



**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





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 26th 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://2nshq1gn1r123z0l93eyrccj-wpengine.netdna-ssl.com/wp-content/uploads/2021/07/COP26-Explained.pdf>



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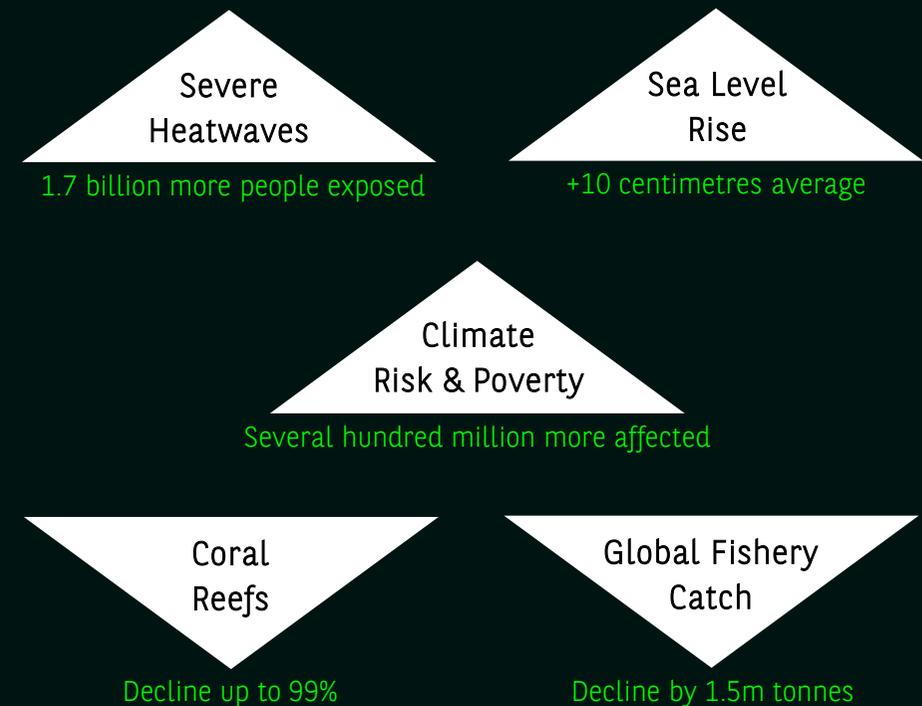
Why should you care?

- ✓ 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."

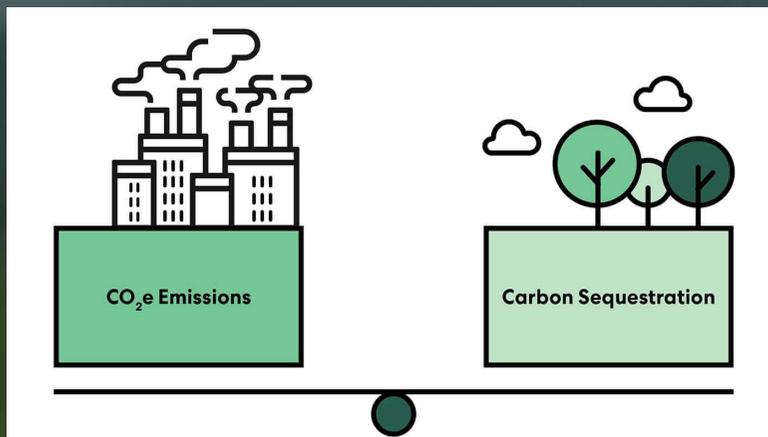
- Lord Zac Goldsmith, Minister for Pacific and the Environment

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



#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.enr.com/business.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:





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 ...



VW Golf Life 5 dr

VS



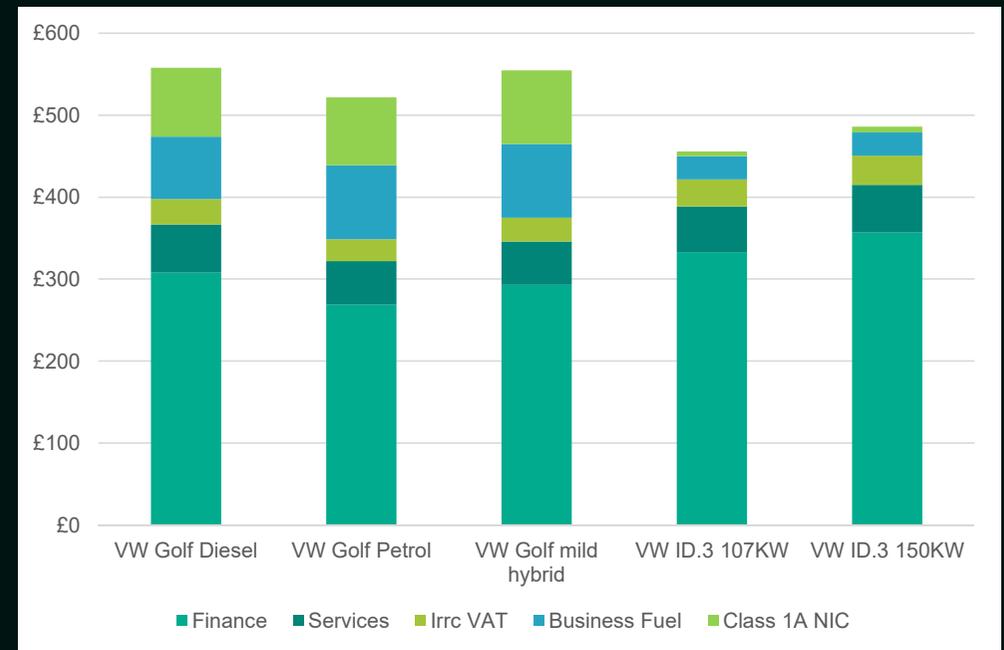
VW ID.3 Life 5 dr

Effective rental method VS. Whole Life Cost

Effective rental method



Whole Life Cost



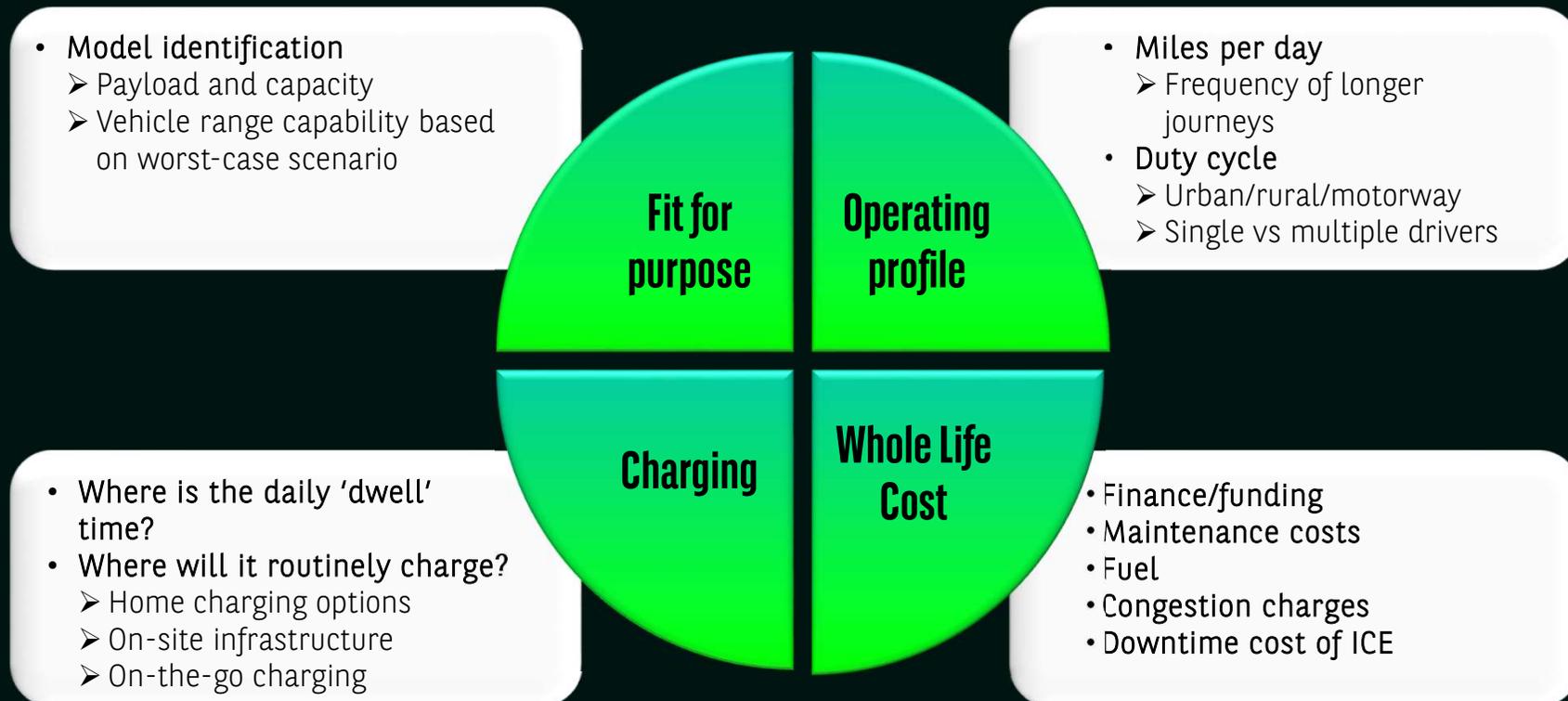
A future proof company van policy

What do we focus on?

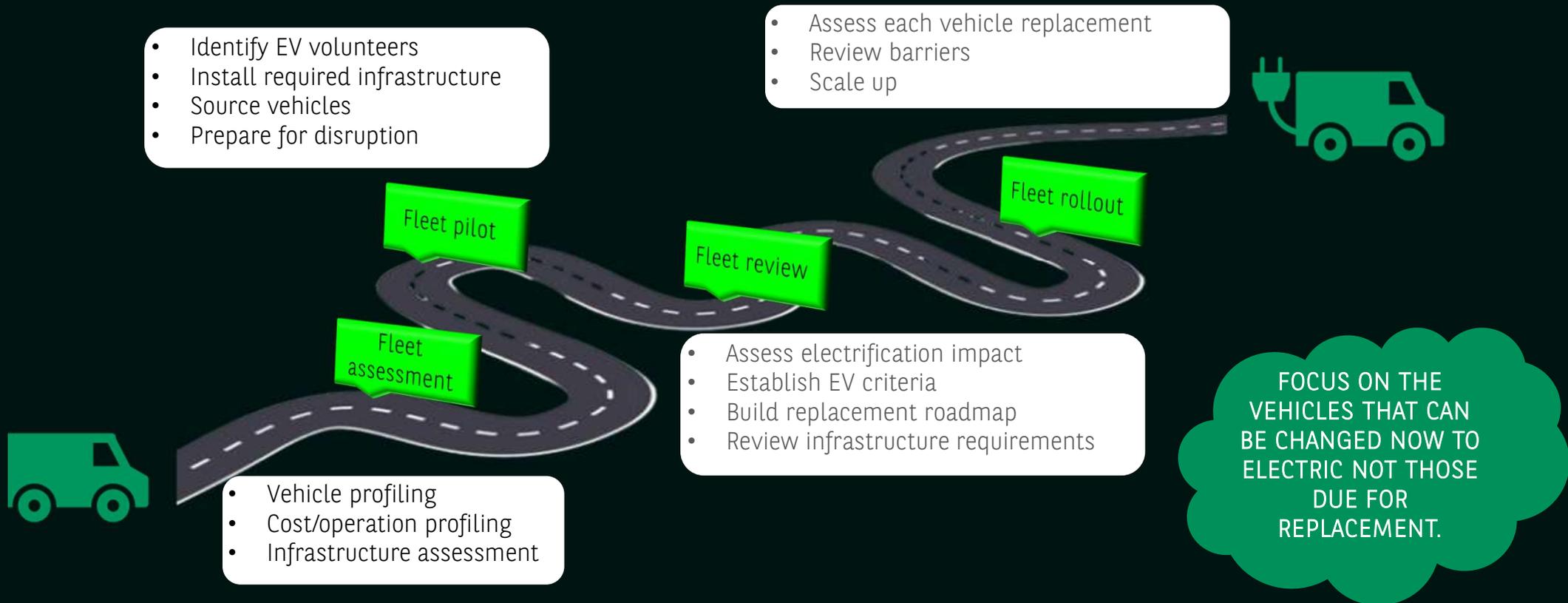
- Fit for purpose fleet
- Operating profile
- Charging
- Pricing methodology

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

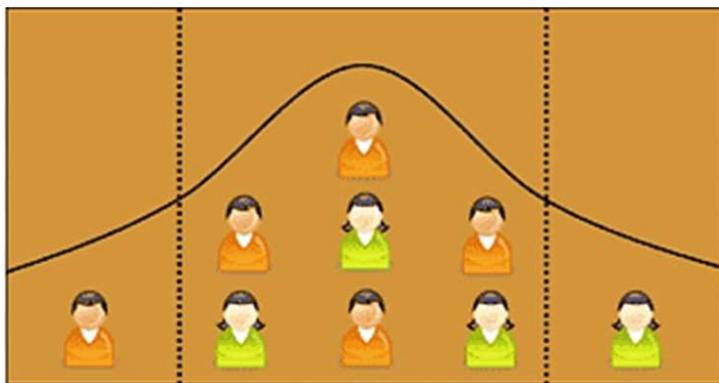


Employees and encouraging EV adoption

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

OUR EXPERTS ANSWER YOUR QUESTIONS

THANK YOU merci
mèsitak GRAZIE chokrane
dhanyavad ARIGATÔ dziękuje
GRACIAS danke εΥΧΑΡΙΣΤΩ **NANDRI**
спасибо MAHALO teşekkür
ederim spas JĚRĚJĚF