

# Checklist: Building Blocks to Net Zero Transformation

The greatest transformation challenge humankind has faced is staring right at us: the world has 10 years to halve global greenhouse gas emissions and avoid global warming of above 1.5°C. Beyond this point of warming, the more devastating impacts of climate change become irreversible. Put simply, this gives us just over two business cycles to transform every sector of the global economy.

The PwC and Microsoft report *The Building Blocks for Net Zero Transformation* outlines a 'blueprint' to help guide companies as they move from ambition to action. We have a shared belief that delivering on net zero requires wholesale business transformation, and that functions across the organisation need to play a vital role - from strategy, product development, sales and marketing, and innovation and R&D, to corporate finance, risk and compliance, procurement and people.

Here is a checklist of key actions to embedding net zero aspirations within and across your business

## Ambition

### Aligned to achieving global net zero by no later than 2050 and 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.

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

## Governance

### Accountability driven from the top

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

- Those at highest level of organisation 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

## Strategy

### Embedded and aligned net zero into company strategy

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

- 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

# 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.

- 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

# 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 decarbonise.

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

# Finance

## Financing the net zero transformation

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

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

# 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.

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

# Transparency

## Communicating action

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

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



**Jon Chadwick**  
ESG Lead  
0424 299 056  
jon.d.chadwick@pwc.com

**Varya Davidson**  
Energy Utilities & Resources  
Consulting Leader  
0478 303 103  
varya.davidson@pwc.com

**Adam Cunningham**  
Director, ESG Risk &  
Reporting  
0417 131 110  
adam.cunningham@pwc.com