Climate Transition Plans in Practice

Sustainability webinars: Seize the opportunity
24 March 2026

Today’s speakers

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Agenda

1. **Climate Transition Plans: From Ambition to Action**
   30 min

2. **Case with Carlsberg: Regenerative and Low-Emission Rice and Sugar sourcing**
   20 min

3. **Q&A**
   10 min

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Climate Transition Plans: From Ambition to Action

Speaker: Thorben Fischer

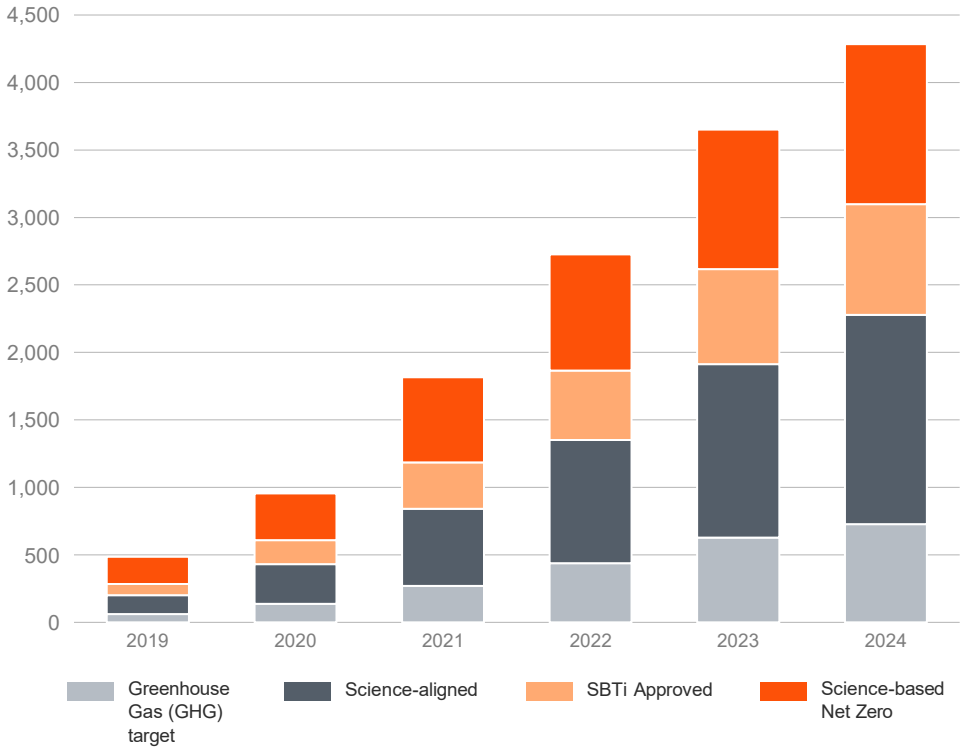
PwC

THE BIGGER PICTURE

The challenge with decarbonization does not lie with the lack of ambition but the lack of credible plans to achieve those

Growth in companies with decarbonization targets

(Cumulative number of companies)



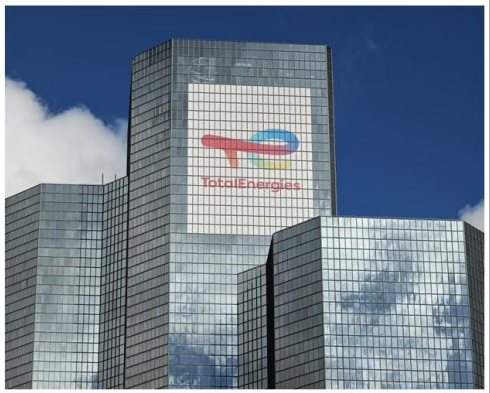
Source: PwC analysis, CDP (2024)

This article is more than **4 months old**

Oil firm TotalEnergies made misleading green statements, court rules

French multinational is ordered to remove its website messages about aiming for carbon neutrality

Business live - latest updates



TotalEnergies lost a case in the first application of France's greenwashing laws against a fossil

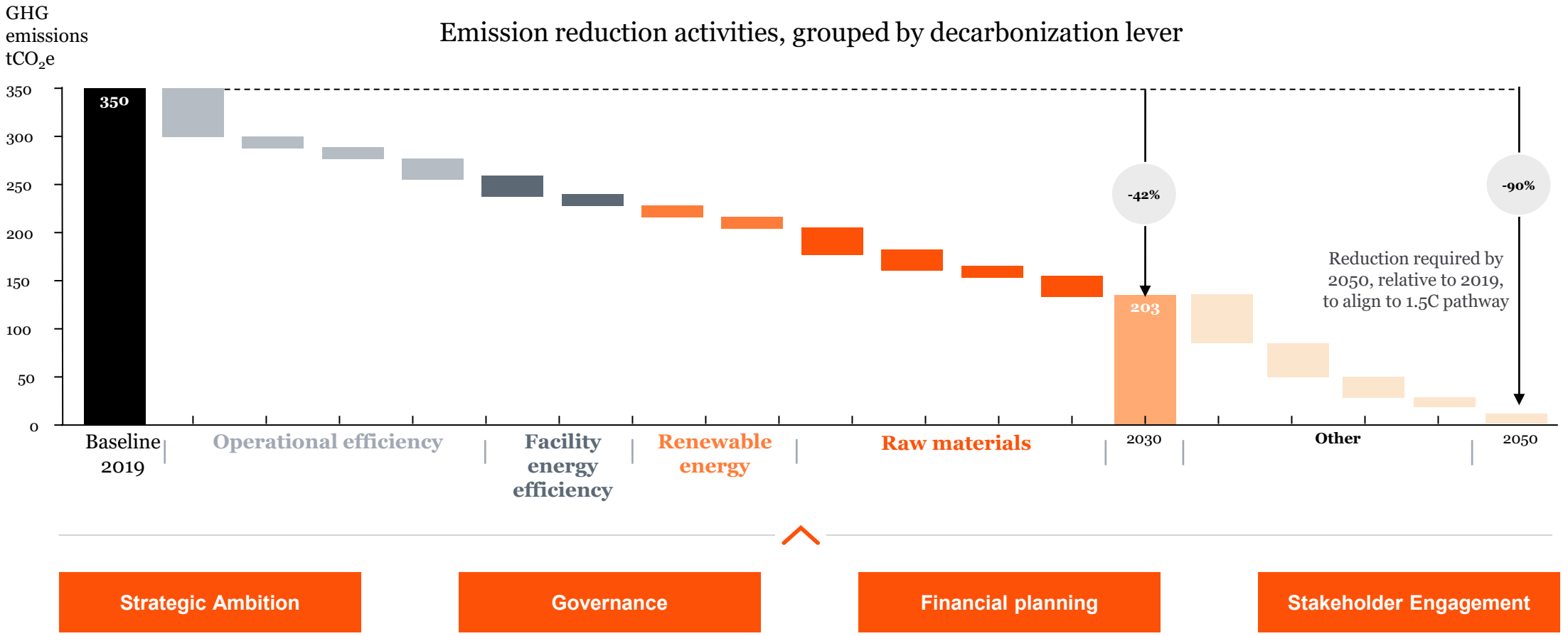
Climate Change

German court orders Adidas to desist from saying it would be 'climate neutral by 2050'

Sportswear manufacturer had not sufficiently demonstrated how climate neutrality should be achieved in concrete terms, according to court order

An Adidas Store in Hong Kong Lo Chun Kit via iStock

A Climate Transition Plan defines the actions, investments, and decisions required for a company to achieve its climate ambitions and align with a net-zero economy



WHY DEVELOP A CLIMATE TRANSITION PLAN?

Climate change is no longer a future risk; it is already reshaping human and natural systems – and the outlook is alarming

Climate change impacts

x2

Economic losses from weather disasters doubled over last 25 years, with annual damages now exceeding $250 billion.

- Munich RE, Natural disaster report 2025

↑1.5°C

2015-2025 are the 11 warmest years in 176 years of records, average temperature across the last three years exceeded 1.5 degrees.

- WMO, State of the global climate 2025

23%

Heat-related mortality has increased by 23% since the 1990s, reaching about 546,000 deaths per year.

- Lancet Countdown report, 2025

State of decarbonization

↑1.1%

Global emissions in 2025 are projected to rise by 1.1%, vs an 8% reduction per year needed to stay on track with the Paris Agreement.

- Global Carbon Project 2025

↑2.8°C

Global warming projections over this century based on NDCs are now 2.3-2.5°C, while those based on current policies are 2.8°C.

– UNEP's Emission Gap Report 2025: Off Target

0/45

None of the 45 global climate action indicators are on track for 2030.

- WRI, State of Climate Action 2025

WHY DEVELOP A CLIMATE TRANSITION PLAN?

To convince internal decision makers by pointing to climate science is unfortunately often not enough, it needs to make business sense

Business Drivers

1. **Create value** from operational efficiency and supply chain resilience.
2. **Avoid deselection from tenders** with increasing emission-related selection criteria.
3. **Reduce financial risks** related to energy price volatility and carbon pricing.
4. **Capitalize on growing market demand for low-carbon products** to drive revenue growth.

Regulatory Drivers

1. **ESRS & ISSB** require disclose on transition plans, increasing transparency.
2. **SBTi v2** requires a transition plan within 12 months of target validation.
3. **ETS & CBAM** put a price on emitting GHG emissions and will charge imports for their carbon footprint.
4. **ECGT (& Green Claims)** ban generic sustainability claims not backed by evidence.

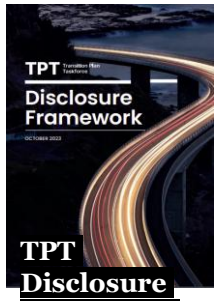
Informed by transition risk assessment

Transition Plans disclosures are required across the major reporting standards, detailed guidance is available

Transition Plan Disclosure Frameworks & Guidance

ESRS E1-1 Transition Plan Disclosure

IFRS S2 / TCFD Transition Plan Disclosure



TPT Disclosure Framework

GFANZ Real Economy Transition Plans

Core elements of a transition plan

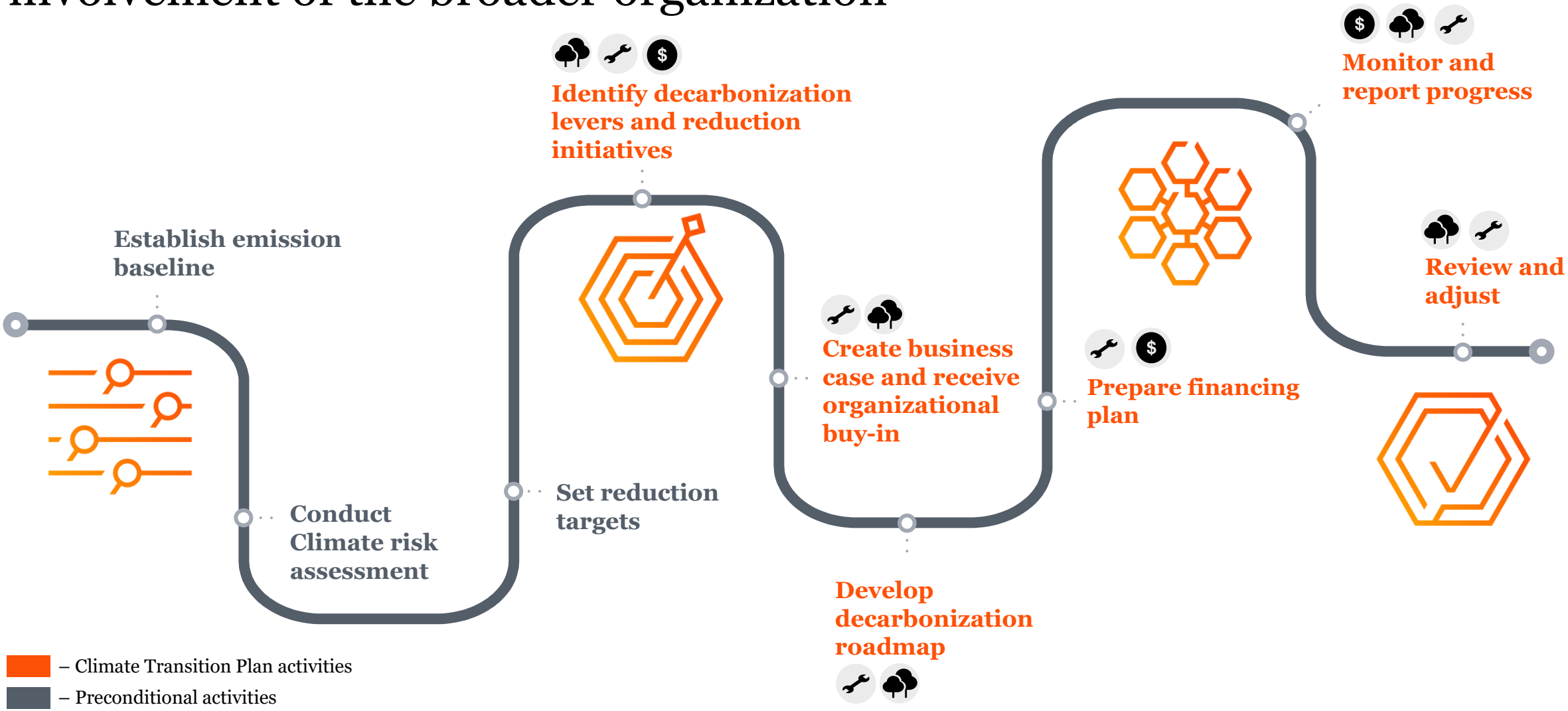
1. Strategic Ambition
2. Implementation strategy
3. Engagement strategy
4. Metrics & Targets
5. Governance

CORE ELEMENTS OF A CLIMATE TRANSITION PLAN

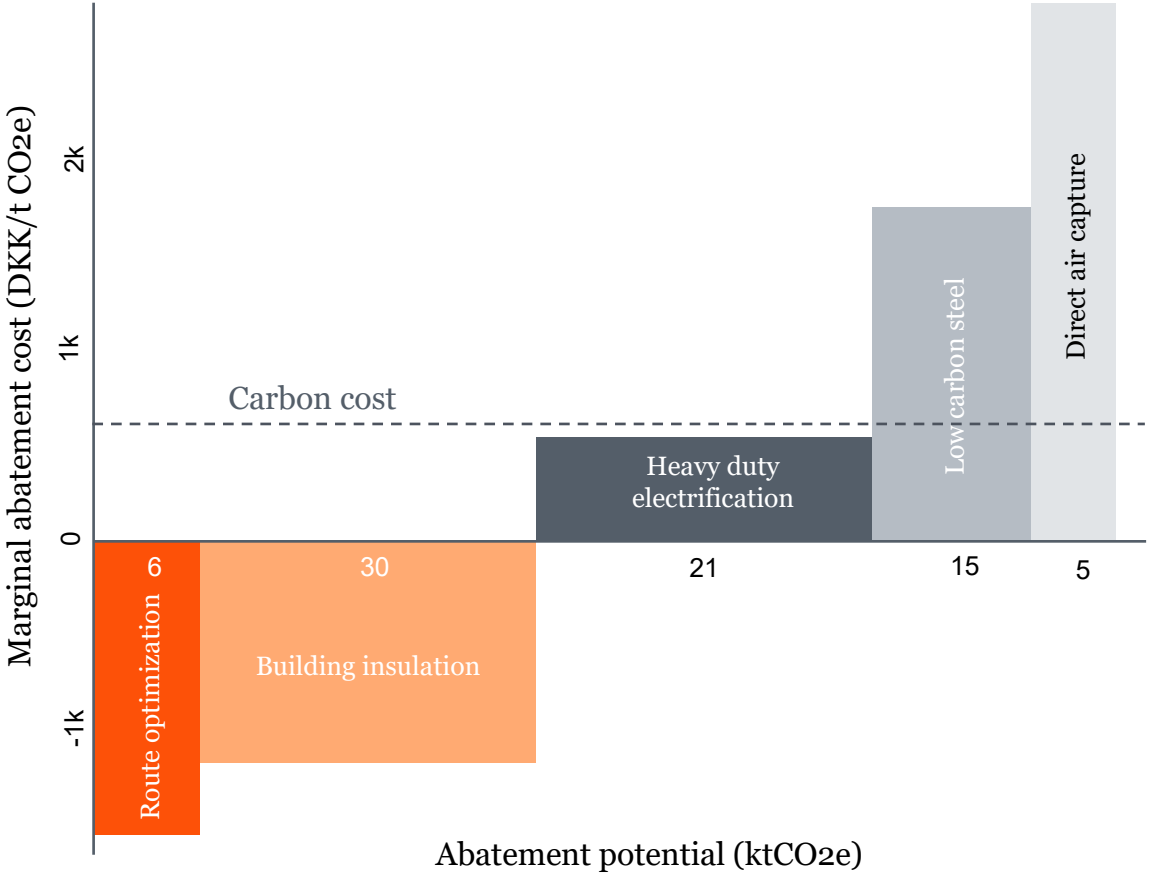
Transition Plan disclosure required by the ESRS reflect those core elements

Strategic Ambition	Implementation strategy	Engagement strategy	Metrics & Targets	Governance
E1 16.h Alignment with overall business strategy	**E1 16.b** Decarbonization levers and key actions planned	**ESRS 2 SBM-2** Interests and views of stakeholders	**E1 16.a** Reduction targets for greenhouse gas (GHG) emissions	**E1 16.i** Approval from management and the governing body
	E1 16.c Investments and funding related to the climate transition plan		**E1 16.j** Progress on the implementation of the transition plan	
	E1 16.h Alignment with financial planning			
	E1 16.d Assessment of locked-in emissions			

Translating the Climate Transition Plan into reality requires the involvement of the broader organization



Understanding the costs and abatement potential of decarbonization initiatives is crucial for their prioritization and the business case



Additional considerations

- ✓ Strategic fit
- ✓ Level of control
- ✓ Level of complexity to implement
- ✓ Social adverse impacts
- ✓ Growth trajectory and M&A activities

The calculation of the Marginal Abatement Cost requires the use of estimates and assumptions and should be refined over time

Example decarbonization initiative: Transport route optimization

Scenario description

Company type: Medium sized logistics firm operating 100 delivery trucks

Current annual distance: Each truck drives 50,000 km/year

Fuel type: Diesel

Fuel efficiency: 8 km/liter

CO2e EF for diesel: 0.00268 tco2e/liter

Route optimization impact: Expected reduction in driving distance by 15%

Implementation costs: One time software and hardware cost of DKK 1,200,000

Operational costs: DKK 200,000/year (maintenance and updates)

Fuel cost: DKK 12.95/liter

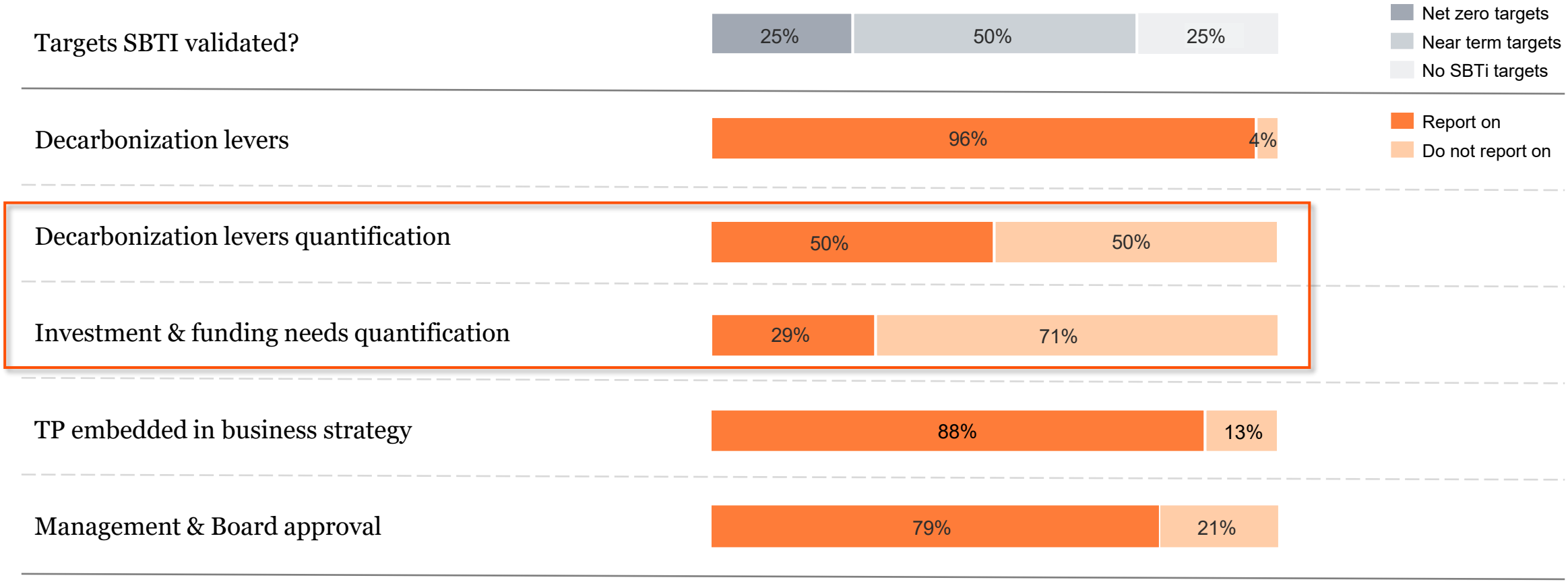
Discount rate: 8% per annum

Analysis period: 2026 to 2030 (5 years)

Marginal Abatement Cost (MAC) calculation

	Base case	Optimized
Annual distance travelled (km)	50,000	42,500
Fuel consumption per truck (l)	6,250	5,313
Fuel consumption for 100 trucks (l)	625,000	531,250
Total CO2 emissions (tCO2e)	1,675	1,424
Emission reduction p.a. (tCO2e)		251
Emission reduction until 2030 (tCO2e)		1,255
Fuel saved p.a. (l)		9,3750
Cost savings p.a. (DKK)		1,214,053
Operational costs p.a. (DKK)		- 200,000
Net annual savings (DKK)		- 1,014,063
Upfront investment costs (DKK)		- 2,000,000
NPV over 5 years (DKK)		2,048,858
Marginal Abatement Cost (DKK / tCO2)		**- 1,632**

Insights into 2025 C25 reporting reveals room for maturing quantification of decarbonization levers and funding needs



*Statistics are based on disclosures from 2025 sustainability statements across companies listed on NASDAQ C25 and SBTi's Target Dashboard

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Case with Carlsberg: Regenerative and Low-Emission Rice and Sugar sourcing

Speakers: Dominik Klauser and Richard Baker

Carlsberg & PwC

Carlsberg has committed to sustainability goals impacted by sourcing rice and sugar in Asia

Carlsberg's Commitments – BREWING TOMORROW

CUTTING CARBON

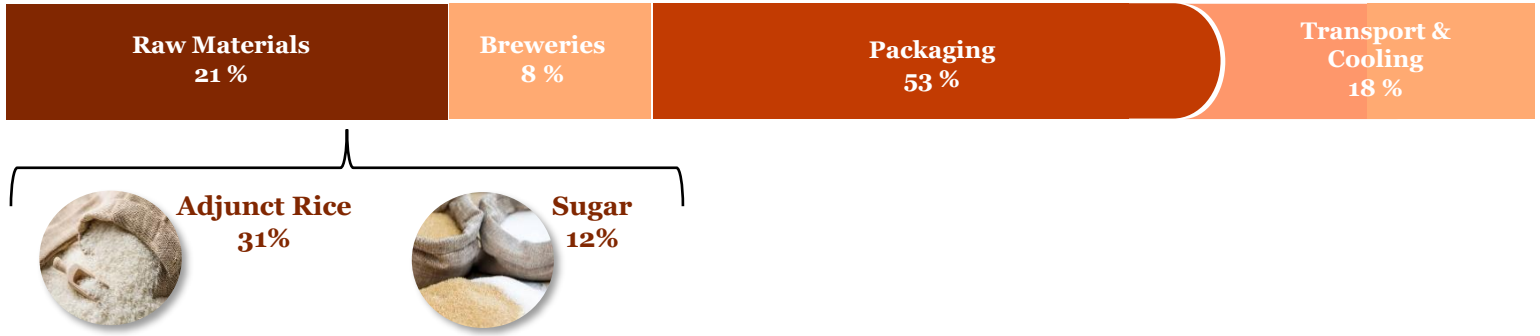
2032	2040
30% reduction in value chain emissions. **36%** reduction in FLAG emissions. All renewable electricity to come from new assets.	Net ZERO value chain

PROTECTING NATURE

2032	2040
50% of raw materials are from regenerative agricultural practices.	**100%** of raw materials are from regenerative agricultural practices.

The impact of Rice and Sugar on these goals

% of total Carlsberg value chain emissions in 2024



Carlsberg has engaged the PwC network to drive a feasibility study

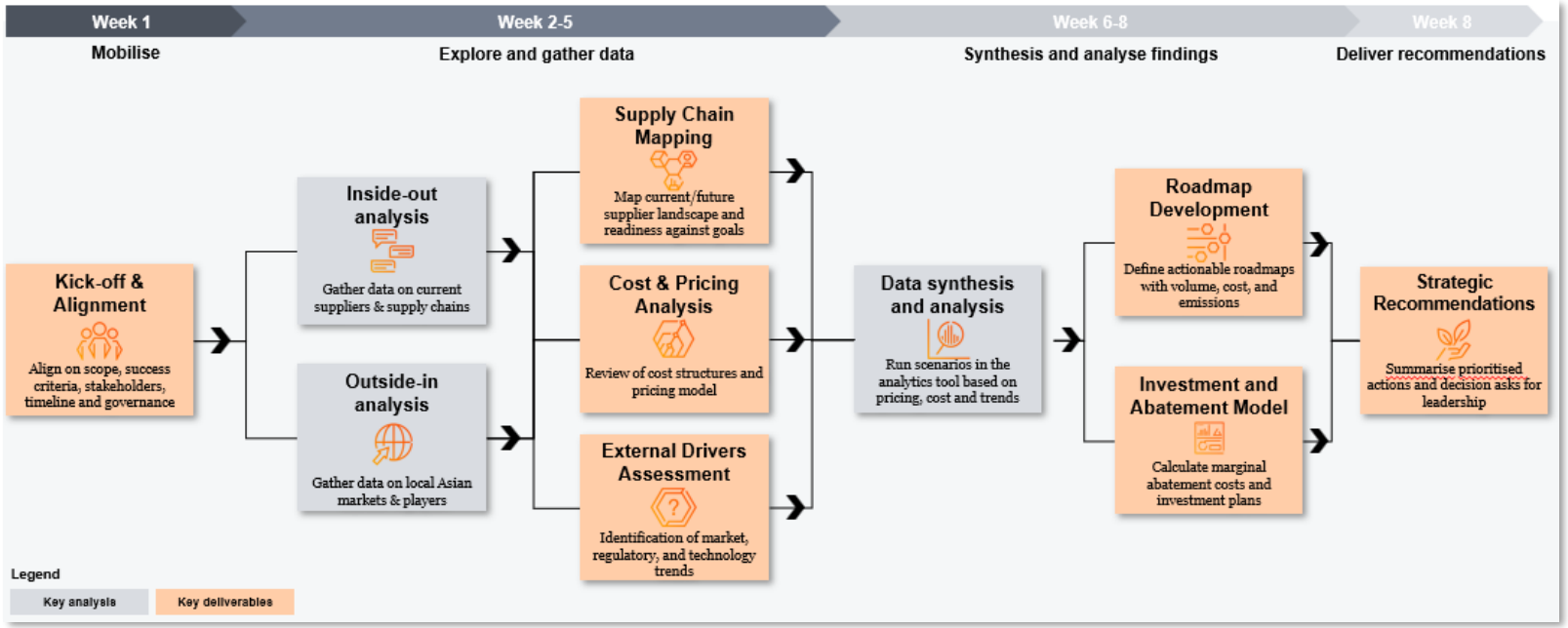
Carlsberg's experts

Location:	*Position*:
China, India, Vietnam, Malaysia, Myanmar, Cambodia.	Regional procurement, Quality Assurance, Sustainability lead, Local procurement

PwC's Networks

China, India, Vietnam, Laos, Thailand, Malaysia,	Australia, Hong Kong, Japan, Netherlands, UK, Denmark.

The project collated and analyzed data over an 8-week period including input from experts from Carlsberg, PwC and external sources



This included the following elements:

1. Map Carlsberg Group's existing supply chains.
2. Assess supplier and market readiness for regenerative and low-emission rice and sugar across Asia.
3. Understand costs and pricing implications for regenerative and low-emission rice and sugar sourcing.
4. Recommend actions for Carlsberg Group to take to secure supply of regenerative and low-emission rice and sugar.

Data was sourced via interviews and desktop research verified with experts

The data collection process was structured around 3 iterations spanning 6 workstreams:

Inside-out 1. **Rice** – PwC 2. **Sugar** - PwC	Workstreams 1 and 2 focused primarily on the current supply chains and processes for Carlsberg rice and sugar in Asia. This was performed as a series of interviews with key Carlsberg experts from the procurement, supply chain and quality assurance teams.
Outside-in 3. **Rice and sugar** – external – China 4. **Rice and sugar** - external – India 5. **Rice and sugar** - external – Vietnam/Laos/Thailand 6. **Rice** – PwC 7. **Sugar** - PwC	Workstreams 3, 4 and 5 were driven by PwC teams across China, India, Vietnam, Thailand and Laos. As well as external interviews with key market players in those regions they were also guided by the information sourced in workstreams 1 and 2. Workstream 6 was driven centrally by the PwC global impact center in Hong Kong – with input from experts around the region including PwC Malaysia, Australia and Japan.

Examples of key external and referenced organizations

China

国家统计局
National Bureau of Statistics of China

Nestlé

India

Olam Agri

BAYER

Thailand

MITR PHOL GROUP

OFFICE OF THE CANE AND SUGAR BOARD

Lao

Lao Farmer Association

ADSA

Vietnam

TRVC
Climate Resilience Sustainable Development

ADB
ASIAN DEVELOPMENT BANK

Broader Asia

CZARNIKOW

BON SUCRO
The global sugarcane platform

Regenerative agriculture makes longer-term business sense but it will take investment in the short-term

Carlsberg should proactively **lock in regenerative rice and sugar through long-term, diversified, climate-resilient procurement**. In short, treat regenerative rice and sugar as strategic risk management to hedge against **climate, policy, and price shocks**.

Supply pressures today

Rice and sugar are essential crops for Asian countries
Rice is backbone for food security in Asia. Production systems focus on productivity and affordability.

Supply of rice and sugar is becoming less secure
Supply is getting more unstable: climate extremes and water stress hit yields, high fertiliser/energy costs squeeze farmers, and export or fuel policies can suddenly limit availability.

Sourcing regenerative rice and sugar could help to mitigate the potential risks
Regenerative practices and long-term supplier deals raise yield reliability, cut fertiliser/energy and water use, lower emissions, and help secure stable volumes.

Regenerative supply realities

Proven regenerative techniques and outcomes

- Rice & sugar cane: water-smart rice and no-burn cane with residue retention, precision nitrogen and rotations **boost yields, cut emissions**, **save water** and **improve soils**.
- Crediting: align with FLAG rules; for rice, focus on reducing water-driven methane.

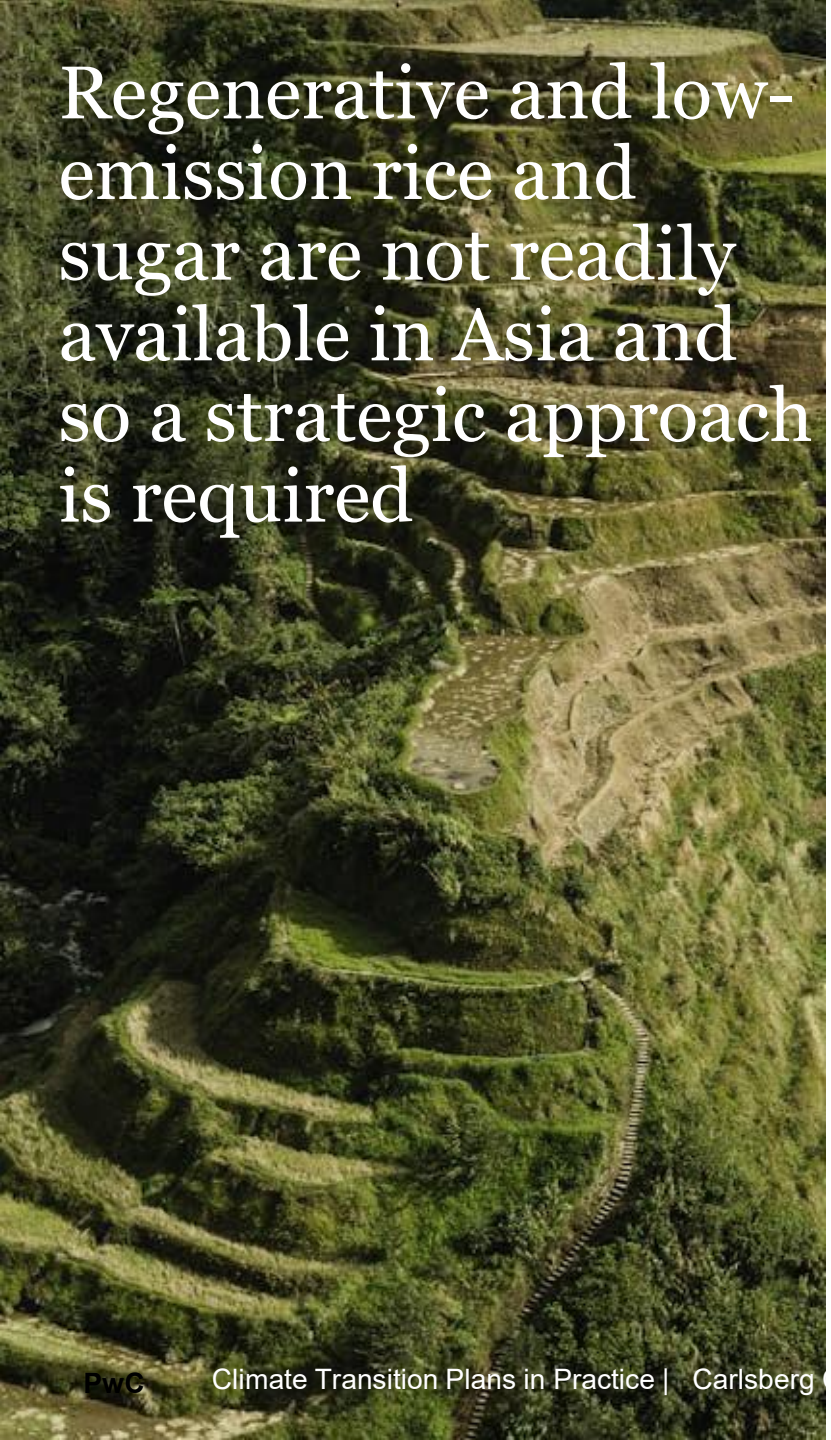
Market and finance momentum

- Early projects already show steadier, sometimes better, harvests.
- Big buyers now **want verified regenerative rice and sugar** (e.g., SRP, Bonsucro).
- Banks and public programs are offering **sustainability-linked finance** for irrigation and farmer services.

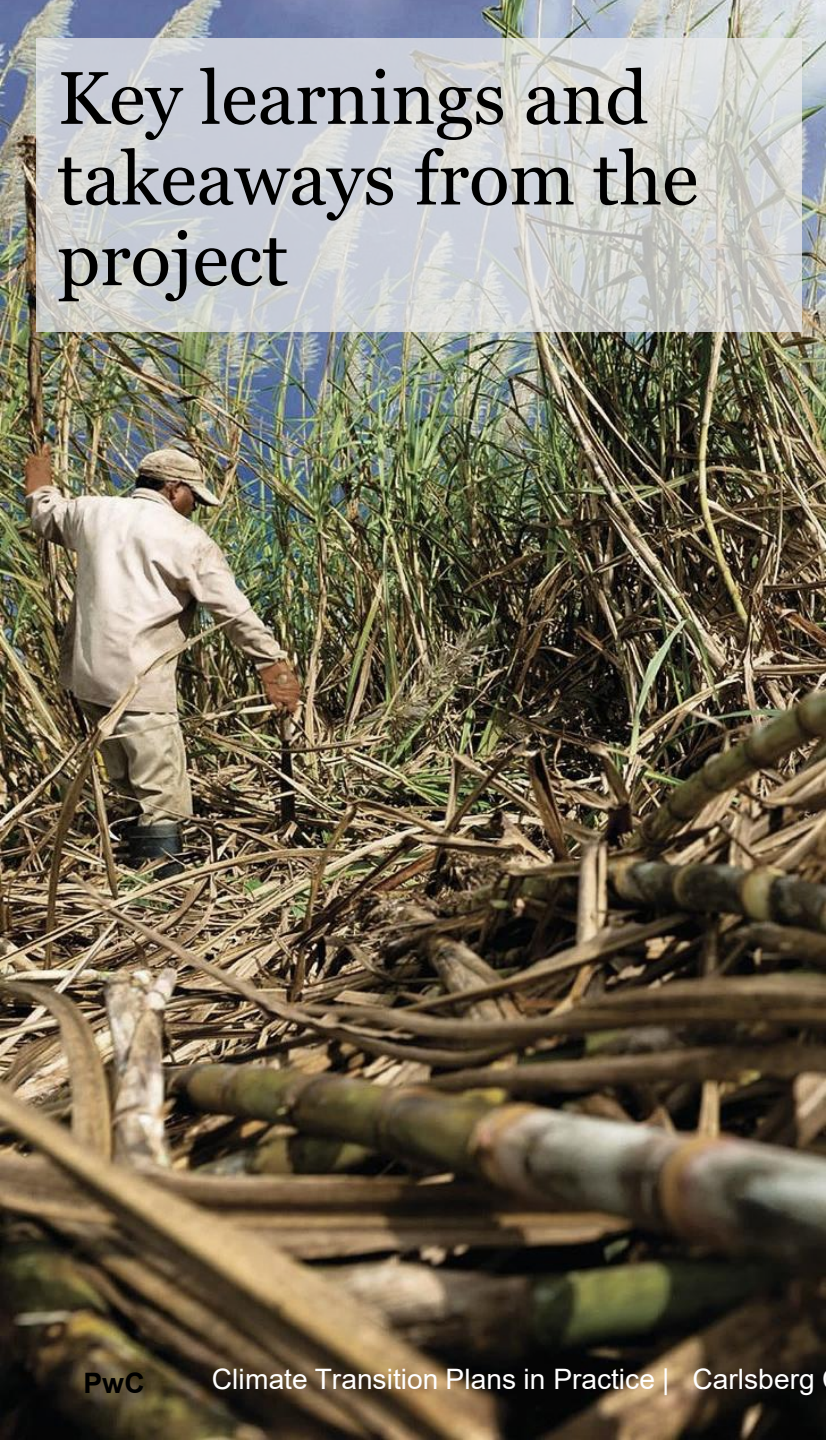
Supply struggles and sourcing strategy

- Regenerative supply is limited right now, quickly locked by large buyers; high premiums common.
- Treat it as **risk protection** against climate, policy, and price shocks.

Regenerative and low-emission rice and sugar are not readily available in Asia and so a strategic approach is required



Strategic option	Description	Impacts
1 **Rely on the market maturing for Sugar**	**Consider longer-term, strategic partnerships that reward sustainability outcomes and cost.** Proactive engagement with suppliers who are providing certified/verified products to meet Carlsberg's requirements.	✓ **Likely to meet 2032 regenerative targets for sugar** ✓ **Emissions reductions** from regenerative techniques ✓ High **certainty of supply and lower risk and premium cost** vs. rice
2 **Initiate pilots with industry partners for Rice**	Regenerative, low-emission broken rice doesn't yet exist at scale. Carlsberg can create the market with partnerships and **pilots that drive farmer adoption and de-risk investment.** Join existing projects in the correct region or start a new partnerships with complementary needs.	✓ **Challenging to meet 2032 regenerative targets for rice** through pure procurement alone and no extra investment ✓ **Potential to use partnerships to accelerate market development** where maturity is low ✓ Essential to meet **low-emissions goals**
3 **Accelerate towards strategic sourcing for Rice and Sugar**	We recommend Carlsberg to shift from shorter-term, more price-driven procurement to **longer-term, strategic partnerships that reward sustainability outcomes and cost.** Identify regions where regenerative farming techniques have some historical basis or where adopting them is likely to be well-received.	✓ No immediate target hit, but builds the processes, partnerships, and incentives that **enable regenerative and low-emission outcomes** ✓ **Reduces volatility and certification costs over time**



Key learnings and takeaways from the project

- **A good ambition cannot substitute a good plan**
  - Translating global goals into localized roadmaps is a change management exercise that involves listening to your colleagues' needs and ideas to make the needed changes.

- **Climate transition is supply chain resilience**
  - The physical impacts of climate change as well as geopolitics are disrupting supply chains today – climate transition plans are a key tool to bring resilience to the business.

- **There are organisations out there with aligned targets**
  - Governments, NGOs and other private sector actors are willing to offer financing, expertise and other support to meet their own strategic goals.


Q&A

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Thank you for your attendance

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