

### Decarbonisation and sustainability A regulatory and economic perspective

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## Why worry about these themes?



## Scientific consensus has established the impact of human activities on global climate change



the 1850 - 1900 period.

#### Industry is one of the world's largest emitters of greenhouse gases

The four main pillars of GHG emissions from human activity are:











#### ... and is not only part of the problem, but also part of the solution



#### Changing mindset from incremental ⊖ transformational

## Ambitious net-zero trajectories have been shaped at (inter)national and supranational level



Governments follow the recommendations of international and national institutions.

## At European and Belgian level, the regulatory framework for achieving carbon neutrality has been defined



# How does it impact your business ?

#### Climate change and its resulting regulations are putting pressure on businesses by exposing them to several risks

|   | Consumers and investors  |   |  |
|---|--|---|--|
| EU and national<br>governments implement<br>more stringent regulations<br>and policies to reduce<br>greenhouse gas emissions. | concerned about climate<br>change.   | Suppliers and partners<br>may adopt decarbonisation<br>strategies themselves,<br>disadvantaging non-<br>decarbonised companies. | Stakeholders increasingly<br>expect businesses to<br>operate sustainably.                                |
| <ul> <li>Penalties for non-compliance</li> <li>Higher costs due to carbon taxes</li> </ul>                                    | <ul> <li>Reduced demand for products and services</li> <li>Decline in stock price or market value (ESG ratings)</li> </ul> | <ul> <li>Reduced access to critical inputs</li> <li>Increased costs</li> <li>Lower quality products</li> </ul>                  | <ul> <li>Negative publicity</li> <li>Damage to a company's brand image</li> <li>Loss of trust</li> </ul> |

There is no doubt about the fact that decarbonisation becomes an important factor of competitive advantage and that ignoring it exposes companies to significant financial risks

# How to ensure a seamless transition in a Belgian context?

## The Belgian industry uses a wide range of energy sources: today, these are mainly fossil

Final energy consumption by industrial subsector, year 2020



Industry shows great diversity. Even the energy-intensive subsectors possess very different characteristics, hence have different options.



#### A number of decarbonization options exist: energy efficiency needs to come first, but it hardly ever suffices



## How to implement a decarbonization strategy ?





#### The typical methodology to decarbonize industries



Choice of the most appropriate certification





- ✓ Sectoral guidance available for energy subsectors
- ✓ Internationally recognized, robust methodology



- Based on decarbonization goals specific to your activity: power systems, liquid fuels, gaseous fuels or solid fuels.
- Using certificated quantitative tools associated to the selected methodology

A complete and recent carbon audit (Scope 1, 2, 3) is a prerequisite to define the reference year



#### Sia Partners successfully developed TransDev's strategy for energy transition



Transdev countries adaptation of the new environmental strategy



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