

## Caisse des Dépôts Group Climate Policy Sector guidelines for the transport sector

The Caisse des Dépôts Group is committed to a fair and resilient ecological and energy transition (EET) towards a climate and biodiversity neutral economy. It aims to implement the objectives of the Paris Agreement, and, in France, those of the National Low Carbon Strategy (SNBC), by aligning all of its activities with a 1.5°C global warming limitation scenario.

The transport sector represents almost a third of greenhouse gas (GHG) emissions in France, and its share in the investments required for the ecological transition is substantial. On the other hand, the sector represents more than half of the Group's operational carbon footprint, which includes entities whose activity is wholly or partly structured around transport: La Poste, Transdev and Egis.

The sector is therefore material for the Group's objective of carbon neutrality by 2050 and for its alignment with a 1.5°C scenario. This document presents the application of this ambition for the sector.

### I. Caisse des Dépôts Group climate commitments in the transport sector:

- i. Invest massively in mobility and sustainable transport between 2020 and 2024:**
  - a. €3.5 bn will be dedicated to sustainable mobility under the EET by Bpifrance and BDT.
  - b. 50,000 charging stations, 11,000 clean vehicles, as well as hydrogen and natural gas refueling stations for vehicles (NGV and bioNGV) will be financed.
  - c. 138,000 new places in clean vehicles will be financed and made available.
- ii. Support the decarbonization of transport portfolios:**
  - a. Make increased use of transport decarbonization pathways to inform portfolio management and set corporate and project alignment targets.
  - b. Promote low-carbon transport solutions, active modes, electric or low-carbon motorization, daily public transport or rail transport to counterparties.
- iii. Strengthen shareholder engagement on climate**
  - a. Request the alignment of companies in the sector with a 1.5°C scenario, and medium-term targets compatible with the corresponding sectoral pathways.
  - b. For car manufacturing, ask for a transition plan providing for the end of conventional internal combustion engines, and including the imperatives of a just transition.
  - c. For airlines, condition any new equity investment on the existence of a 1.5°C alignment strategy and targets based on a recognized methodology.
- iv. Assess and manage climate risks**
  - a. Take into account the necessary evolution of the modal shares of the different transport modes to avoid stranded assets or emissions lock-in.
  - b. Study, for any airport or motorway financing or investment decision:
    - i. The consistency of traffic projections with available scenarios such as SNBC or IEA.
    - ii. The consistency of the carbon footprint with the corresponding decarbonization pathway.
  - c. In France, stop funding and investments incompatible with the SNBC such as new airport infrastructure, in accordance with the Climate and Resilience law.
- v. Supervise investments and financing in sectors exposed to fossil fuels**
  - a. Exclude infrastructure and transport services dedicated mainly to thermal coal, unconventional hydrocarbons, and new oil projects.
- vi. Deploy consistent action via the Group's non-financial entities and business lines:**
  - a. Be more efficient in each mode, in particular low-carbon engines.
  - b. Work on the modal split, by developing less emissive modes.
  - c. Explore new business models with counterparties and create new services.
  - d. Roll out medium-term decarbonization targets gradually aligned with 1.5°C.

## Alignment with a 1.5°C scenario

These sector guidelines are intended to guide the alignment strategies of the Group's entities in the transport sector and their contribution to carbon neutrality by 2050. The following is included in their scope (i) financing and investment in companies building road, rail, naval and air vehicles, in companies operating transport services and infrastructure of all modes, and (ii) the financing of the acquisition of these vehicles, the construction or operation of these infrastructures. They will be adapted to the context of each operational activity.

When these activities take place in France, alignment with the SNBC scenario for the sector will be sought. Otherwise, one will refer by default to the ETP B2DS regional scenarios of the IEA.

These scenarios provide, where applicable (see appendix):

- Sector pathways - technological, demand, modal shares - with which the Group's action must remain consistent, and which it must facilitate and support.
- Quantified targets for GHG emissions in France and around the world, for each mode of transport (expressed in grams of CO<sub>2</sub> per passenger.km, ton.km, or vehicle.km), on which to build objectives adapted to the different businesses, and to guide the selection of projects.

## Illustration in France: what does the SNBC say? what investments are needed?

The SNBC defines an emissions reduction pathway up to 2050 and sets medium-term objectives: for example, a 28% reduction for transport in 2030 compared to 2015.

**In France, carbon neutrality involves complete decarbonization of land, sea and river transport**, using electric motors or highly carbon-free fuels. The complete transformation of the vehicle fleet is necessary, as well as the development of renewable gas charging and distribution infrastructures (bioNGV and low-carbon hydrogen). Substantial progress in energy efficiency and sobriety is necessary to contain energy demand.

**It also implies a profound transformation of demand** towards (i) "soft" or "active" modes, and the construction of infrastructure for pedestrians and bicycles, the share of which in short-distance travel will increase from 3% to 12% in 2030 and 15% in 2050<sup>1</sup>, (ii) daily public transport, urban, interurban and rail networks, the share of which increases by 7 points between 2015 and 2050, (iii) rail and river freight transport with flow optimization and urban logistics.

I4CE estimates investments for sustainable mobility at €15.7 bn euros in 2019, i.e. almost a third of the investments made this year for the climate: €3.3 bn for energy efficiency and €12.4 bn in infrastructure. €10 bn have been invested by infrastructure managers, and approximately €2.5 bn by local authorities. These historically high amounts are considered close to the needs for transport infrastructure, but insufficient with regard to the energy efficiency of vehicles.

In comparison, I4CE estimates that climate-unfavorable investments in transport reached nearly €70 bn in 2019, mostly for the purchase of vehicles and air transport infrastructure, half of which was made by public authorities and companies. Automobiles account for 64%: electric, CNG and hybrid vehicles are growing rapidly, but 80% of cars sold remained more emissive than the objectives of the SNBC's reference scenario.

**As part of the recovery plan, I4CE believes that climate-friendly investments must be increased for transport**, with a specific role for public banks in financing urban public transport infrastructure to the tune of €1.8 bn per year over 2020-2023, and in support of local authorities for cycling facilities (€1.6 bn per year) and charging stations (€100 mn per year) and companies for low-carbon commercial vehicles and heavy goods vehicles (€200 mn per year).

## Illustration in the World: what does the IEA scenario say?

The "Beyond Two Degrees" scenario of the IEA (2017) projects a 67.1% reduction in emissions in 2050, compared to 2014. It is not aligned with 1.5°C but it is being reviewed as global scenarios are updated. It is underpinned by assumptions of technological developments and modal shares. For air transport, it is banking on a 68% energy efficiency gain and a 2/3 share of biofuels by 2060. The scenario also calls for high-speed rail to gradually replace aviation at rates of almost 60% in densely populated regions.

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<sup>1</sup> Local authorities invest approximately €600 mn per year in cycling facilities. To hope to reach a modal share of 9% in 2024 (against 3% currently), this level must be increased, up to an additional €1 bn per year according to I4CE estimates and around €1.4 bn more per year according to a study by Inddigo and Vertigo Lab (2020).

## II. Financial entities & business lines<sup>2</sup>: implementing the Group's climate policy

The Group wishes to reflect transport decarbonization scenarios in its portfolios and thus support the changes deemed necessary, particularly in France, by the SNBC.

Thus, the Group intends to:

**(i) Develop and prioritize sustainable transportation assets and projects:**

- Infrastructure dedicated to “soft” or “active” modes.
- Infrastructure, goods and services for public urban and interurban land transport.
- Infrastructure, goods and services related to the deployment of low-emission vehicles (electric, NGV and bioNGV and low-carbon hydrogen, etc.).

**(ii) Limit its exposure to transport assets and projects potentially inconsistent with the desired decarbonisation of the sector:**

- Investments in airport or motorway infrastructure incompatible with national decarbonization scenarios when they exist (for example in France, the SNBC).
- Investments and financing of companies whose strategy does not take into account these prospects for sectoral development, in terms of motorization or uses.

These guidelines also guide the relationship between Caisse des Dépôts and its non-financial subsidiaries.

### a. Financing the ecological and energy transition of the transport sector

The Group promotes the transition to a resilient and low-carbon economy by directing its investments and financing towards low-carbon projects, in particular regarding the financing of the ecological and energy transition, which will be allocated €60 billion euros between 2020 and 2024.

As part of the Group's climate plan, the Banque des Territoires (BDT) and Bpifrance will combine their financing efforts, in loans or equity, to contribute to the development of sustainable mobility and alternative energy supply methods or for transport infrastructure in the territories: **€3.5 bn will be invested by 2024 to develop green and resilient mobility, with, in particular, the financing of 11,000 green vehicles and 50,000 charging stations, as well as hydrogen refueling, NGV and gradually bioNGV.**

Banque des Territoires targets the improvement of daily mobility and the support for new green and resilient mobility technologies: optimization of intermodality, accelerated deployment of low-emission vehicles, electric charging stations and hydrogen and NGV refueling stations, support for transport ecosystems linked to low-carbon fuels (refueling stations and vehicle fleets), but also transformation of roads adapted to new forms of mobility (cycle paths, sustainable urban logistics, etc.). To this end, BDT mobilizes the envelope of €2 bn in "mobi loans" dedicated to daily mobility covering the period 2019-2022, and €900 mn in equity.

Focus: The obstacles to carrying out projects are not always financial in nature. BDT contributes to the emergence of transition projects through innovative and sustainable engineering support for territories and industrial players in their energy and environmental transition initiatives, including via its subsidiary SCET and/or a financial contribution to the total cost of studies. This may concern investments by local authorities in green vehicles, infrastructure for charging or producing alternative fuels (hydrogen or low-carbon NGV), or even the conversion of users to electric vehicles: for example, CDC Habitat or ICADE can offer charging stations infrastructure shared with their tenants and customers.

Such investments will contribute directly to the emergence of a low-emission transport offer in which the Group also participates directly via its operating subsidiaries such as Transdev (see below). **Thus, through the action of BDT and Transdev, the Group has set itself the target of providing users with 138,000 new seats in clean vehicles between 2020 and 2025.**

**Bpifrance supports companies in financing their vehicle equipment**, by adapting to the businesses and characteristics of companies, which include SMEs and intermediary sized companies. Bpifrance is gradually implementing an incentive offer to take into account the ecological and energy transition (electric or low-carbon motorization, eco-driving, environmental certification, etc.).

**SFIL has developed, in partnership with La Banque Postale, a range of green loans for local authorities**, which is part of the France Recovery Plan: more than €600 mn, i.e. more than 40% of new green loan commitments were dedicated to sustainable mobility and clean transport between June 2019 and September 2021.

<sup>2</sup> Etablissement public Caisse des Dépôts, Bpifrance, La Banque Postale, SFIL, STOA.

**On the export side, Bpifrance, mainly in export credit insurance, and SFIL, in refinancing, support the implementation of the French Government's export climate plan** which provides for increased financing for companies providing energy efficient solutions, through a climate bonus. Public transport (subways, trams) is particularly concerned.

**The investment vehicle STOA** also invests in transport. Endowed with a capital of €600 mn, and created in partnership with the French Development Agency (AFD) to intervene in equity in infrastructure projects, mainly in Africa, as well as in Latin America and Asia, STOA is aligned with the AFD's "100% Paris Agreement" strategy, which requires it to prioritize public transport infrastructure or less emitting modes (ports, rail, etc.) and to be selective on road or airport infrastructure.

## **b. Decarbonize portfolios**

To facilitate monitoring of the decarbonization of its asset portfolios, the Group will make increased use of transport decarbonization pathways to inform its portfolio management in the sector and will collect transport-specific carbon intensity data as soon as possible, to define an alignment objective with the pathway adapted to the carried out activities. These pathways, broken down by mode of transport and by geography in order to adapt to different cases, will be derived from recognized scenarios (SNBC, IEA). Compliant with the ACT methodology, they are expressed in carbon intensity (CO<sub>2</sub> per passenger.km, ton.km, or vehicle.km) as also recommended by the Net-Zero Asset Owner Alliance.

### **Investor business lines**

The Asset Management business line of the Public Establishment Caisse des Dépôts, the Banque des Territoires, Bpifrance, and La Banque Postale participate in the financing of the transport transition by investing in companies in the sector committed to carbon neutrality, in bonds, in direct and indirect equity.

For the equity and bond portfolios of listed companies, Caisse des Dépôts and La Banque Postale have adopted decarbonization pathways for their investments in companies (see the Group climate policy for the financial business lines).

In addition, and in line with its shareholder dialogue strategy (see below), the Group will implement the following alignment levers:

- **For the choice of new exposures**, taking into account the carbon intensity performance of the transport activity, in connection with the pathway for this activity, but also the potential for improvement so that the new exposure does not turn out to be an obstacle to achieving the portfolio's decarbonization objectives. If a reduction target is defined, it must be compatible with the pathway. Otherwise, such an objective must be defined within 2 years.
- **For performance monitoring**: in cases where companies do not implement a credible strategy to reduce their carbon intensity in line with the pathways adopted, or do not reach the alignment targets, the group may modulate its exposures to underweight these companies. This reallocation may, as a last resort, go as far as total divestment.

The approach will be staggered over time, in particular for SMEs that have not yet implemented a climate strategy concerning the decarbonization objectives as illustrated below. In this case, the Group will seek a commitment to set up carbon accounting and to define a reduction target within 3 years.

	<b>Large firms</b>	<b>SMEs</b>
<b>Investment requirements</b>	If a reduction target is defined, it must be compatible with the pathway. Otherwise, it must be defined within the year.	Commitment to implement carbon accounting and define a reduction target within 2 years.
<b>Requirements within 2 years</b>	Objective compatible with the sector pathway.	Measurement of carbon intensity.
<b>Requirements within 3 years</b>	Monitor the achievement of the objective.	Objective compatible with the sector pathway.
<b>Thereafter</b>	Monitor the achievement of the objective.	Monitor the achievement of the objective.

It can be applied to direct investments in certain unlisted companies: the Caisse des dépôts group identifies the companies most at stake, in order to assess and monitor the evolution of their impacts, on the basis of indicators directly related to the nature of the carried out activities.

## Financing of infrastructure and capital goods

With regard to the financing activities of Banque des Territoires and Bpifrance, as well as the refinancing activities of SFIL, the portfolio alignment action will mainly concern flows, rather than stocks, of loans:

- (i) by identifying, during the appraisal, the emissions linked to the projects, and by seeking to position the projects with respect to sectoral evolution scenarios and/or relevant carbon intensity pathways, when they exist.
- (ii) by favoring projects in the most low-carbon modes of transport, in particular in France, by seeking consistency with the sectoral development scenario of the SNBC,
- (iii) by encouraging customers requesting financing to commit to the energy transition and, for example, to invest in more efficient or low-carbon vehicles.

Focus: for export, concerning the shipbuilding sector, Bpifrance Assurance Export became in January 2020 the first credit insurer to ratify the Poseidon Principles. This initiative commits the signatories to measure and publish each year, according to a common methodology, the carbon impact of their portfolio of civil ships in comparison with the decarbonization pathway set by the International Maritime Organization. Bpifrance Assurance Export is fully committed to this initiative and wishes to encourage players in the industrial cruise sector to support the most efficient technologies for future ships to be built in France.

### **c. Strengthen shareholder engagement on climate**

**As an investor, the Caisse des Dépôts group systematizes a proactive shareholder dialogue policy to achieve its objectives of decarbonizing the economy.**

**In view of the challenges of the energy transition of transport**, the Group expects listed companies in the sector (i) to publicly commit to achieving carbon neutrality by 2050, or to aligning their activities with a 1.5 °C scenario, and (ii) formalize an ambitious transition strategy to achieve this objective, supported by governance and realistic intermediate objectives covering a significant scope of their activity, based on methodologies such as SBTi or ACT.

**Also, the Group is gradually integrating just transition issues into its shareholder dialogue.** For example, the transformations in automobile construction in connection with low-carbon engines have an impact on the means of production and the employees of the entire value chain.

**Regarding car manufacturers, the Group calls for transition plans to provide for the end of conventional internal combustion engines for cars by 2035 in the EU, and its consequences in terms of the just transition. In line with the IEA's NZE2050 scenario, the group encourages companies to do the same on a global scale.**

**For airlines, any new equity investment will be conditional on the existence of a 1.5°C alignment strategy and targets based on a recognized methodology.**

**In line with its voting policy, the Group examines shareholder resolutions in line with the above** and supports resolutions aligned with its assessment of the firms' climate issues, including the reorientation necessary to achieve the objectives of alignment with the chosen pathway.

**Among the criteria to which the Group will be particularly attentive:**

- Efforts in research and development of low-carbon engines.
- Transparency in terms of lobbying in connection with the low-carbon transition.
- Upstream (suppliers and subcontractors) and downstream (consumers) cooperation policy in favor of low-carbon engines.
- Where applicable, consistent with the Group's Oil and Gas policy, the sources and methods of using alternative fuels such as biofuels or hydrogen.
- Efforts to recycle materials, particularly for electric motors.
- If applicable, efforts to avoid deforestation (e.g. for tire production).

**The Group also encourages companies in the sector to contribute to global carbon neutrality through the development of carbon sinks**, and hopes that they comply, where applicable, with the principles recommended by ADEME for carbon offsetting, in terms of transparency (rule 1), selection of projects (rules 2, 3 and 4) and communication (rule 5).

#### d. Assess and manage climate risks

For transport, the financial climate transition risk is mainly linked to the dependence of activities on fossil fuels, but also to changes in regulations, transport demand, and/or behaviour. The materialization of this risk will lead (i) to the creation of "locked-in emissions" or "stranded assets", which have become non-compliant with the regulations, or simply uncompetitive, and therefore (ii) to losses, all the more substantial as the transport is very capital-intensive, and as the construction of heavy infrastructure is irreversible.

**Thus, the Group will strengthen its vigilance and the consideration of sector scenarios (SNBC, IEA, etc.) in the transport demand projections that underlie the assumptions of economic and financial profitability of projects and business models.**

For major transport infrastructure projects in France, the assumptions underlying the economic and financial profitability will be validated based on a traffic evolution compatible with the SNBC (illustrated below) and the resulting regulatory requirements, including carbon budgets.

Particular attention will be paid to air transport, in the context of the provisions of the Climate and Resilience Law which provides in France for the limitation of air routes when an alternative of less than 2h30 by train exists, and the supervision of airport investments if they have the effect of a net increase in the GHG emissions. Already, Banque des Territoires no longer finances new air transport infrastructures, except those explicitly provided for by the Climate and Resilience Law, aimed for example at ensuring territorial continuity in the Overseas Territories. Investments for the energy transition of airport may however be financed (e.g. power supply on the ground, low-carbon motorization of passenger shuttles, etc.).

<i>Trafics passagers en 2015, 2030 et 2050 (en Milliards de passagers.km) et parts modales en 2015, 2030 et 2050</i>						
	2015	2030	2050	2015	2030	2050
Véhicules particuliers	723	738	812	78,6%	73,9%	70,2%
Transports collectifs terrestres	163	204	281	17,7%	20,4%	24,3%
<i>dont transports ferrés</i>	105	133	188	11,4%	13,3%	16,2%
<i>dont transports routiers</i>	58	71	94	6,3%	7,1%	8,1%
Aérien	14	16	16	1,5%	1,6%	1,4%
Deux roues motorisés	14	14	14	1,5%	1,4%	1,2%
Vélo	5	26	34	0,6%	2,6%	3,0%
Total	920	998	1157	100%	100%	100%

Table: Changes in transport mode shares planned by the SNBC (source : [www.ecologie.gouv.fr](http://www.ecologie.gouv.fr))

#### e. Supervise investments and financing in sectors exposed to fossil fuels

Applied to transport, the Group's exclusion policy regarding the financing of thermal coal and unconventional hydrocarbons implies **the exclusion by the end of 2022 of infrastructure projects and transport services dedicated to the exploitation of coal, or non-conventional hydrocarbons**, or whose turnover depends more than 50% on these energies, and with no turnover diversification plan below this threshold within two years.

In addition, the Group's policy on new oil projects implies **the exclusion, by the end of 2022, of the financing of infrastructure and transport services associated with new oil projects**, including airports or roads to serve areas where deposits will be exploited<sup>3</sup>.

**Focus:** a transport infrastructure is said to be associated with a project if the following conditions are met: (a) it is significantly linked to the project, (b) it is carried out within a time frame linked to the project, (c) the project is not viable without this infrastructure and (d) it would not be realized without the project.

Beyond that, the infrastructure and transport services dedicated, in whole or in part, to the exploitation of conventional hydrocarbons, must be considered with care, regarding the risks of locking in uses and emissions, or of stranded assets.

<sup>3</sup> SFIL follows the French government's export policy, excluding new oil projects by 2025.

### III. Non-financial business lines: concrete and consistent action

La Poste, Transdev and Egis are all committed to an alignment with a 1.5°C scenario. They fully orient their businesses towards a low-carbon transition, and, in France, towards the SNBC, and are mobilizing to support their customers and counterparties in their own transition.

Different action levers are available:

- Be more efficient in each transport mode, through the implementation of the various reduction levers available for each mode operated (energy efficiency and reduction of the carbon intensity of energy), and structural actions for reorganization and optimization of flows (improvement of occupancy and filling rates as well as the reduction of distances travelled, etc.).
- Work on modal split: by developing the least emissive transport modes as a priority, replacing the most emissive, or promoting modal shift.
- Explore new business models: aiming in particular to decouple financial results and GHG emissions, by creating new services, by integrating low-carbon innovations into operations, and by encouraging customers to commit to the transition.

In addition, La Poste, Transdev and Egis set their own medium-term decarbonization targets by following recognized methodologies. These targets are aligned with a reduction pathway compatible with global warming well below 2°C and gradually to 1.5°C.

The table below shows the main commitments of Transdev, La Poste and Egis. These are implemented under their own governance. Their major investments, which are also formally validated by the Group's Commitments Committee, are subject to an ESG analysis including their compliance with these guidelines and the climate commitments made by La Poste, Transdev and Egis.

Goal	Details of the main targets
<b>Investing in the ecological and energy transition</b>	<b>La Poste</b> <ul style="list-style-type: none"> <li>➤ Deployment of electric and low-carbon vehicles.</li> <li>➤ Fleet of low-emission vehicles</li> <li>➤ Pool the loads</li> <li>➤ Increase the share of deliveries in soft mode</li> <li>➤ Choice of transport providers</li> </ul>
	<b>Egis :</b> <ul style="list-style-type: none"> <li>➤ Measurement and reduction of the scope 3 carbon footprint (induced or avoided emissions) of the projects designed and operated:</li> <li>➤ Development of a project portfolio alignment management tool.</li> <li>➤ Development of a carbon sequestration offer through nature-based solutions.</li> </ul>
	<b>Transdev :</b> <ul style="list-style-type: none"> <li>➤ Increase by 50% the share of the alternative fleet (low-emission fleet) by 2030 compared to 2017.</li> </ul>
<b>Decarbonize operations portfolios</b>	<b>La Poste :</b> <ul style="list-style-type: none"> <li>➤ 100% carbon neutral since 2019.</li> <li>➤ Reduction of emissions by 30% within the scope of La Poste SA between 2013 and 2025 aligned with a pathway of 1.5°C in scope 1 &amp; 2 and 2°C in scope 3.</li> <li>➤ DPDgroup/Geopost undertakes to reduce its GHG emissions per parcel by 30% by 2025 compared to 2013.</li> <li>➤ Gradual alignment of scope 1-3 climate pathways at +1.5°C by 2030.</li> <li>➤ Zero net emissions from 2030: 100% of emissions measured and offset (sequestration projects)</li> </ul>
	<b>Egis :</b> <ul style="list-style-type: none"> <li>➤ Reduction of direct emissions by 30% in 2030 compared to 2016 (in France) and 2021 (World), and by 80% in 2050 (World).</li> </ul>
	<b>Transdev :</b> <ul style="list-style-type: none"> <li>➤ 30% reduction in the carbon intensity of the fleet by 2030 compared to 2017. (84.9 kgCO<sub>2</sub>/100km in 2020).</li> </ul>
<b>Strengthen the commitment of counterparties on the climate</b>	<b>La Poste :</b> <ul style="list-style-type: none"> <li>➤ Support for territories, customers and citizens for a positive environmental impact: climate, air quality, resources, circular economy.</li> </ul>
	<b>Egis :</b> <ul style="list-style-type: none"> <li>➤ Development of a low carbon offer.</li> <li>➤ 100% of eco-designed or eco-operated projects by 2030 (World).</li> </ul>
	<b>Transdev :</b> <ul style="list-style-type: none"> <li>➤ "Green offer" adapted to the needs and objectives of customers.</li> </ul>

### **a. La Poste**

La Poste is the historical operator of postal services (mail, parcels and express delivery) and the leading European mail operator. With its DPDgroup/Geopost subsidiaries, it is the second largest express parcel operator in Europe. Transport, i.e. the collection, delivery and distribution of mail and parcels, represents approximately 90% of its carbon footprint. The La Poste group has been committed since 2012 to carbon neutrality through the neutrality of its transport offer and has been 100% neutral since 2019. The group already has pathways consistent with this policy, based on the Science-Based Targets initiative methodologies, with a 30% reduction in emissions within the scope of La Poste SA between 2013 and 2025, aligned with a 1.5°C pathway on scopes 1 and 2 and on 2°C in scope 3. DPDgroup/Geopost is committed also to reduce its GHG emissions per parcel by 30% by 2025 compared to 2013. La Poste also intends to become "Net Zero Emissions" by offsetting 100% of its residual emissions through sequestration projects by 2030. These pathways could be refined for a gradual alignment on 1.5°C, specifically concerning the transport of mail and parcels internationally, and in the context of the strong growth of online purchases.

This ambition and this context imply:

- Technological breakthroughs, with the identification and deployment of the most relevant alternative energies to fossil fuels regarding the various transport activities.
- Reinforcement of transport pooling and optimization actions (mail-parcel pooling, reduction of empty spaces in parcels, optimization of truck loading, low-traffic links, etc.).
- Identification of modal shift opportunities (rail, river, maritime), particularly internationally.
- Deployment of advanced client CO<sub>2</sub> reporting solutions.
- Reflections on the revision of the model based on pricing by weight.

Regarding the emissions from its fleet of vehicles for collection and distribution (first and last mile), the strategy consists in reducing travel and in eventually transitioning all vehicles to electricity, including delivery service providers. Today, 30% of the 53,000 motorized vehicles of the Mail and Parcel Services Branch (BSCC) are electric. 4,500 additional electric vehicles will equip 27 additional French cities by the end of 2024. Within the DPDgroup/Geopost scope, more than 170 cities now benefit from low-emission deliveries, including 51 delivered at 100% by alternative means. In total, nearly 4,880 low-emission vehicles are deployed in the French and European network of DPDgroup/Geopost. CNG will be an alternative for cases where electricity is not suitable or if territorial opportunities arise.

For road transport, which is fully outsourced, the challenge is to support carriers in decarbonization. To date, already 7% of the 350 million kilometers traveled annually are covered by CNG vehicles within the BSCC perimeter and nearly 50 CNG trucks within the DPDgroup/Geopost perimeter. La Poste wishes to promote this energy transition by supporting the equipment of carriers and by installing refueling stations on its sites, and gradually move towards a 100% bio NGV supply for connections using this energy. La Poste also wants to prepare for the arrival of electric or hydrogen technologies as well as biofuels in this segment by conducting experiments now, to understand the market and identify key partners.

La Poste supports regions and its customers to have a positive impact on the environment: climate, air quality, resources, circular economy. To date, La Poste has signed no less than 22 urban logistics conventions and agreements with cities. For example, Véhiposte, a subsidiary of La Poste, relies on its know-how to offer solutions to meet the responsible mobility needs of companies, the public sector and associations, and promotes the sustainable mobility of citizens through cycling. La Poste is also positioning itself as a partner of local authorities in monitoring air quality by relying on the postal network. As such, DPDgroup/Geopost has rolled out its air quality measurement program in 14 major European cities and will reach 20 cities in total by the end of 2022 with a view to creating virtuous local ecosystems for the city and its inhabitants.

### **b. Transdev**

Transdev, established in 18 countries, is a global player in mobility, committed to the operation and maintenance of adapted and environmentally friendly modes of transport for sustainable and inclusive mobility. Transdev supports local authorities in their public transport development projects, for the ecological transition, social cohesion and the revitalization of territories.

Transdev has set itself a decarbonization target for 2030 with a 30% reduction in the carbon intensity of its fleet compared to 2017. This intensity stood at 84.9 kgCO<sub>2</sub>/100km in 2020 against 92.2 in 2017, a reduction of 9% to date. This target is also based on an objective of doubling the share of vehicles with electric motors or running on biofuels, which currently stands at 13%. Transdev will refine its work to define its 2050 pathway in line with this policy: Transdev's 2030 objectives will be put into perspective with a decarbonization scenario below 2°C and gradually 1.5°C.



Transdev is also positioning itself via an incentive-based "green offer" of sustainable public transport service adapted to the objectives of its customers, based on more than 5 years of experience in the management of electric vehicles fleets, and which combines both Transdev's technical expertise (fleet management, regulation, eco-driving, etc.) and the development and use of digital management tools for transport supply and demand, also making the customer experience more attractive and contributing to the promotion of sustainable mobility.

### **c. Egis**

Egis is an international player in energy engineering, construction and mobility services. Egis creates and operates infrastructure – transport in particular – and buildings with a view to more balanced, sustainable and resilient land use planning. Egis deploys its expertise to serve communities and projects, at each stage of their life cycle: consulting, engineering, operation.

Egis has set itself a target of reducing its direct emissions by 30% in 2030 compared to 2016 (in France) and 2021 (Worldwide), and 80% in 2050 (Worldwide). This target covers all of Egis' activity and in particular its transport activity. To complement this target, Egis is setting up a system for measuring and monitoring/managing the scope 3 carbon footprint of all its projects, both for its operating activity and its design activity.

In addition, Egis is developing a carbon sequestration offer through nature-based solutions, which Egis also intends to implement on the land holdings of the infrastructures operated, thus contributing to carbon neutrality.

Thus, Egis is developing and strengthening its position as an engineering and operating specialist in low-carbon solutions, within an offer that also includes consideration of the impacts of climate change and biodiversity. The objective is to systematize customer dialogue on sustainability and carbon neutrality, and to increase the selectivity of projects to achieve a portfolio of 100% eco-designed or eco-operated projects by Egis by 2030.

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## Appendix: Modal pathways derived from the SNBC - FRANCE

WTW carbon intensity (gCO <sub>2</sub> /pkm, gCO <sub>2</sub> /tkm)	2015	2019	2030	2050
<b>Passenger</b>				
Personal vehicles	130,1	130,1		
Personal vehicles (SNBC)	139,6		89,2	21,9
Motorized two wheelers	167,0	167,0		
Motorized two wheelers (SNBC)	132,8		145,3	42,3
Personal transport	130,6	130,6		
Personal transport (SNBC)	139,5		90,2	22,3
Road transport	93,9	93,9	63,9	19,3
Rail transport	8,8	8,8		
Rail transport (SNBC)	8,8		5,7	5,5
Public transport	39,2	38,6		
Public transport (SNBC)	39,2		26,0	10,1
<b>Freight</b>				
Rail transport	4,3	4,3	3,8	1,1
Road transport (excl LCVs)	138,2	138,2	115,0	29,9
LCVs (<3.5tons)	959,7	959,7	826,5	199,6
Inland waterways	53,3	53,3	53,3	53,3

### 1- Decarbonization of the energy consumed by vehicles

- PV: Sales of electric vehicles are multiplied by 5 by 2022. In 2030, 35% of new passenger cars are electric and 10% are rechargeable hybrids. By 2040, nearly 100% of new vehicles will not emit GHGs, and by 2050 they will be 100% electric.
- A more balanced mix (renewable gas, electricity, biofuels) is sought for the transport of goods due to greater constraints on the associated engines:
  - HGVs: 25% of new vehicles are NGV in 2030 and 60% in 2050, 8% are electric in 2030 and 30% in 2050.
  - LCVs: 4% of new vehicles are NGV in 2030 and 10% in 2050, 34% electric in 2030 and 80% in 2050.

### 2. Energy performance of vehicles to limit consumption

- PV: In 2030, new cars consume 4L/100km in real conditions, and 2L/100km in 2050. New electric vehicles reach 12.5 kWh/100 km by 2050 against 17.8 kWh/100 km today.
- The efficiency gains of collective road vehicles are assimilated to those of private vehicles.
- LCVs: In 2030, new LCVs consume 5.4L/100km in real conditions, and 2.7L/100km in 2050. New electric vehicles will reach 16.9 kWh/100 km by 2050 compared to 24 kWh/100 miles today.
- Trucks: depending on the engines, fuel consumption gains of 35 to 40% are obtained by 2050 compared to today: the internal combustion engines of new vehicles drop from 33L/100km to 24 in 2050.
- Rail transport is decarbonizing like the French electricity mix, whose carbon intensity drops by 35% between 2015 and 2030 then by 3% until 2050. It is assumed that rail freight is 100% electric in 2050.

### 3 Control of growth in demand

- The demand for mobility is gradually decoupling from economic growth. The increase in passenger car traffic is limited to 12% between 2015 and 2050, while passenger traffic in all modes increases by 26%, however moderated by remote working and the limitation of urban sprawl.
- Freight in t.km increases by 40% between 2015 and 2050, moderated by the circular economy and short circuits.

### 4 Modal shift

- The modal share of bicycles is multiplied by 4 from 2030, and that of public vehicles gains 7 points by 2050.
- Rail and river freight are developing with a modal share that remains stable between today and 2050.

### 5 Optimization of the use of vehicles for the transport of passengers and goods.

- Traffic decreases by 2% between 2015 and 2050, thanks to the increase in the vehicle occupancy rate (up by 4% between 2015 and 2030, then by 11% between 2030 and 2050 for passengers).
- The loading of HGVs goes from 9.8 to 12 t per vehicle. Truck traffic growth is contained to 12% by 2050.

## Modal pathways derived from the IEA B2DS scenario

WTW carbon intensity (gCO <sub>2</sub> /pkm, gCO <sub>2</sub> /tkm)	2015	2020	2025	2030	2040	2050
<b>Passenger</b>						
Urban and suburban passenger land transport	47,7	39,4	33,1	27,0	14,9	5,1
Passenger rail transport, interurban	19,4	15,7	12,6	9,2	3,1	-0,6
Passenger air transport	115,0	100,2	88,8	72,9	42,1	24,9
Individual road Transport	131,8	109,8	92,8	74,8	38,2	13,0
Public urban transport	47,7	39,4	33,1	27,0	14,9	5,1
Rail Transport	20,8	17,4	14,1	10,5	4,5	-1,4
Total Public Transport	40,9	33,6	27,9	22,4	11,7	3,4
Car manufacturers (per veh.km)	210,3	150,3	134,3	118,2	64,0	27,9
<b>Freight</b>						
Road freight transport, urban	493,4	413,3	350,4	297,8	198,8	126,4
Road freight transport, non-urban	84,2	75,4	65,1	53,8	31,6	15,0
Rail freight transport	14,1	12,3	10,3	7,8	3,1	0,0
Air freight transport	737,9	642,9	570,0	467,5	270,4	159,6
Sea & coastal freight water transport	9,5	8,3	7,1	5,8	3,7	2,2
Inland freight water transport	31,0	25,7	22,0	19,3	12,8	9,8
Road Freight transport, total	102,9	89,7	76,8	63,6	37,9	18,9

### Transport-related emissions fall by 83% between 2060 and 2015 thanks to the following levers:

- Modal shift measures are responsible for almost 25% reduction in individual road passenger transport in 2060. Vehicle-km are reduced by 30% thanks to modal shift in cities and 24% outside cities.
- For short distances, electrification coupled with increased efficiency are the main levers. By 2040, 100% of two-wheelers, more than 50% of cars and most passenger trains will be electric. By 2060, 90% of cars will be electric. Private vehicles consume less than 4L/100km from 2030.
- For longer distances (aviation and maritime), the scenario relies on efficiency gains and logistical optimization coupled with less carbon-intensive energy carriers (e.g. biofuels) which in 2060 represent 22% of the energy consumed for the road freight, 50% for sea and 69% for aviation.

### Collective passenger transport:

- The modal share of buses gains 7% and that of trains almost 15%, to the detriment of cars and planes.
- The rapid transition to electricity for buses makes it possible to gain 80% efficiency in cities and 74% outside.
- New technologies, such as low-resistance tyres, coating and lightening of vehicles as well as traffic optimization, make it possible to reduce the associated emissions by more than 40% by 2050.
- Rail transport is decarbonized by electrification: it will be 100% electric by 2060.

### Freight transport

- Through operational optimization measures, freight traffic by road fell by 14%.
- In the B2DS, more than 80% of trucks are electric or hybrid in 2050.
- Rail transport is decarbonized by electrification: it will be 100% electric by 2060.

### Aviation:

- The B2DS relies on a 68% efficiency gain thanks to the following technologies: lighter aircraft, operational improvements, new more efficient engines, aircraft with integrated fuselage, etc.
- 2/3 of the fuels used in aviation in 2060 are biofuels. No electrification is envisaged.
- High-speed rail is replacing aviation at rates of almost 60% in densely populated areas.

### Sea:

- The B2DS is betting on a 53% efficiency gain in containers and 60% for other vessels, thanks to the following technologies: operational improvements, efficiency gains thanks to new designs, and the modernization of the old fleet, increase in vessel size and capacity.
- Biofuels occupy the first place among the new energy carriers. More than half of the energy will be supplied by second-generation biofuels in 2060.

*n.b. The pathways above correspond to a well-to-wheel scope: emissions related to the production of the energy consumed are included, but not those related to the manufacture of vehicles or infrastructure.*