Sustainable Procurement in Practice by Elia

25/09/2025 | RGI-ICA – Renaud de Jamblinne

Green Procurement at Elia Group

Vision

To ensure a successful energy transition for a sustainable world, we aim to foster innovation in sustainable procurement practices to minimize the environmental and social impacts of our supply chain.

Mission

***Acquire materials and services in a most sustainable and affordable way**, ensuring alignment with our ACTNow goals and non-financial regulations.*

***Promote innovations** by developing solutions & frameworks that drive efficiency and sustainability in the energy sector.*

***Strengthen partnerships** by building strong relationships with TSOs, suppliers and other stakeholders leveraging the latest technologies and practices.*

The ActNow Program

Setting our sustainability ambitions along five dimensions

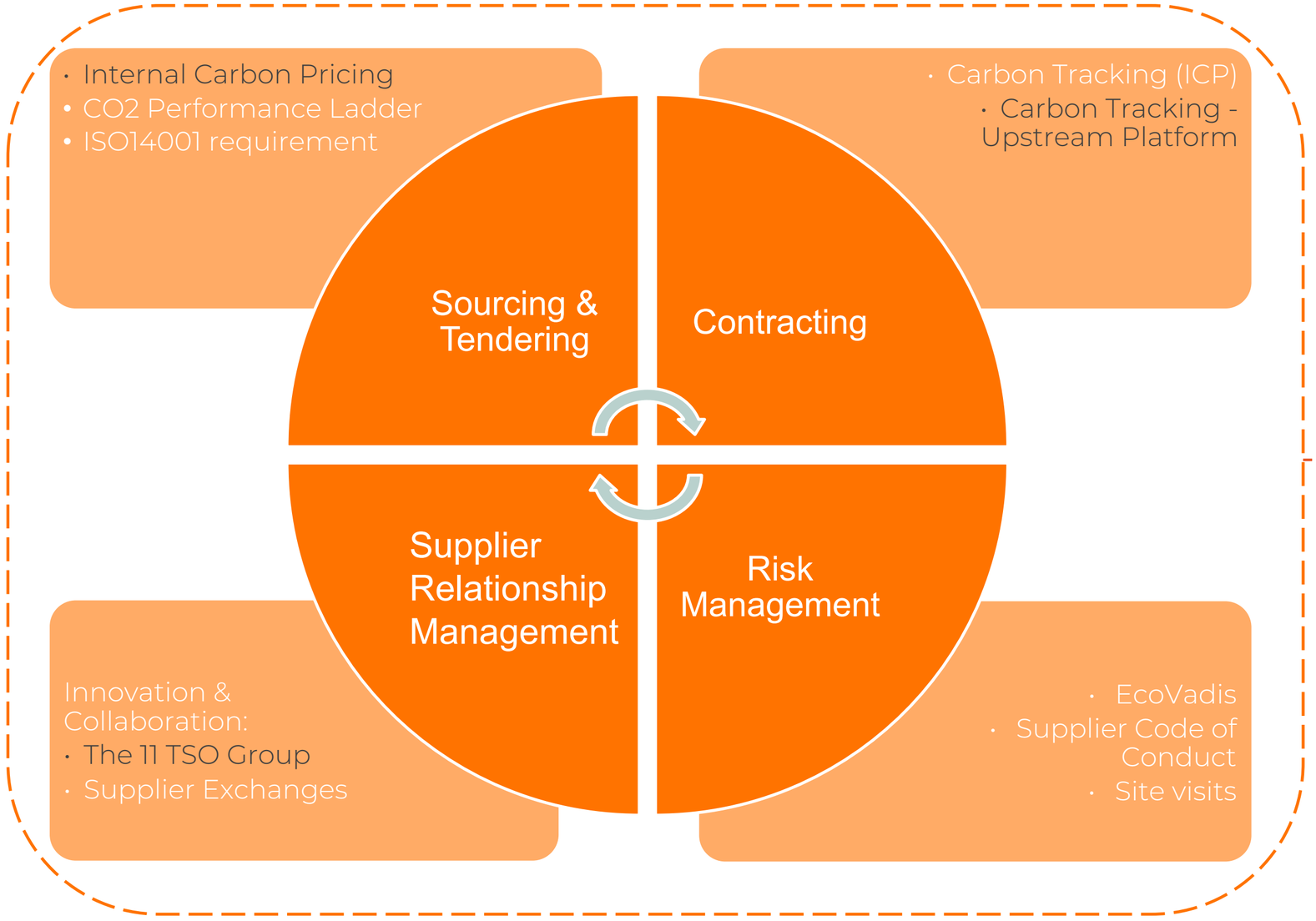
Climate Action	• Enabling decarbonization of the power sector • Carbon neutrality in system operations by 2040 • Carbon neutrality in our own activities by 2030 • Transition to a carbon neutral value chain for new assets and construction works • Resilience to climate change impacts
Environment & Circular Economy	• Preserve and strengthen ecosystems and biodiversity • Embed circularity in our core business processes • Ensure compliance with environment performance standards
Health & Safety	• Going for zero accidents • Build our safety culture • We are all safety leaders • We strive for health and wellbeing of our staff
Diversity, Equity & Inclusion	• Inclusive leadership across the organization and engaging all staff • Inclusive recruitment and selection practices in hiring processes • Equal opportunities for all staff • Open and inclusive company culture and healthy work-life balance • Recognition of societal DEI role
Governance, Ethics & Compliance	• Governance: Accountable rules & processes • Ethics: Sustainable mindset & behaviors • Compliance: Conformity with external & internal rules • Transparency: Openness & meaningful stakeholder dialogue

Objective 4:
Towards carbon neutral value chain for assets & works

Sustainable Procurement: ISO20400

Supported by a **Sustainable Procurement Policy** aligned with our sustainability targets.

Scope of Sustainable Procurement Activities



EU Reporting
- CSRD
- CSDDD/LkSG
- CBAM

EU Regulations
- Net-Zero Industry Act
- Critical Raw Materials Act Act
- Ecodesign for Sustainable Products Regulation
- EU ETS

Internal Carbon Pricing

- **Internal carbon pricing** is a mechanism implemented to assign a monetary value to suppliers' greenhouse gas (GHG) emissions. This value, known as the internal carbon price, helps integrate the cost of carbon emissions into the financial decision-making processes of our business. The primary objectives of internal carbon pricing include driving investment in low-carbon technologies, managing climate-related risks, and preparing for future regulations or carbon pricing schemes.

Simple model

- **Mechanism to price CO2 footprint in awarding criteria**
- Only applied on information that can be verified/certified during tender phase
- So far limited impact due to small differences in suppliers and low price ICP
- Current price : 200€/t CO2 Eq
- No incentive for improvements during contract
- ***Applied by default for high- and medium-voltage equipement***

Advanced model

- **Mechanism to price CO2 during contract execution with bonus-malus**
- Rules how footprint is measured are written in contract
- Anticipated costs for suppliers must be included in their offer
- Advanced model (with bonus-malus-system) applied in 5 large GPP tenders

Internal Carbon Pricing

Internal Carbon Price | Lot X

Remark: All value refer to one one km of cable (single phase). Only the Yellow boxes should be filled in.

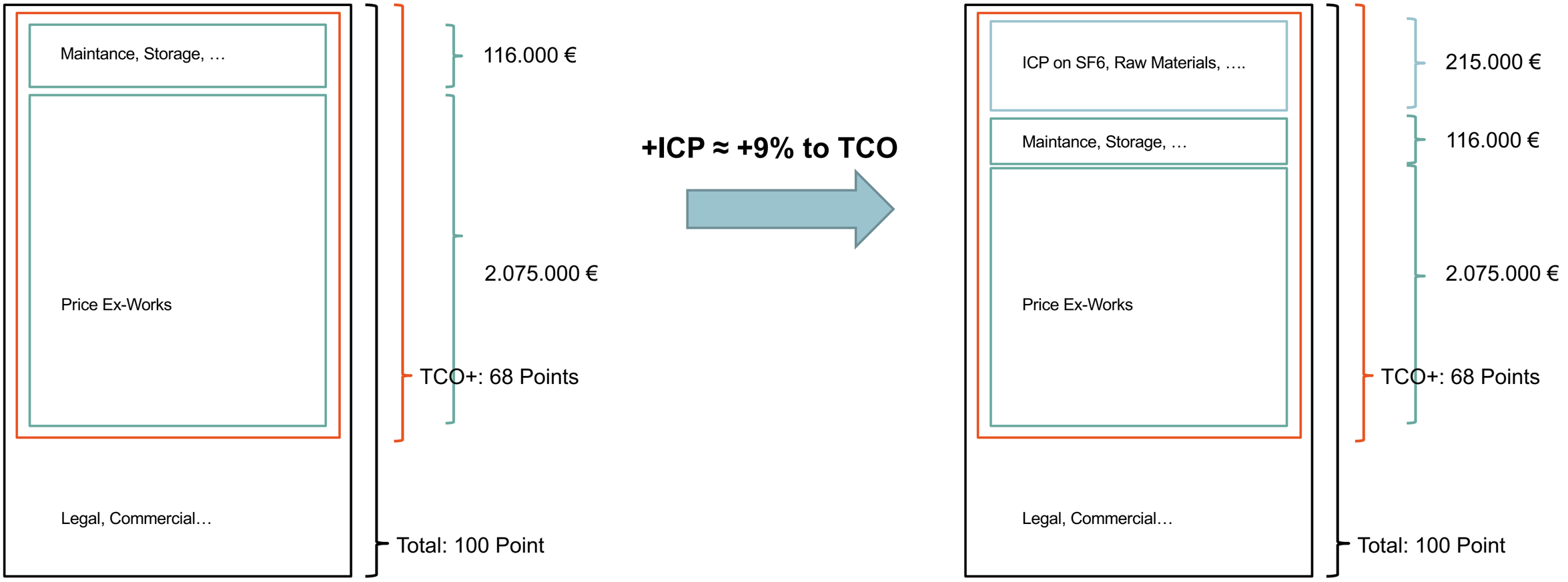
Electrical losses	Unit	400MVA 400/120/33kV
No load (iron) losses	kW/PCE	
No load equivalent hours	h/y	8520
Full load (copper) losses	kW/PCE	
Full load equivalent hours	h/y	1300
Total losses per year	kWh/y	0
Asset life time	y	35
Avg. 35 year German grid mix (2029-2063)	gCO2e/kWh	57
GHG emissions from losses (avg. 35 year German grid mix)	tCO2e	0.0
Total ICP from losses	price	**0.00 €**

Raw material use	Unit	400MVA 400/120/33kV
Total net weight material (for info)	kg/PCE	
Copper (incl. wires)	kg/PCE	
Aluminium	kg/PCE	
Galvanized steel/Stainless steel	kg/PCE	
Magnetic steel	kg/PCE	
Electronics (small devices)	kg/PCE	
Plastics/Polymers/PTFE/Rubber	kg/PCE	
Paper/Cardboard	kg/PCE	
Transformer oil [kg!]	kg/PCE	
Paint [kg!]	kg/PCE	
Percentage covered (for info)	%	#DIV/0!
Embedded GHG emissions in raw materials	tCO2e	0.00
Total ICP from raw materials	price	**0.00 €**

Optional: Certified emission factor [kg CO2/ kg]	Avg. emission factor virgin [kg CO2/ kg]	Avg. emission factor recycled [kg CO2/ kg]	**Optional:** Certified percent recycled (%)	Resulting emission factor [kg CO2/kg]
	3.8	1.3		3.80
	13	0.5		13.00
	2.8	1.4		2.80
	3	1.2		3.00
	36	6		36.00
	3	0.5		3.00
	1.3	0.2		1.30
	0.5	0.1		0.50
	6.7	0.3		6.70

Internal Carbon Pricing

Example: 380kV Circuit Breaker



Internal Carbon Pricing

Main Benefits

- **Drives low-carbon choices** by incentivizing suppliers and promoting innovation
- **Makes climate impact visible in financial terms** as it quantifies environmental costs and supports informed decisions
- **Reduces long-term risks** by preparing for future regulations and mitigating supply chain risks
- **Supports Corporate Sustainability Goals** as it aligns with our Net Zero Targets and improves our reporting obligations
- **Enhances reputation and stakeholder trust** by demonstrating leadership and attractive for investors and customers
- **Drives cost savings over time** as low-carbon solutions often mean lower energy use, which can reduce operational costs in the long run. Avoids Future Costs: By considering carbon costs now, organizations can avoid higher costs as regulations tighten

Main Challenges

- Setting the **correct internal carbon price and material scope** can be **complex**
- Lack of robust data and inconsistent calculation methodologies can make **data collection and verification** challenging.
- **Supplier market** leading to less competition
- Suppliers' **resistance** as they may see ICP as an extra burden or cost and may need support and training (capacity building)
- Adding carbon pricing to tenders can **complicate evaluation criteria and decision-making.**
- Low-carbon solutions may have higher upfront costs (**sustainability >< affordability**)

Carbon Tracking

Concept and objective :

- The primary goal is to **obtain as realistic and accurate an overview** as possible of the carbon footprint of activities on the manufacturing or assembly site including, when significant, the most relevant activities in preparation of the manufacturing or assembly (other manufacturing(s) of important components or production of raw materials), whether these are performed by the main Contractor themselves or subcontractors.

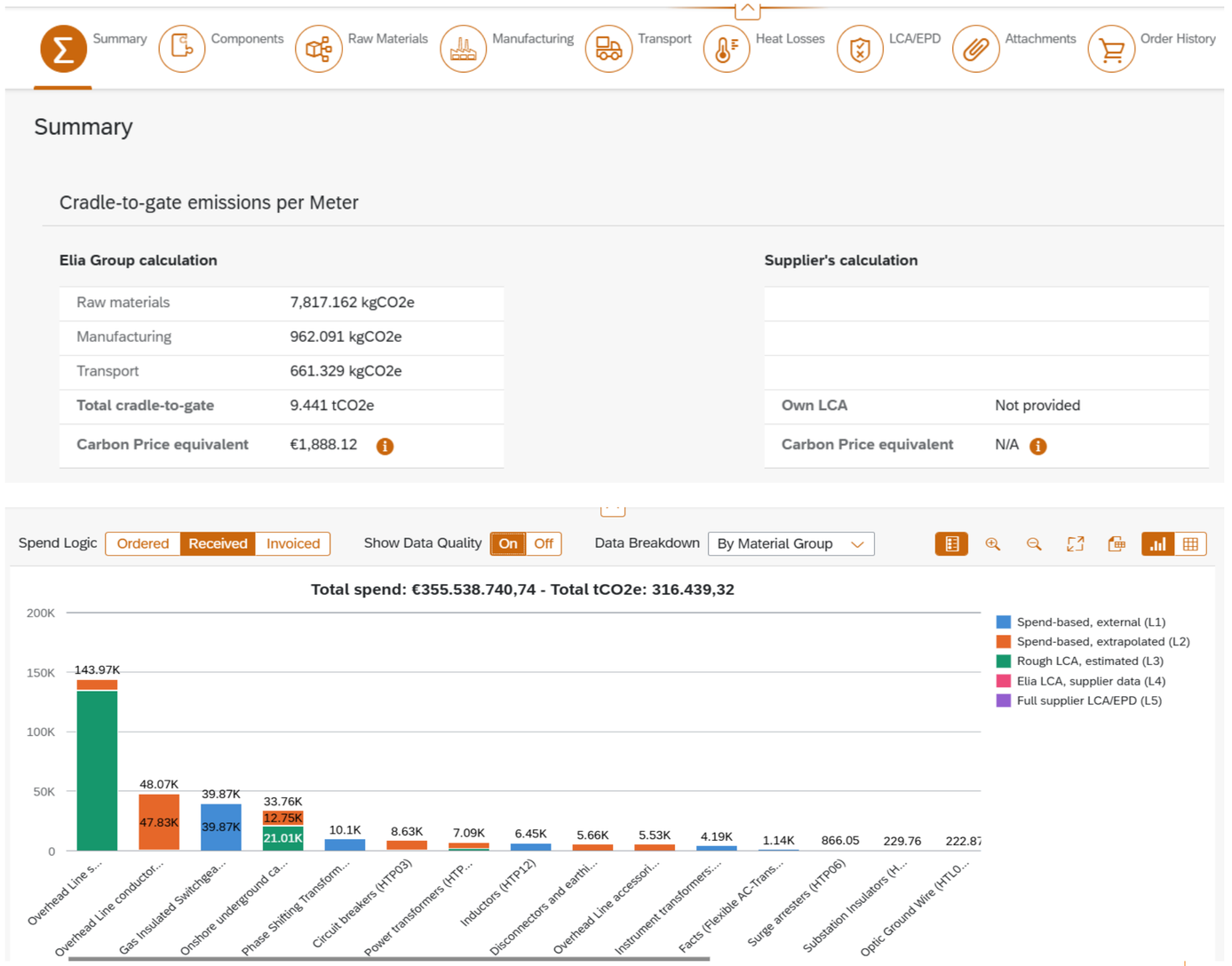
Applicability

- Contract clause for HV Electrical Equipment
- Carbon tracking clause in Large Project tenders where ICP was used.
- Works (to be assessed)

Carbon Tracking

Required data:

- All raw materials used
  - ✓ Quantity
  - ✓ Origin (supplier, location),
  - ✓ Mode of transportation to site (e.g. truck, rail etc.)
- Fuel consumption
- Electricity consumption
  - ✓ On manufacturing and assembly site(s)
  - ✓ Renewable energy generation on site if applicable
- Heat losses (if applicable)
- Gas losses



Carbon Tracking

Main Benefits

- **Supports Corporate Sustainability Goals** as it aligns with our Net Zero Targets and improves our reporting obligations around Scope 3 emissions, resource inflows, circularity
- **Reduces long-term risks** by better understanding and mitigating supply chain risks
- **Makes climate impact visible in financial terms** as it quantifies environmental costs and supports informed decisions
- Helps **suppliers get a better understanding** of their supply chain and Scope 3 emissions if no LCA or EPD is available.

Main Challenges

- Suppliers' **resistance** as they may see carbon reporting as an extra burden or cost with no immediate benefits.
- Lack of robust data and inconsistent calculation methodologies make **data collection and verification** challenging.

The 11 TSO Group (« *The Greener Choice* »)

Advancing Sustainability and CSR in Procurement: A Collaborative TSO Perspective

- 2020 – The Greener Choice ➔ promote more sustainable manufacturing, services, and logistics along their value chain

- 2022 - Initiative to explore and promote shared approaches to Green Technologies for the Grid, CSR criteria, sustainable solutions, and circular economy
  - ✓ focuses on testing and refining a shared set of CSR criteria currently under development and being explored for procurement integration
  - ✓ These criteria are intended to serve as a common reference across TSOs, with the goal of strengthening industrial resilience, stimulate decarbonization and social responsibility across the value chain and encourage suppliers to develop more sustainable and circular solutions for grid technologies.

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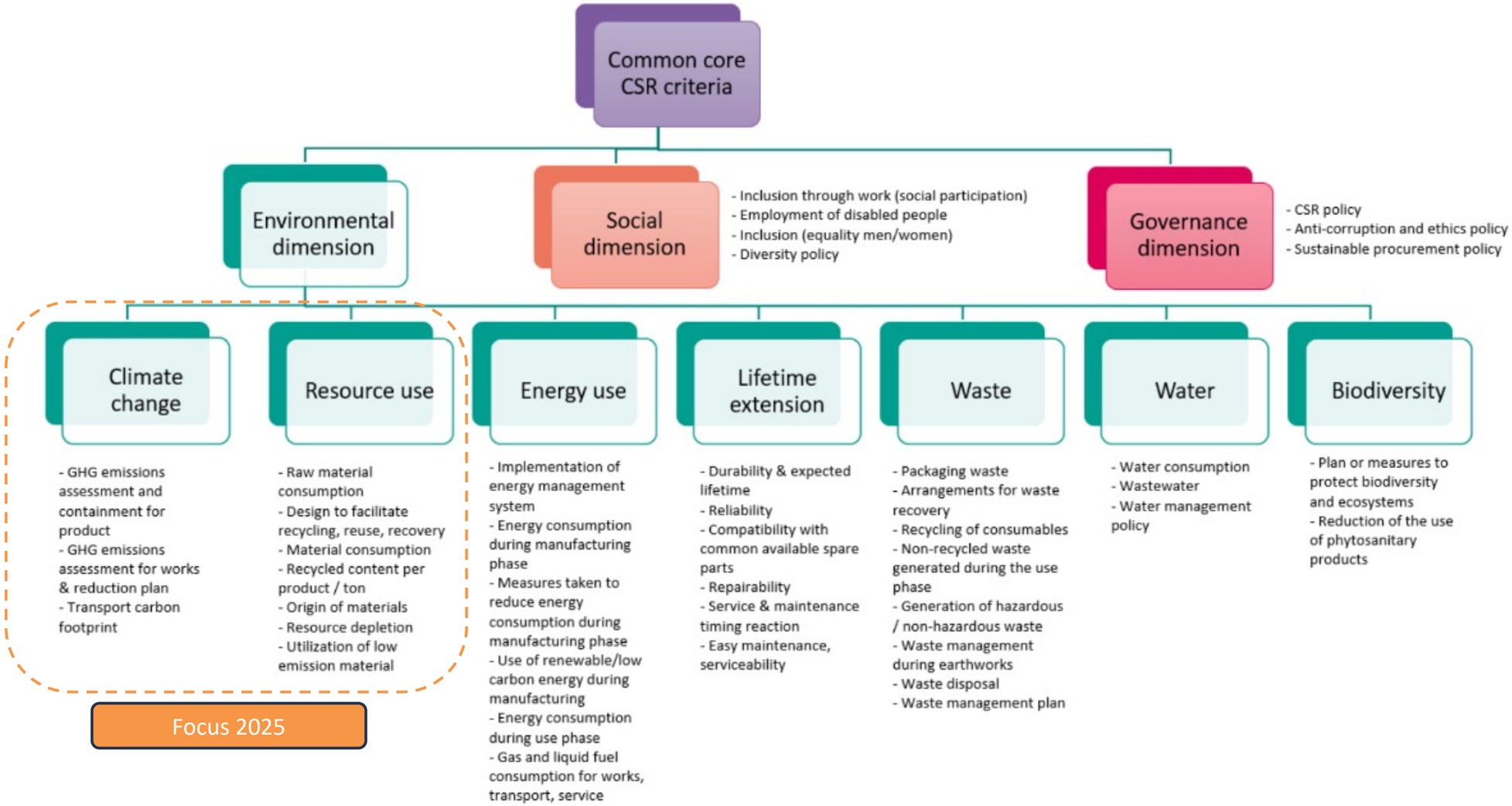

Focus:

1. Impact Assessment
2. Data Collection
3. Verification
4. Evaluation Criteria in Tendering
5. Monitoring

Thank you very much for your attention.

Any questions?