



**IS YOUR  
BUSINESS  
READY?**



**WEBINAR** **29TH SEPTEMBER**  
11AM

Speakers: Alexandra Basirov and Shaun Sadlier  
Moderator: Paul Hyne



**ARVAL**  
**BNP PARIBAS GROUP**

For the many journeys in life



# AGENDA

01

Introduction

02

COP26 and Net-Zero

03

Making the switch  
to an electric fleet

04

Q&A



**ARVAL**  
BNP PARIBAS GROUP





## Today's speakers



**Alexandra Basirov**

Global Head of Sustainable Finance Financial  
Institutions Coverage (FIC) at BNP Paribas



**Shaun Sadler**

Arval UK Head of Consultancy & Arval Mobility  
Observatory



# QUICK POLL

TELL US WHAT YOU THINK



# COP26 AND NET-ZERO

F I C S U S T A I N A B L E F I N A N C E



# The 2021 United Nations Annual Climate Change Conference

## What is COP26?

- ✓ The 26<sup>th</sup> Conference of the Parties
- ✓ 'Parties' refers to the signatories to the UN Framework Convention on Climate Change (UNFCCC)
- ✓ COP comprises 197 parties including the EU

## Where?

- ✓ Hosted in Glasgow, Scotland

## When?

- ✓ 1st – 12th November

## What does it involve?

- ✓ Extensive negotiations between governments, civil society, businesses
- ✓ Formal and informal discussions to clarify positions, interest and work through deadlocks
- ✓ Technical briefings from the UNFCCC to support negotiations process
- ✓ Delegates coming together from across the world to solve the climate crisis

## COP26 GOALS

### NET-ZERO

- ✓ Secure Global Net-Zero, keep 1.5°C within reach
- ✓ Synthesise updated **Nationally Determined Contributions (NDC's)**

### ADAPT

- ✓ Adapt to protect communities and natural habitats

### MOBILISE

- ✓ Mobilise Finance and unleash its potential

### WORK TOGETHER

- ✓ Work Together to deliver shared ambitions

<https://2nsbq1gn1r123z0l93eyrccj-wpengine.netdna-ssl.com/wp-content/uploads/2021/07/COP26-Explained.pdf>



For the many journeys in life



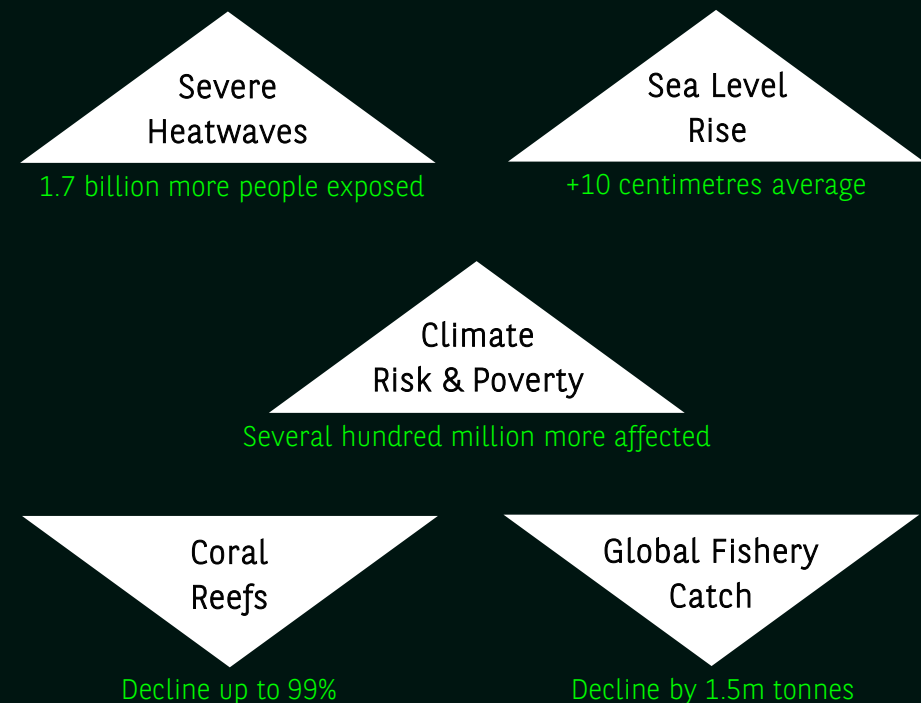
# Why should you care?

- ✓ COP26 is largely seen as the most important COP to date
- ✓ The world has already warmed by 1.1 °C and without decisive action this could exceed 3°C by 2100
- ✓ Excessive warming will trigger environmental tipping points, beyond which effects become more extreme and rapid
- ✓ Every fraction of warming above 1.5 °C has a disproportionately stronger impact
- ✓ From a socioeconomic perspective, 5 systems will be directly affected:
  - ✓ Liveability and Workability
  - ✓ Food Security
  - ✓ Physical Assets
  - ✓ Infrastructure
  - ✓ Natural capital

*"As governments plan their economic recoveries from Covid-19, we have a once-in-a-generation opportunity to reconcile our economies with the natural world and deliver a greener, safer and more prosperous future."*

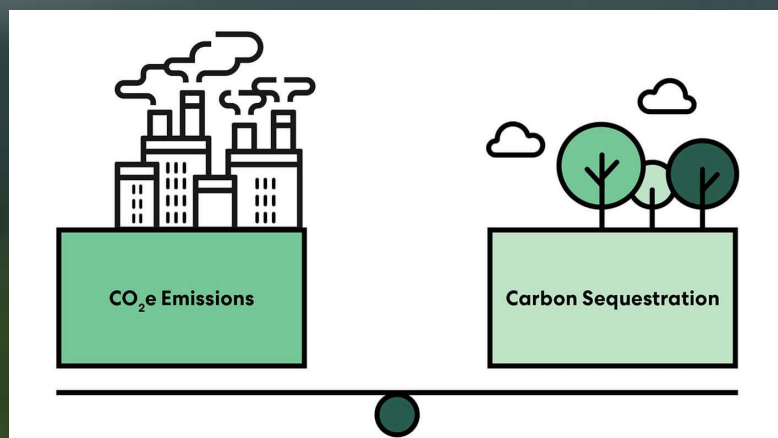
- Lord Zac Goldsmith, Minister for Pacific and the Environment

## 2 °C warming versus 1.5 °C warming



## Net-Zero Emissions

Net-Zero refers to a **state of balance** between emissions released and emissions removed from the atmosphere.



Achieving net-zero requires two actions:

- ✓ Deep cuts and reductions in current emissions levels through the use of new technology, operating models and behaviours
- ✓ The active removal of greenhouse gases already present in the atmosphere
- ✓ By 2050, all remaining emissions must be offset by sequestration

## Countries with Net-Zero targets in law:

- Essential to meet the targets of the Paris Agreement and to limit global warming to 1.5°C above pre-industrial levels
- Vital to avoid the worst impacts of climate change
- Offers an achievable and realistic route to reaching these targets and mitigating the worst effects of climate change
- It is impossible to reduce all emissions to absolute zero in the required timescale
- Critical industries (cement, aviation, shipping) mean residual emissions will always exist
- Net Zero status allows for these emissions, whilst ensuring an equivalent quantity is removed from the atmosphere
- This prevents a net-gain in global emissions and helps limit warming

**To have a 50% chance of keeping global warming in check, global emissions must reach Net-Zero by 2050**

- Intergovernmental Panel on Climate Change, 2018

<https://perkinswill.com/news/on-out-way-to-net-zero/> IPCC, 2018: Global warming of 1.5°C





# #RacetoZero – COP26

RacetoZero was initiated by Mark Carney (Prime Minister's Finance Advisor for COP26 & COP26 President) who wrote a letter to CEOs asking them to join the race:

## *CALL TO CEOs OF PRIVATE FINANCIAL INSTITUTIONS TO JOIN THE RACE TO ZERO AHEAD OF COP26*

- *Public finance alone cannot achieve the scale or pace of change to put the world on the path to net zero and it is clear that countries need the support of the finance sector*
- *He urged financial institutions to make commitments that demonstrate the collective leadership needed for the transition to a net zero and climate-resilient future.*
- *Acknowledged that good progress with financial firms has been made – e.g. firms implementing guidelines of the Taskforce for Climate-related Financial Disclosures (TCFD), and institutions are beginning to align financing activities and portfolios with the Paris Agreement.*
- *Encouraged continued progress from all actors - countries to financial institutions – stating they must adopt ambitious climate targets, which are aligned with climate science and grounded in the highest standards of transparency and governance.*
- *He urged financial actors to sign up to the Race To Zero and join a global group of businesses and organisations setting these ambitious targets and action plans to reduce emissions and build resilience.*
- *Financial institutions can do this by signing up to industry-specific net zero initiatives which have created credible frameworks for financial institutions with science-based targets, such as the Net-Zero Banking Alliance or Net-Zero Asset Owner Alliance (amongst others)*



# The Race to Net-Zero – where are we?

Various global financial initiatives have formed, making commitments to align loan and investment portfolios with Net-Zero:

## Glasgow Financial Alliance for Net-Zero (GFANZ)

- ✓ Anchors COP26's Race to Zero
- ✓ Industry-led, UN-convened
- ✓ Chaired by Mark Carney
- ✓ Responsible for over US\$80 trillion in assets
- ✓ Brings together a group of other net-zero initiatives

## Collective aims

- ✓ Mobilise capital to build a zero emissions economy
- ✓ Deliver the goals of the Paris Agreement

Net-Zero Banking Alliance

Net-Zero Asset Owner Alliance

Net-Zero Asset Managers Initiative

Net-Zero Insurance Alliance

Net-Zero Financial Services Providers Alliance

**\$80 trillion AUM**

<https://www.thetimes.co.uk/article/companies-drag-heels-on-road-to-reaching-net-zero-nm0ctw5z2>, <https://www.nsenergybusiness.com/news/countries-net-zero-emissions/>, <https://www.netzeroassetmanagers.org/>, <https://www.unepfi.org/net-zero-banking/>, <https://www.unepfi.org/net-zero-alliance/>



For the many journeys in life

## The Race to Net-Zero – not just finance!

### BUSINESSES:

- ✓ 1/5th of the worlds largest companies have committed to the net-zero goal
- ✓ Emerging initiatives and organisations trying to coordinate efforts, such as UK Business group Alliance for Net-Zero

### CIVIL SOCIETY:

- ✓ Net-Zero pledges are appearing and impacting across the spectrum of civil society
- ✓ From NGOs focusing on activism to think-tanks and research institutes
- ✓ Permeating every level of governance, with local councils supporting UK government with the Net-Zero target

## Countries with Net-Zero targets in law:



<https://www.thetimes.co.uk/article/companies-drag-heels-on-road-to-reaching-net-zero-nn0ctw5z2>



# QUICK POLL

TELL US WHAT YOU THINK



# MAKING THE SWITCH TO AN ELECTRIC FLEET

S I M P L E   S T E P S   T O   G O I N G   E L E C T R I C



## Why make the switch?

"It's the right thing to do"

- Government policy is driving us to go electric
- 2030 is a key date in the electrification road map

'Fleet' is not a single entity

- Transitioning to an electric car fleet is different to an electric LCV (eLCV) fleet
- Job needs must be considered when selecting eLCVs

## A future proof company car policy

What do we focus on?

- Driver groups (company car drivers/cash allowance/employees)
- Car policy
- Fuel reimbursement policy
- Pricing methodology
  - Monthly rental isn't an effective way of including multi-fuel types
  - Petrol will appear cheaper than plug-in cars

A car policy including more than one fuel type should be based on **Whole Life Cost** to reflect the differing cost elements to the business.



# Let's compare ...



## VS



VW Golf Life 5 dr

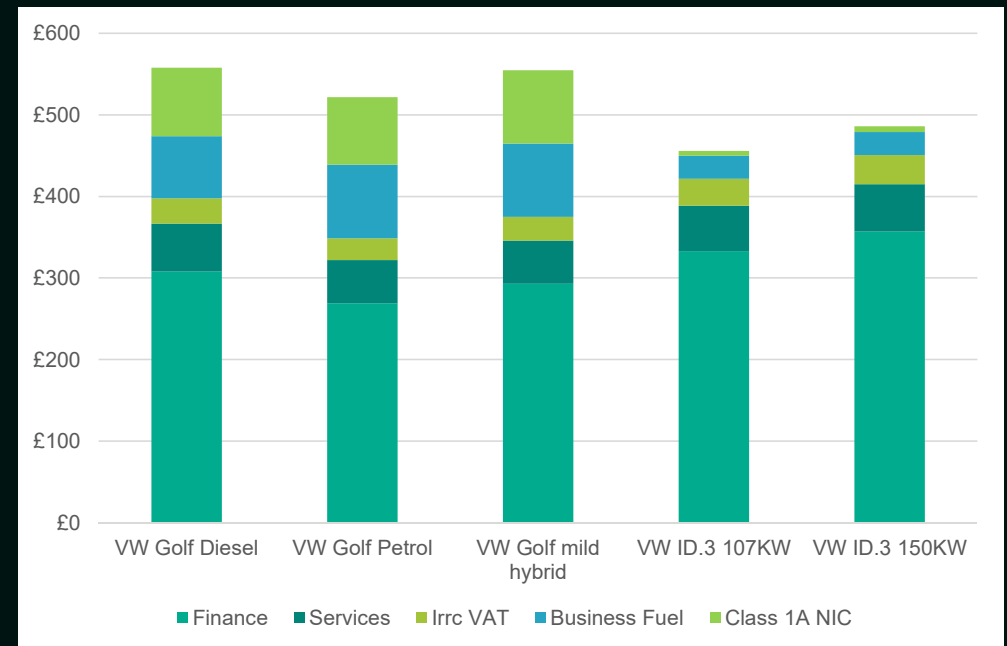
VW ID.3 Life 5 dr

# Effective rental method VS. Whole Life Cost

Effective rental method



Whole Life Cost





## A future proof company van policy

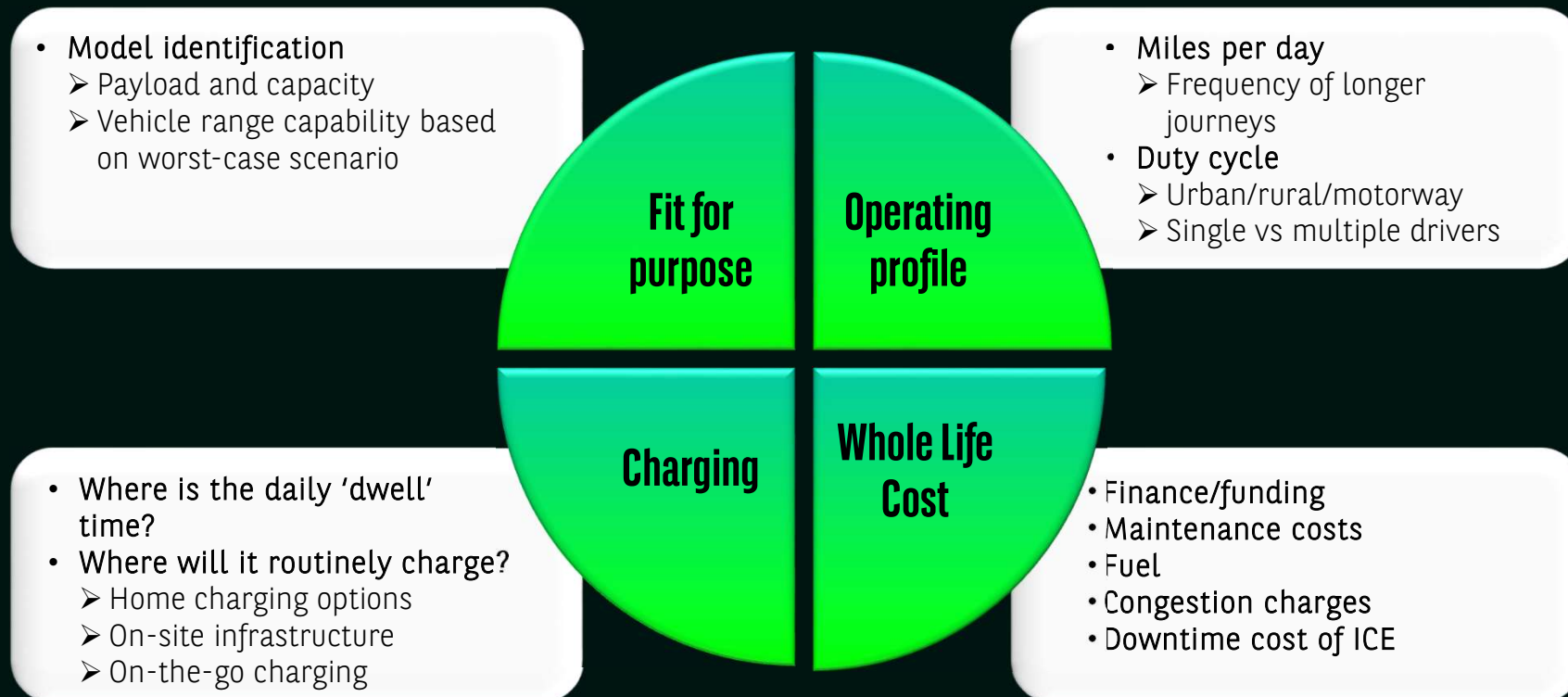
What do we focus on?

- Fit for purpose fleet
- Operating profile
- Charging
- Pricing methodology

We need to gain a deeper understanding of your driver and vehicle operating profile at an individual level.



# Going electric: eLCV strategy



# LCV fleet electrification strategic roadmap

- Identify EV volunteers
- Install required infrastructure
- Source vehicles
- Prepare for disruption

- Assess each vehicle replacement
- Review barriers
- Scale up



Fleet pilot

Fleet review

Fleet rollout

Fleet  
assessment

- Assess electrification impact
- Establish EV criteria
- Build replacement roadmap
- Review infrastructure requirements

- Vehicle profiling
- Cost/operation profiling
- Infrastructure assessment

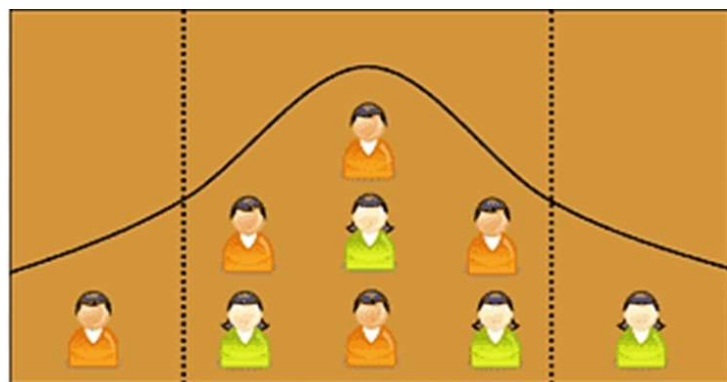
FOCUS ON THE  
VEHICLES THAT CAN  
BE CHANGED NOW TO  
ELECTRIC NOT THOSE  
DUE FOR  
REPLACEMENT.

# Employees and encouraging EV adoption

Driver behaviour is the key to success

Curious/nervous

Very nervous/sceptical



Keen/excited

Communication is essential for EV adoption





# In summary ...

## Cars

- ✓ Don't overthink the process
- ✓ Move to a Whole Life Cost based choice
- ✓ Update the company car and fuel policy to reflect EV usage
- ✓ Consider the various driver groups
- ✓ Make EVs available within your policy for immediate transition

## LCVs

- ✓ Don't panic – it's a marathon not a sprint
- ✓ Focus on the vehicles you can change, not the ones you can't (right now!)
- ✓ Don't let the replacement schedule dictate the pace of change
- ✓ There is prep work you can do now even if you cannot make the transition today



# Q & A

O U R   E X P E R T S   A N S W E R   Y O U R   Q U E S T I O N S



THANK YOU merci  
mèsitak GRAZIE chokrane  
dhanyavad ARIGATÔ dziękuję  
GRACIAS danke ευχαριστώ NANDRI  
спасибо MAHALO teşekkür  
ederim spas JĚRĚJĚF