



# Big companies and government bodies in France are not playing their part in the transition to electric vehicles

March 2023

## Key messages

Transport & Environment has carried out a review of the electrification levels of cars used in France by companies and government bodies (so-called corporate car fleets).

The results are worrying:

- 66% of companies with large fleets ( $\geq 100$  vehicles) are not in line with the “greening” targets set by law in 2022. The same applies to 64% of regional authorities and 87% of governmental bodies within the scope of the law.
- Out of the top 100 biggest fleets in France, 58 are not in line with their targets in 2022, including major companies like Air Liquide, Saint-Gobain, Eiffage, Bouygues, Lidl, Veolia, BNP Paribas, etc and public bodies (National Forests Office, Ministry of the Interior, SNCF, etc.).
- Even when the targets are met, plug-in hybrid vehicles are used to artificially green company fleets. Airbus and Total Energies use this loophole a lot.
- This widespread failure is mainly due to shortcomings in the law and a reluctance by companies to act.
- This finding is particularly problematic since fleet electrification is a powerful tool for decarbonisation of road transport, a driver of a fair green transition and a key industrial policy tool.
- The ambitious electrification rates by some organisations both large and small (EDF and La Poste in particular) show that it is possible to pursue an ambitious trajectory in the transition to battery electric vehicles.
- T&E calls upon the French government to reform these targets and the tax mechanisms applicable to professional vehicles. The “[green industry](#)” law (in French *loi “industrie verte”*), the “[major ecology law](#)” (in French *grande loi sur l’écologie*) and the upcoming finance law provide plenty of opportunities to implement these reforms.
- The biggest fleets are also called upon to honour their responsibilities.

# Executive summary

## **A new perspective on company car electrification**

If we want to meet the challenge of transitioning to electric vehicles, it is essential for all the actors in the automotive world to act.

To inform the debate on the fair division of effort and responsibility in the implementation of this transition, the French office of Transport & Environment (T&E France) has carried out the very first review of electrification levels of corporate fleets, meaning vehicles owned or rented by companies and government bodies (light service vehicles, company cars, passenger cars and commercial vehicles, both new and used). This review is based on an analysis of official data from the Ministry of the Interior (SIV database) and French Institute of Statistics and Economics INSEE (Sirene database).

## **Corporate fleets: central to the transition of the automotive market**

Every year, companies and government bodies buy more than half of new cars sold. They have a great deal of influence on the demand for new vehicles. Since these cars are then sold after an average of four years in service (as opposed to 11 years for households), companies and government bodies are key to the used vehicle market, which accounts for 70% of car sales.

This makes the electrification of the corporate fleet a powerful tool for the decarbonisation of road transport. From a social fairness perspective, the electrification of company cars is key to boost the second-hand supply of electric vehicles, making them more affordable to low-income households.

Fleet electrification is also important for a country's industrial strategy, offering national car manufacturers a stable, predictable outlet for the battery electric vehicles (BEVs) they produce.

## **“Greening” targets to incentivise action from the biggest fleets**

For these reasons, the 2019 transport framework law (in French *loi LOM*) and the 2021 Climate law set “greening” targets for corporate fleets. From 2022 to 2030, private organisations and government bodies with large fleets ( $\geq 100$  light-duty vehicles) must include an increasing percentage of “green” vehicles (BEVs and plug-in hybrids) in their new orders<sup>1</sup>.

The applicable quotas in 2022 were 10% for private organisations, 30% for public local authorities and public companies and 50% for the government.

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<sup>1</sup> For public fleets, the greening targets apply to fleets of more than 20 vehicles. T&E did not take into account these public smaller fleets in the analysis for reasons of comparability with private fleets.

The underlying idea is well-judged: the biggest French fleets bear greater responsibility when it comes to converting the country's stock of cars, due to their size, their financial resources and their effect on the market.

### **Targets are good on paper, but poorly designed in practice**

In their current form, the fleet greening targets have major weaknesses which jeopardise their success.

On the one hand, the target (70% “green” vehicles in 2030) is low and is not aligned with the phase-out of combustion engine vehicles by 2035.

On the other hand, plug-in hybrid vehicles are considered “green” vehicles by the law and therefore count towards the targets. A growing number of studies show that in real-life driving conditions they emit between five and seven times more CO<sub>2</sub> than official measurements. These vehicles also have no industrial future – as they will also be phased-out in 2035 – and are expensive to use for companies.

Most importantly, the greening targets are not accompanied by any support mechanism for fleet managers (who are expected to become electric vehicles experts and, more generally, “mobility managers”), nor any monitoring, penalties or effective follow-up. There is no incentive for the organisations in question to meet the targets.

### **Widespread failure of the greening targets**

T&E's analysis shows that, in 2022:

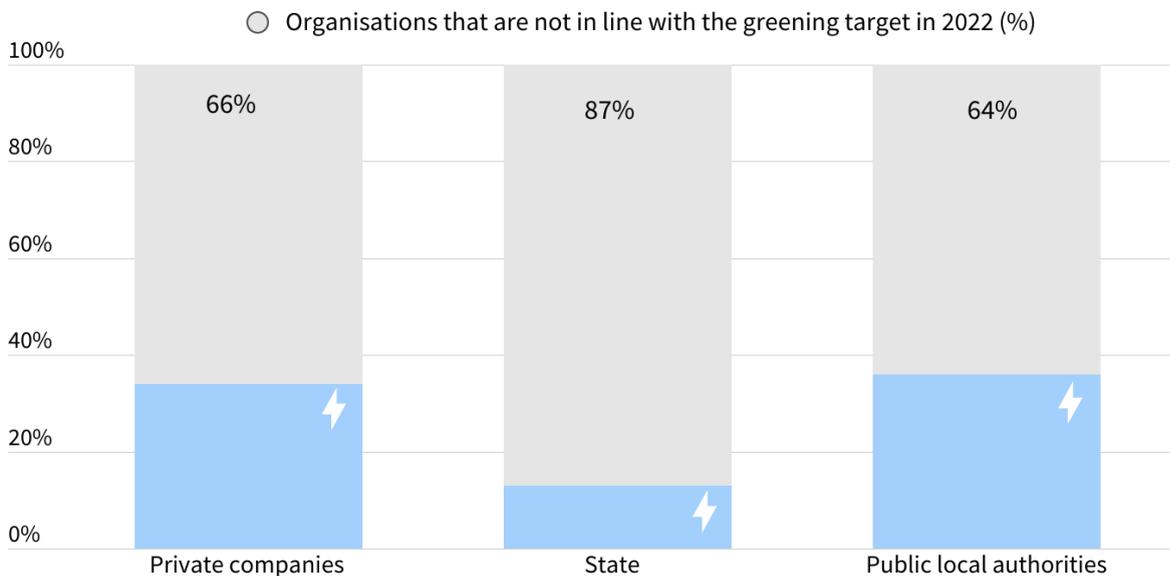
- 66% of private companies;
- 64% of regional authorities;
- and 87% of government bodies (including the French Presidency)

are not in line the quotas for inclusion of “green” vehicles in the renewal of company fleets with over 100 vehicles<sup>2</sup>.

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<sup>2</sup> The greening targets apply to new car orders ([Article R224-15-12 B of the French Environment Code](#)). As data on purchase orders signed by companies and government bodies are not public, T&E analysed the number of new or used vehicles added to company and government body fleets in 2022 (i.e. vehicles delivered and registered during the year). Bearing in mind the delivery issues currently experienced by the automotive sector, the greening percentages based on orders may be higher than those analysed based on deliveries, without radically changing the orders of magnitude.

## The vast majority of fleets (> 100 vehicles) are not in line with the legal "greening" targets in 2022



Source: T&E's analysis based on data from SIV and Sirene, processed by NGC-Data

Notes: The grey area shows the percentage of organisations managing fleets of more than 100 véhicules which are not in line with their respective greening targets for the renewal of their fleets in 2022 (10% for private companies, 30% for public local authorities, 50% for national public bodies). For public fleets, the legal obligations also apply to fleets of more than 20 vehicles.

### More than half of the 100 biggest fleets are not in line with the targets

T&E also looked at the electrification of the 100 biggest fleets in France. One in five cars are corporate cars. These fleets are the heavyweights of the automotive market and the companies and government bodies that own or lease them have the capacity to steer the transformation of the automotive sector.

The results of the analysis are clear: these big organisations are not taking on their fair share of responsibility in the transition to battery electric vehicles. In total, 58 of the 100 biggest French fleets will certainly not meet their "greening" targets in the renewal of their fleets in 2022 (10%, 30% or 50% depending on the category of organisation).

This applies to 52 private organisations, including Kiloutou (0.1% of BEVs and plug-in hybrid vehicles out of the total vehicles added to the fleet in 2022), Air Liquide (2%), Saint-Gobain (3.4%), Eiffage (7.2%), Bouygues (8%), Lidl (8.8%), Veolia (9%) or BNP Paribas (9.3%)<sup>3</sup>.

<sup>3</sup> Some of those companies (Veolia, Saint-Gobain) said to T&E that they will meet the legal targets thanks to orders placed by the end of 2022.

For public bodies, two public companies and four government bodies in the top 100 are not in line with their targets. These were the National Forests Office (0%), SDIS (1.2%), the Ministry of the Interior (2.7%), SNCF (5%), Transdev (12.3%) and the Ministry of the Armed Forces (17.6%)<sup>4</sup>.

## Some large public and private organisations are in line with the legal “greening” targets in the renewal of their vehicle fleets in 2022

Organisation	Number of vehicles registered in the fleet in 2022	BEV	PHEV	Green vehicles (BEV + PHEV)	"Greening" target for 2022
 <b>KILOUTOU</b>	1 000 - 2 000	0 %	0,1 %	0,1 %	10 %
 <b>Air Liquide</b>	500 - 1 000	0,8 %	1,2 %	2 %	10 %
 <b>MINISTÈRE DE L'INTÉRIEUR</b>	500 - 1 000	0,3 %	2,4 %	2,7 %	50 %
 <b>SAINT-GOBAIN</b>	1 000 - 2 000	0,5 %	2,9 %	3,4 %	10 %
 <b>SNCF</b>	2 000 - 3 000	4 %	1 %	5 %	30 %
 <b>EIFFAGE</b>	5 000 - 10 000	6 %	1,2 %	7,2 %	10 %
 <b>BOUYGUES</b>	5 000 - 10 000	4,1 %	3,9 %	8 %	10 %
 <b>VEOLIA</b>	4 000 - 5 000	5,5 %	3 %	8,5 %	10 %
 <b>SCHWARZ</b>					
 <b>LIDL</b> <b>Kaufland</b>	500 - 1 000	0 %	8,8 %	8,8 %	10 %

Source: T&E's analysis based on data from SIV and Sirene, processed by NGC-Data.

Key:

- The number of vehicles registered in the fleet in 2022 corresponds to the number of vehicles added to the fleet as part of its renewal that year (including all vehicle types).
- BEV and PHEV correspond to the percentage of battery electric and plug-in hybrid vehicles out of the total number of vehicles added in the renewal of the fleet during 2022.
- “Green” vehicles correspond to the percentage of BEVs and plug-in hybrid vehicles out of the total number of vehicles added in the renewal of the fleet during 2022.
- The “greening” target corresponds to the percentage of “green” vehicles required by law in the annual renewal of fleets of more than 100 vehicles in 2022 (10% for private organisations, 30% for public companies, 50% for government bodies).

<sup>4</sup> Some vehicles of the Ministry of the Armed Forces, the Ministry of the Interior and the SDIS are excluded from the scope of the greening targets: article [L224-7 of the French Environment Code](#) specifies that “vehicles designed and built or adapted for use by civil protection, fire-fighting and law enforcement bodies and the armed forces” are excluded from the scope of the law.

## Plug-in hybrid vehicles: an artificial greening tool

When greening targets are met, this is often due to plug-in hybrid vehicles. For those private organisations that met their greening target in 2022, it quickly became apparent that more than half (56%) of the “green” vehicles added to these fleets last year are actually plug-in hybrid vehicles. In other words, without plug-in hybrid vehicles, the greening rate of these companies would be less than half of the stated level. This widespread artificial greening strategy slows down the real conversion of professional fleets and the decarbonisation of automotive transport.

With plug-in hybrids accounting for 44% and 42% of the total number of vehicles in their fleets in 2022, Airbus and Total Energies were among the great champions of this artificial greening.

### Ranking of the organisations with the highest percentages of plug-in hybrid vehicles out of the total number of vehicles added to the fleet in 2022

The champions of “artificial greening” with plug-in hybrid vehicles					
Rank	Organisation	Number of vehicles registered the fleet in 2022	BEV	PHEV	Ratio PHEV/(BEV + PHEV)
1		500 - 1 000	7,7 %	44,2 %	85 %
2		500 - 1 000	5,5 %	42,4 %	89 %
3		500 - 1 000	3,2 %	37,5 %	92 %

Source : T&E’s analysis based on data from SIV and Sirene, processed by NGC-Data

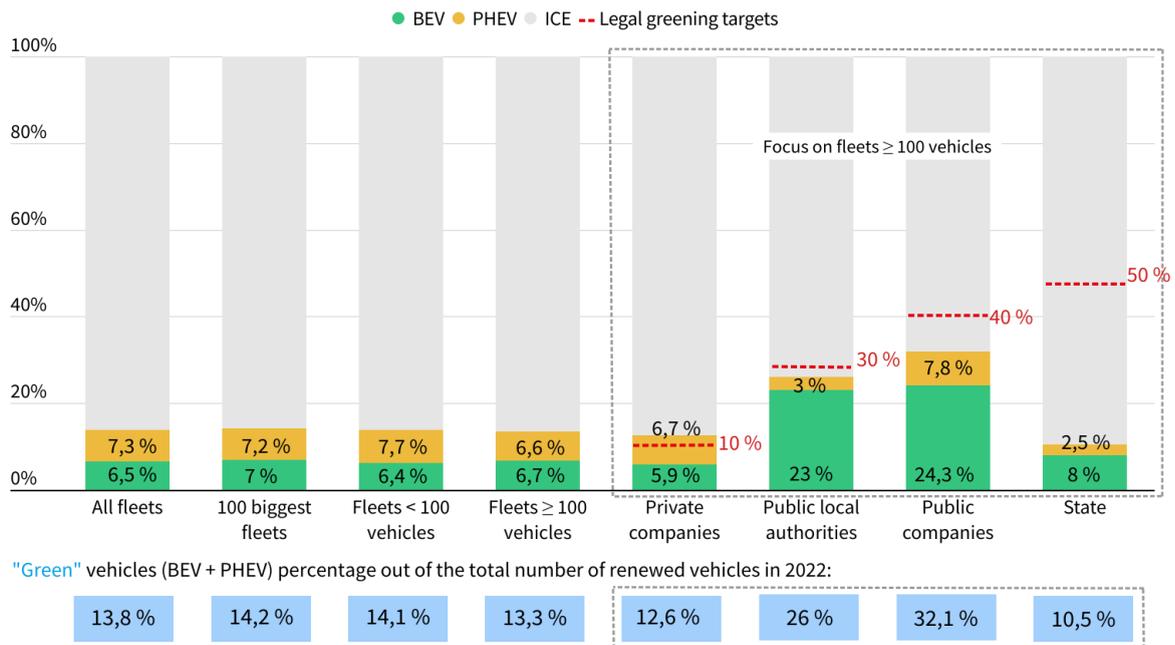
Key:

- The number of vehicles registered in 2022 corresponds to the number of vehicles added to the fleet as part of its renewal during 2022 (including all vehicle types).
- BEV and PHEV correspond to the percentage of battery electric and plug-in hybrid vehicles out of the total number of vehicles added in the renewal of the fleet during 2022.
- The ratio PHEV/(BEV + PHEV) corresponds to the percentage of plug-in hybrid vehicles out of the number of electric and plug-in hybrid vehicles (BEV + PHEV) added in the renewal of the fleet during 2022.

## Small fleets do just as well as large fleets when it comes to battery electric vehicles

On average, out of all private and public small fleets (< 100 vehicles), which are not covered by the law, the percentage of battery electric vehicles in the fleet renewal for 2022 is 6.4%. This is similar to the electrification of bigger fleets (6.7% for fleets of more than 100 vehicles and 7.2% for the 100 biggest fleets).

### The BEV share in the 2022 renewal of corporate fleets is very low, especially for private fleets



Source: T&E's analysis based on data from SIV and Sirene, processed by NGC-Data

Notes: The BEV or PHEV percentage corresponds to the percentage of electric or plug-in hybrid vehicles out of the total number of vehicles added in the renewal of the fleet during 2022.

TRANSPORT & ENVIRONMENT [transportenvironment.org](https://transportenvironment.org)

More specifically, out of the 100 biggest fleets, only five organisations (primarily public bodies<sup>5</sup>) reached the threshold of 20% battery electric vehicles in the renewal of their fleets during 2022. In the same year, 27 of these 100 biggest fleets added less than 1% of battery electric vehicles.

The responsibility and effort needed to implement the transition to BEVs are not fairly distributed with regards to the influence of corporate fleets on the automotive market.

<sup>5</sup> These were the Central Vehicle Users' Association, EDF Group (EDF, ENEDIS, RTE, Dalkia, etc.), La Poste Group (La Poste, DPD, La Banque Postale, Chronopost, etc.), Filippi Group and Agence des Participations de l'Etat [State Holdings Agency] (RATP, Aéroports de Paris, Naval Group, France TV, etc.).

## Which organisations are leading the way?

The results for the most ambitious organisations when it comes to fleet electrification show that it is possible to adopt BEVs and limit the use of plug-in hybrids. This applies to large and small organisations, both public and private, in a variety of industries, with differing fleet compositions and operational considerations: EDF (35% battery electric vehicles out of the total vehicles added to the fleet in 2022), La Poste (29%), Filippi Auto (26%), Ministry of the Armed Forces (18%), etc.

### Ranking of leaders and laggards of fleet electrification in 2022 (new and used vehicles bought or rented during the year)

The top five leaders for BEVs (2022)				The top five laggards for BEVs (2022)			
Rank	Organisation Main subsidiaries	Number of vehicles registered in the fleet in 2022	BEV	Rank	Organisation Main subsidiaries	Number of vehicles registered in the fleet in 2022	BEV
1	 EDF, ENEDIS, RTE, Dalkia, ...	4 000 - 5 000	35,3%	1	 Avis, France Cars...	4 000 - 5 000	0%
2	 La Poste, DPD, La Banque Postale, Chronopost, ...	5 000 - 10 000	28,6%	2	 KELOUTOU	1 000 - 2 000	0%
3	 Franchisé Hertz Corse, E-motum...	3 000 - 5 000	25,5%	3	 GROUPE MYMOBILITY POUR UNE MOBILITÉ INCLUSIVE	500 - 1 000	0%
4	 AGENCE DES PARTICIPATIONS DE L'ÉTAT RATP, Aéroports de Paris, Naval Group, ...	500 - 1 000	22,4%	4	 DESCOURS & CABAUD	500 - 1 000	0%
5	 MINISTÈRE DES ARMÉES	500 - 1 000	17,6%	5	 LIDL, Kaufland	500 - 1 000	0%

Source : T&E's analysis based on data from SIV and Sirene, processed by NGC-Data

#### Légende :

- The number of vehicles registered in the fleet in 2022 corresponds to the number of vehicles added to the fleet as part of its renewal during 2022 (including all vehicle types).
- BEV corresponds to the percentage of battery electric vehicles out of the total number of vehicles added in the renewal of the fleet during 2022.

### Going further

Details of the electrification data for these 100 biggest fleets can also be consulted, company by company, on this web [page](#).

# Recommendations

- 1** The French government should **reform the fleet greening targets** to make them more ambitious, more effective and fairer. Details of the proposal can be found directly in the French briefing.

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- 2** Companies and government bodies – especially the ones that operate the biggest French fleets – need to do more and **increase their level of ambition when it comes to electrification**<sup>6</sup>.

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- 3** T&E reiterates its calls for **revision of the tax mechanisms applicable to corporate cars**, previously set out in two reports published in [January](#) and [October 2022](#), to improve the tax incentives for electric vehicles and to send a strong fiscal message.

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<sup>6</sup> NB T&E individually contacted the organisations with the 100 biggest fleets in France before publishing the briefing to propose that they participate in a piece of work with the other members of the top 100 and key players in the world of fleets and civil society. The purpose of the work will be to share the experience of the most advanced companies when it comes to electrification, to inspire those that currently seem to be lagging behind, and to create a positive dynamic to accelerate the transition.