LEARNING LAB

Laying the Foundation for Your Climate Transition Plan

April 16th 2025

03:30 PM – 05:00 PM CEST

10:30 AM – 12:00 AM EDT

07:30 AM – 09:00 AM PDT

World Benchmarking Alliance

BSR®

With You Today

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Holding companies accountable for a better world

The World Benchmarking Alliance measures how the 2,000 most influential businesses are impacting people and the planet. Our research is freely available so that, together, we can hold companies accountable for contributing to sustainable development. Our benchmarks and methodologies serve as a roadmap for companies to understand the changes they need to make to put our planet, society, and the economy on a more sustainable path.

As an independent, non-profit organisation, we act as a centre for advancing corporate accountability. We support our Allies, UN agencies, governments, and other stakeholders in the broader corporate accountability ecosystem to understand how they can establish clear consequences for corporate inaction.

Commencing in 2026, WBA will publish the assessments and ranking of all 2,000 companies across all benchmarks at the same time, every other year.

ACCELERATE ® CLIMATE TRANSITION

→ Climate Transition Plan Assessment will be completed for all companies and is performed using the new ACT Core (ACT Initiative) and Just Transition methodologies

Business Transformation for a Just and Sustainable World

BSR is a sustainable business network and consultancy focused on creating a world in which all people can thrive on a healthy planet.

With offices in Asia, Europe, and North America, BSR provides its 300+ member companies with insight, advice, and collaborative initiatives to help them see a changing world more clearly, create long-term value, and scale impact.

Check out our About BSR video >>

1
Mission

30+
Years of experience

300+
Member Companies

200+
Global Staff

6
Focus Areas

20+
Collaborative Initiatives

11
Locations

Copenhagen
Guangzhou
Hong Kong
London
New York
Paris
San Francisco
Shanghai
Singapore
Tokyo
Washington, D.C.

Climate Transition Plan Event Series

Laying the Foundation for Your Climate Transition Plan

Online
Learning Lab #1
April 16th

Co-hosted with:

World Benchmarking Alliance

Integrating Just Transition in Your Climate Transition Plan

Online Webinar
May 22nd

Financial Planning for Your Climate Transition Plan

In-person @London Climate Action Week
Learning Lab #2
June 26th

Co-hosted with:

World Benchmarking Alliance

Integrating Nature in Your Climate Transition Plan

Online Webinar
July 2nd

Integrating Climate Adaptation in Your Climate Transition Plan

Online Webinar
September 9th

Climate Transition Plans Today and Tomorrow

In-person
@New York Climate Action Week

Today’s agenda

April 16th 2025
03:30 PM – 05:00 PM CEST
10:30 AM – 12:00 AM EDT
07:30 AM – 09:00 AM PDT

15’
Welcome and Setting the Scene

15’
Deep dive #1: Business Models

15’
Deep dive #2: Key assumptions and external factors

10’
Q&A

20’
Interactive Exercise and Peer Sharing:
Experiences and Challenges with implementing CTP foundations

10’
Report back

5’
Closing

Today’s objectives

- Understand the foundational elements of a climate transition plan
- Explore how CTP support business strategy and vice versa
- Unpack key assumptions and external factors related to CTP

Chatham House Rule

When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

BSR presentations during the meeting will be recorded. The recording will be paused during any open discussions or breakout groups to allow a safe space for conversation.

ZOOM ETIQUETTE REMINDER

Please keep yourself on mute when you're not speaking.

We want to see you! If you can, keep your video on.

Jump in and participate! Either raise your hand or use the chat!

State your name & company when you jump in.

Compliance with antitrust laws

- Events facilitated by BSR can serve a valuable and **precompetitive role in supporting companies to drive progress on climate transition planning.**
- However, group activities of competitors may raise suspicions under antitrust or competition laws in the countries where participants do business. Specifically, agreements among competitors (both formal or informal, and secretive or public) that unreasonably limit competition are unlawful under these laws.
- BSR assigns the highest priority to **full compliance with antitrust laws**. It is thus vital that this event be conducted in a manner consistent with these laws.
- **Any discussion of sensitive antitrust subjects should be avoided at all times** before, during, and after our CTP event, and it is the responsibility of each participant to avoid raising improper subjects for discussion and engaging in any activity under which each of the participants can reasonably expect that another will follow a particular course of action or conduct in the areas prohibited under anti-trust laws.

SETTING THE SCENE

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Poll time!

What is a Climate Transition Plan?

Given the proliferation of related frameworks, the climate community and key stakeholders have not yet fully reached consensus.

- "A Climate Transition Action Plan is a **forward-looking list of actions** taken in the near term to align internal strategies and external climate and energy policy advocacy to reduce GHG emissions in line with a 1.5C pathway and achieve a just transition." – We Mean Business
- "A transition plan is integral to an entity's overall strategy, setting out its **plan to contribute to and prepare for a rapid global transition** towards a low GHG-emissions economy." – TPT
- "GFANZ defines a net-zero transition plan as a **set of goals, actions, and accountability mechanisms** to align an organization's business activities with a pathway for net-zero GHG emissions that delivers real-economy emissions reductions in line with achieving global net zero." – GFANZ
- "Climate transition plans are a set of actions and accountability mechanisms that ensure business strategies and operations deliver GHG emissions reductions and a just net-zero transition." – BSR

CTPs Are Being Mandated Across The Globe

Modeled after the UK TPT, the **Canadian** Transition Task Force launched in October 2024 with the aim of developing CTP crit eria for adoption by regulators.

In the **UK**, disclose against the TCFD recommendations, which has included CTPs since FY2022.

In the **EU**, the CSRD requires issuers in scope to disclose their CTP from FY24, and the CSDDD will require companies to adopt a CTP from FY27. When the Omnibus "stop-the-clock" proposal is adopted, the CSDDD timeline will be delayed to FY28.

In **Switzerland**, large companies will be required to publish CTPs in line with Swiss climate targets as of 2025.

In 2021, the Tokyo Stock Exchange Inc. implemented revisions to the **Japanese** Corporate Governance Code which requires Prime Market-listed companies to report TCFD disclosures.

IFRS S2
The ISSB issued Climate-Related Disclosures (IFRS S2) in June 2023. The climate-related disclosures fully integrate and build on the TCFD framework and integrate CTP elements.

The **Singapore** Exchange (SGX) is mandating climate-related disclosures based on TCFD recommendations for issuers in from FY23 or FY24, depending on the industry.

In 2025, new climate-related disclosure requirements (aligned with IFRS S2) for issuers under the **Hong Kong** Stock Exchange take effect.

In **Australia,** the Treasury Laws Amendment bill, including new mandatory climate-related reporting requirements aligned with TCFD / ISSB, will be effective from 2025.

Effective from FY2023, the Aotearoa **New Zealand** Climate Standards requires large listed companies to disclose the transition plan aspects of their strategy.

Countries in dark red have taken steps to adopt or otherwise use ISSB Standards

There is a strong momentum to deliver ambitious climate transition plans

- **Ensuring business resilience**
- **Anticipating compliance**
- **Meeting the global agenda**
- **Surpassing stakeholder expectations**

“The climate emergency is a race we are losing, but it is a race we can win.”

António Guterres,
the Secretary-General of the United Nations

What are the Key Elements of a CTP?

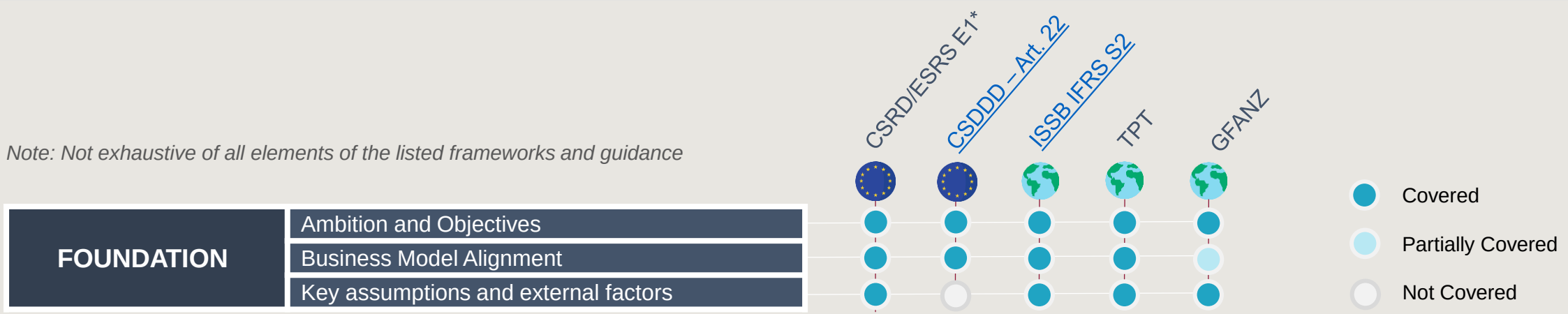
Even without complete consensus, most CTP guidance recognizes the need for 5 key elements

5 key elements	Foundation	Implementation Strategy	Engagement Strategy	Metrics and Targets	Governance
	• Strategic ambition • Business model and value chain • Key assumptions and external factors	• Business operations • Products and services • Policies • Financial planning	• Engagement with value chain • Engagement with industry • Engagement with government, public sector, communities, and civil society	• Governance, engagement, business and operational metrics and targets • Financial metrics and targets • GHG metrics and targets • Carbon credits	• Board oversight and reporting • Management roles, responsibilities, and accountability • Culture • Incentives and remuneration • Skills, competencies and trainings

Source: BSR's perspective leveraging TPT and GFANZ frameworks

What are the Foundation Elements of a CTP?

Note: Not exhaustive of all elements of the listed frameworks and guidance



*Under CSRD-ESRS, sub-elements covered corresponds to ESRS E1-1 Paragraph 16, elements partially covered are spread across ESRS E1 and ESRS 2.

DEEP DIVE
BUSINESS MODELS

Giulio Berruti
Director, Climate
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Business Models – Our Working Definition for Today

WHAT IS A BUSINESS MODEL?

At its core, a business model is a **value proposition,** accompanied by a **strategy** for making money from this. It describes the rationale of how an organization creates, delivers and captures value. It answers fundamental questions such as, “Who is the customer? What does the customer value? How do we make money in this business?”

Risks to people and planet are often embedded in business models. Measures that do not align with a company’s core business model will likely end up having limited effectiveness - **Business model transformation is a critical lever.**

To ensure a **strong and credible CTP, it must be closely aligned with the business strategy.** Businesses must look at elements such as their key resources and activities, value proposition, cost structure, and revenue streams, especially when building the **Foundation** and **Implementation Strategy** of the CTP.

Business Model Transformation as an Opportunity towards Resilient and Thriving Business

Most traditional businesses models are linear, extractive, and focused on delivering short-term gains. In 2025, such models are proving to be fundamentally at odds with a world where resources are finite and climate change impacts are here and now. Failing to innovate business models exposes business to sourcing, staffing, and financial risks.

Risk mitigation

Capturing the opportunity

Increasing competitiveness

"The Institute and Faculty of Actuaries 2023 report The Emperor's New Climate Scenarios *said we could expect* ***50 percent of GDP destruction by between 2070 and 2090****, given current rates of climate change. That's a massive disruption, a huge loss of value, that will shape the coming decades. […]* ***Business needs to be ready to be part of the solution."***

— *Jo Swinson, P4NE*

"Those [businesses] that adapt will lead, while others risk falling behind"

— *JP Morgan's Chief Risk Officer Ashley Bacon*

The Elephant in the Sustainability Room | Reports | Sustainable Business Network and Consultancy | BSR, Better Business: Rethinking Business Models for Nature Positive Outcomes, *BSR Transforming Business Models*

Business Model Transformation is Embedded in Regulations and Standards, and essential to Deliver on Sustainability Goals

As regulatory bodies introduce new directives to address social and environmental challenges, companies will be required to adapt their business models to stay compliant, as well as deliver on sustainability goals.

Regulation typologies driving the change

Sustainability Due diligence regulations requiring business model alignement to 1.5 °C

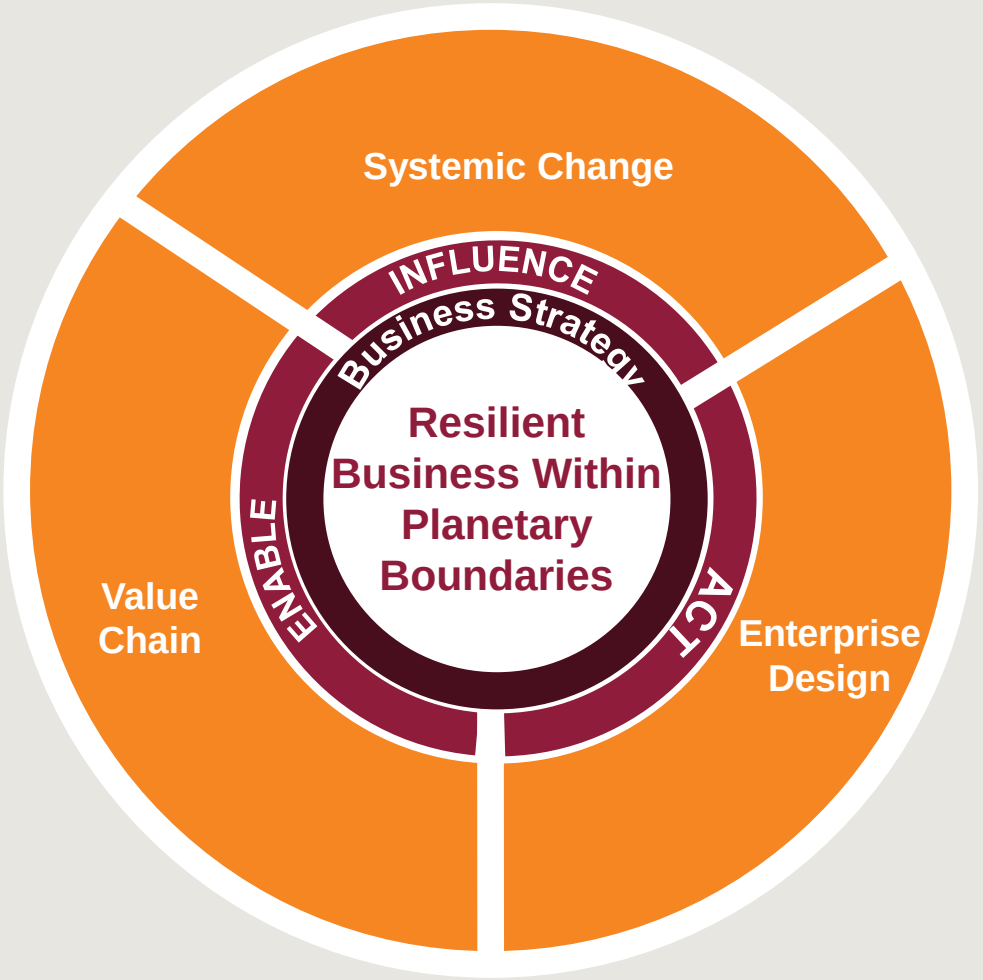
Climate Disclosure regulations pushing for business model transformation

Standards driving the change

GFANZ Glasgow Financial Alliance for Net Zero

TPT Transition Plan Taskforce

Transforming models will require aligning the business strategy with the sustainability purpose



Redefining Business Models is central for business to deliver CTPs

Though there is no one-size-fits-all solution, promising alternative business models relying on alternative macro-economic theories are emerging.

Circular Models

Emphasize resource efficiency where waste and environmental impact are minimized, and continual use of resources is maximized

Regenerative Models

Focus on creating net positive impacts on the environment, society, and the economy

Impact Businesses/ Social Enterprises

Focus on creating positive social or environmental impact while attaining financial sustainability

Sufficiency-based Models

Focus on reducing absolute material throughput and energy consumption by moderating end-user consumption

Early Examples of Companies Having Adopted Alternative Business Model Principles

Interface®

Interface adopted circular supply chain and manufacturing of carpet tile products; for instance, by transforming old fishing nets into carpet fibers.

patagonia®

Patagonia transferred ownership of the company to a trust used to combat climate change.

Natura &Co

Natura &Co's "standing forest" economy, means that a tree has more economic value standing up that being cut down.

Nexans

Nexans selectively reduced its client base from 13,000 to 4,000; and cut its carbon footprint by 30% since 2018 and tripled its profit

DEEP DIVE
EXTERNAL DEPENDENCIES

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ATP-Col framework and guidance

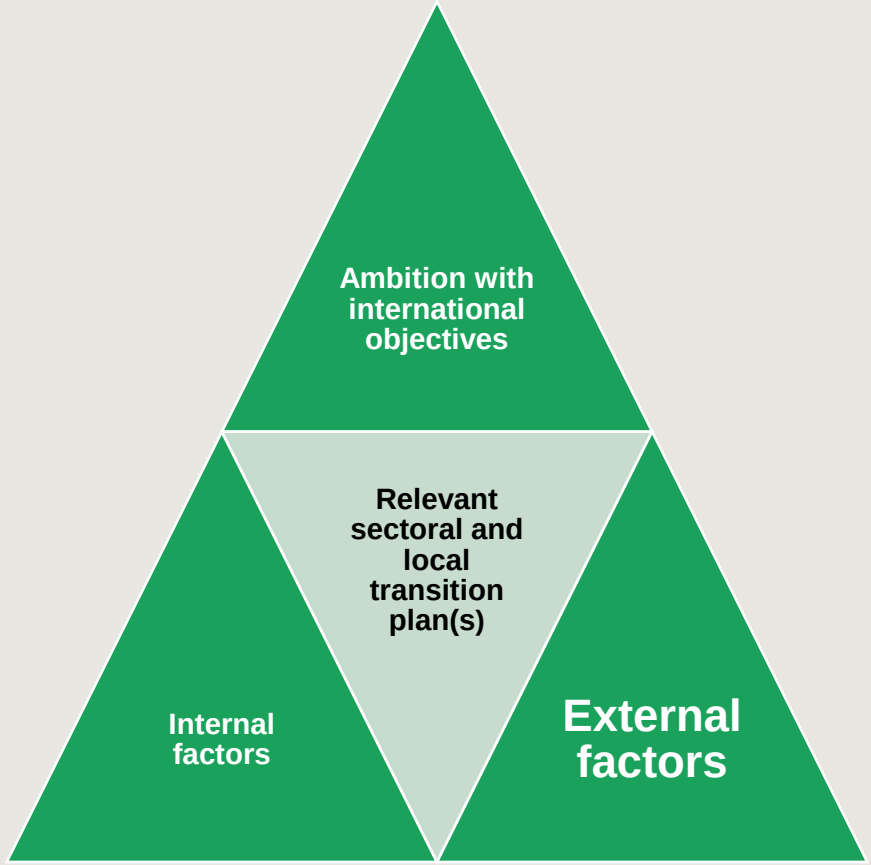
- Published on the 25th September 2024, the ATP-Col framework and guidance is the result of 12 months work of about 90 individuals experts convened by World Benchmarking Alliance and Columbia Center on Sustainable Investment

- The document draws on existing international documentation related to transition plans (GFANZ, TPT, CSRD, CSDDD, ESRS E1, IFRS-S2, TCFD, UN HLEG, CDP, ACT, TPI, CBI, CA100+…) to present **credibility assessment process of transition plans** to provide a basis for the streamlining of harmonisation efforts worldwide

- It is TP disclosure frameworks agnostic and can be used with all exitsing ones.

External dependencies and credibility

A credible transition plan is a plan whose decarbonization ambition is aligned with international goal, consistent with relevant sectoral and local transition plans where the company operates and which implementation is feasible with the TP's timeline.



ATP-Col : Assessing the credibility of a company's transition plan: framework and guidance, version 1, September 2024

The credibility of a company's transition plan lies in the triple consistency between :

1. the overall decarbonization ambition with international objective defined by the Paris Agreement,
2. the relevant sectoral transition plan(s) for the region(s) where the company operates,
3. the implementation of feasible policies, actions and levers on time to deliver the strategic ambition. Feasibility is dependent on internal and **external factors** that may be linked to local context.

External factors are transition plan dependencies over which the company has reduced control

External dependencies and credibility

Where external dependencies stand in transition plans ?

		CSRD/ ESRS E1*	CSDDD- Art. 22	SEC Climate Rule	ISSB IFRS S2	TPT	GFANZ
Foundation	Ambition and Objectives	●	●	●	●	●	●
	Business Model Alignment	●	●	●	●	●	●
	Key Assumptions and External Factors	●	●	●	●	●	●
Implementation Strategy	Business Operations	●	●	●	●	●	●
	Products, Services, R&D	●	●	●	●	●	●
	Policies	●	●	●	●	●	●
	Financial Planning	●	●	●	●	●	●
Engagement Strategy	Value Chain Engagement	●	●	●	●	●	●
	Stakeholder Engagement	●	●	●	●	●	●
	Industry and Peers	●	●	●	●	●	●
	Policy Engagement (Government and Public Sector)	●	●	●	●	●	●
Metrics and Targets	Financial	●	●	●	●	●	●
	Business and Operations	●	●	●	●	●	●
	Climate Metrics and Progress	●	●	●	●	●	●
	Carbon Credits	●	●	●	●	●	●
Governance	Board Oversight	●	●	●	●	●	●
	Accountability/Roles and Responsibilities	●	●	●	●	●	●
	Culture	●	●	●	●	●	●
	Incentives and Remuneration	●	●	●	●	●	●
	Skills and Trainings	●	●	●	●	●	●

Note: Not exhaustive of all elements of the listed frameworks and guidance

● Covered ● Covered Partially ● Not Covered

Charting the Course: Navigating the Climate, Transition Plan Landscape, February 2025, BSR

- TPT – Foundation / sub-component « key assumptions and external factors » : […] an entity shall disclose, the nature of the key assumptions that it uses and external factors on which it depends, and their implications for the achievement of the Strategic Ambition of its transition plan […].
- GFANZ – Implementation strategy / sub-component « sensitivity analysis » : Describe the key assumptions underlying the company's transition-related business, financial, and operational plans (e.g., reliance on technologies the company is currently not deploying at scale; reliance on actions of its value chain; reliance on specific regulatory policies).
- CSRD ESRS : […] The undertaking shall consider how it is affected by its dependencies on the availability of natural, human and social resources […] the undertaking shall briefly explain how it has considered future developments (e.g., changes in sales volumes, shifts in customer preferences and demand, regulatory factors, and new technologies) and how these will potentially impact both its GHG emissions and emissions reductions

External dependencies

Transition plan dependencies over which the company has reduced control. These include factors such as public policy or legal factors, economic factors, technological and infrastructure readiness, social factors, environmental factors and resource availability.

Category	External dependency	Examples
1. Non-physical	1.1 Policy strategy	- National decarbonisation strategy - Geopolitical environment (e.g. threats to energy security, trade of critical resources)
	1.2 Regulatory framework	- Real economy regulation (e.g. permitting process) - Carbon pricing mechanisms and subsidies - Financial regulation - Legal framework (e.g. ESG litigation risks)
	1.3 Market and economics	- Capital availability and cost - Energy and commodity prices
	1.4 Public acceptance	- Concerns about local effects (e.g. “Not in my backyard”) - Just transition (e.g. local impact on employment)
	1.5 Consumer and client behaviour	- Willingness to reduce demand and/or adapt behaviours - Willingness to pay a green premium
2. Physical	2.1 Infrastructure availability and logistics	- Availability of infrastructure and logistics for transport, distribution, and storage
	2.2 Technology	- Technology readiness levels and innovation - Efficiency improvement - Technology lock-in
	2.3 Resource availability	- Availability of land, raw materials, and other inputs
	2.4 Environmental impacts and ecosystem services	- Climate change impact (e.g. decreased water availability for power generation)
	2.5 Labour availability	- Availability of skilled workers

ATP-Col, table 13, Typology of external dependencies that can influence a corporate transition plan as per ‘A framework for assessing and managing dependencies in corporate transition plans’ (Rose et al., 2024) and ‘Credible company transition plans for climate change mitigation: a geographical dependency assessment’ (Pickard-Garcia et al.,2024)

Focus on external dependencies of transition plan

What questions to ask and examples of actions to tackle external factors

	External factors and examples	Characterisation questions, to begin to determine geographic characteristics in the relevant perimeter	Credibility questions, to analyse geographical dependencies
1. Non-physical factors	**1.1 Policy strategy** *e.g. industrial strategy*	Is the decarbonisation lever (DL) supported by policies?	- Is the planned implementation of the DL consistent with the geographic characteristics of the external factors that the DL depends on? *(e.g. is the type of use[64] of the DL consistent with the use favoured by governing bodies?)* - How does the geographical dependency impact the planned implementation of the DL? *(e.g. assess future infrastructure availability to inform DL implementation)* - How do you address the DL's geographical dependencies? *(e.g. engagement with stakeholders who influence the geographical dependency)*
	1.2 Regulatory framework *e.g. legal framework*	Is the DL supported by regulation?	
	1.3 Market & economics *e.g. capital availability*	What is the economic environment related to the DL[65]?	
	1.4 Public acceptance *e.g. 'Not in my backyard'*	Are there concerns of public acceptance for the DL?	
	1.5 Consumer & client behaviour *e.g. willingness to adapt consumption*	What is the expected consumer and client willingness to pay a green premium for the end product?	
2. Physical factors	**2.1 Infrastructure & logistics** *e.g. for transport, distribution, storage*	Are the infrastructure and/or logistical requirements for the DL available?	
	2.2 Technology *e.g. innovation capacity*	Is the technology needed to implement the DL available?	
	2.3 Resource availability *e.g. land, raw materials, other inputs*	What is the availability of resources required for the DL?	
	2.4 Environmental impacts & ecosystem services *e.g. droughts*	What are the possible climate change impacts and ecosystem service implications that effect the DL?	
	2.5 Labour availability *e.g. skilled workers*	What is the possible skill gap relating to the DL?	

ATP-Col Table 14 : Characterisation questions and credibility questions to assess geographical dependencies as per 'Credible company transition plans for climate change mitigation: a geographical dependency assessment' (Pickard-Garcia et al., 2024).

- Securing long-term contracts
- Lobbying for policies to support decarbonisation
- Developing external linkage and control on who operates in the domain and how (e.g., develop joint venture with a company developing CCS)
- Collaborating with peers, suppliers, or any other relevant stakeholder
- Shifting to activities and/or geographies with a more supportive enabling environment e.g.,
- Prioritising decarbonisation levers relying on more mature technologies
- Making contingency plans in case a dependency prevents emission reductions.

"A framework for assessing and managing dependencies in corporate transition plans" (Rose et al., 2024)

Dependencies at asset level

Source : GEOLAB new developments, EU Joint Research Center

Examples of current disclosure : HOLCIM, CTP 2023

CLIMATE AND NATURE RISKS AND OPPORTUNITIES CONTINUED

RISK FEASIBILITY OF NEW TECHNOLOGIES (INCLUDING CCUS) ACROSS ALL RELEVANT GEOGRAPHIES

Description	Potential Impact	Our Response
The inability to deliver Carbon Capture Utilization and Storage (CCUS) projects or develop necessary technologies that meet both technical and financial expectations could prevent Holcim from achieving its decarbonization targets.	The successful scaling up of CCUS relies on assumptions and projections regarding external factors such as compatibility with CO_2 usage opportunities, climate regulations, market acceptance of low-carbon products, the existence of large transportation infrastructure and other aspects of viability and scalability. In addition, there are contingencies related to the management of the projects especially with regards to the management of technical interfaces and the relationships with stakeholders (public administrations, partners, suppliers, communities). In the long term, should CCUS be confirmed as the main technology to remove CO_2, there is a risk of stranded assets where CCUS is not feasible (absence of transport infrastructure, insufficient storage capacities, insufficient renewable power or water supply, etc.) and a loss of leadership in the decarbonization journey. The pathway from 2030 to 2050 also integrates a large range of both new and established technologies including novel binders (calcined clay), zero-emission vehicles and low-clinker cements. For the latter, higher prices for mineral components (MIC) such as slag and fly ash challenge our CO_2 reduction roadmap as the integration of MIC in our cement production process is a key lever for the reduction of clinker factor and thus reduction of our CO_2 footprint. **Impacts on financial reporting** Useful lives of assets may be affected by climate-related matters because of transitional risks such as technological obsolescence. It can also lead to the impairment of operating assets. Sustainability is now a key factor considered by the Group in any investment decision. The transition to lower-emission technologies will impact the allocation of future CapEx. The Group's R&D expenditures are aligned with the strategy to focus on new and alternative technologies that, as a result of diverse research initiatives, may either impact CapEx or R&D costs in the statement of income, depending on the success of the initiatives.	We investigate every opportunity, at every stage of a building's life cycle, to eliminate emissions and build smarter and better. Leveraging on proven processes and existing technologies, we are optimizing our own consumption of resources, using low-carbon energy and fuel, and reducing our water use. In line with our 2025 strategy, we accelerate the decarbonization of our own operations to become a net-zero company, by switching to renewable energy, developing new formulations, adopting decarbonized mobility and harnessing advanced technologies such as carbon capture, utilization and storage (CCUS). As an example, we launched in February 2023 Europe's first calcined clay low-carbon cement operation in Saint-Pierre-la-Cour, France, enabling us to deliver ECOPlanet low-carbon cement with 50 percent lower CO_2 footprint. We also launched ECOCycle®, a proprietary platform to drive circular construction at scale across key metropolitan areas. Furthermore, 2023 was a year the Group successfully demonstrated its ability to firmly accelerate its global transition to a net-zero future especially with the ramping up of CCUS projects, with six full-scale CCUS projects across Europe having been selected for grants from the European Union (EU) Innovation Fund to capture five million tons of CO_2 by 2030. We have a solid portfolio of CCUS projects globally. In Europe, we have additional projects in advanced stages of planning. Based on various technologies, robust partnerships and value chains, these sites are well positioned to become net-zero cement plants and drive our Group to net-zero. Holcim is a partner of choice in the CCUS ecosystem in Europe and continues to actively engage with public authorities, industry partners, customers and communities. In addition, new economic conditions could emerge in the long term (steady development of e-fuels, growing usage of captured CO_2 by the chemical industry) and drive a significant shift from CO_2 storage to CO_2 utilization, improving the profitability of CCUS and offering new outlooks for this business model. Holcim also continues to explore promising opportunities such as smart design, novel binders, kiln electrification and use of hydrogen.

- Technologies
- Infrastructure
- Regulatory
- Consumer and client behaviour
- Public acceptance

Examples of current disclosure : UNILEVER, CTP 2024

Dependencies

- **Availability of cost-effective thermal energy solutions**. We are working to accelerate the adoption of renewable thermal technologies and advocating for supportive policies through coalitions such as the **Renewable Thermal Collaborative** in the US.
- **Local availability of sustainably sourced biofuels**. This helps to support the transition away from fossil fuels.
- **Continued validity of market-based mechanisms for renewable energy**. This includes the validity of unbundled **Energy Attribute Certificates (EACs)** within reporting frameworks such as the GHG Protocol for renewable electricity sourcing. As a member of **RE100** (led by Climate Group), we adhere to its technical criteria and advocate for quality and additionality in our renewable electricity sourcing to ensure EACs remain a legitimate route for sourcing renewable power.

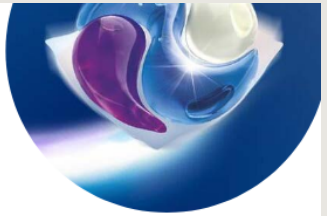
Dependencies

- **Industry cooperation and advocacy.** Low-carbon, synthetic soda ash production requires a cooperation between end-users, soda ash manufacturers and the fertiliser industry – which uses ammonia in high quantities – to change the energy systems through which synthetic soda ash is produced and to develop a cost-effective supply of 'green' ammonia.

Dependencies

- **Availability of deforestation-free and lower-emission commodities.** As other companies look to improve their practices, including in response to the introduction of regulations such as the **EU Deforestation Regulation**, the availability of deforestation-free commodities may continue to become more constrained. Similar constraints may affect the sourcing of palm oil in line with best practice standards, e.g. not grown on peatland. We will engage with a range of local stakeholders to ensure ongoing access.
- **Adoption of consistent standards for forest-risk commodities and level playing fields globally.** While regulations may introduce a level playing field in certain markets, others may continue to operate on different standards. A lack of consensus around forest-risk commodity management would continue to disrupt efforts to manage deforestation-free supply chains. We will continue to advocate for level playing fields and consensus around best practice.

Dependencies



- **Increased consumer acceptance of plant-based products and technological developments.** In the coming years, research into consumer perceptions and R&D investment to build confidence in the taste and texture comparability of plant-based products will be a priority.
- **Changes to national Standards of Identity (SOI).** We are required to align our product content and production methods with SOI in different markets – for example, the minimum quantity of vegetable oil in our mayonnaise or levels of dairy in our ice creams. We continue to engage with governments to ensure our ability to market our products successfully in geographies where these SOI challenges apply.

Examples of current disclosure : DELL, CTP 2024

Challenges, limitations and uncertainties

Similar to our other science-based targets, reaching a 45% reduction in scope 3 category 1 emissions from purchased goods and services will be challenging and progress will not be linear. The following table outlines the challenges we anticipate through 2030 and how we are working to mitigate their impacts.

Challenges	Mitigation approach
Business growth can be in direct competition to emissions reduction efforts, with efforts to meet an increased demand for our products and services leading to an associated increase in scope 3 category 1 emissions.	Dell looks to identify ways to decouple impacts on supply chain emissions from business changes and emission reduction activities through automation of data analysis across the supply chain. Through ESEP, Dell team members help suppliers build capacity to reduce their emissions, and encourage them to measure their climate impacts, set ambitious reduction goals and make progress on their targets.
The demand for renewable energy globally is **currently anticipated** to surpass projected availability, which may lead to difficulty sourcing cost-effective renewable energy for our suppliers.	Dell advocates for public policies that support the development of new renewable energy sources. We will continue to share lessons learned from our own renewable energy journey with our suppliers.
Energy efficiency projects at supplier sites often require upfront costs that may be prohibitive for smaller suppliers.	Dell continues to identify ESG-related financing options that may be available to suppliers, such as country-specific public policy incentives, preferential access to credit with partner financial institutions and advantageous financing with private banks for decarbonization initiatives. We also collaborate with suppliers to identify energy efficiency initiatives that they can implement.
Upcoming regulations are likely to increase the amount of data collection and verification required of Dell's suppliers.	Dell supports the standardization of environmental regulations and the use of third parties to consolidate requests and reduce survey fatigue with suppliers. We have been an engagement leader in the CDP Supply Chain Program, driving climate disclosure and transparency among suppliers. Additionally, we are a member of the Responsible Business Alliance (RBA), which aims to build supplier capacity for emissions data calculations and to increase the accuracy of emissions inventories.
The impact of carbon taxes may be difficult to identify when applied across multiple levels in the supply chain.	Dell engages third parties to support high-level estimates on the future impacts of carbon taxes within the supply chain and continues to monitor emerging regulations.
The increase in supplier primary data and year-over-year methodology improvements creates complexities around reduction tracking and re-baselining.	Over the next few years, we expect to invest in software to aid in calculating scope 3 category 1 emissions. The expected solution will help us provide tools for data collection, analysis, strategy creation, supplier engagement, re-baselining and progress tracking.

Q&A

10’

BSR

20’

PEER SHARING:

- How does your Climate Transition Plan support your business model in reaching net-zero?
- What are the key assumptions you had to make for your CTP?
- How are you addressing these factors what are some challenges and success stories?

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To dive deeper

Thank You

BSR™ is a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR™ develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.

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