



The State of Decarbonization



Representative headlines from recent months

Fortune 500 Companies Renege On Climate Commitments

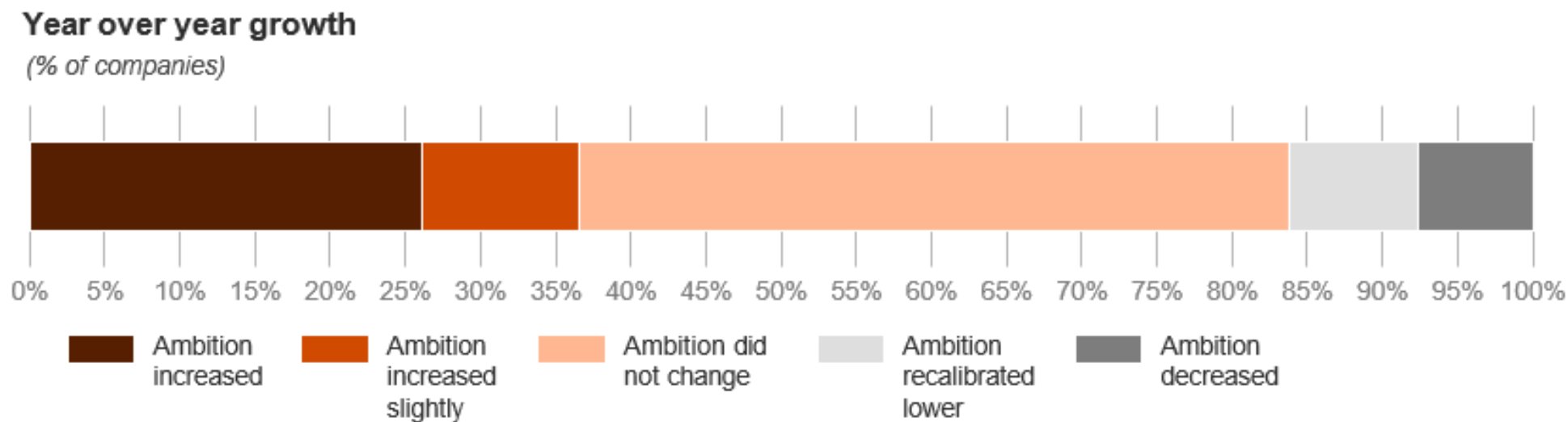
Companies Are Ditching Big Climate Goals for 'Pragmatic' Solutions

US multinationals purge website references to climate change

Companies Quietly Water Down Climate Claims in Latest Investor Reports

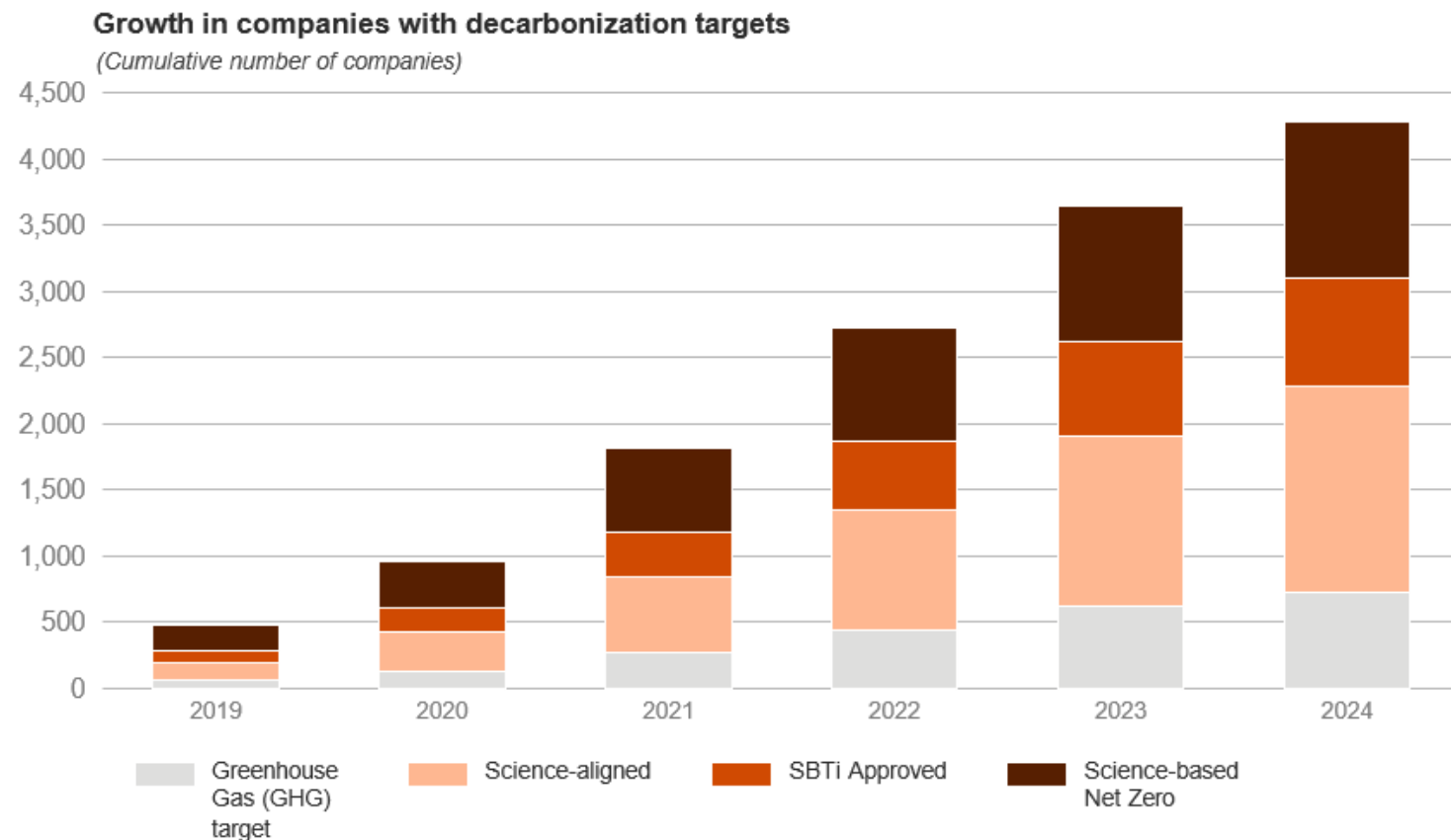
Corporate climate promises are collapsing as companies retreat from green goals

Commitments and ambitions are high



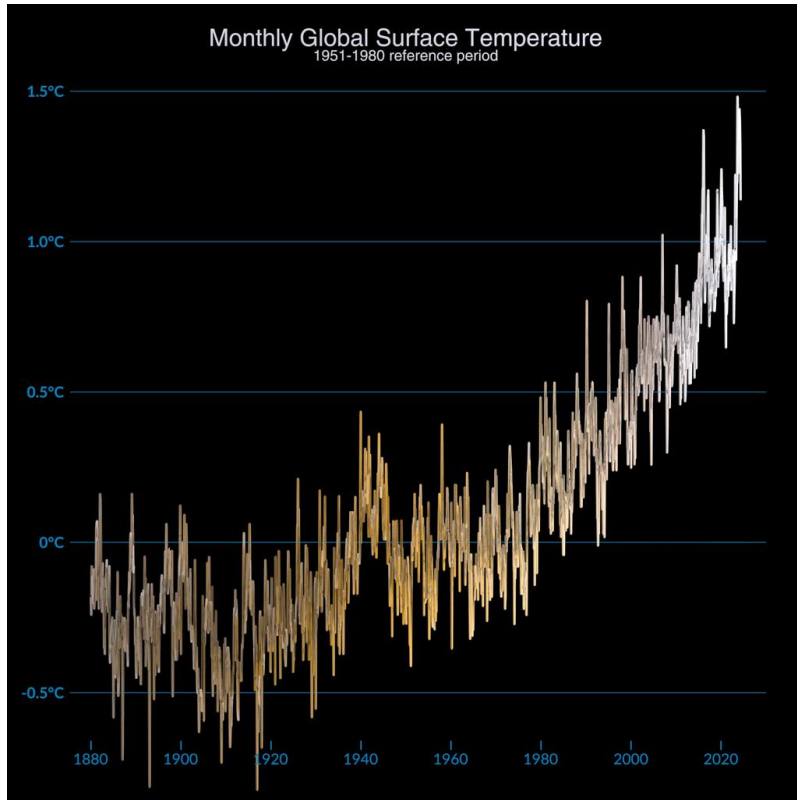
37% of companies are increasing their ambitions while only 16% are decelerating their goals.

Commitments and ambitions are high

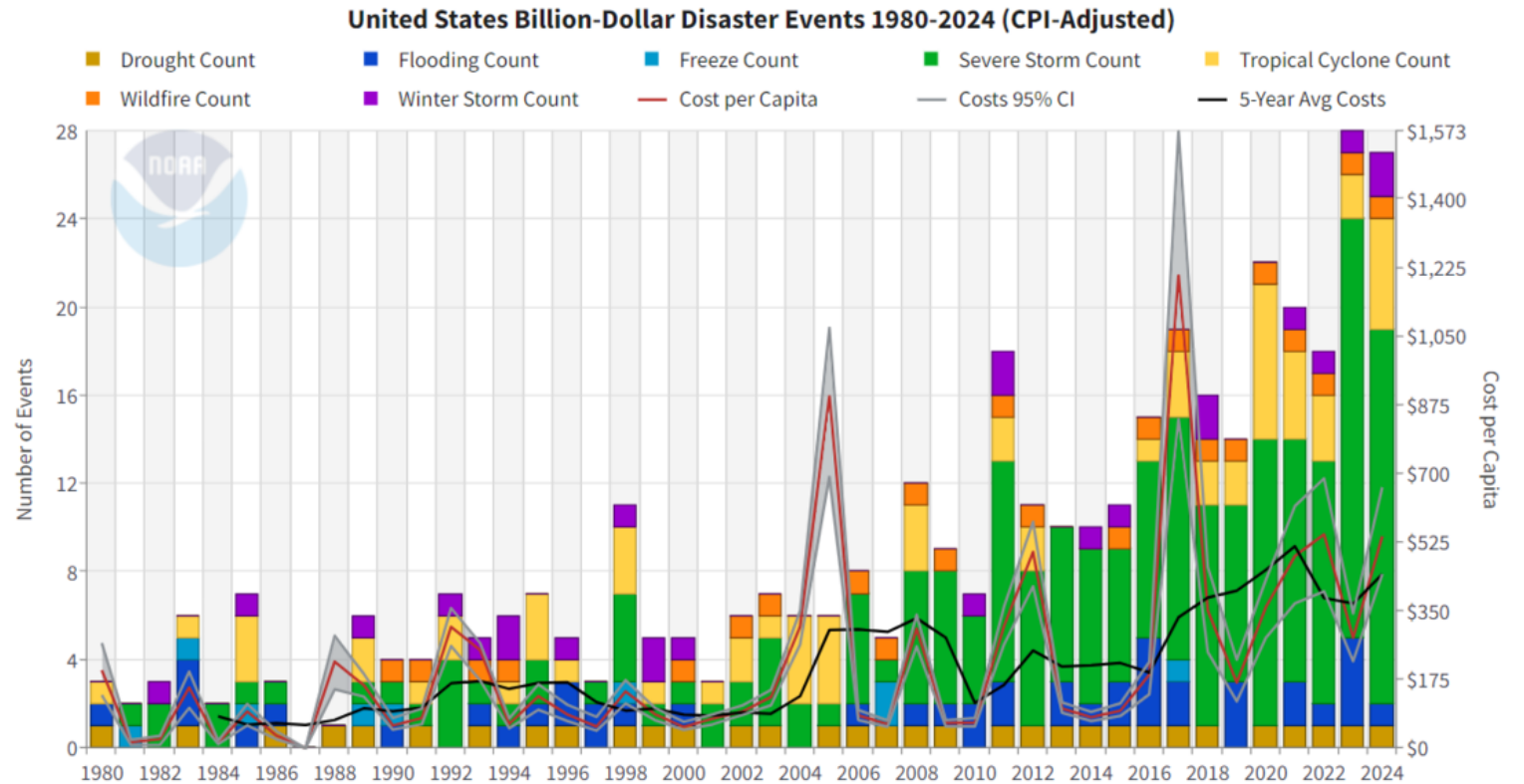


9X growth
in 5 years

Costly implications of climate



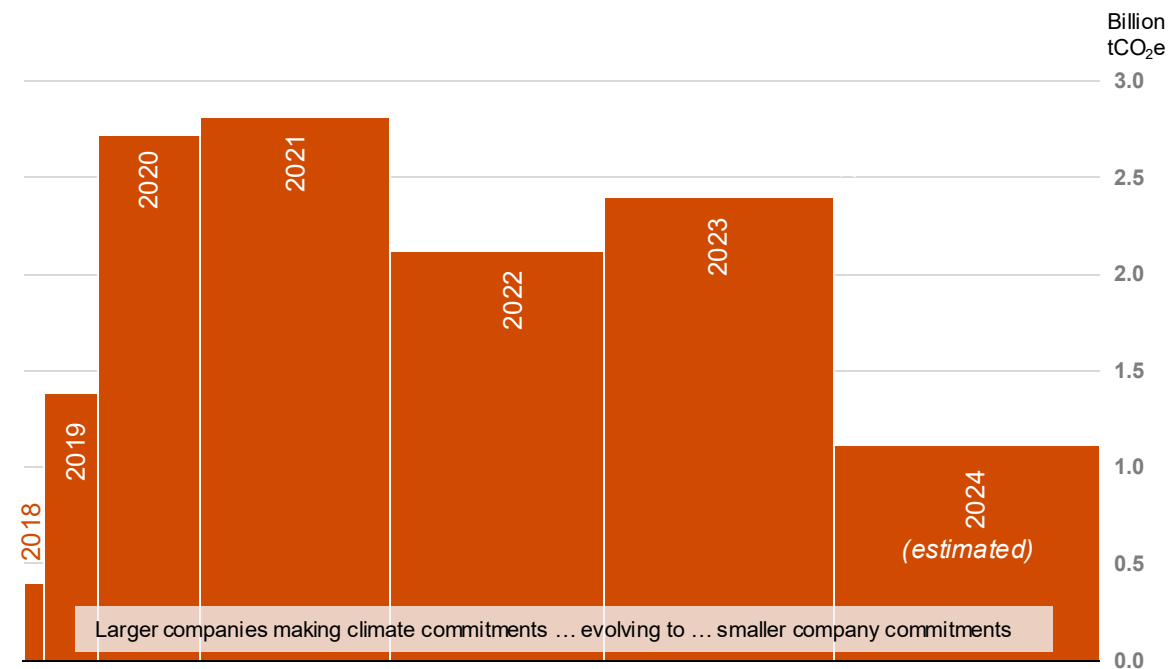
Source: NASA's Scientific Visualization Studio.
<https://svs.gsfc.nasa.gov/5327/>



Source: NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2025). <https://www.ncei.noaa.gov/access/billions/>

The ripple effect

Number of companies setting Scope 1+2 targets per year and emissions covered by targets

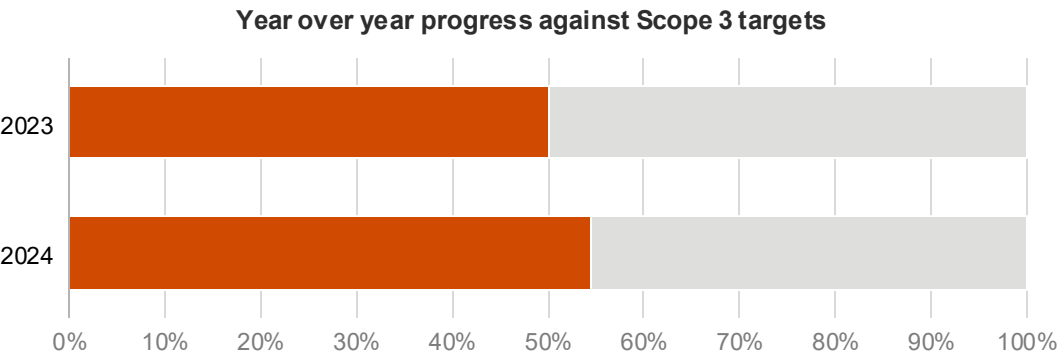
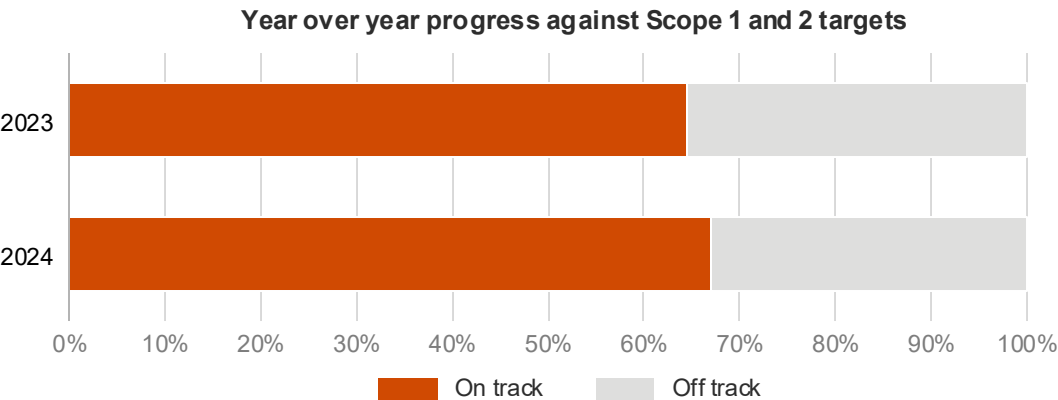


Number of companies setting Scope 1+ 2 targets per year

\$3.8B
Median annual
revenue for company
setting targets in 2020

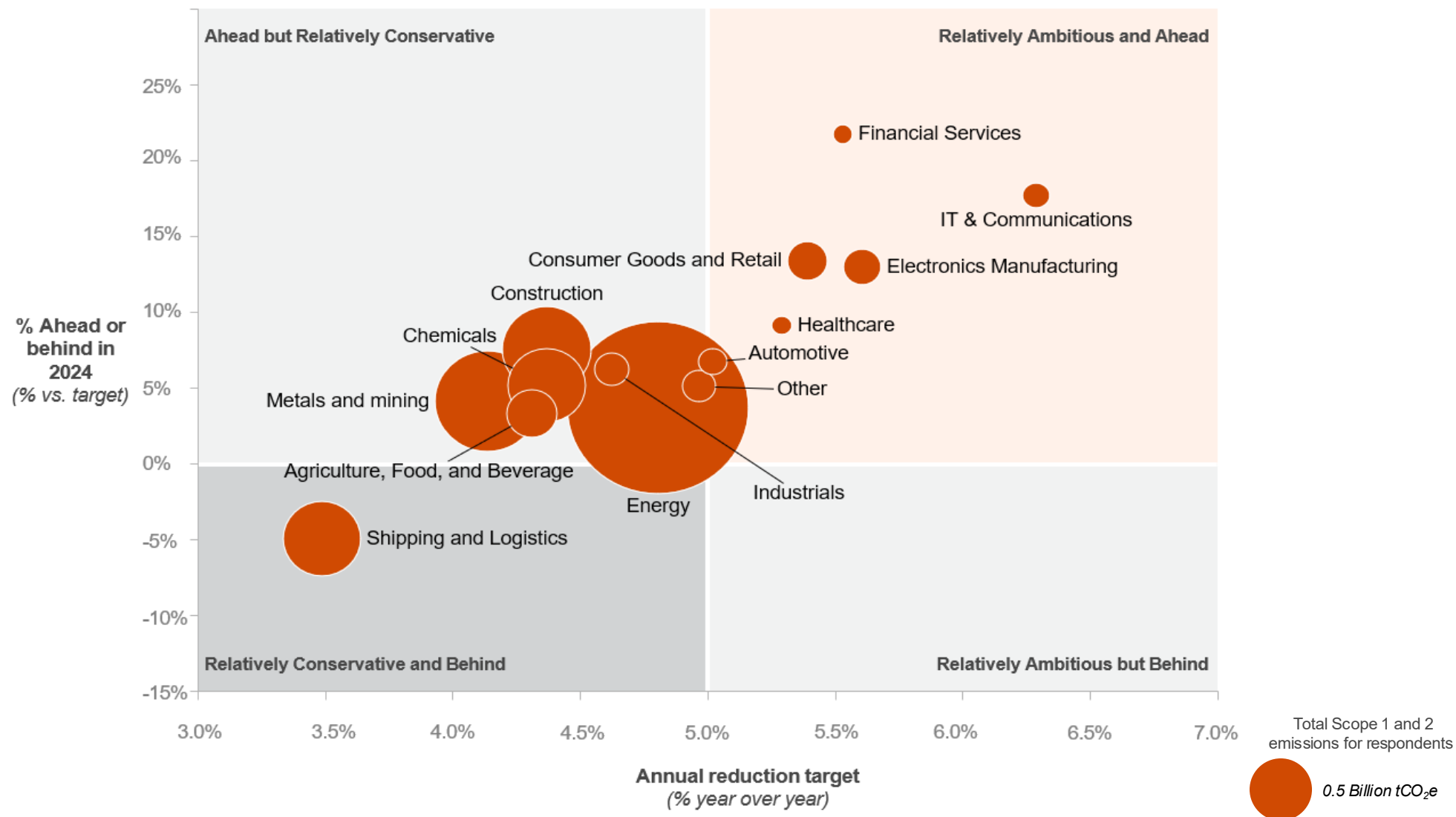
\$1.3B
Median annual
revenue for company
setting targets in 2024

Progress against ambitions

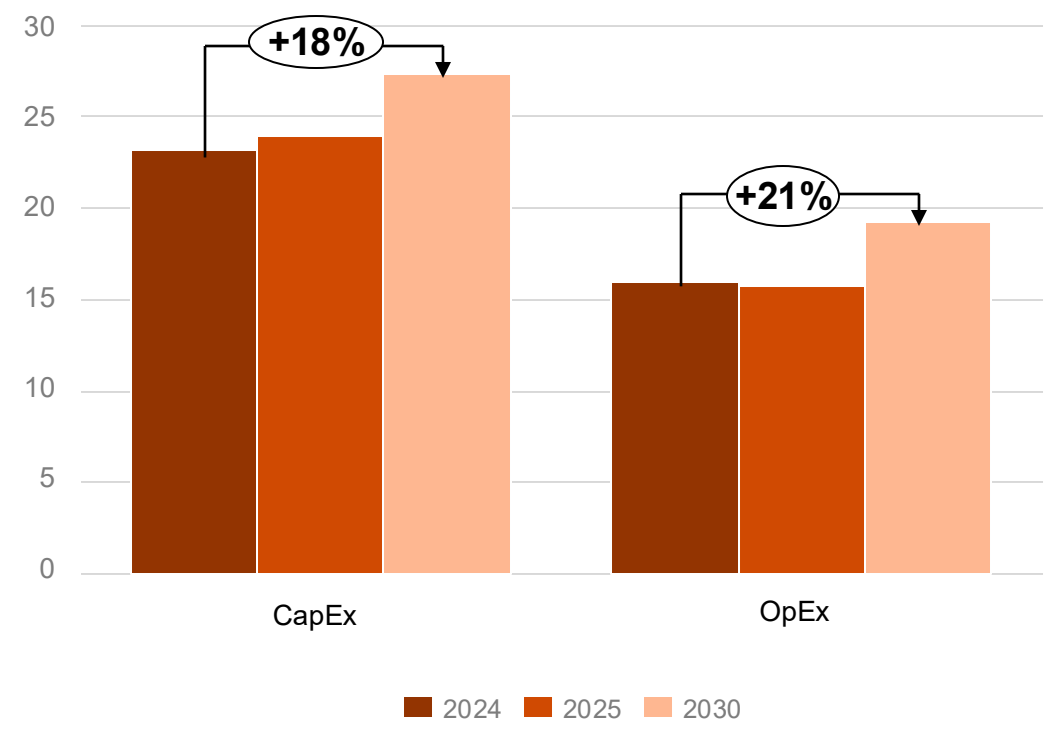


While more than 73% of companies are on track to hit Scope 2 targets, only 46% are keeping pace on Scope 1.

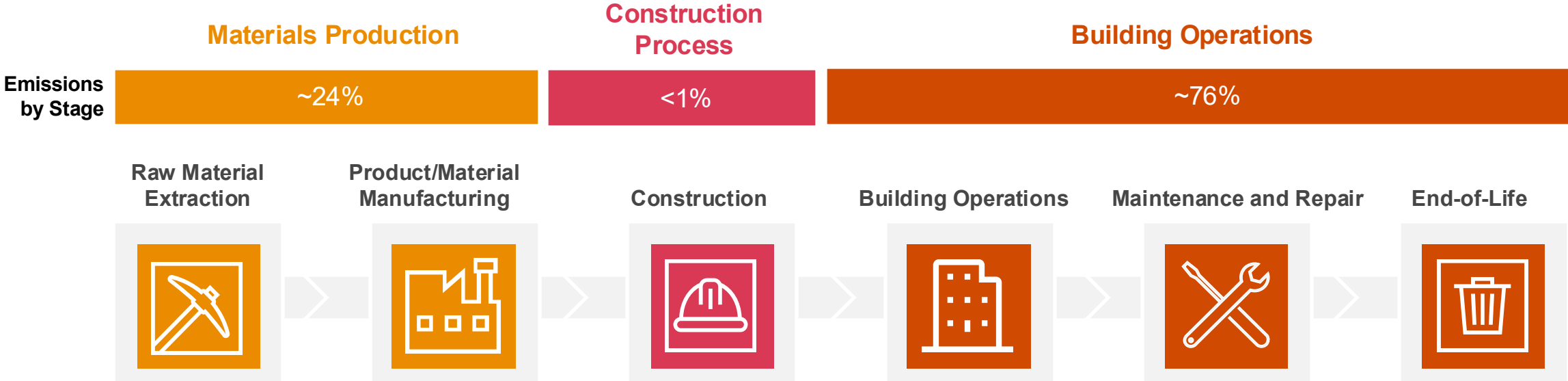
Scope 1 and 2: Relative ambition vs. progress



Actual and projected CapEx and OpEx % allocated to climate transition

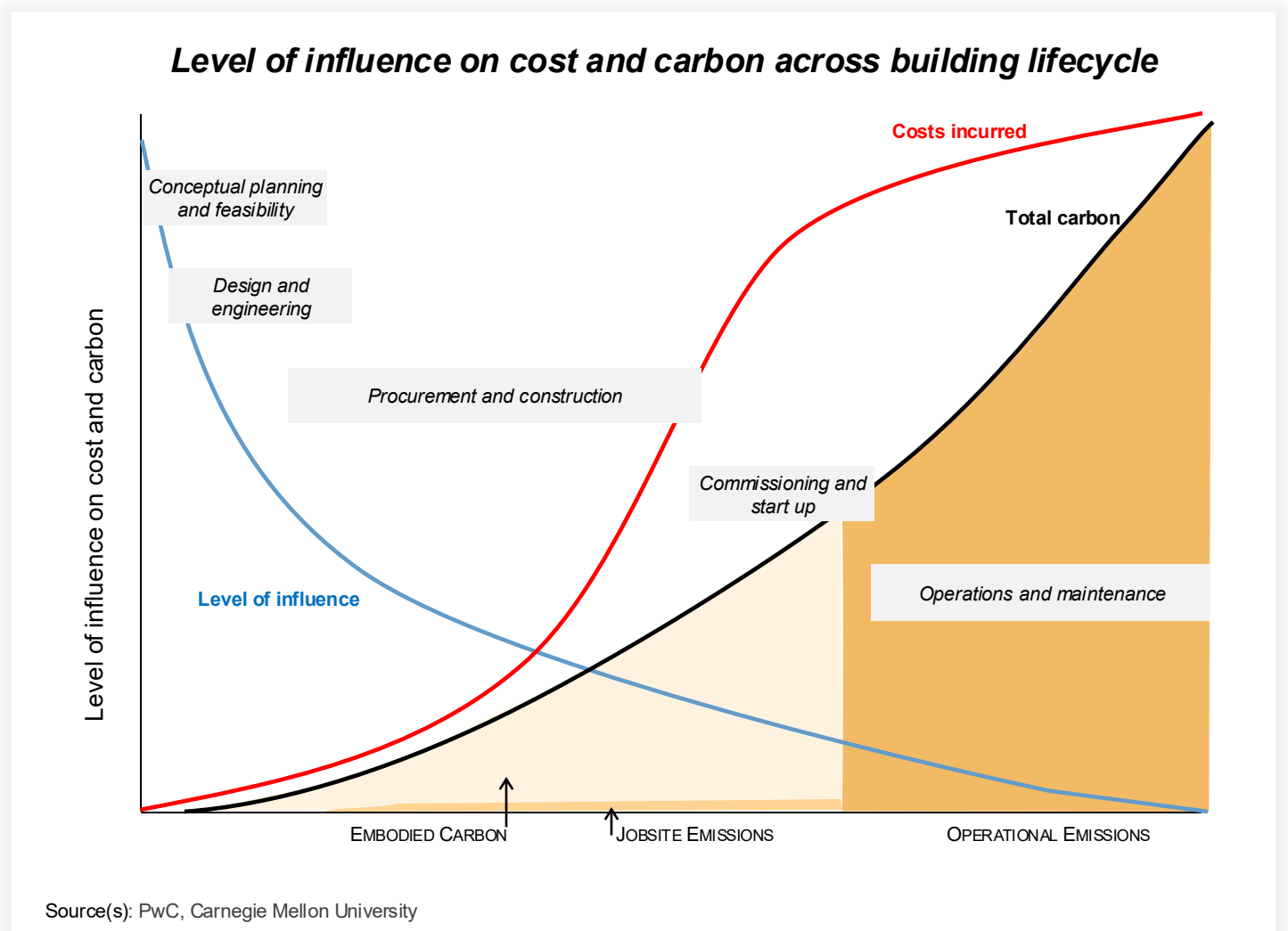


Emissions across the building lifecycle



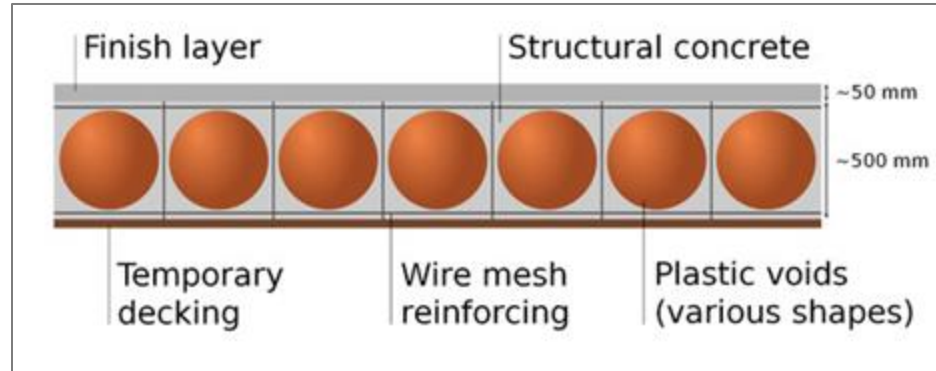
Ability to influence costs and carbon over the building lifecycle

Integrating low-carbon choices into early design decisions reduces long-term emissions and mitigates rising costs from late-stage interventions



Each subcontractor has levers they can pull

Voided slabs



Reduces concrete use and embodied carbon while maintaining structural strength

High performance concrete



Enhances durability, load-bearing, and crack resistance

There is often greater than 30% energy savings available

Often biggest savings come from simple no-cost fixes rather than high-tech energy solutions

Recent client energy audit revealed:

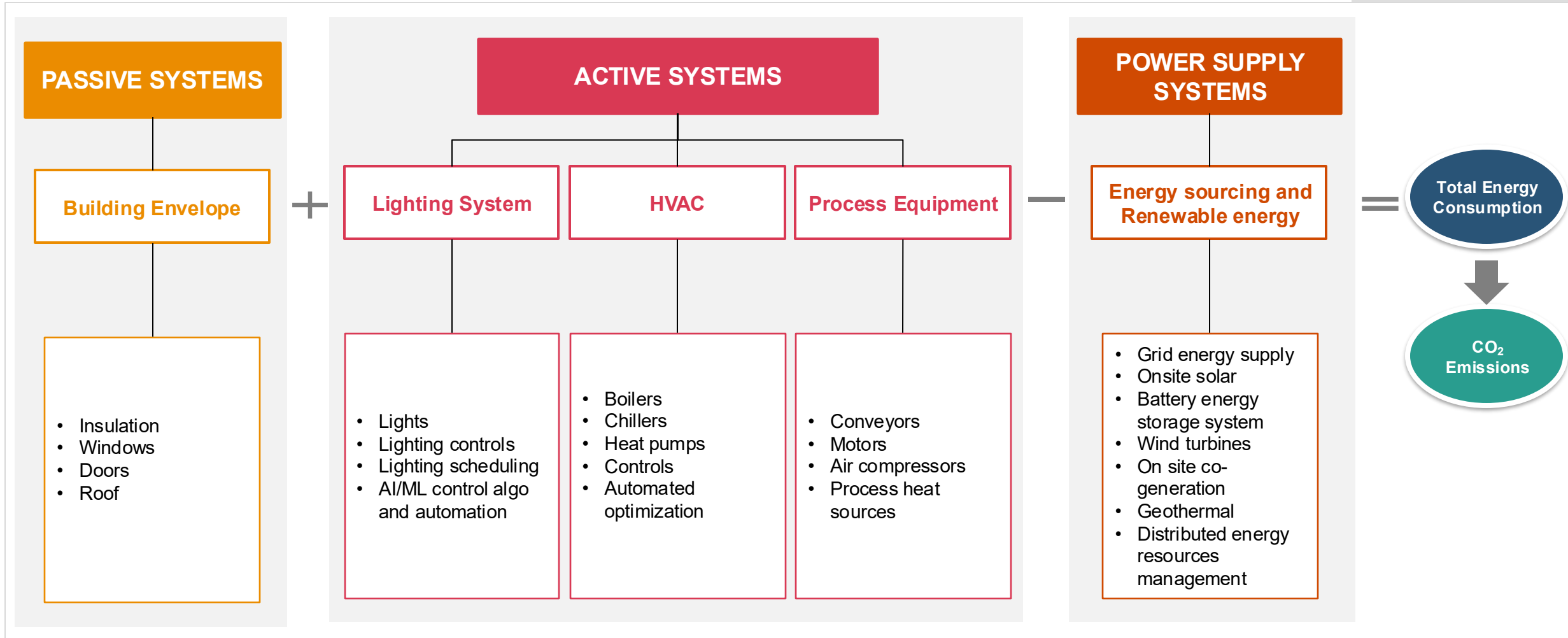
- 39% electricity savings
- 58% natural gas savings



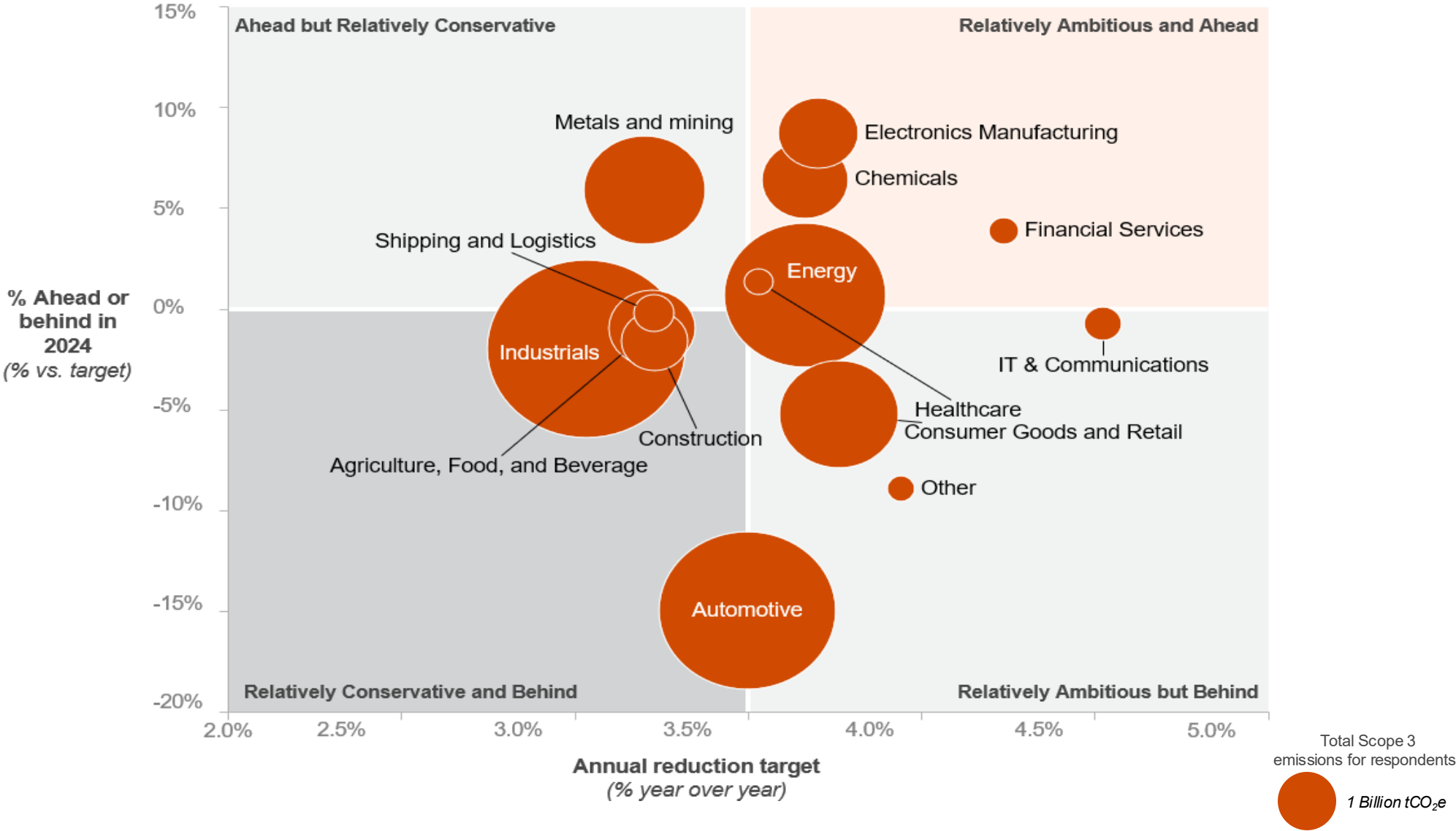
E.g. Malfunctioning dampers could force HVAC systems to work overtime

Building energy consumption levers

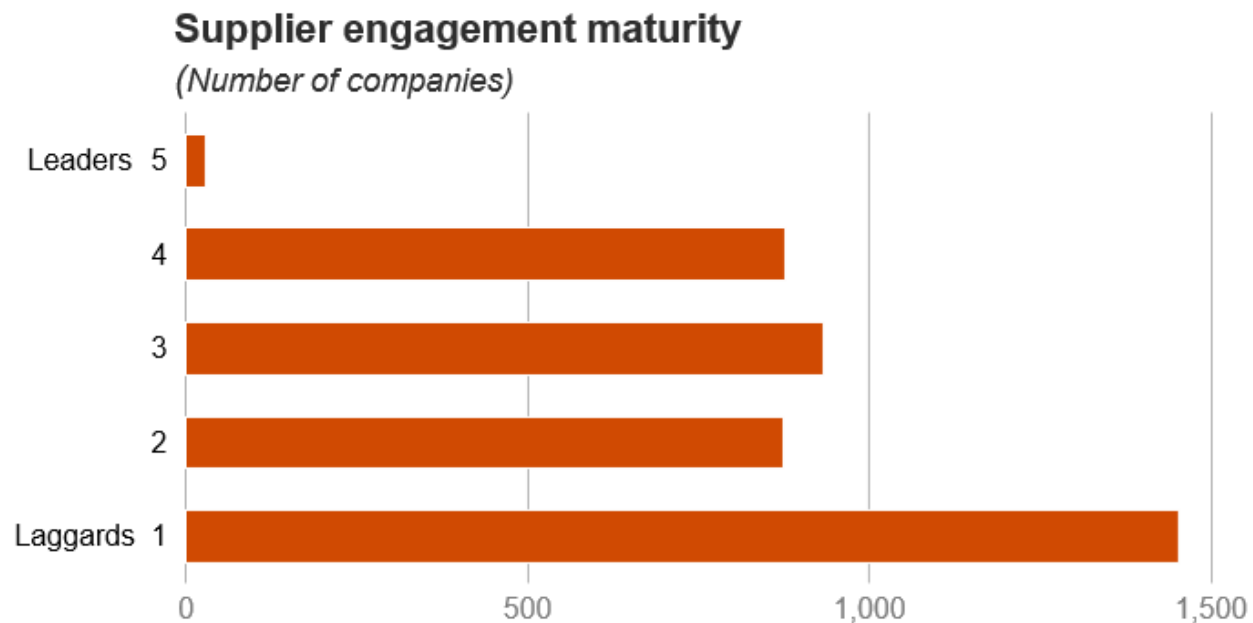
ILLUSTRATIVE



Scope 3: Relative ambition vs. progress



Reducing Scope 3 emissions



Product design is the #1 action companies are taking to reduce Scope 3 emissions.

There is sizable revenue growth potential from appropriate claims

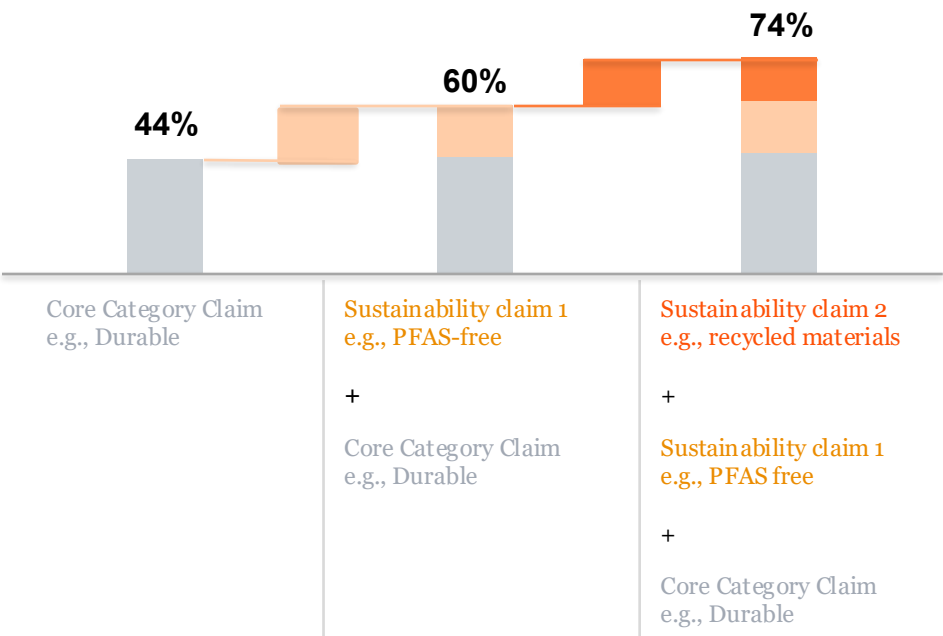
6-25%+

Increase in revenue from products marketed with sustainability attributes¹

Price premium	→	27% price premiums for consumer products ²
Volume increase	→	Improved trust, higher purchase intent, repeat purchase
New revenue streams	→	Refurbish, repair, rental, takeback offerings

+30%

Increase in purchase intent from the right stacking of product claims³



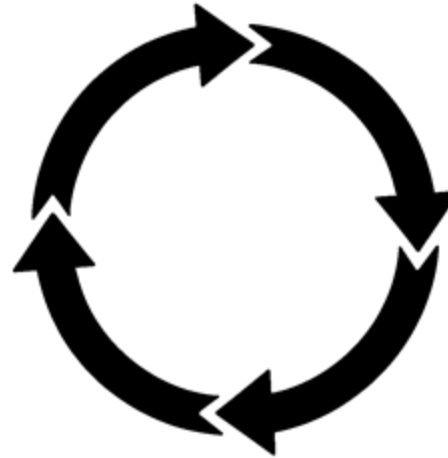
Sources:
¹PwC Second Annual State of Decarbonization Report;
²NYU Stern Center for Sustainable Business
³NYU Stern Center for Sustainable Business, Edelman

Time to rethink the circularity business case

AI and robotics

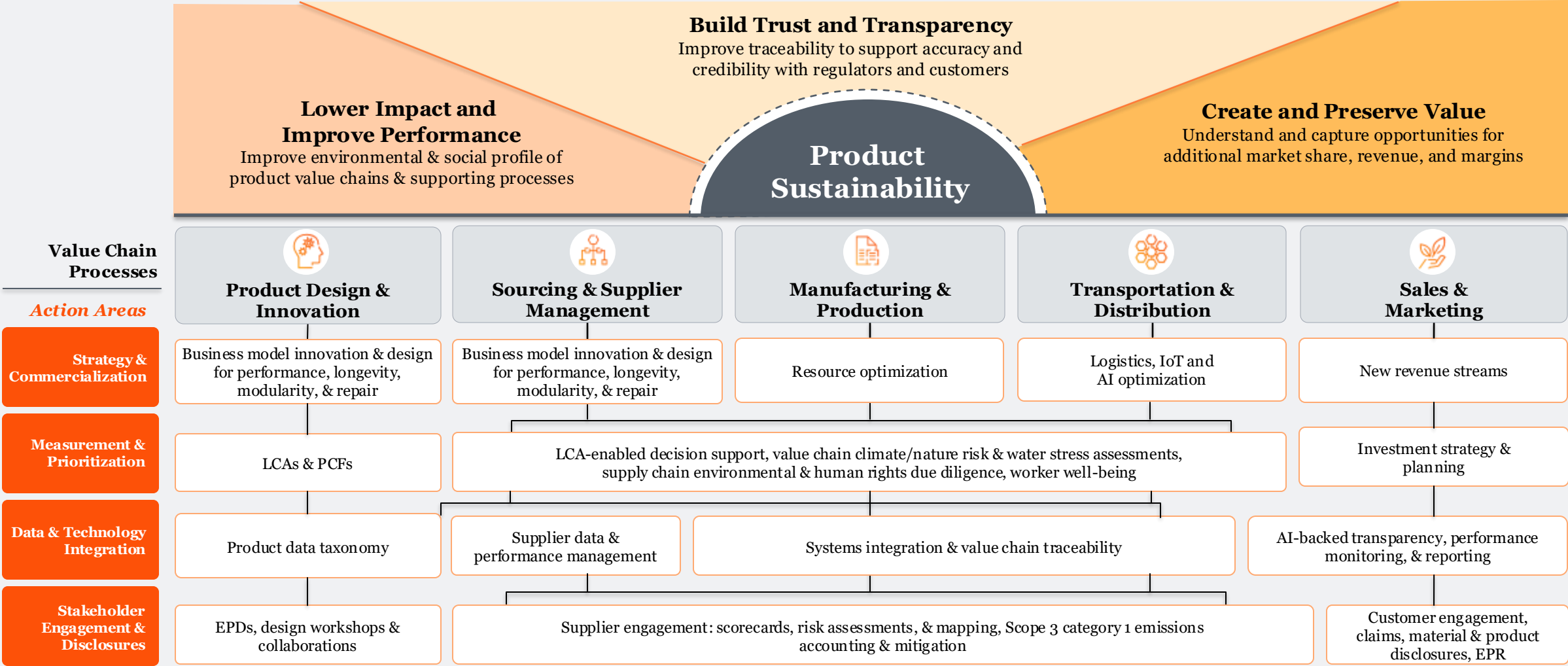
Tariffs, EPR regulations

Increased demand for sustainable products

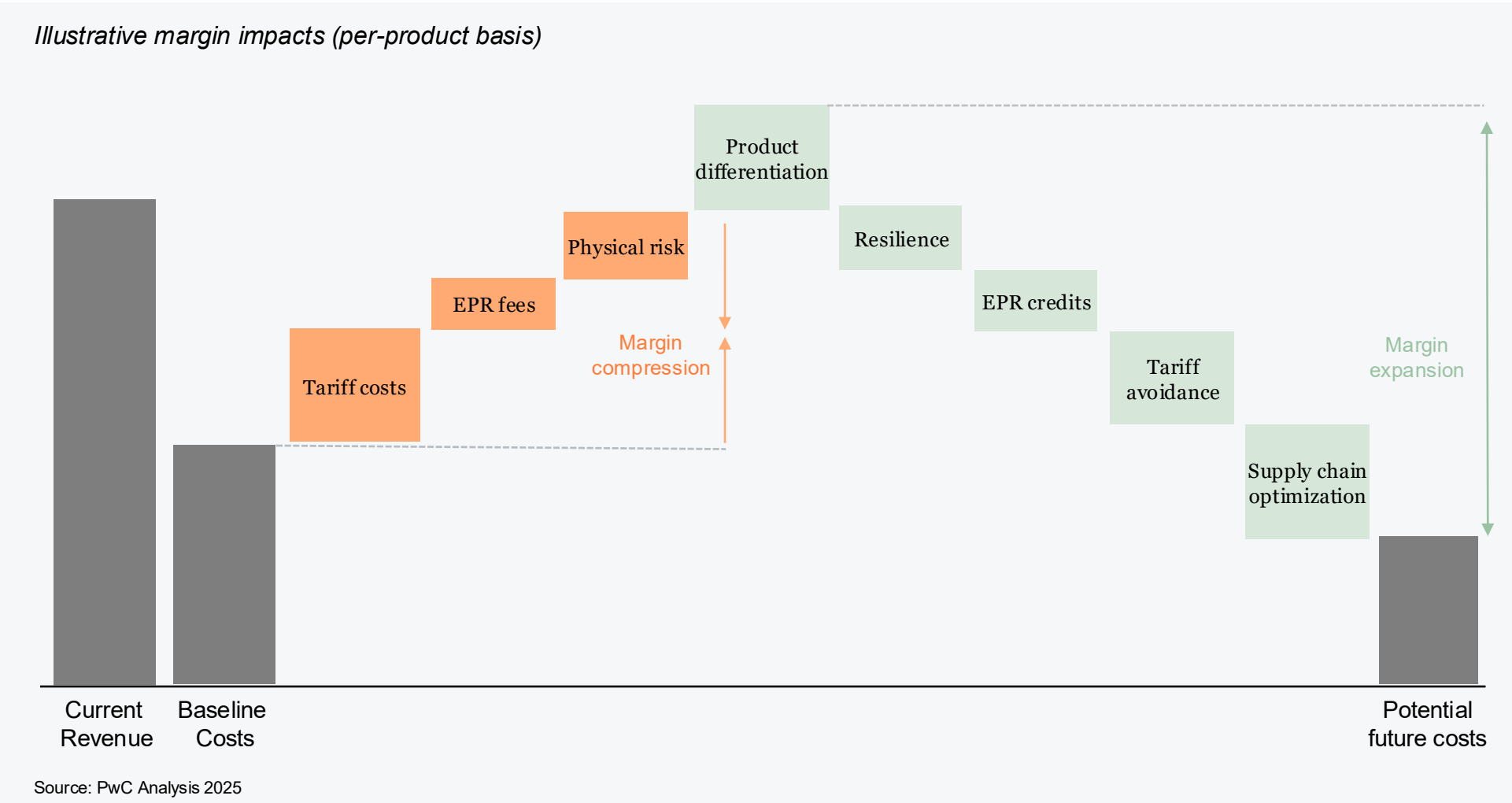


LCA at scale

We've identified 15 building blocks that enable product sustainability



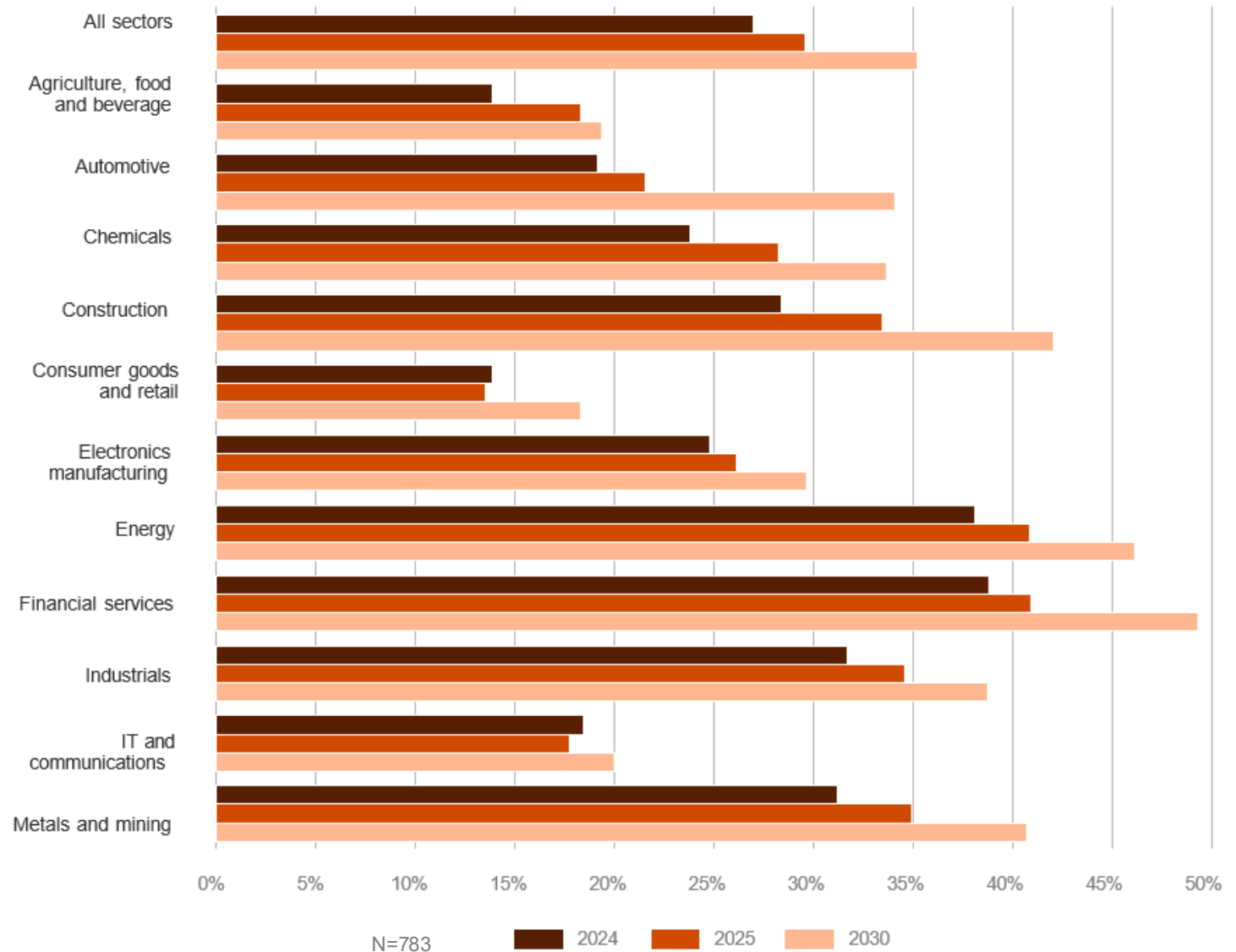
Product sustainability is about protecting and growing margins



- 1 For a given product, tariffs can increase costs of goods sold by as much as 50%
- 2 EPR exposure can range from 2-5% PP margin pressure on a per product basis²
- 3 Analysis of physical climate, water, and deforestation risks indicate up to 10% GM erosion potential on a per product basis for many CPG sectors³
- 1 Research shows sustainability marketed products can achieve 6-25% revenue uplift⁴
- 2 Research shows implementing resilience measures and efficiencies in supplier engagement can help improve margin erosion exposure by 5-8% per product⁵
- 3 Circularity and other EPR counter-measures can help offset much of the potential per-product EPR exposure⁶
- 4 Avoiding tariffs can avoid up to 50% fees on costs of goods sold¹
- 5 Optimized sourcing practices, cost pass through, and vendor substitution can help alleviate significant tariffs exposure, but some remains⁶

Actual and projected revenue % associated with the climate transition

Companies forecast over 1/3rd of revenue will be associated with the climate transition in 2030



Business value from decarbonization

Revenue Growth

- Increased price premium
- Increased market share
- New revenue streams to meet customer demand

Cost Reduction

- Lower energy use
- Less waste generation
- Lower raw material costs via circularity

Risk Reduction

- Higher energy resilience
- Stronger brand resilience
- Lower long-term costs for climate mitigation and adaptation

Thank you

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