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# Sustainable impact made real

Transforming the energy sector towards a sustainable  
business to create value for all your stakeholders

2020



ARE THERE ANY OPPORTUNITIES TO OFFER NEW PRODUCTS AND SERVICES?

HOW CAN I INTEGRATE THIS INTO OUR REPORTING?

SUSTAINABILITY TARGET:  
**CO<sub>2</sub> FREE UNTIL 2040**  
strategy& pwc

WHAT IMPACT DOES THIS HAVE ON THE VALUE OF OUR COMPANY AND WHERE ARE THE RISKS AND OPPORTUNITIES?

HOW CAN I TRANSFORM OUR ENERGY PRODUCTION TO RENEWABLES EVEN FASTER?

HOW CAN I BETTER EMBED THE CONCEPT OF SUSTAINABILITY ACROSS OUR EMPLOYEES?



# Sustainability is a highly relevant topic with a substantial impact on businesses and their stakeholders ...

Increasing awareness, expectations and requirements of stakeholders with different priorities



Companies are urged to integrate sustainability into strategy, operations and evaluation

# ... and can become an issue if not addressed adequately

## Siemens' involvement with Adani coalmine

12 January 2020: Due to a supply contract for the new Adani coalmine in Australia Siemens CEO Joe Kaeser issued a statement justifying its commitments

Climate activists had urged Siemens to review its role in the controversial project given its commitment to sustainability – in 2015, Siemens has committed carbon neutrality by 2030



“While I do have a lot of empathy for environmental matters, I do need to balance different interests of different stakeholders, as long as they have lawful legitimation for what they do!”  
(Financial Times)

Hot topics discussed  
in Davos this year

World  
Economic  
Forum



## Climate lawsuit against large carbon emitting countries

23 September 2019: Five of the countries with the highest carbon emissions in the world – Argentina, Brazil, France, Germany and Turkey – get sued by the Greta Thunberg Association for allegedly violating their children rights by failing to adequately reduce emissions. Angela Merkel and Emanuel Macron distance themselves from Thunberg

## BlackRock includes climate change as integral part of investment thesis

14 January 2020: BlackRock, the world's largest asset manager, says that it will now make climate change central to its investment considerations. And not just for environmental reasons but because it believes that climate change is reshaping the world's financial system



“The evidence on climate risk is compelling investors to reassess core assumptions about modern finance. In the near future – and sooner than most anticipate – there will be a significant reallocation of capital.”  
(Annual Letter to CEOs)

# Stronger consideration of sustainability in society, economy and environment has led to a major rise in responsible investments

## Sustainable development

### 17 UN Sustainable Development Goals (SDGs)



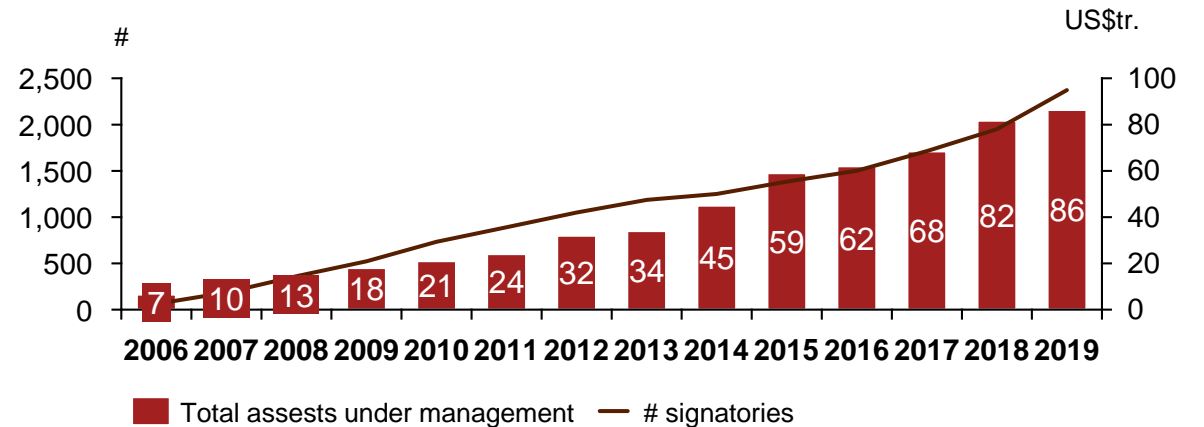
Energy related SDGs



- The **17 Sustainable Development Goals (SDGs)** of the UN provide a shared blueprint for peace and prosperity for people and the planet across various issues. Implementation is strengthened through the **UN Gold Standards**.
- **Climate protection through clean energy** particularly addresses SDG 7 Affordable and Clean Energy for all, SDG 12 Responsible Consumption and Production and SDG 13 Climate Action.
- Orienting **Corporate Social Responsibility (CSR)** to SDGs and Gold Standard ensures company activities uphold the principles of sustainable development, providing a higher level of environmental compatibility and credibility

## Sustainable investment and decision making

### Principles of Responsible Investing (PRI)



- **Environmental, social and governance (ESG) principles** provide a framework for companies and investors to analyze, address and communicate sustainability
- **ESG aspects are the baseline of the UN Principles for Responsible Investment (PRI)** – Organizations follow these principles to align investment activities with the broader interests of society

# Engaging actively in becoming a sustainable company contributes to long-term value creation

## We identified three key value creation drivers ...



### Strengthening stakeholders' appreciation

**Increasing public awareness** resulting in political pressure, stricter regulations and clear signs of investors prompt companies to demonstrate clear responsibility and actions towards sustaining values



### Benefiting economically

**Increasing productivity and reduced costs** are key economic benefits resulting from e.g. resource efficiency, waste management, water and energy reduction and increased business ability to comply with regulations



### Attracting talent of tomorrow

**Increasing consciousness in society** – particularly with millennials – about sustaining values leads to a strong desire to work for companies that do good, hence, companies that engage are more likely to attract talent

## ... supported by strong academic evidence

80%

of the studies indicated that **stock price performance** of companies is positively influenced by good sustainability practices

90%

of the studies on the cost of capital indicated that sound sustainability standards **lower the cost of capital** of companies

88%

of the research shows that solid ESG practices result in better **operational performance** of firms



**Meta-study** based >200 academic studies, reports, books and articles “... **clearly demonstrated** the **economic relevance** of sustainability for **corporate** management and for **investors**.”

# We have extensive experience along the whole value chain to enable our clients to drive sustainability to the next level




Extrinsically – “We want to stay competitive in sustainability driven markets”

Net zero motivation








Intrinsically – “We are the driver of a sustainable world”

## Our service offerings



Strategy

-  **Sustainability strategy**
-  **Climate scenario analysis – sustainability resilience test**
-  **Corporate governance**

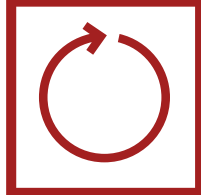
Transformation

Supply	Generation/  transmission	Customers
 <b>Major OEMs</b> Ensuring minimum to net zero carbon footprint of main supplied products, e.g. foundation of a wind mill	 <b>Portfolio transformation</b> Shifting portfolio from fossil fuels to renewables, e.g. solar/ PV, on-/ offshore wind, hydrogen	 <b>Sales &amp; trading</b> Promoting green energy sales and providing PPAs as alternative to approaching expiry of EEG subsidies
 <b>Fuel / other suppliers</b> Ensuring minimum to net zero carbon footprint of remaining supplied products, e.g. gas, steel, etc.	 <b>State-of-the-art technologies</b> Innovating production through technologies, e.g. storage, carbon capture, Power-to-X	 <b>New business fields</b> Extending offering according to new customer needs, e.g. energy efficiency, energy solutions, digitization

Reporting, steering, assurance

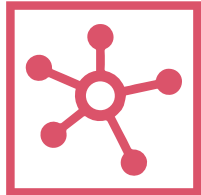
-  **Circular economy**
-  **Health and safety**
-  **Reporting dashboard, auditing, certification, regulation and funding**

# Building on our strong expertise and unmatched network, PwC Strategy& is the right partner to make sustainable impact real



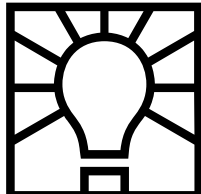
## End-to-End

Full coverage of all transformation aspects from strategy to implementation, tools, legal, and reporting



## Holistic

Well connected with diverse industry stakeholders, e.g. regulators, legal bodies, NPO, CE alliances, and global/regional forums. And we are able to detect directional changes fast



## Experienced

Experienced in the high complexity of the energy industry incl. regulations, holistic view on the energy system etc.



## True value

Creation of sustainable value on triple bottom-lines: financial performance, social welfare, and environmental benefits



# Your Strategy& contact



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