

Climate Change: The Impacts on Corporate Strategy

Webinar, Friday 5th February 2021

Climate Change: The Impacts on Corporate Strategy

Today's speakers



Marco MENSINK

Director General

**Cefic, The European Chemical
Industry Council**



Eric SOUBEIRAN

VP Planet & Water Cycle
CEO Ecosystem Fund
Danone



Olivier JAN

Partner, Sustainability
Deloitte



Catherine SAIRE

Director, Sustainability
Deloitte

Climate Change: The Impacts on Corporate Strategy

Today's agenda

- ① **Strategy & Climate**
- ② **Cefic's experience**
- ③ **Danone's experience**

Enabling directors to engage effectively in a strategic debate about the climate challenge for their businesses

Launched in December 2020, in expansion (5/02/21: 60 members)
NEDs & experts



Offering training and channeling of constructive exchanges (workshops, seminars, conferences, peer-to-peer, self-assessment tools)



Organising targeted position papers



Sharing of the latest information, tailored for directors (selection of relevant documents for boards)

Part of the global network Climate Governance Initiative of the World Economic Forum

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Strategy & Climate



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Strategy & Climate

While we often think about the risks associated with climate change, it also brings massive opportunities for companies

- Low-carbon transition will require new technologies and new infrastructure and will also materialize through new consumption patterns from climate-conscious clients.
- Such transition will result from innovation and major investments from governments and corporate sector, and therefore a source of opportunities for the economic world.

“Investors understand that accelerating the net zero emissions transition can create significant new employment and economic growth, along with other co-benefits such as energy security and clean air.”

IIGCC, letter to EU leaders from investors on a sustainable recovery

"The heart of our strategy is to focus our company and our activities on sustainable development. Never before have customers, employees, partners and investors attached so much importance to ESG criteria as they do today."

Jean-Pascal Tricoire, CEO of Schneider Electric, ranked world's most sustainable company 2021 by Corporate Knights

Strategy & Climate

There is no “business as usual” scenario that leads to carbon neutrality.

- Addressing climate is not only drafting a decarbonization pathway for its company or its sectors, it is also about securing its license to operate in a net-zero world.
- The climate transition will sometimes take place within a sector between existing players, but in most cases will take place within larger ecosystems.

“There is no company whose business model won’t be profoundly affected by the transition to a net zero economy”.
Larry Fink, CEO BlackRock

Strategy & Climate

The board is ultimately responsible for the company

- Design and implementation of a strategic roadmap **beyond pledges**.
- Confrontation of **disruptive and uncomfortable futures** in companies' analysis.
- Beyond decarbonisation roadmaps, identification of **enabling factors and financing requirements**.
- Climate related financial disclosure, **beyond narrative reporting**: investors are highlighting a gap to understand the financial implications associated with climate change.

“Disclosure of the potential financial impact of climate change on companies' businesses and strategies remains low.”
Third TCFD Status Report

“A fair, transparent and consistent reporting on climate-related risks and opportunities is key to improving the effectiveness of companies communication on climate change integration in their strategy and implications for their business.”
Bruno Le Maire, French Minister for Economy and Finance on the TCFD

Climate Change: The Impacts on Corporate Strategy

Cefic's experience



Marco MENSINK

Director General
**Cefic, The European
Chemical Industry Council**



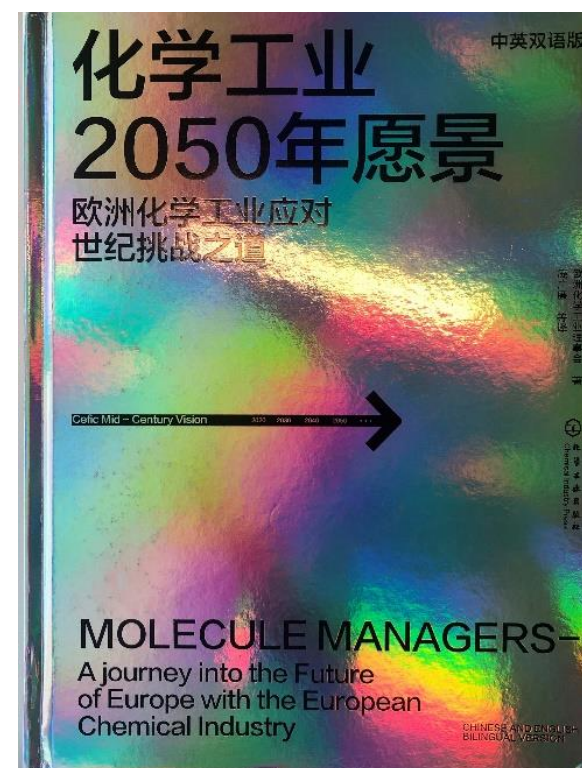
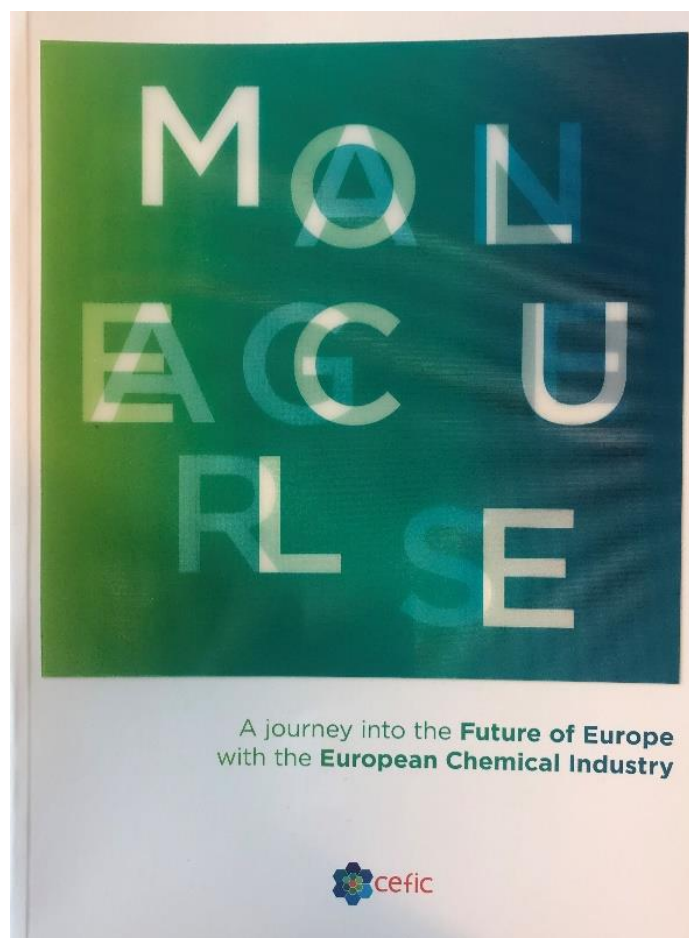
A mathematical equation

1. Cefic Mid-Century Vision
2. The EU Green Deal and Climate Law
3. The Chemical Strategy for Sustainability
4. The EU recovery package

+

1927

2019: Cefic 2050 MidCentury Vision



CEFIC'S VISION FOR EUROPE IN 2050



Geopolitics. The world has become more prosperous and more complex, with a fragmented and volatile geopolitical environment.



Economics. Europe has developed its own different but competitive place in the global economy.



The European economy has gone circular, recycling all sorts of molecules into new raw materials.



- **Climate change** continues to transform our planet as Europe gets close to achieving net-zero greenhouse gas emissions.



Europeans have set the **protection of human health and the environment** at the pinnacle of an uncompromising political agenda.



European industry has become more **integrated and more collaborative** in an EU-wide network of power, fuels, steel, chemicals and recycling sectors.



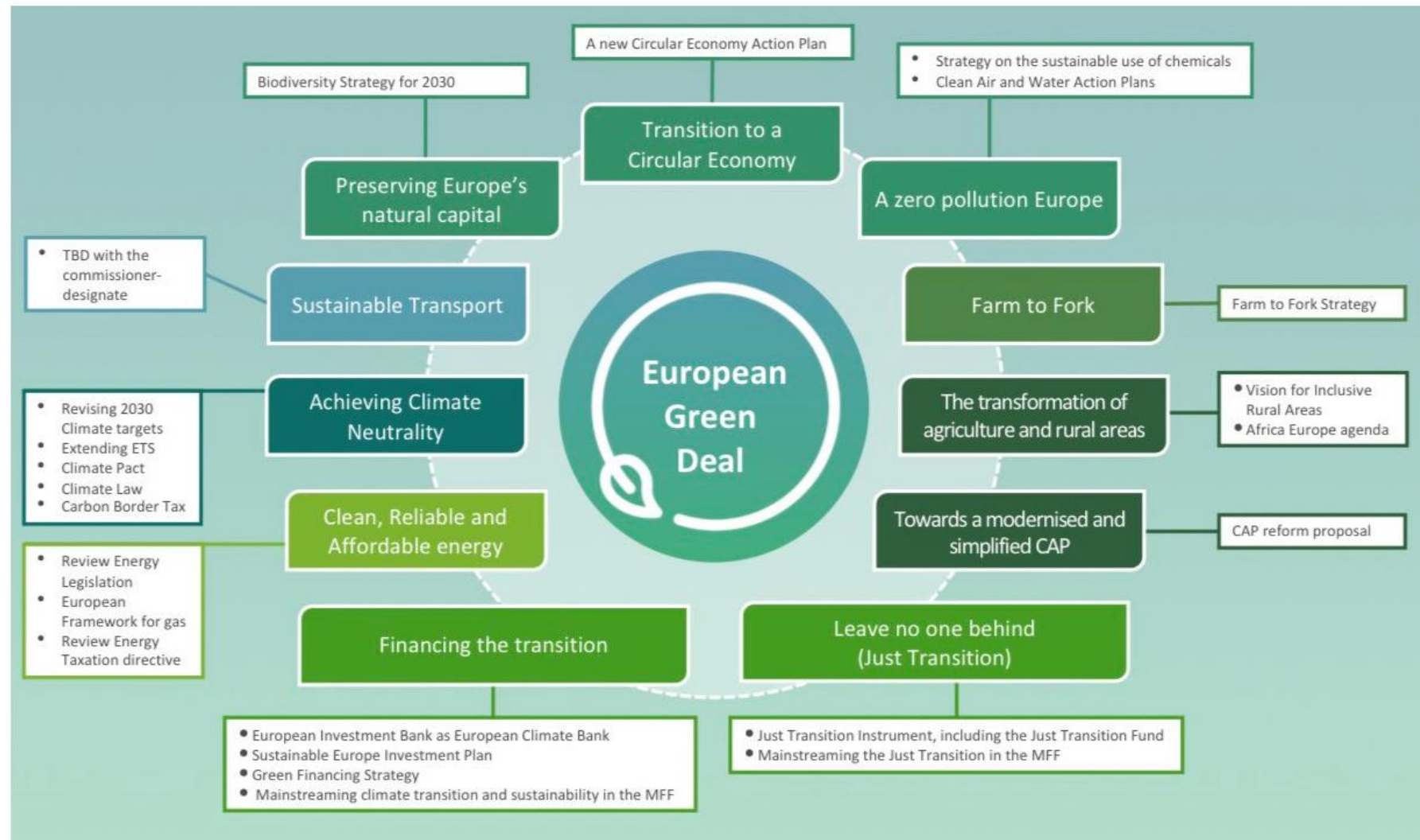
Digitalisation has completely changed the way we work, communicate, innovate, produce and consume.



UN Sustainable Development Goals and its successors are at the core of European business models.



The European Green Deal



So suppose you were young again 😊



And its 2027, not
1927



We'll need
to leap-frog

And make
Europe a
world
champion

And invent – the Delorean



Climate Change: The Impacts on Corporate Strategy

Danone's experience



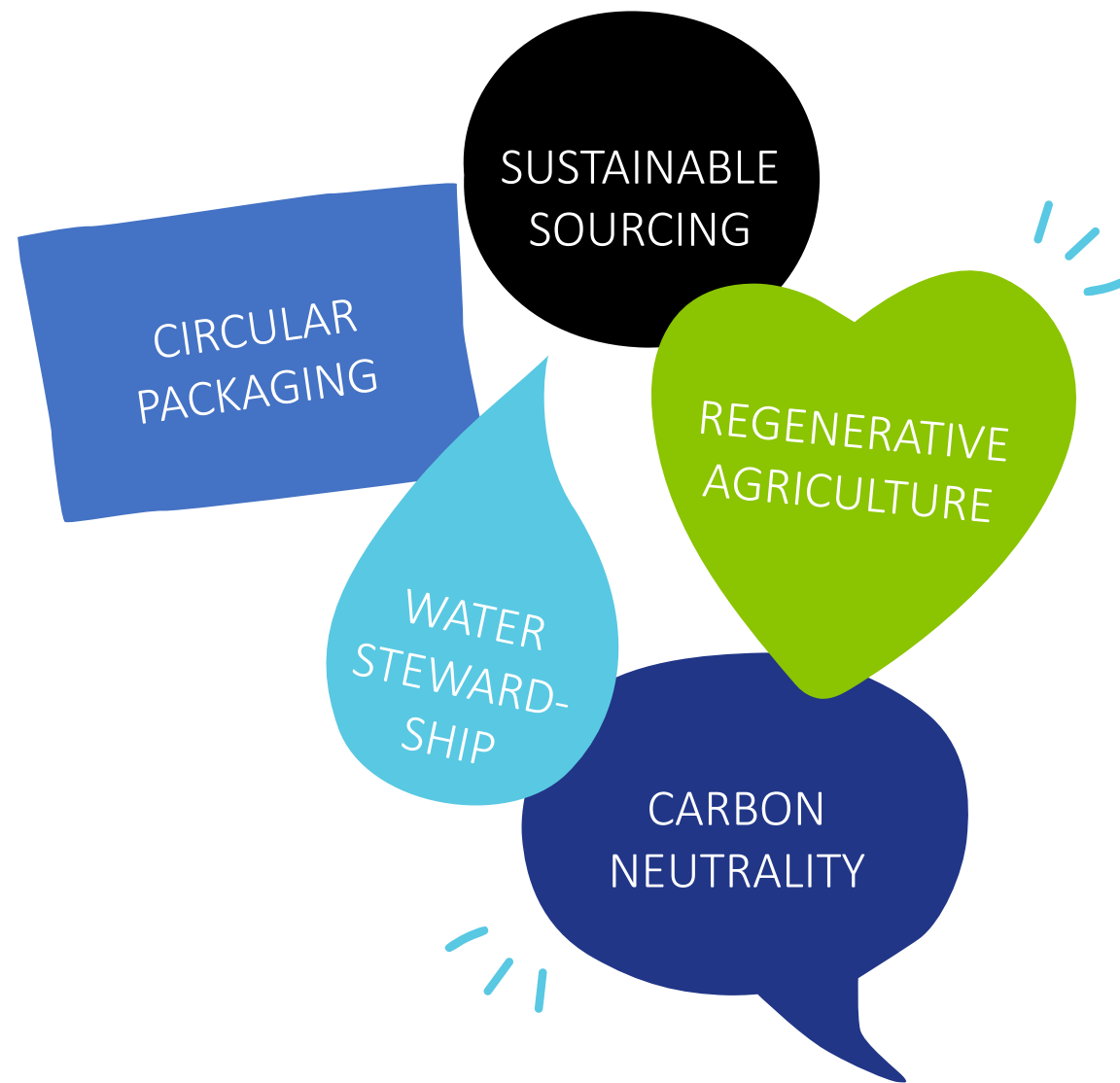
Eric SOUBEIRAN

VP Planet & Water Cycle
CEO Ecosystem Fund
Danone



By 2030, we will source our ingredients sustainably, protect more water than we use, and turn waste into a resource, while working to become a zero-net carbon company.

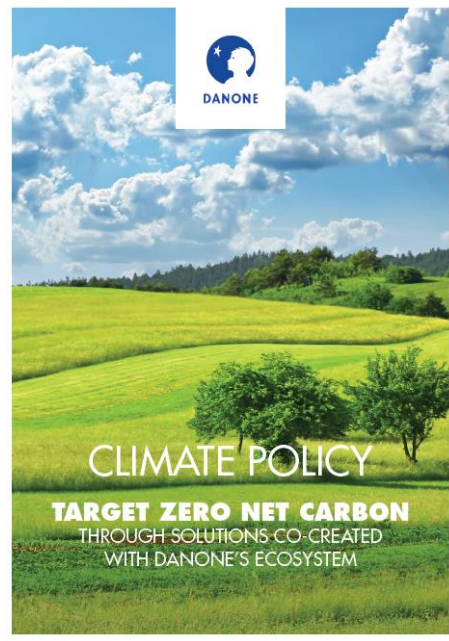
Contributes to UN Sustainable Development Goals



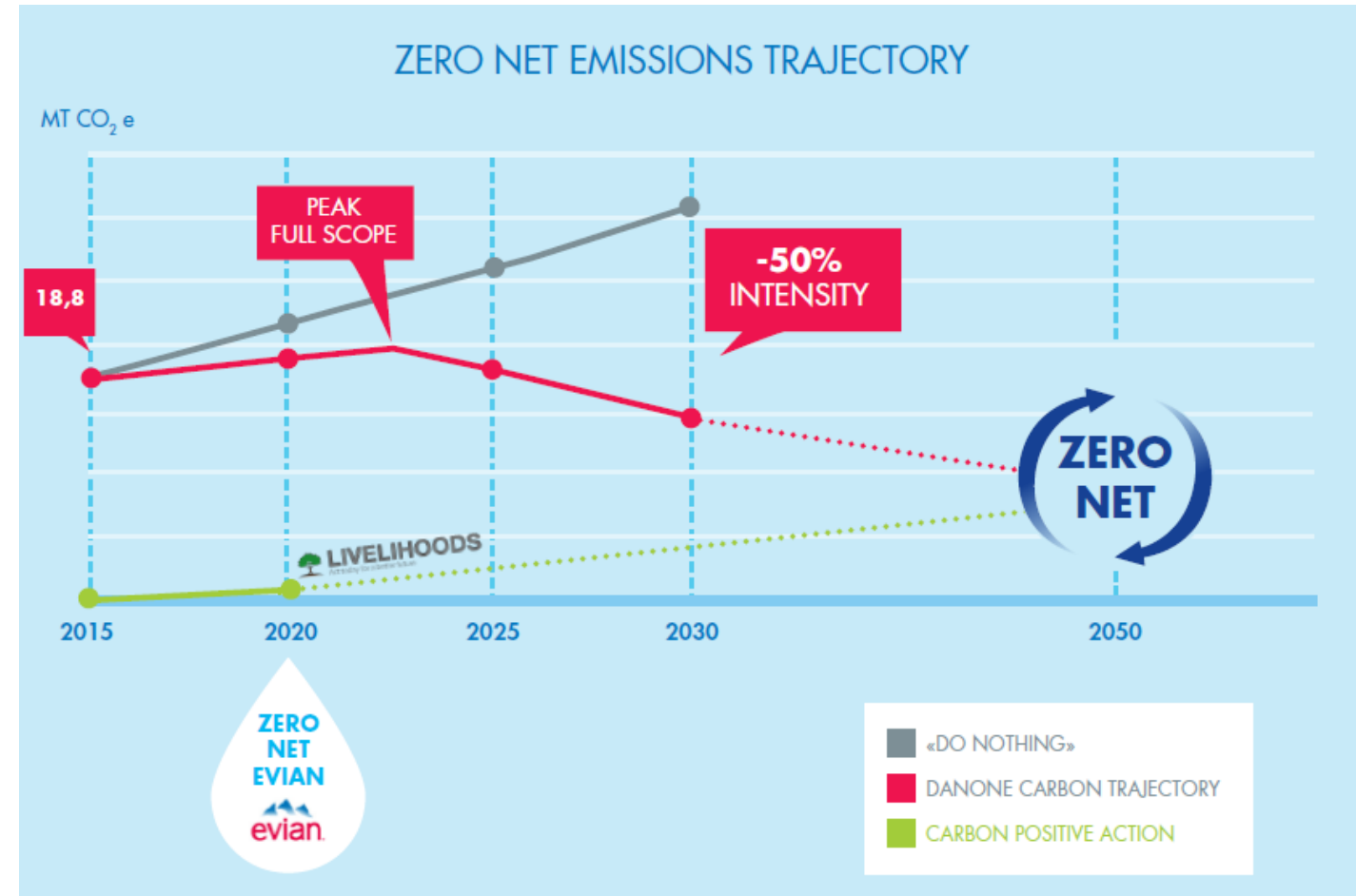
ZERO NET CARBON BY 2050

A BREAKTHROUGH AMBITION ANNOUNCED AT COP21

2015



2017

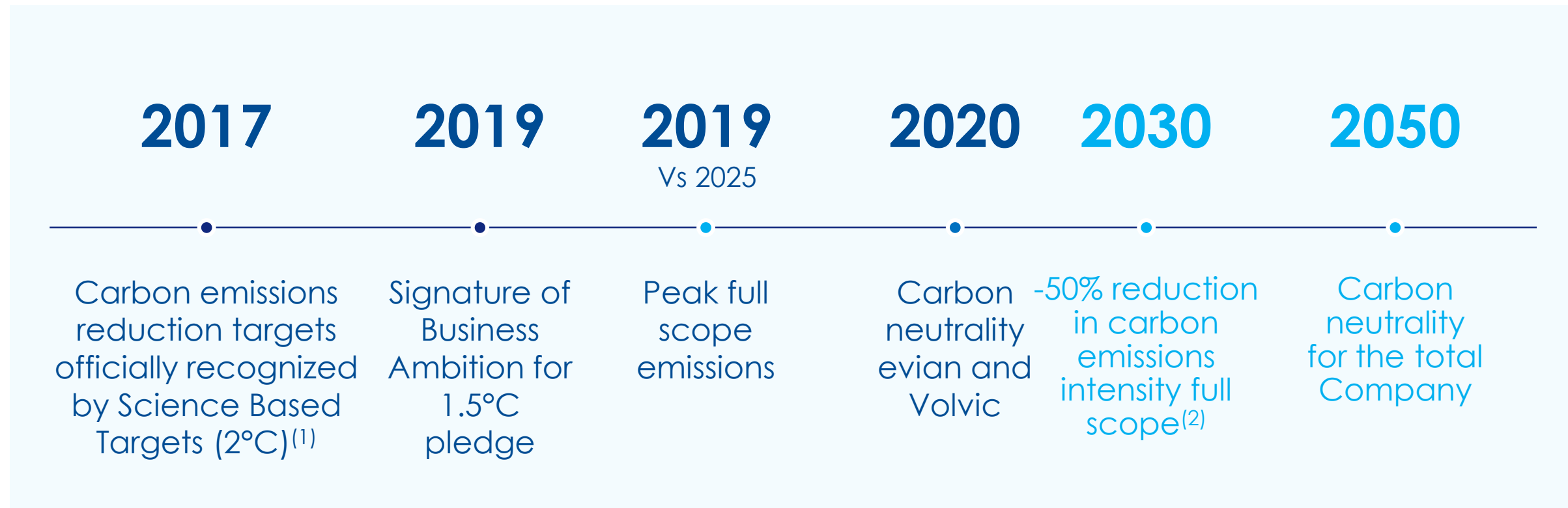


- Danone states it will achieve carbon neutrality by 2050.
- Milestone: Reduce full scope (1, 2, 3) carbon intensity by 50% by 2030.

<https://sciencebasedtargets.org/>

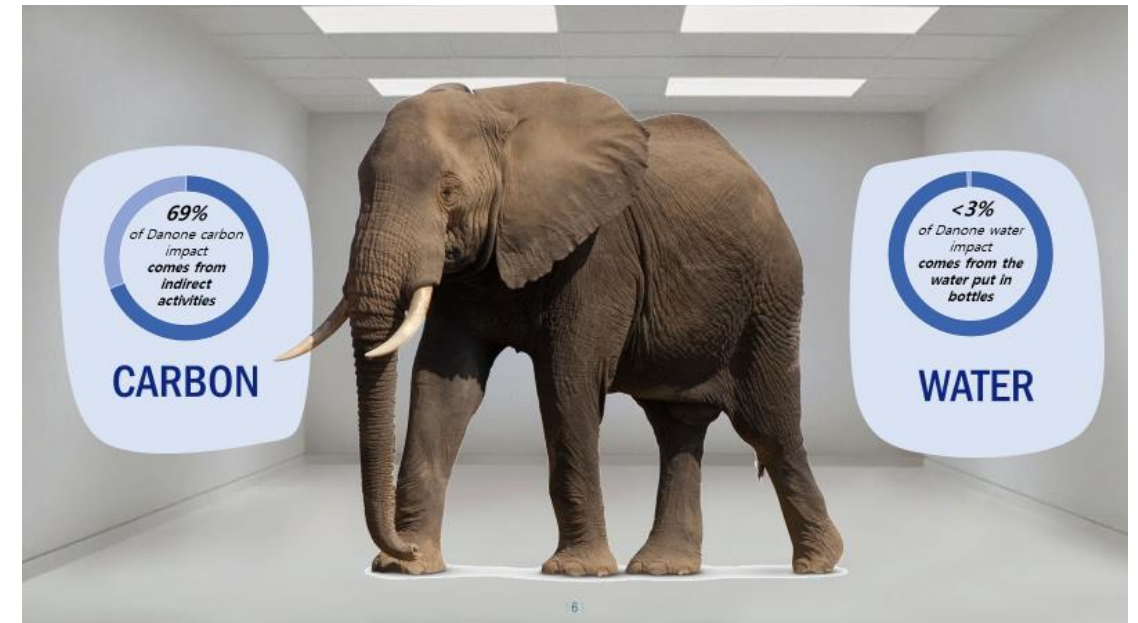
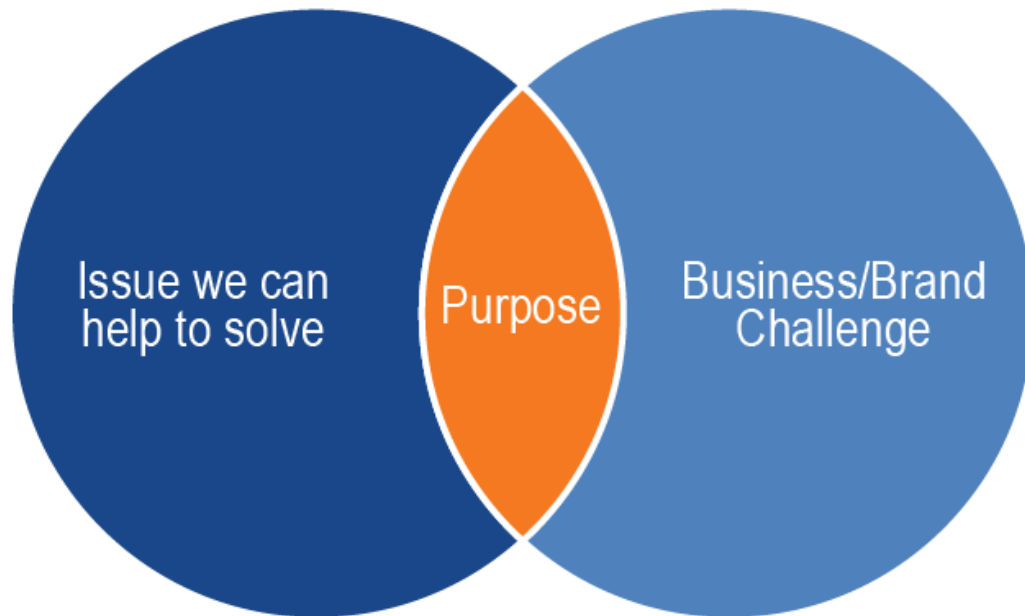
Vidéo 2:43 mn « What is a science-based target? »

PIONEERING AND TAKING BOLD COMMITMENTS TO TRANSITION TO LOW-CARBON ECONOMY



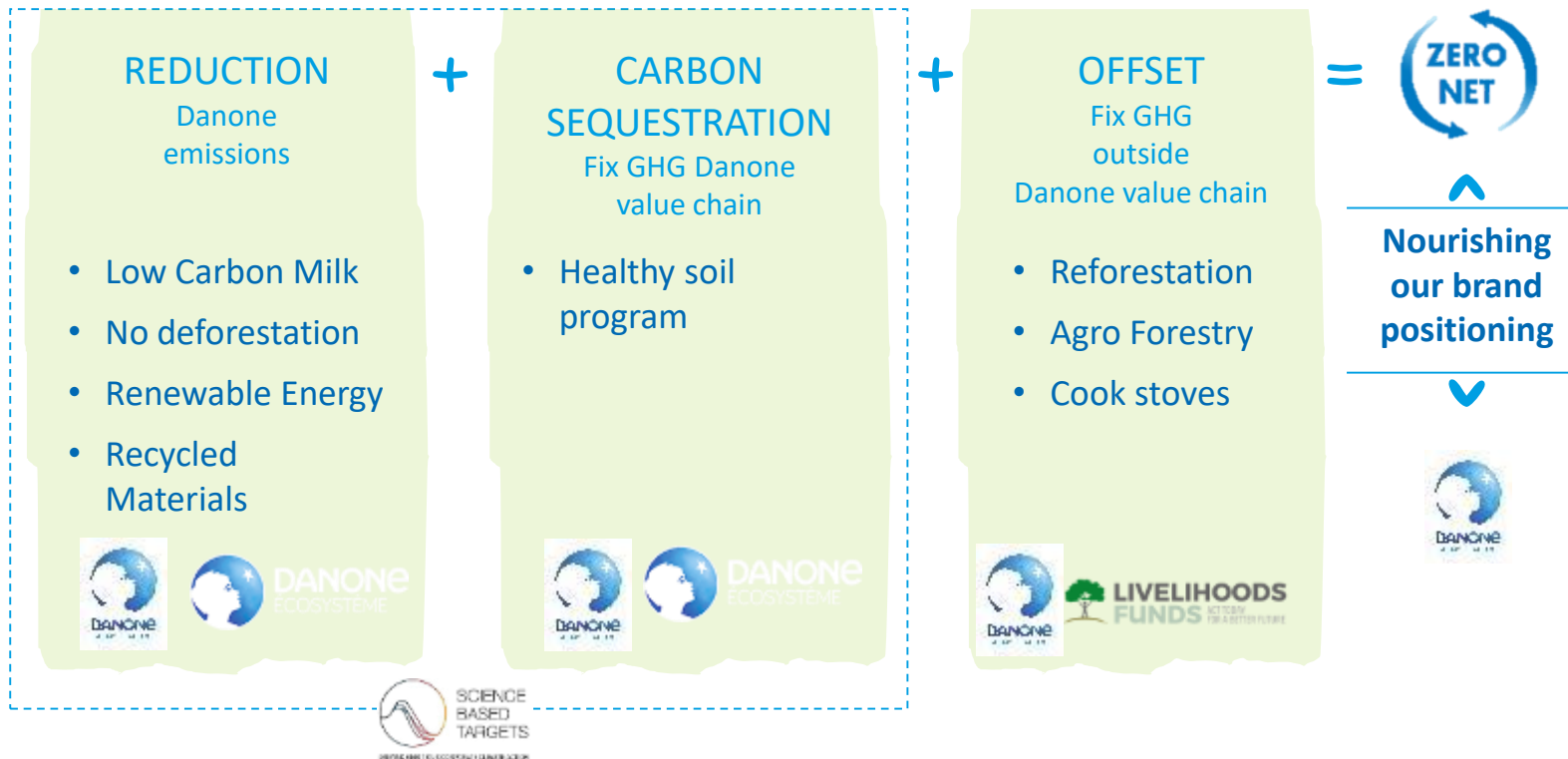
(1) The Science Based Targets is a coalition defining and promoting best practices for companies' transition to the low-carbon economy; (2) Compared to 2015 baseline, based on constant scope of consolidation and constant methodology

All about strategy

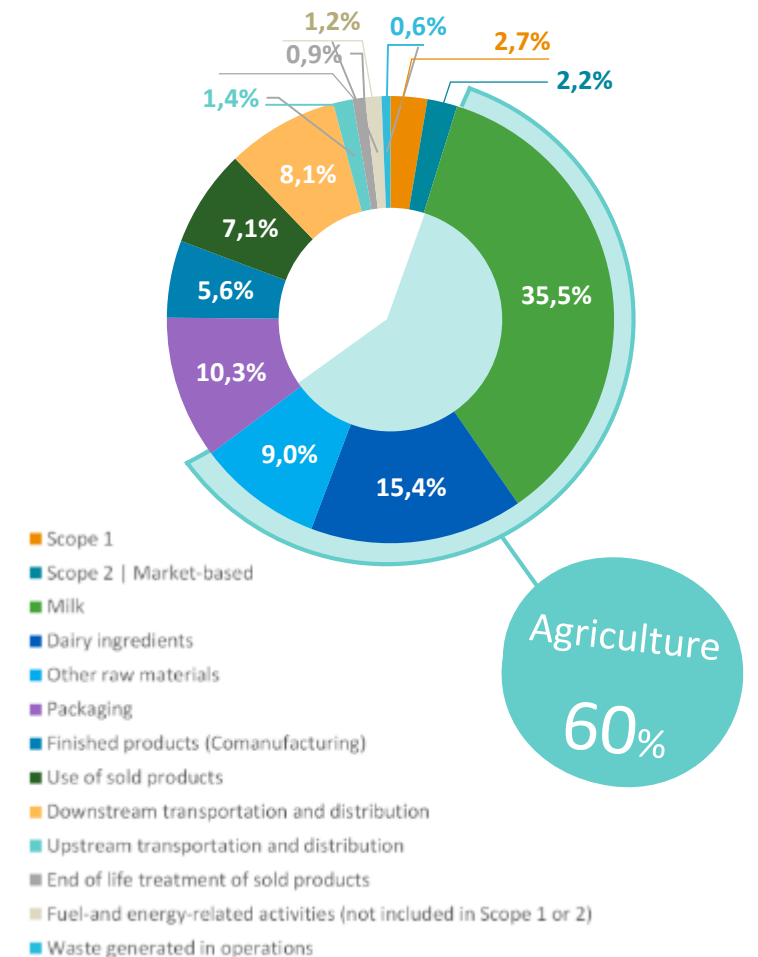


OUR KEY BATTLE TO TACKLE CLIMATE CHANGE

A 3 pillar strategy



Danone's foot print 2019



OUR FRAMEWORK FOR ACTION



Climate

The next
“Big Thing”

SBT1.5°
Climate Neutral
brands
Monetization of
externalities



Water

A resource to protect
and a responsibility
towards local
communities

Watershed protection
Water access in
and around our factory
Healthy Hydration



Circular Economy

De-average solutions
and focus on local
impact

Circularity as north star
Fit for purpose
packaging
Beyond single use



Agriculture

Key enabler of One
Planet agenda.
A source
of differentiation

Regenerative
Agriculture deployment
“People behind
the brands”
Biodiversity

Q&A

Become a member of **Chapter Zero France**

**Join the community of directors committed
to the transition to net zero carbon.**

The Chapter Zero network promotes the principles of the World Economic Forum's Climate Governance Initiative.

EUROPE

Belux (soon)
Central and Eastern Europe (soon)
France
Germany (soon)
Italy

Netherlands (soon)
Nordics (soon)
Russia
Switzerland
United Kingdom

ASIA

Malaysia
Singapore (soon)
Hong Kong (soon)

AMERICAS

Brazil (soon)
Canada
Chile (soon)
Colombia (soon)
Mexico (soon)

