

Sustainability Blog

By PwC Deutschland | 10.11.2022

PwC Germany transformation tool supports companies in keeping up with the global transition to net zero

Answering the question of how much to invest in what and when becomes key to secure the resilience of business models in a decarbonizing world.

PwC Germany has launched a transformation tool in the context of the “Pathways to Paris” project, which is being delivered in collaboration with WWF Germany and financial support from the Federal Ministry for Economic Affairs and Climate Action in Germany. The tool helps companies gain initial insights into the set-up of a transformation roadmap for ten sectors of the economy. While the tool has been developed with focus on Germany, its metrics and results have relevance globally.

Companies are losing arguments against transformation

While the lack of transparency has long served as an excuse for delayed climate action, corporate carbon footprinting is generally established and follows clear rules thanks to standard setters like the Greenhouse Gas Protocol and the Partnership for Carbon Accounting Financials (PCAF). Capital market requirements and best practice frameworks have made more than clear that offsetting own value chain emissions elsewhere is no credible and accepted alternative, but rather a complement to the own transition to net zero.

Businesses around the world have increasingly understood that a delayed transformation will most likely lead to negative transition risks and financial impacts. The current development of energy prices underlines even further that climate considerations should be approached with a financial rationale apart from the assumption of responsibility.

Failing becomes more costly

Transition plans have gained in relevancy. Tightening requirements of frameworks like the Glasgow Financial Alliance for Net Zero and the Science Based Targets initiative and upcoming regulation like the Corporate Sustainability Reporting Directive and the International Sustainability Standards Board (ISSB) underline that. To be part of the winners of the future companies need to be able to pay, borrow and make the business case work for them in a climate-constrained world.

In that regard external stakeholders require more transparency on where companies are with their transformation story. There is an increasing competition for strong assets. The winners are already moving.

Information will be audited in the future: Is there a transition plan? Has it been approved? Can the measures described plausibly lead to the aspired emission reductions? Is there an investment planning in accordance with the transition?

Ambition is still high: Pathways to Paris tool help get started

The Pathways to Paris Transformation tool helps understand sectoral transformation pathways, the impact of abatement measures and the financial implication of the transformation roadmap. While the focus lies on scope 1 and 2 emissions of ten sectors, sectoral insights like decarbonization of road freight help also in addressing scope 3 emissions. Over 90 actors from real economy and financial sectors have provided their feedback in the development of the tool. Even if the sectoral transformation pathways have been derived from a German scenario (Climate-neutral Germany 2045, commissioned by thinktank Agora), the level of ambition is for most sectors comparable with the International Energy Agency (IEA) net zero emission scenario, and also technology roadmaps and cost implications will be similar globally.

Activation needs to take all companies with it – Pathways to Paris enables a first view and thus adds to and complements existing work performed by the IEA, Transition Pathway Initiative, and others.

Access the transformation tool now and get started in detailing out the transition!

- [Pathways to Paris Transformation Tool](#)
- [Pathways to Paris PwC Germany Website](#)
- [Pathways to Paris Transformation Tool Flyer](#)
- [Pathways to Paris Transformation tool box](#)
- [Practical Guide “Schritt für Schritt zur Transformationsumsetzung”](#)

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Keywords

[Climate Change](#), [Emissionen \(Treibhausgase\)](#)

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