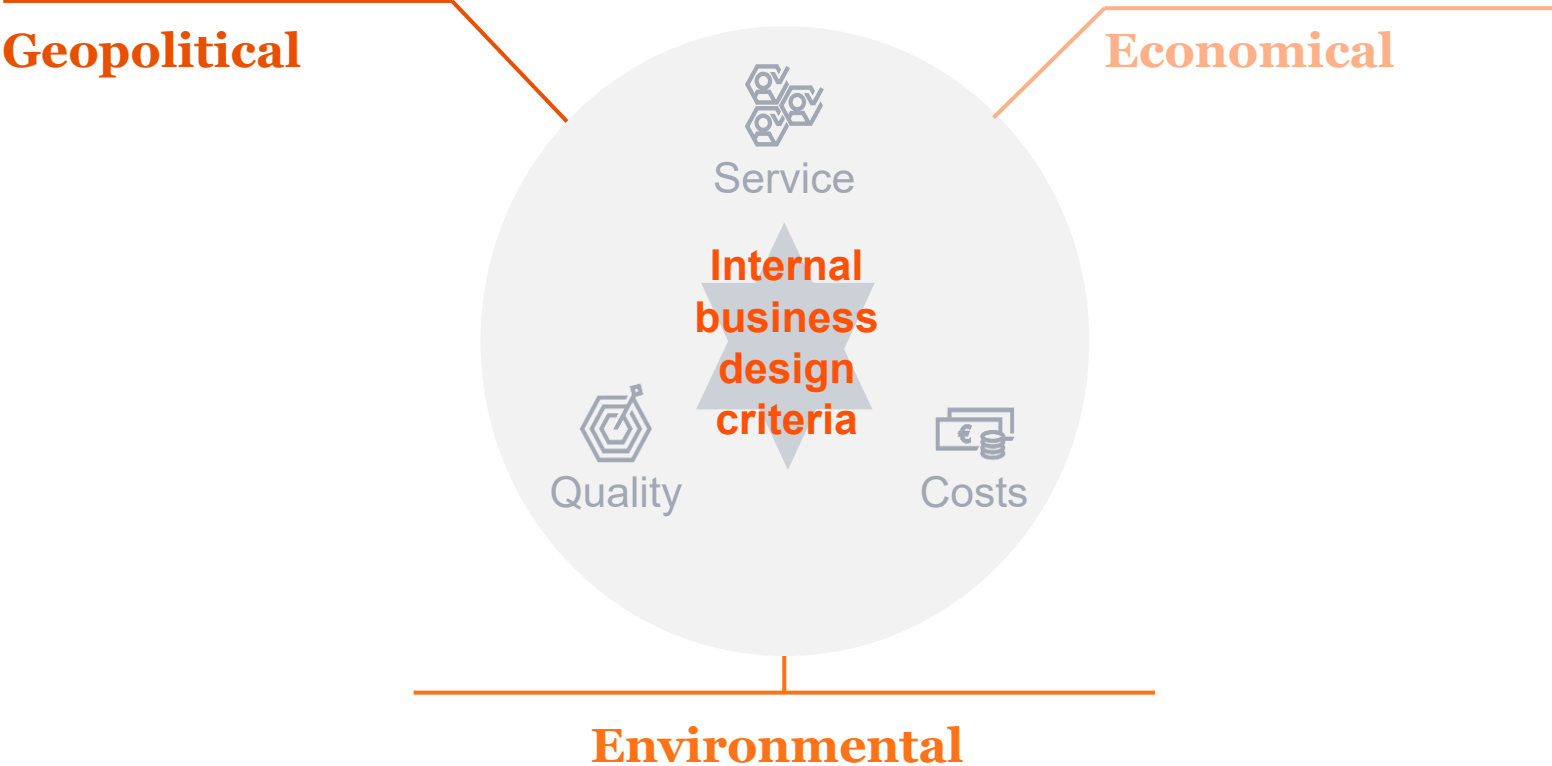
2 Regulation

3 Transparency

4 Supplier ownership



Today's world – shaped by climate change, geopolitical tensions and economical challenges forces companies to rethink their supply chain strategies



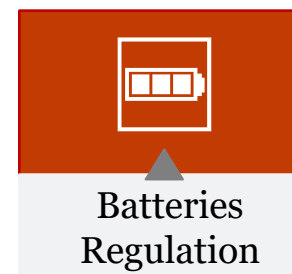
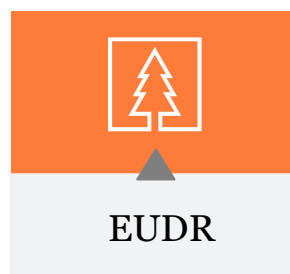
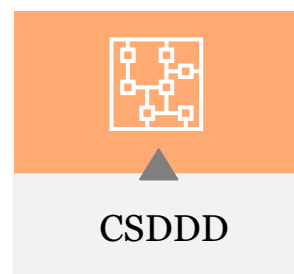
● Traditional decision-making drivers

To survive and thrive, businesses must rethink their supply chain strategies. Companies that embrace change can transform operations, explore new models, and foster adaptability



- Additional decision-making drivers
- Traditional decision-making drivers

Evolving regulatory requirements are impacting how businesses operate. Examples of impacted areas:



From 01.01.2025*

- Identifying IROs across value chains.
- Disclosure of material IROs across value chains.
- Disclosure of relevant policies actions and targets.

From 26.07.2027*

- Due diligence policy, incl. supplier code of conduct.
- Identity and address negative impacts in chain of activities.
- **Omnibus**: focus on tier-1, unless plausible information.

From 30.12.2025

- Operating due diligence systems.
- Gathering information on supply chains.
- Risk assessment and mitigation in the supply chains.

From 14.12.2027

- Prohibited to import or export products that were made with forced labor at any stage of the value chain.
- Forced-labour due diligence allows to prevent sanctions.

From 18.08.2025

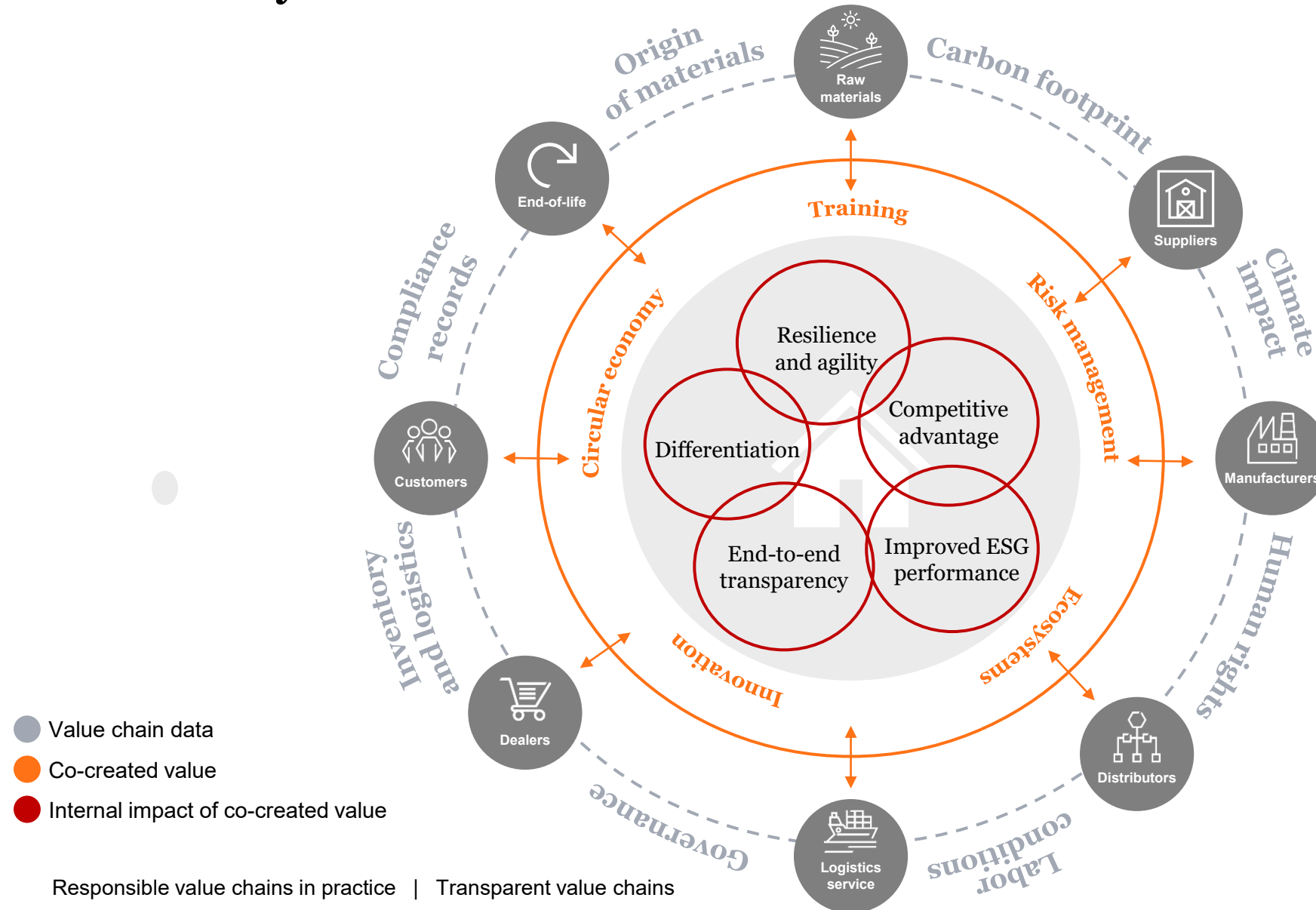
- Battery due diligence policy & systems.
- System of control and transparency
- Due diligence to verify source of certain raw materials.

From 23.05.2024

- ESG criteria for projects to be deemed strategic.
- Non-EU projects must comply with OECD GL&UNGPs.
- Engagement with local communities.

* Changes to the date of application or phase-in currently discussed as part of the Omnibus proposal by the European Commission.

Traceability and supplier ownership: building transparency and accountability across the value chain



A structured and practical approach to strengthened sustainable value chain management



Understand your value chain

Gain a clear understanding of your value chains and enhance your company's resilience



Screen of your value chain

Achieve strategic clarity by pinpointing key risks and real negative impacts within your value chains



Governance health check

Assess if your value chain management systems are robust and aligned with your business goals



Advance your systems

Enhance your value chain management systems by streamlining roles and responsibilities, policies, and due diligence processes



Manage impacts, monitor, evaluate

Gain a competitive edge by taking decisive actions to manage key risks and actual negative impacts within your value chains.

An aerial photograph of a two-lane asphalt road winding through a dense, lush green forest. A small white car is visible on the road. A large, bold, orange number '2' is superimposed on the right side of the image, partially overlapping the road and the forest.

2

Toms Group: Practical approach as a “small player” in deep commodity chains

Ditte Haugaard Clausen, Head of Communication & Sustainability

Toms Group

Oh my ...

**Here's yet
another
corporate
presentation**



Toms

Toms Group

Some facts about us



840
Group employees



DKK 1,684 million
Group revenue 2024

Toms Group was founded in 1924.
The headquarter is in Ballerup, near Copenhagen.

Toms Group is 100% owned by Gerda & Victor B.
Strands Fond. Also named Toms Group Foundation.

Toms Group produces and sells high quality
chocolate and sugar confectionery worldwide.

Toms Group's headquarters in Ballerup were designed by the world-famous Danish architect Arne Jacobsen and built in 1962.





Our four pillars

How we drive sustainable development



Responsible Sourcing

We protect forests and children's rights throughout our supply chain



Combat Climate Change

Towards 1.5° C



Circular Packaging

Minimise packaging, maximise recyclability



Life in Balance

We support balanced life for our employees and consumers

Defining key risks in supply chain

- Basis in the double materiality assessment
- Strategy based on impact and risks (eating the elephant in small pieces)
- Remediation based on certifications, partnerships and supplier collaboration



Responsible Sourcing

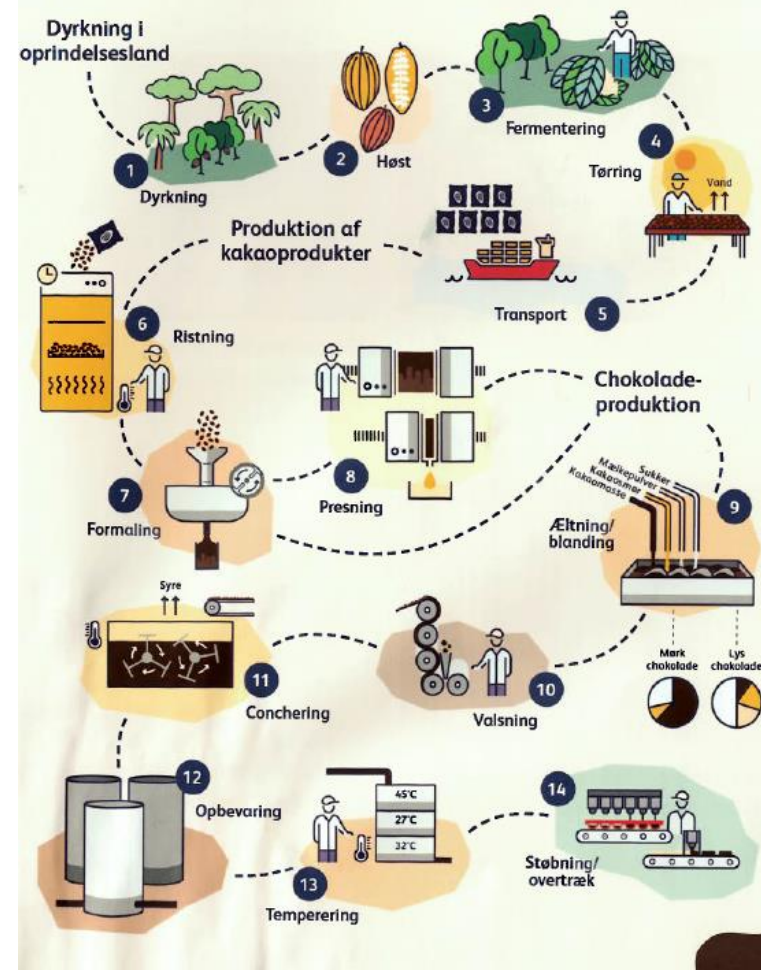
We protect forests and children's rights throughout our supply chain

100% certified cocoa by the end of 2024.

Our fight against deforestation and child labour covers 100% of our cocoa supply chain by 2025

Our fight against deforestation and child labour covers 100% of our full supply chain by 2030

Fra kakaotræ til chokoladeprodukt



Material issues findings

Climate change

Climate change is a significant risk to the supply chain for cocoa. It is a long-term risk that could impact the availability and quality of cocoa beans. The risk is high because cocoa is a tropical crop that is highly sensitive to changes in temperature and precipitation. The risk is also high because cocoa is a cash crop that is essential for the livelihoods of many smallholder farmers in West Africa.

Key impacts include the risk of reduced yields and quality of cocoa beans. This is due to increased temperatures and changes in precipitation patterns. The risk is also high because cocoa is a cash crop that is essential for the livelihoods of many smallholder farmers in West Africa.

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Responsible Sourcing – cocoa certification

The **Rainforest Alliance certification standard** provides Toms Group with a strong, credible foundation for our efforts on responsible sourcing.

With Rainforest Alliance certification, Toms Group lives up to our strategic targets on **no deforestation** and on **fighting child labour** along our cocoa supply chain.

Certifications also provide **a commercial value** as it is a business requirement in big parts of the Retail business.



Responsible Sourcing - Partnerships



Together with their members, World Cocoa Foundation has identified the most pressing challenges demanding joint action. No single organisation can tackle these alone. They **focus on three critical areas** where collaboration can drive transformative change in addressing cocoa sector sustainability.

Improving Farmer income - Combat Child Labour - Reverse deforestation



The governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies, representing 85% of global cocoa usage, joined together in the Cocoa & Forests Initiative to end deforestation and restore forest areas. Toms Group is one of the signatory companies.

Their combined actions play a crucial role in protecting and restoring biodiversity, sequestering carbon stocks in West African forests, and addressing climate change in line with the Paris Climate Agreement.

The initiative was launched in 2017 by World Cocoa Foundation.



We support ICI's focused efforts to protect the rights of children and adults in cocoa-growing areas in West Africa.

Investments in dedicated impacts in our supply chain

In 2022, our partnership with ICI was expanded with a project in the Ghanaian cocoa community Akweteykrom. The project of DKK 700.000 included construction of a three-classrooms school building, a mechanised borehole, and a sanitation building, as well as education of school management, and development of a Child Protection Club.

The school building was inaugurated in June 2023.



Status February 2023



Inauguration, June 2023

EU Deforestation Regulation (EUDR)

The EUDR enters into force December 30, 2025 - **MAYBE**

Cocoa in our chocolate products will be in scope for Toms Group

Requirements

The commodities are not to be placed or made available on the market or exported, unless all the following conditions are fulfilled:

- ☐ They are deforestation-free and forest-degradation free
- ☐ They have been produced in accordance with the relevant legislation of the country of production
- ☐ They are covered by a due diligence statement

The EUDR is already closely aligned with the approach embedded in the Rainforest Alliance Certification Program, with some small yet crucial differences between the requirements of both.

EU does not consider a certification as Due Diligence for a compliant supply chain. In that respect the certifications are overruled by the legislation.



Responsible Sourcing – Value drivers

- **Compliance** is a necessity, but in an ever-changing landscape of regulation, a long-term responsible sourcing strategy is our licence to play.
- **The demands from the downstream value chain** (retail) and the interest of brand reputation drives the commercial value.
- **Investment in future: 100 years** of chocolate history, we must preserve and restore to ensure the next 100 years of chocolate history

Real impact

In 2024, we engaged in a Rainforest Alliance driven **agroforestry project** for a period of 2 years in a specified area in Ghana, where Toms' involvement will **directly contribute** to:

- The planting and nursing of 150,000 trees of different types, both on and off farms.
- Training of more than 2,500 farmers in 30 developing LMB's (Landscape Management Boards)



Risk assessment – How to

IDENTIFY sourced materials in scope in collaboration with specialists, e.g., procurement

IMPACT: We base impact on the potential risks on spend

RISK – prior to mitigative actions

The risks prior to mitigative actions have been assessed based on raw material and countries of origin.

Use assessment tools and know-how from renowned international originations and/or NGO's

- Assign material with a risk probability rating of low, medium or high based on assessment
- Plot in risk matrix with impact

RISK – post mitigative actions

- Request all suppliers to assess risks and the corresponding mitigative actions they have implemented.
- Based on the mitigative actions, assign each supplier a risk probability rating of low, medium or high.
- Based on this score, the raw materials have been plotted in a risk matrix.

Useful tips to get started

Free of charge sources for assessments:

CSR Risk Check tool

- The tool identifies the number of risks found in the given raw material industry in the country of production
- A renowned tool recommended by Etisk Handel Danmark and UN Global Compact
- Developed by MVO Nederland and funded by the Dutch Ministry of Foreign Affairs

Global Forest Watch (for deforestation assessment only)

- Founded by The World Resources Institute, DANIDA, Norwegian Ministry of Climate and Environment and many others

UNICEF Data Warehouse (for child labour assessment only)

International Labour Organization (ILO)

An aerial photograph of a two-lane asphalt road cutting through a dense, lush green forest. A small white car is visible on the road, moving away from the viewer. A large, bold, orange number '3' is superimposed on the right side of the image, partially overlapping the road and the forest.

3

ISS Denmark: Supplier collaboration and governance as a lever

Berivan Duman, Head of ESG

ISS Denmark

ISS Denmark



Hans Henrik Berendtsen

CEO: ISS Demark


KEY STATS

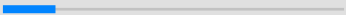
 **+3.000**
Annual Revenue
Billion DKK



 **3mio**
Managed SQM




 **+6.000**
Placemakers




 **7.400**
Customer sites

SERVICES

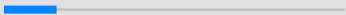
 Cleaning

 Food


 Technical


 Support


 Workplace





ACROSS MANY INDUSTRIES


 Financial

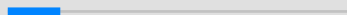
 Professional

 Technology

 Life Science

 Transportation

 Healthcare



OPENING THE BLACK BOX

How we selected our supplier advisors



Impact

Suppliers with the greatest influence on our sustainable bottom line.



Criticality

Suppliers we are deeply dependent on to deliver our services.



Spend

Suppliers we invest heavily in financially.



Representation

Suppliers that are key to the specific service lines we deliver.

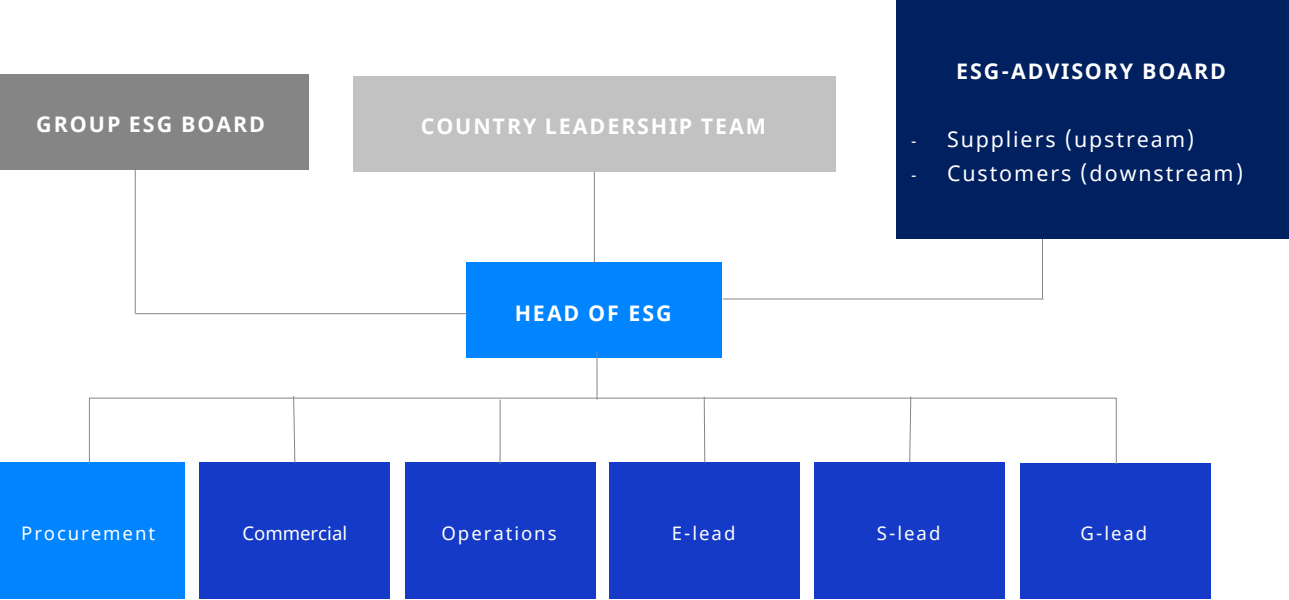


Vulnerability

Suppliers operating in high-risk industries.

ESG IS EMBEDDED IN THE ENTIRE VALUE CHAIN

The governance model and collaboration approach



Support over demands – we guide, not just require



Respect for supplier expertise – we listen, not lecture



Two-way feedback – we adjust, not just assess



Recognition before reinvention – we recognize, then co-create



What we have learned so far

Align internally first



-
- Strong supplier collaboration starts at home.
 - Secure buy-in from internal stakeholders – especially your procurement team – to ensure shared ownership and momentum.

Start small and smart



-
- Don't try to fix everything at once.
 - Begin with your top 2–3 suppliers based on impact and build learnings before scaling.

Be honest and brave



-
- Dare to share your blind spots.
 - Honest conversations about challenges and limitations create trust and open the door to real progress.

Q&A

Thank you

Berivan Duman, Head of ESG, ISS Denmark

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Q&A

Thank you!

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Register for the upcoming webinars



Product Carbon Footprints – Turning Data into a Market Advantage

21 October 2025

9pm to 10 pm



Navigating Tax Rules for EV Charging Stations: What You Need to Know

2 December 2025

9pm to 10 pm



CSRD Reporting and the Omnibus package – What's Changing and What to Watch

9 December 2025

9pm to 10 pm



**Scan the code to register
or sign up at:**

pwc.dk/sustainability-2025