

Transition to electric vehicles in the corporate segment: France's largest companies still not playing the game

French MEP Damien Adam's ambitious bill could solve the problem

Key messages

For the second year running, Transport & Environment (T&E) takes stock of the implementation of a French law requiring large companies to electrify their vehicle fleet - the Mobility Law (*Loi d'Orientation des Mobilités - LOM*). For context, companies operating a fleet of more than 100 light vehicles are required to include a minimum quota of low-emission vehicles in their vehicle orders (10% in 2022 and 2023). This quota increases over time.

These obligations are fair and appropriate: although the law only applies to 0.1% of companies in France, the companies concerned buy 6 out of 10 new vehicles¹.

Unfortunately, the results of the analysis are concerning.

- Similar to 2022, 60% of companies in France are not meeting the 2023 electrification quota. Major groups such as Iliad (parent company of Free), Carrefour and Air Liquide (members of stock market listed CAC 40 companies) are among the companies that are not complying with the law. The requirement to report to the Ministry for Ecological Transition is also largely ignored.
- The proportion of new electric vehicles registered by companies subject to the law stands at 8% in 2023, a rate of electrification almost three times lower than that of households (22%).
- Ambitious companies such as EDF, La Poste, Filpar (*Corsica's main short-term hire company*), SPIE, SAP and SANEF demonstrate that high uptake of electric cars is possible and, above all, beneficial.

¹ The extent of the law's scope is explained by the importance of leasing companies in the automotive market. For further details, see the dedicated insert in the executive summary of this note.

Against this backdrop, a bill to reform the law has been tabled by MP Damien Adam (Renew Part). T&E analysis has modelled the benefits of this reform over the next decade (2025-2035). In its current version, it meets all the criteria of good public policy:

- This reform alone could reduce emissions from the automotive sector by 57 million tonnes of CO₂ between 2025 and 2035. This is equivalent to bringing all French air traffic to a complete standstill for 2 and a half years².
- If companies' current 'loyalty' to Made in France remains stable, the additional demand generated by the reform will lead to the sale of 1.7 million additional electric vehicles from Renault, Peugeot, Citroën and DS. In addition, 550 000 more electric vehicles will be produced in French factories. The strengthening of electrification obligations will therefore support the national automotive industry.
- Accelerating the electric vehicle transition in the corporate segment could add an additional 2 million electric vehicles by 2035 to the second-hand market. That is 20 times the number of second-hand electric vehicles sold last year. This will make it easier for low and middle-income households to access electric cars at an affordable price.
- Accelerating the transition to electric vehicles is also in the interest of the companies concerned: when taking into account all the costs of the vehicle (purchase write-off or monthly rental, tax, maintenance, insurance, fuel or electricity, etc.), electric cars are currently the cheapest on the market.

In view of the bill's benefits for the climate, industry and society, four environmental NGOs join T&E in calling on the French Parliament and the government to initiate the review process as quickly as possible, while maintaining a level of ambition commensurate with the issues at stake. Reform is absolutely essential if we are to send the right signal to large companies and encourage them to embark on real transition projects for their fleets.



² French Ministry of ecological transition (2023), [Les émissions gazeuses liées au trafic aérien](#).

Executive summary

Too few companies are meeting the targets stipulated by the law

For the second year running, T&E has carried out an assessment of the law on company fleets, using the official registration data (SIV database). For context, companies operating a fleet of more than 100 light vehicles are required to include a minimum quota of low-emission vehicles in their vehicle orders. This quota increases over time (10% in 2022-2023, 20% in 2024-2026, 40% in 2027-2029, 70% from 2030).

This law is both relevant and fair. It targets only a very small number of large companies: in 2023, only 3,447 companies were affected by the law, i.e. 0.1% of the 3.9 million companies registered in France and 3% of the groups of companies listed by INSEE³. Yet this small group of companies has a considerable influence on the development of the car market, accounting for 62% of new car registrations last year.

The law applies not only to vehicles used by companies operating corporate fleets of more than 100 vehicles, but also to all vehicles purchased by leasing companies that lease more than 100 vehicles, including those leased to private individuals or smaller companies. In 2023, the 138 leasing companies with more than 100 vehicles registered 1.1 million new vehicles, or 54% of all new light vehicles registered during the year.

Unfortunately, the law includes no controls nor penalties and relies essentially on the goodwill of the companies concerned. In 2022, T&E showed that two thirds (66%) of the companies concerned had not met the 10% quota required by law⁴. In 2023, 60% of companies have not reached the threshold. Similarly, the requirement to report types and number of vehicles in the fleet to the Ministry for Ecological Transition, which is theoretically required by law, is largely ignored⁵.

³ INSEE (2020), [Tableaux de l'économie française](#) et [Les entreprises en France. Groupes de société](#).

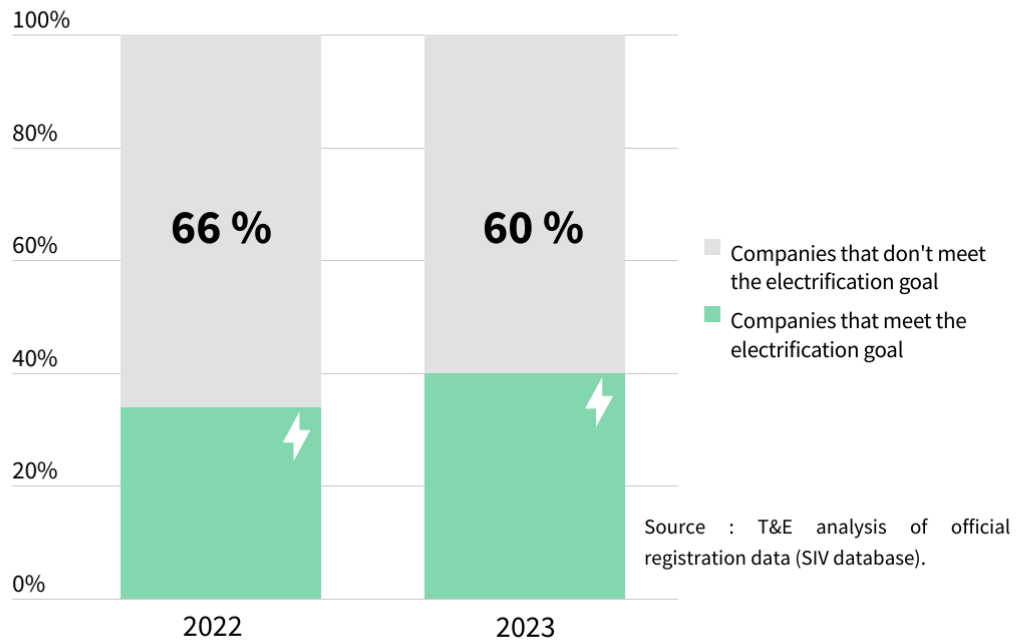
⁴ T&E (2023), [La majorité des grandes flottes automobiles n'atteindra pas les objectifs de verdissement fixés par la loi pour 2022](#).

⁵ See the reports compiled on this [link](#).



Electrifying corporate cars

A majority of companies don't meet the law



Large companies are far from exemplary, with electrification rates sometimes close to 0%^{6,7}. Two years after the law came into force, these companies no longer have any excuse for not complying with the rules.

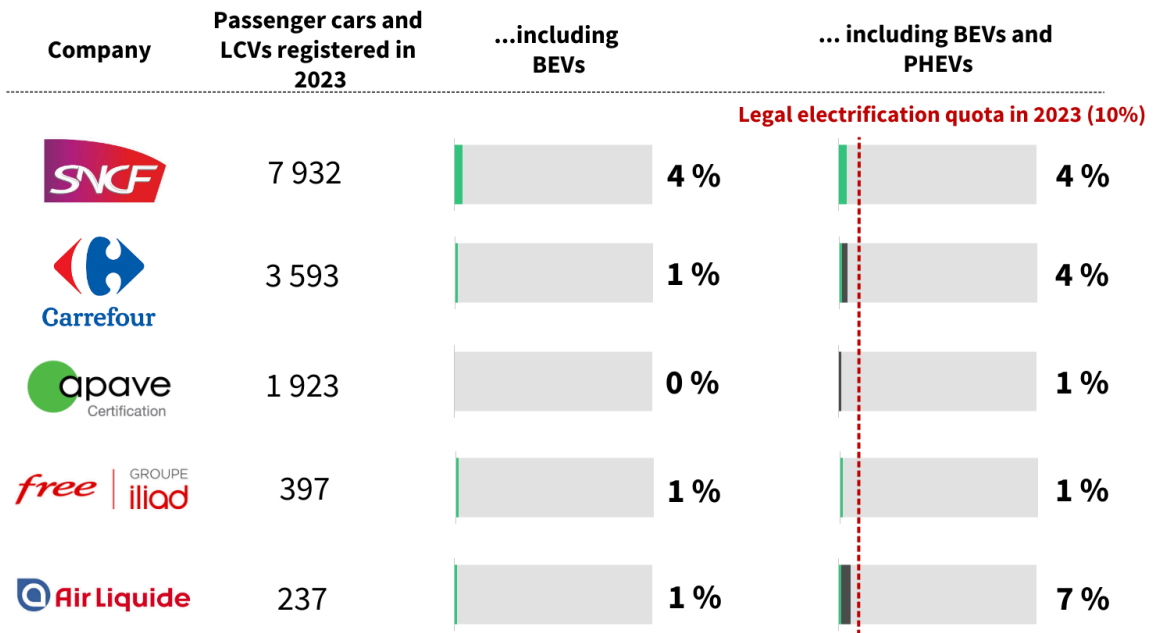
⁶ These companies were contacted by T&E several weeks before the publication of this report, but did not wish to comment on the results. Conversely, more ambitious companies all confirmed the figures.

⁷ Air Liquide said it had set up an electrification project with a dedicated team in 2023, and was aiming for a target of 20-25% electric vehicles in orders for the years 2024-2026.



Electrification of corporate fleets

Some major companies are not meeting the law



Source: T&E analysis based on official registration data (SIV database) and Sirene database.



This performance is all the more damaging because the law is not very ambitious. The legal quota of 10% includes rechargeable hybrid vehicles, which are bogus "green" vehicles that pollute⁸ and cost a lot of money⁹. This loophole allows certain major groups such as Altice and Bolloré to comply with the law by registering 2% and 3% respectively of "100% electric" vehicles - including a high rate of hybrid cars.

The analysis shows that the market share of electric vehicles among all new vehicles registered by the large fleets covered by the law (≥ 100 vehicles) is at a mere 8%¹⁰. The results also imply that, in France, households are the ones driving the country's transition to electric vehicles, with a rate of adoption that is three times higher (22%).

⁸ T&E (2023), [PHEVs pollute more than claimed in cities and on commutes, new tests show](#) ; ICCT (2022), [Real-world usage of PHEVs in Europe: A 2022 update on fuel consumption, electric driving, and CO2 emissions](#).

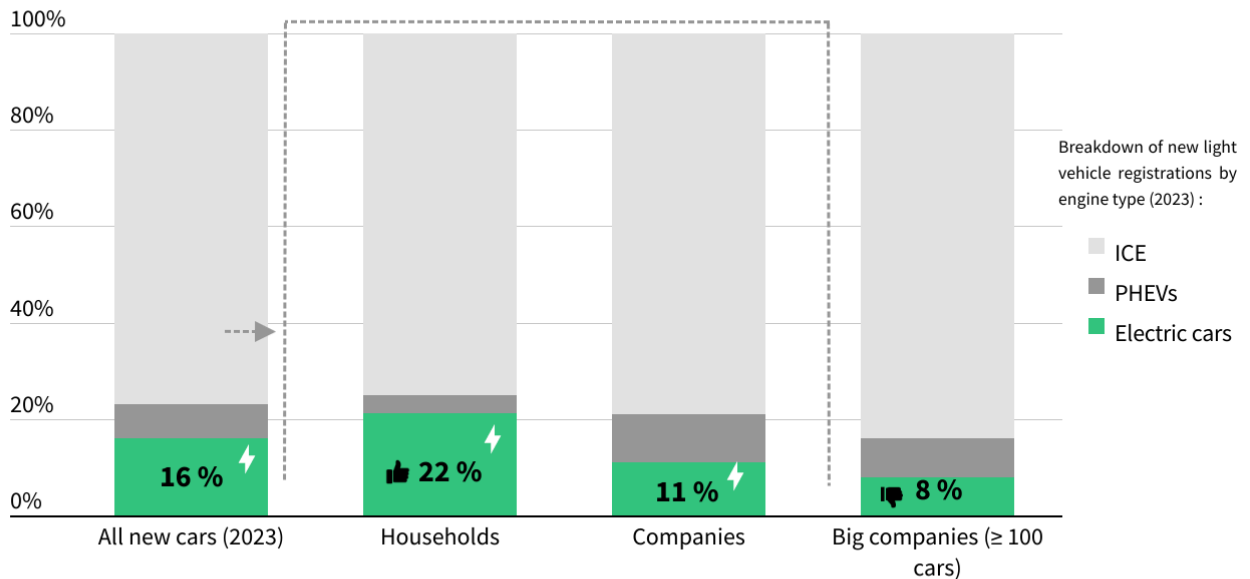
⁹ Arval (2023), [TCO Scope 2023](#) ; ALD-LeasePlan (Ayvens) (2023), [2023 Mobility Guide](#).

¹⁰ This percentage does not include vehicles leased by large leasing companies (≥ 100 vehicles) to small fleets (< 100 vehicles) and private individuals. If the vehicles leased by these large leasing companies to small fleets were included, the proportion of electric vehicles in the total number of vehicles registered by the companies affected by the law would rise to 9%. Including vehicles leased to small fleets and those leased to private individuals, it would rise to 15%.



Electrification of company cars

Groups subject to the law are not pulling their weight

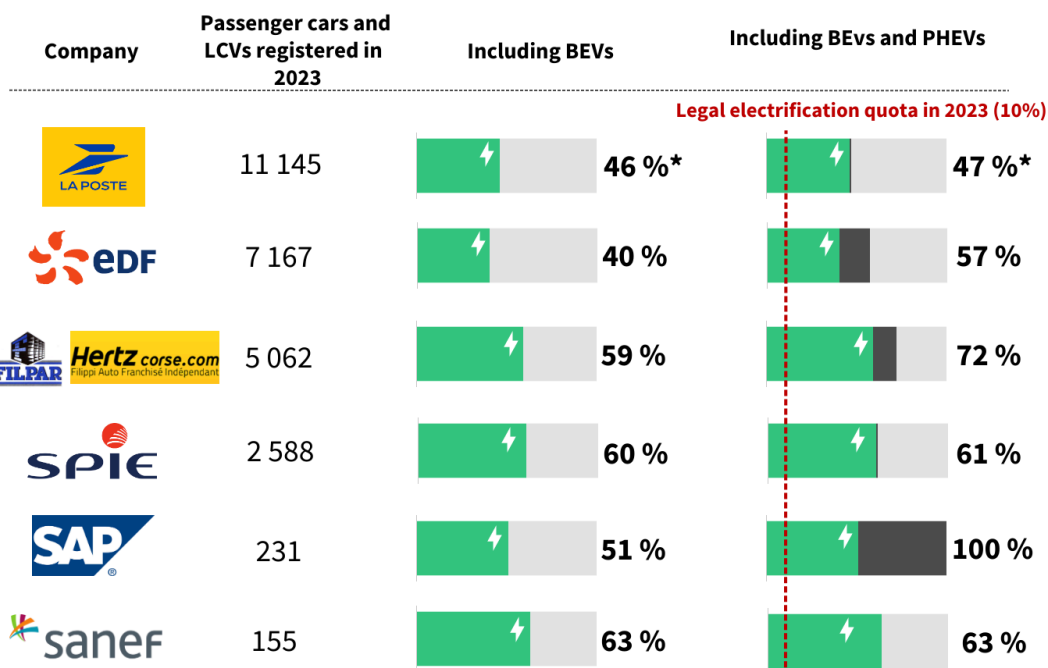


However, like in 2022, committed companies such as EDF (40% of electric vehicles among vehicles registered in 2023), La Poste (46%), Filippi Auto (59%), SAP (51%), SPIE (60%) and SANEF (63%) are demonstrating that a high level of ambition is possible.



Electrification of corporate cars

Some companies lead by example



Source: T&E analysis based on official registration data (SIV database) and Sirene database.*La Poste has registered 890 electric three-wheelers, bringing its electrification rate to 50%.



Over the first 6 months of the year, French companies lagged behind the rate of transition of companies in 12 other European countries (Sweden, Finland, the Netherlands, Luxembourg, Belgium, the United Kingdom, Austria, Denmark, Portugal, Germany, Ireland and Slovenia)¹¹.

Market share of electric cars (Jan-June 2023)				
	Country	Total	Households	Companies
1	Sweden	38 %	40 %	37 %
2	Finland	34 %	36 %	30 %
3	Netherland	29 %	33 %	27 %
4	Luxemburg	20 %	14 %	25 %
5	Belgium	17 %	5 %	23 %
6	United Kingdom	16 %	8 %	23 %
7	Austria	19 %	13 %	22 %
8	Denmark	31 %	49 %	20 %
9	Portugal	15 %	14 %	15 %
10	Germany	17 %	22 %	14 %
11	Ireland	19 %	21 %	13 %
12	Slovenia	8 %	5 %	12 %
	Moyenne UE	13 %	14 %	12 %
13	France	16 %	20 %	11 %

¹¹ T&E analysis of official new car registration data (Jan-June 2023), processed by DataForce.

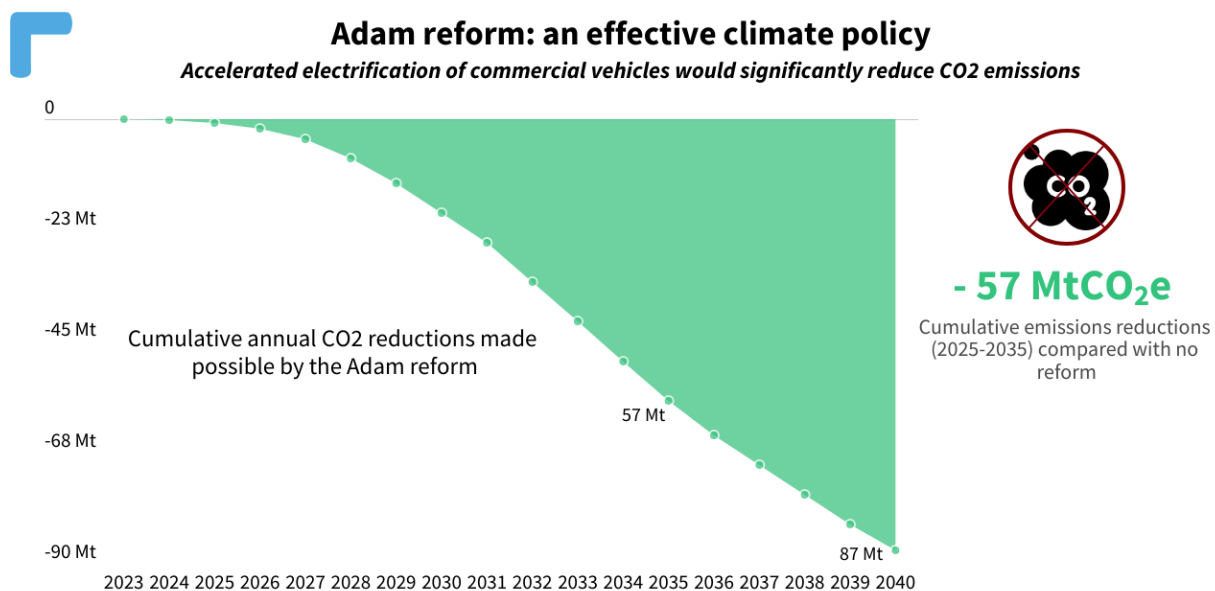
A reform of the law is necessary

Against this backdrop, a bill to speed up and better control the law has been tabled by MP Damien Adam (Renew)¹². In short, it strengthens the electrification trajectory, excludes plug-in hybrid vehicles from the scope of the law and introduces controls and penalties for companies that do not play the game.

T&E has modelled the impacts associated with the implementation of this reform:

- **A powerful tool in the fight against climate change**

Applying the reform would significantly reduce national CO₂ emissions. Cumulatively, between 2025 and 2035, an additional 57 Mt CO₂e could be saved compared to business-as-usual (87 Mt CO₂e over the period 2025-2040).



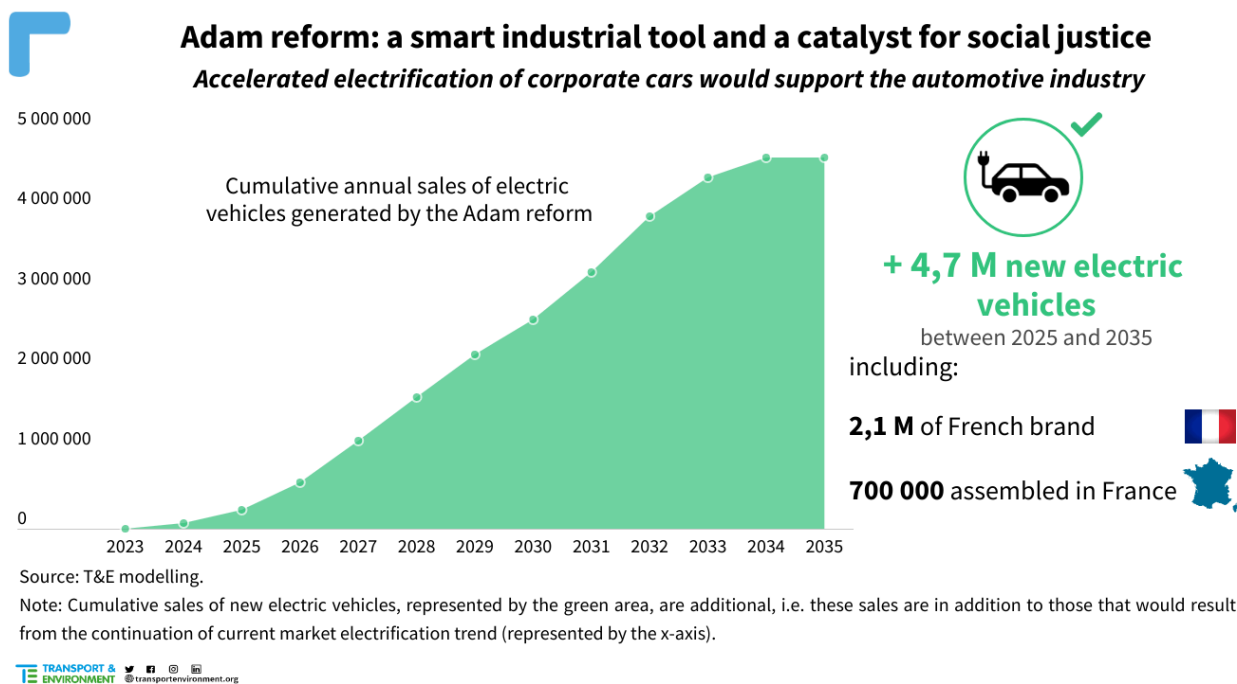
This measure alone represents 16% of the annual CO₂ emissions reduction target for transport set by the government for 2030 (5.6 Mt CO₂e out of 36 Mt CO₂e)¹³.

- **An effective industrial policy tool**

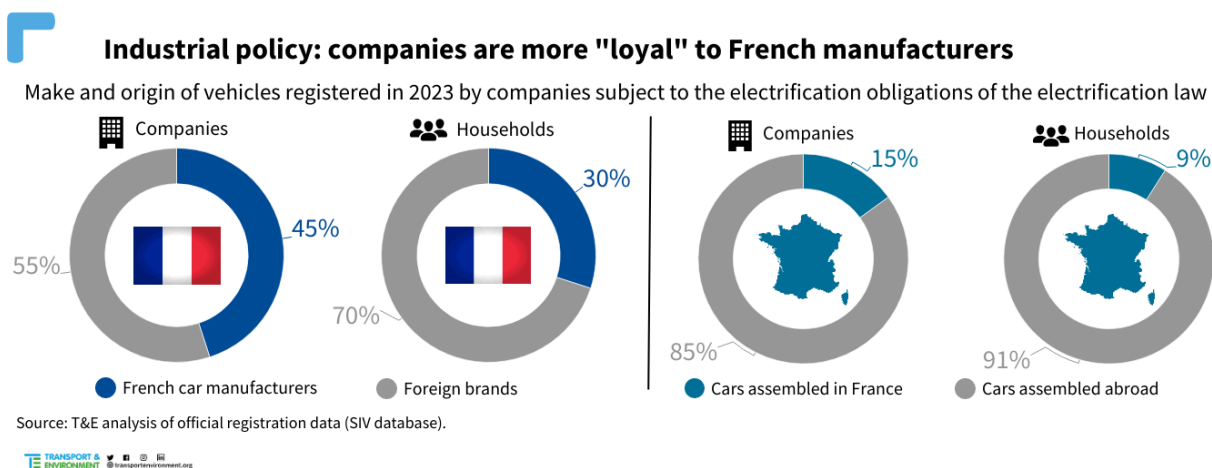
¹² [Law proposal n°2126](#), filed on 5 December 2023 and updated on 30 January 2024.

¹³ France Nation Verte (2023), [Mieux agir. La planification écologique](#).

Between 2025 and 2035, 3.7 million additional new electric vehicles could be sold thanks to the reform, i.e. 12 times the number of new electric vehicles sold in 2023.



As the large companies targeted by the law are 'loyal' to French carmakers and to vehicles produced in France, this extra demand would support the transition of the national automotive industry.

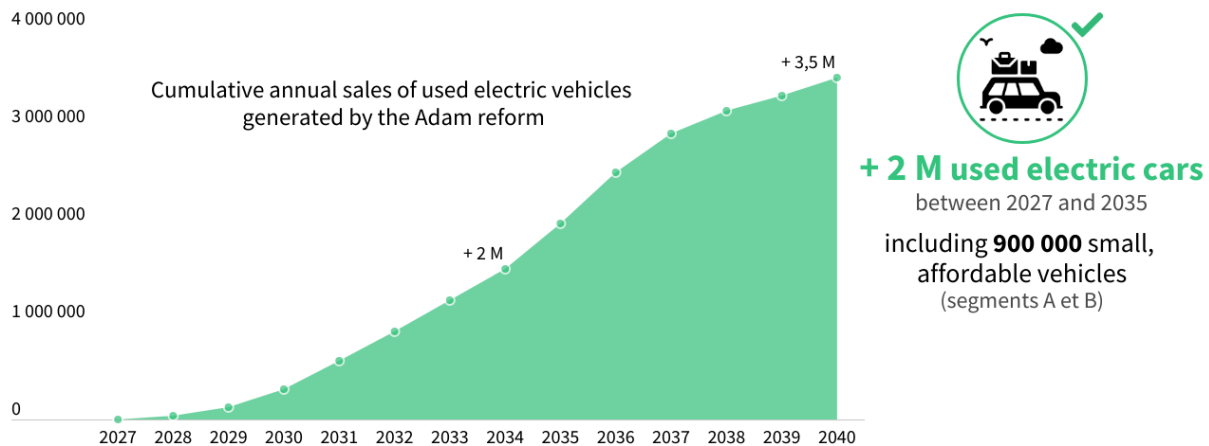


Assuming that the purchasing behaviour of companies subject to the obligations of the LOM law remains stable, the Adam reform could generate the additional sale of 1.7 million French-brand electric vehicles and 550,000 electric vehicles assembled in France.

- **An important lever for social justice**

On average, the renewal rate for business vehicles is faster than that for household vehicles (around 4 years compared with 12 years). Strengthening the law would therefore lead to an additional 2 million electric vehicles being sold on the second-hand market between 2028 and 2035, including 900 000 million small vehicles in segments A and B (assuming that the market share of small vehicles in France remains constant).

Adam reform: a sizeable opportunity for social justice
Accelerated electrification of company cars could support low-income households in the green transition



Source : T&E modelling

Note: Cumulative sales of used electric vehicles, represented by the green area, are additional, i.e. these sales are in addition to those that would result from the continuation of current market electrification trend (represented by the x-axis).

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This surplus of second-hand electric vehicles will facilitate the transition for low and middle-income households, who are highly dependent on second-hand vehicles¹⁴. In 2023, 84% of vehicles bought by households were purchased on the second-hand market, but the market share of second-hand electric vehicles was only 1.75% (89,345 vehicles). The reform of the law is crucial to giving more French households access to zero-emission mobility, as a complement to the social leasing scheme.

- **An sensible business choice for companies**

¹⁴ CE Delft (2016), [Data gathering and analysis to improve the understanding of second hand car and LDV markets and implications for the cost effectiveness and social equity of LDV CO₂ regulations](#).

The most recent studies are unanimous, and concur with the feedback from the market: apart from a few exceptions, the Total Cost of Ownership (TCO) of an electric vehicle is more advantageous than its combustion-powered equivalents¹⁵. Indeed, the extra cost of purchase and the initial costs of implementing an electric car fleet are quickly offset by gains in operating costs and taxation. In the long term, the switch to electric vehicles represents potential savings for businesses, which are particularly attractive at a time of inflation.

Beyond the financial aspects, this transition is an asset for the attractiveness and image of companies, and helps them to meet their climate commitments.

These facts were highlighted by a group of committed companies in an open letter sent to the government on 6 February 2024.

T&E calls upon public authorities to adopt this reform

In view of the above, a coalition of environmental NGOs made up of the Climate Action Network, WWF France and Respire are joining T&E in calling upon the French Parliament and the government to start the process of examining the bill tabled by MP Damien Adam as quickly as possible.



In particular, T&E is calling upon legislators to not give in to requests to introduce exceptions and loopholes for certain categories of vehicles or certain sectors, which would empty the law of its substance. The example of the most ambitious companies involved show that these exemptions are not justified and that the transition to electromobility is not only possible but beneficial.

[Download the full report](#)

¹⁵ UFC Que Choisir (2021), [Coût de détention des véhicules. La voiture électrique, à contre-courant des idées reçues](#) ; Arval (2023), [TCO Scope 2023](#) ; ALD-LeasePlan (Ayvens) (2023), [2023 Mobility Guide](#).