



# Integrating ESG Principles into your Procurement Strategy

March 2026



# Meeting Agenda

- 1 Introduction
- 2 Why does ESG matter?
- 3 Embedding ESG: Making it a part of your sourcing strategies
- 4 Real-World Case Studies within sustainable procurement
- 5 Q&A

# 1

## Introduction

# Your speakers for the day



## **Christian Nilsson**

- Procurement Lead, PwC Denmark
- 15 years of experience spanning industry and consulting



## **Richard Baker**

- Director in PwC Denmark's Sustainability practice
- 20+ years of international financial-markets experience
- PwC Denmark's lead expert on ESG technology

A large white number 2 is positioned on the right side of the slide. The background features a serene scene of icebergs floating in the ocean during a sunset or sunrise. The sky is a mix of soft orange, yellow, and light blue, with a single bird visible in flight. The water is calm, reflecting the colors of the sky and the white of the icebergs. The icebergs vary in size and shape, with some showing distinct blue and white layers.

# 2

## Why does ESG matter?

# ESG refers to a breadth of non-financial factors i.e. environmental, social, and governance - many of which have financial impact

Environmental				Social				Governance	
Climate Change	Natural Capital	Pollution & Waste	Environmental Opportunities	Human Capital	Product Liability	Stakeholder Opposition	Social Opportunities	Corporate Governance	Corporate Behavior
Carbon Emissions and carbon tax	Water Stress	Toxic Emissions & Waste	Clean Tech	Labor Management	Product Safety & Quality	Controversial Sourcing	Access to Communication	Board	Business Ethics
Product Carbon Footprint	Biodiversity & Land Use	Packaging Material & Waste	Green Building	Health & Safety	Chemical Safety	Community Relations	Access to Finance	Pay	Tax Transparency reporting
Financing Environmental Impact	Raw Material Sourcing	Electronic Waste	Renewable Energy	Human Capital Development	Consumer Financial Protection		Access to Health Care	Ownership	
Climate Change Vulnerability		Waste taxes, plastic taxes,	Tax & cash incentives and subsidies	Supply Chain Labor Standards	Privacy & Data Security		Opportunities in Nutrition & Health	Accounting	
				Social benefits & pension payments	Responsible Investment			Legal Capabilities	
				Equal pay	Insuring Health & Demographic Risk				

# Key forces reshaping supply chains and supplier networks

## Regulatory Pressure

Regulatory landscapes are tightening and accelerating in complexity, now determining companies' licences to operate.



## Geopolitical Volatility

Geopolitical volatility is disrupting trade, transport, and sourcing, making resilience a supply chain priority.



## Environmental Stress

Environmental pressures are reshaping supply reliability, costs, and sourcing risks across industries.

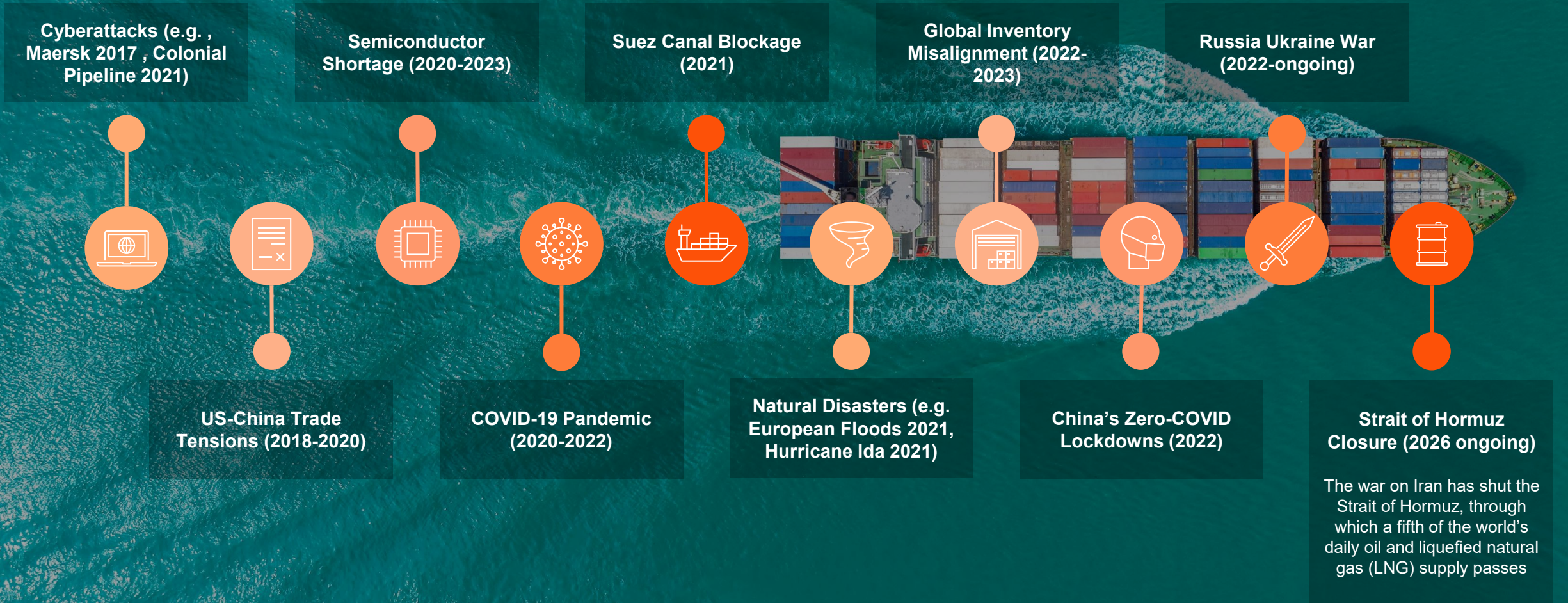


## Data and Traceability

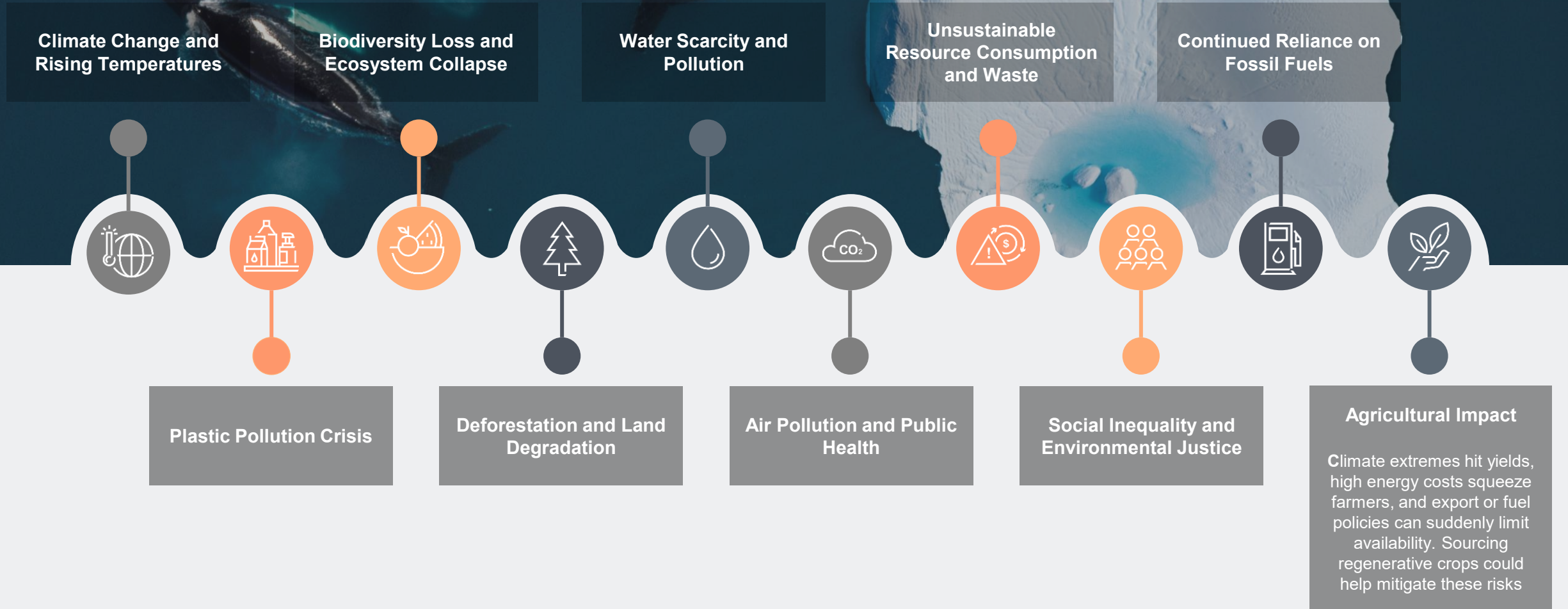
Data quality, traceability, and verification have become essential enablers of compliance.



# Volatility in supply chains over the last decade is not an isolated incident but a series of sometimes interconnected events affecting global supply stability and predictability



# Mounting climate and nature pressures are reshaping supply chains, costs, and long-term resilience



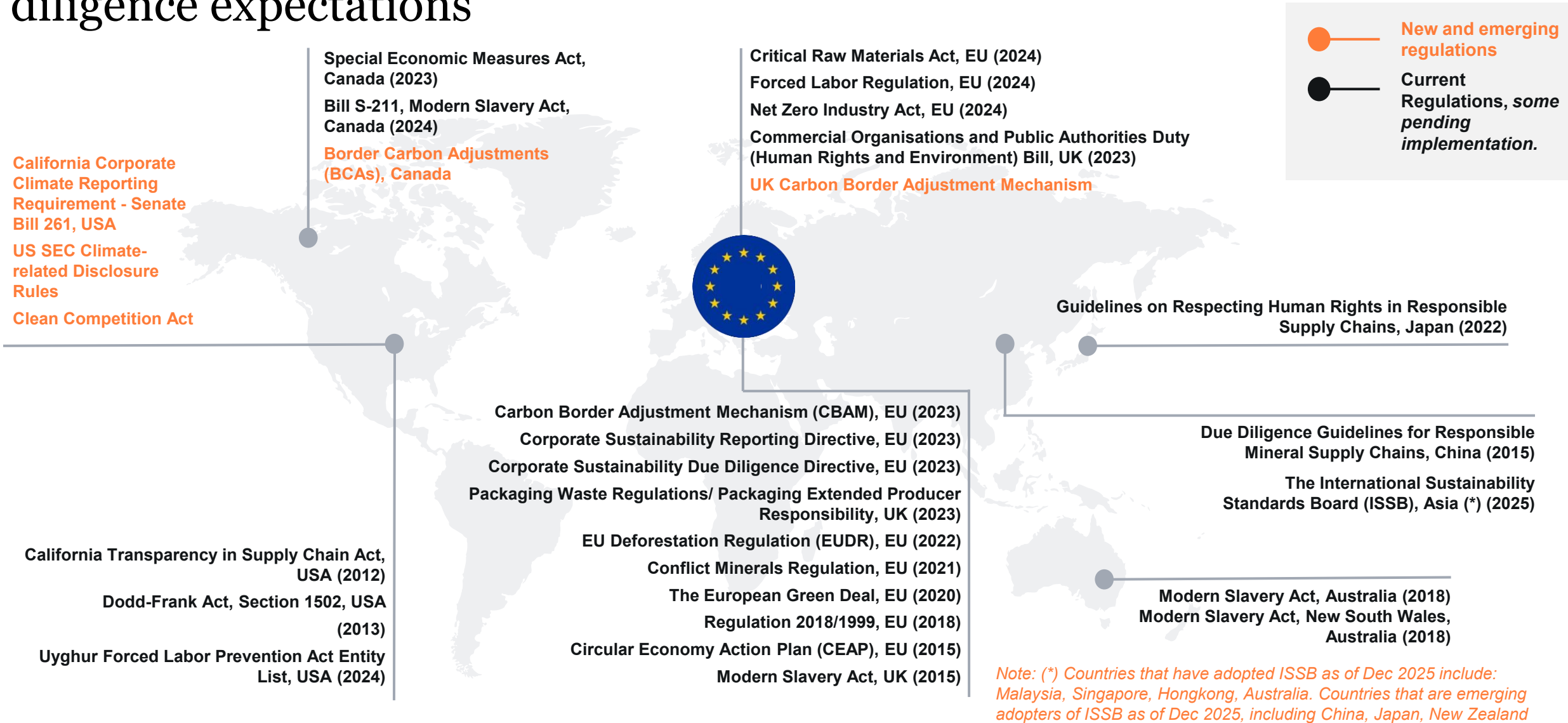
# Data requirements are driving sourcing decisions



## Why this matters:

CSRD, SBTi and CSDDD are turning supplier data into a license to sell. Clients now embed these requirements in tenders, demanding auditable due-diligence metrics. Securing high-quality supplier data is both a **regulatory obligation** and a **commercial advantage**.

# Access to materials increasingly depends on meeting regulatory and due diligence expectations





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# Embedding ESG: Making it a part of your sourcing strategies

# Integrating ESG into procurement strategy is no longer optional



## Why ESG in procurement is critical

- Regulations require it
- Reporting mandates require it
- Investors require it
- Customers require it
- Supplier ecosystems demand it
- Scope 3 emissions cannot be managed without procurement

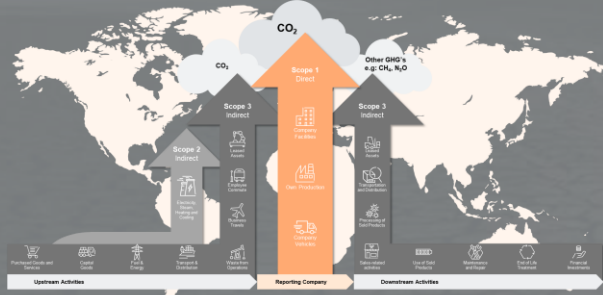


Procurement is the single most important function for ESG delivery



# Integrating ESG into procurement strategy is no longer optional

## Scope 3 Emissions; Procurement's Biggest Responsibility



## ESG Now Directly Influences Access to Capital



## Competitive Advantage & Supplier Risk Management



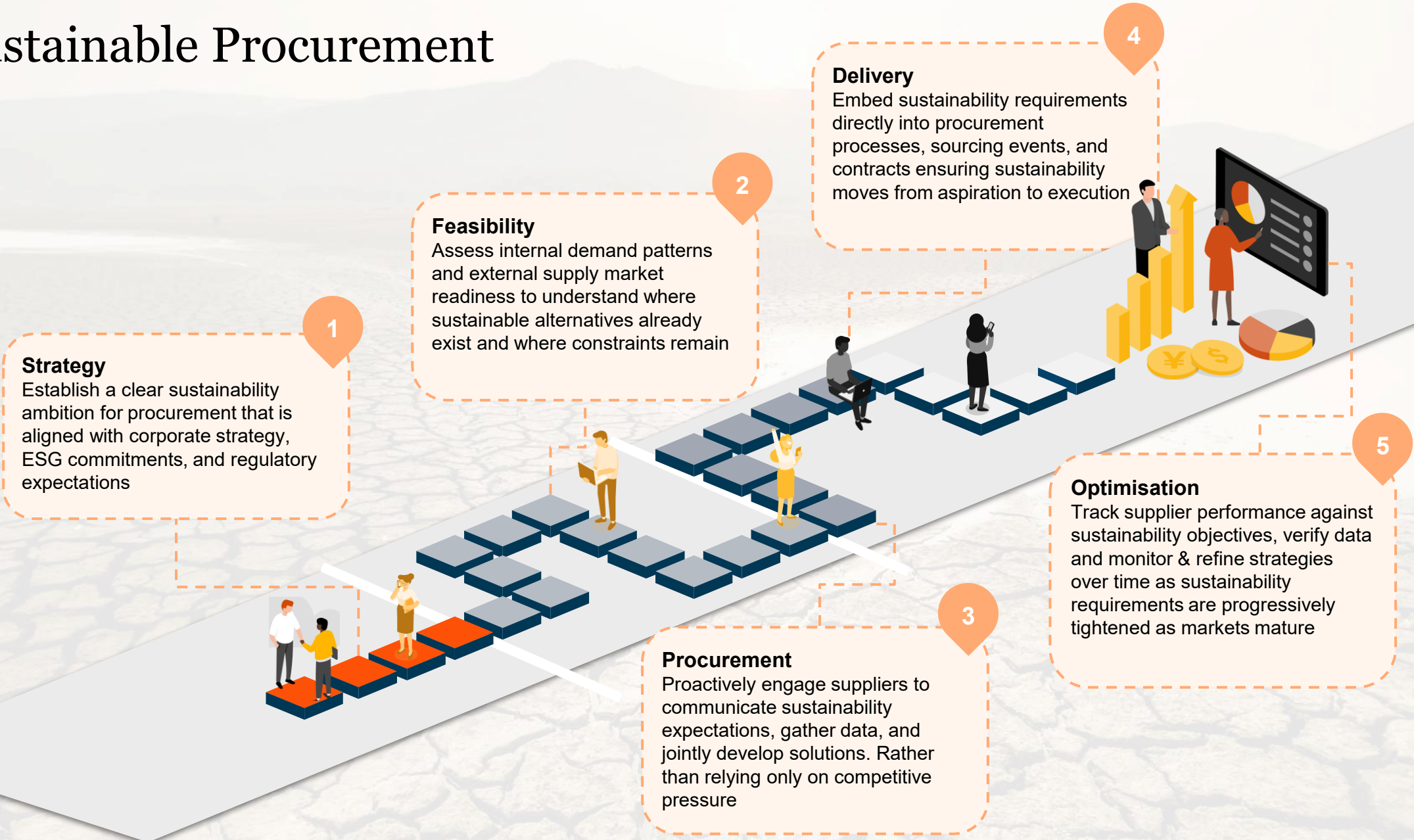
## Stakeholder & Regulatory Expectations



## Reputation, Customer Trust & Market Expectations



# Sustainable Procurement



# From strategy to action exploring ESG maturity and how to advance integration



## The first step into ESG

**Purpose:** Build basic understanding and relevance



## ESG 1.0 - ESG as an initiative

**Purpose:** Move from awareness to initial action



## ESG 2.0 - ESG as a focus area

**Purpose:** Create structure and accountability



## ESG 3.0 - ESG in Business Strategy

**Purpose:** Integrate ESG into the core business



## ESG 4.0 – Driving the ESG Agenda externally

**Purpose:** Drive external impact and leadership

Level of Organisational Integration of ESG

# Making ESG a natural part of your procurement strategy

## Build ESG requirements into tender material

- Scope 3 transparency requirements
- Carbon-intensity metrics per unit/service
- Disclosure of transition plans, climate targets, and decarbonisation roadmaps
- Third-party ESG ratings or certifications
- Proof of due diligence on labour rights, human rights and ethical sourcing
- Evidence of circularity



## Use Contractual Levers to Enforce ESG

- Contractual KPIs on emissions, waste, energy efficiency, labour compliance
- Continuous improvement clauses (annual uplift in ESG performance)
- Data-sharing obligations to support Scope 3 reporting
- Exit clauses tied to severe ESG breaches
- Incentive/penalty structures linked to ESG delivery



## Include ESG in Supplier Evaluation

- Weighted scorecards that elevate ESG to a decision-relevant factor
- Evaluate suppliers on:
  - Emission baselines + reduction plans
  - ESG governance capabilities
  - Sustainability innovations
  - Transparency and reporting readiness
  - Minimum-threshold criteria



## Strengthen Supplier Inclusion & Social Impact

- SME-friendly tender formats
- Supplier diversity requirements
- Social value criteria



## Balance Ambition With Market Reality

- Industry applicability differences
- Market and environment related constraints
- Cost expectations vs innovation



# The impact of procurement embedded ESG on the bottom line

Financial &  
Competitive  
Advantage

Brand Trust &  
License

ESG Standards &  
Suppliers

Scope 3 links to  
Procurement

Operating Model



# Real-World Case Studies within sustainable procurement

# PwC Reference

## ESG Data Integrity

*Industri: Financial Sector*



### CLIENT CHALLENGE

The client faced growing reputational and regulatory pressure to report accurately on climate, ESG, and governance metrics. Public disclosures required timely, reliable data, yet internal teams struggled with the volume and complexity of ESG reporting. At the same time, the Audit Committee wanted stronger assurance to gain confidence in the quality and completeness of the disclosures.

### OUR WINNING PROPOSITION

We offered trusted financial assurance expertise supported by an established relationship with the Audit Committee. Our team provided clear, judgement-based insights on climate and ESG reporting, enabling informed discussions and sound disclosure decisions. We also delivered scalable assurance options and a rigorous review process aligned to the client's governance needs.

### DELIVERABLE

We expanded the client's ESG assurance from a limited review to a broader, more robust level, covering key climate, emissions, and non-financial metrics. This strengthened the credibility and reliability of their sustainability reporting.

### SUSTAINED OUTCOMES

The improved assurance strengthened leadership's confidence in ESG messaging and increased trust among investors, regulators, and other stakeholders. Directors gained clearer oversight, internal processes became more robust, and the organisation improved transparency and accountability through higher-quality reporting.





**Christian Nilsson**

PwC DK I Manager, Operations Strategy

M: +45 21 52 75 80

E: christian.nilsson@pwc.com



**Richard Baker**

PwC DK I Director, Sustainability Advisory & Assurance Services

M: +45 21 33 53 16

E: richard.r.baker@pwc.com

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Q&A