

31 December 2021

SNCF GROUP ANNUAL FINANCIAL REPORT

- EDITORIAL FROM
THE SNCF GROUP CHAIRMAN
AND CEO
- STATEMENT OF THE PERSONS
RESPONSIBLE FOR THE SNCF
GROUP ANNUAL FINANCIAL
REPORT

EDITORIAL



JEAN-PIERRE FARANDOU
SNCF GROUP CHAIRMAN AND CEO

« 2021 saw a sharp rebound from 2020, particularly in the second half, with passenger travel bouncing back over the summer and again at the end of the year. Our 2021 results put us on track to meet our financial commitment to the French State, our sole shareholder, to reach positive free cash flow by 2022.

We did just that in the second half of 2021, thanks to our highly adaptable teams, proactive management of our businesses, and continued structural cost-cutting to bring free cash flow back into the black. This rigorous management and support from the French State enabled us to push ahead with projects essential to the rail system's overall performance: adapting transport plans, improving service fundamentals (safety, reliability and passenger information→), and carrying out works to regenerate and upgrade the rail network and infrastructure.

These results also show that our diversification strategy was the right choice. GEODIS reported record revenues, driven by robust growth worldwide in freight transport and e-commerce. Growth at KEOLIS strengthened SNCF Group's global leadership in integrated solutions for sustainable mobility. Fret SNCF broke even—a very encouraging sign for the future of rail freight in Europe. And in 2021, we saw the first concrete effects of opening the passenger market up to competition. SNCF RÉSEAU and SNCF GARES & CONNEXIONS are now working with new players in a spirit of fair and impartial treatment, and SNCF VOYAGEURS has made its products and services even more competitive. SNCF Group is present throughout France and in 120 countries around the world, and we've adopted an ambitious CSR roadmap for lasting gains in our overall performance. We must press ahead in transforming our business and innovating to make SNCF Group the world leader in sustainable mobility.

I would like to extend my warmest thanks to all SNCF Group teams in France and worldwide. I salute their outstanding engagement throughout the pandemic »

STATEMENT OF THE PERSONS RESPONSIBLE FOR THE SNCF GROUP ANNUAL FINANCIAL REPORT

LA PLAINE SAINT-DENIS, 24 FEBRUARY 2022

We attest that, to the best of our knowledge, the consolidated financial statements have been prepared in accordance with the applicable accounting principles and give a true and fair view of the assets and liabilities and the financial position of the issuer as at 31 December 2021 and of the results of its operations for the year then ended, and that the accompanying management report fairly presents the changes in operations, results and financial position of the issuer and a description of its main risks and uncertainties.

JEAN-PIERRE FARANDOU
SNCF GROUP CHAIRMAN AND CEO

LAURENT TRÉVISANI
DEPUTY CHIEF EXECUTIVE OFFICER
FINANCE STRATEGY

SNCF GROUP

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31 DECEMBER 2021

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MANAGEMENT
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THE SNCF GROUP IN 2021

1. SNCF GROUP PROFILE

1.1 PURPOSE

Together we can rise to the challenge of ecological transition if, at the same time, we make the necessary economic and social transitions. In this context, the role of businesses is changing and their responsibilities are being extended to all impacts of their activities on society, regions and the environment. This major change in how the economy is perceived in society is reflected and promoted in the PACTE Law (Action Plan for Business Growth and Transformation), which enables businesses to adopt a Purpose, record it in their Articles of Association and thus give long-term commitments to their main stakeholders.

Fully aware of this major development in the role and responsibilities of businesses in society, the SNCF Group created its “Tous SNCF” strategic project based on the belief that only global performance is sustainable. This means making CSR central to its strategy and opening up fully to the company’s stakeholders and component entities. The work on the corporate project was completed with the adoption on 16 December 2021 by the Board of Directors of a new purpose for the Group as a whole, marking a new phase in the governance and management of its activities.

The SNCF Group’s new purpose

“The role of the SNCF Group is to contribute to the vitality of society and its regions. We offer transport services that are vital to economic growth and social cohesion, vital to the development of regions and the daily well-being of their inhabitants and vital to ensuring the ecological transition.

The public service role that SNCF adopted upon its creation in 1938 carries on to this day in the commitment of the company’s employees to serving the common good. While guaranteeing safety, we design and implement for our customers, with professionalism and a sense of togetherness, innovative mobility and logistics solutions for the 21st century that are key to developing low-carbon transport.

Our aim is to optimise the cost and overall impact of transport for customers, taxpayers and citizens based on the performance and integration of all our business lines in the rail industry. Our infrastructures and services, which will stand the test of time, represent shared resources used to overcome social, ecological and economic challenges, and therefore act for a changing, united and sustainable society.”

RESOURCES

Organisational



- > A unified Group since 01/01/2020
- > 5 SA and 2 strategic subsidiaries: Geodis and Keolis
- > 3 activities (passenger transport, freight transport & logistics, infrastructure manager)
- > A vertically integrated company

Industrial



Infrastructures:

- > 28,000 km of track, including 2,700 km of high-speed line
- > 3,000 stations
- > 2nd property owner: 8.2 M m² of industrial and tertiary buildings, including technicentres



Logistics:

- > 7.1 M m² of Geodis storage warehouses
- > 3,818 own-fleet trucks

Human



- > 270,000 employees, including 23% abroad
- > 150 professions with diversified expertise
- > 26% de women

Financial



- > €168 billion in gross fixed assets (tracks, transport equipment, buildings...)
- > €36.3 billion in debt (€26.3 billion as at 01.01.2022)
- > Financing: 3rd issuer of Green Bonds in France, 6th internationally. Green Bonds have financed 30% of the Group's rolling stock and infrastructure investments since 2016

Regional coverage



- > Nationwide partners (FR State, regions)
- > 23,000 suppliers, including 16,000 SMEs, for €14 billion in purchases

Environmental



- > 16.4 TWh of energy consumed, of which 9.4 for rail traction energy

Digital



- > Volume of data produced annually: 216 online datasets

A digital ecosystem:

- > 350 start-ups
- > 37 active partnerships in 2021
- > 26 patents
- > 20,000 km of fiber optics

BUSINESS MODEL



Ambition for 2030

Be in 2030 the public utility company recognised as the European champion of sustainable mobility, for both passengers and freight, with a rail core business and a leading market, France.

Group CSR strategy

- > Develop rail and sustainable mobility
- > Reduce the environmental impact of our activities
- > Improve the adaptation and resilience of our activities to climate change

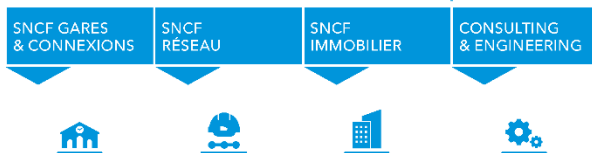
OF SNCF GROUP



PURPOSE

Act for a changing, united
and sustainable society

ASSET MANAGEMENT



SUPPORT FUNCTIONS

4 thrusts



> Act for social cohesion and the ecological and solidarity economy in the regions

> Make our employees the main actors and beneficiaries of the ecological and social transition

> Develop the highest ethical standards and an open governance

VALUE CREATION

For our customers: passengers / shippers



Passengers:

- > 15 M daily passengers in France and abroad
- > 88,4% punctuality
- > 76% of customers satisfied in all business segments
- > 80%-90% of 2019 passengers have returned to daily and long-distance lines
- > Transformation of digital tools with the roll-out of SNCF Connect (February 2022)



Shippers:

- > 170,000 shippers served worldwide
- > Return to 85% of Freight activity
- > +28% of revenue at Geodis compared to 2020

For employees



- > 11,600 full-time contract hires in France
- > 8% of payroll invested in rail activity training
- > 27% of executives from the supervisor's collegial body
- > Work-related accident frequency rate: 20.77 for 1,000,000 hours worked
- > Work-related accident severity rate: 1.75 for 1,000 hours worked

Financial / for shareholders



- > €34.8 billion (+15%) in revenue, including a 1/3 internationally
- > Free cash flow of -€700 million in 2021 compared to -€2.8 billion in 2020
- > Debt reduction of €1.8 billion
- > Funding: a 0.6% rate for an average maturity of 28 years
- > A1+: Vigeo Eiris rating
- > AA-: S&P rating
- > Aa3: Moody's rating
- > A+: Fitch rating

For the OA and our regions



- > Annual investments of €5.7 billion in the network, including equity of €2.1 billion
- > + 230,000 jobs supported in France
- > €15.8 billion in value creation, i.e. 0.6% of national GDP

For the planet

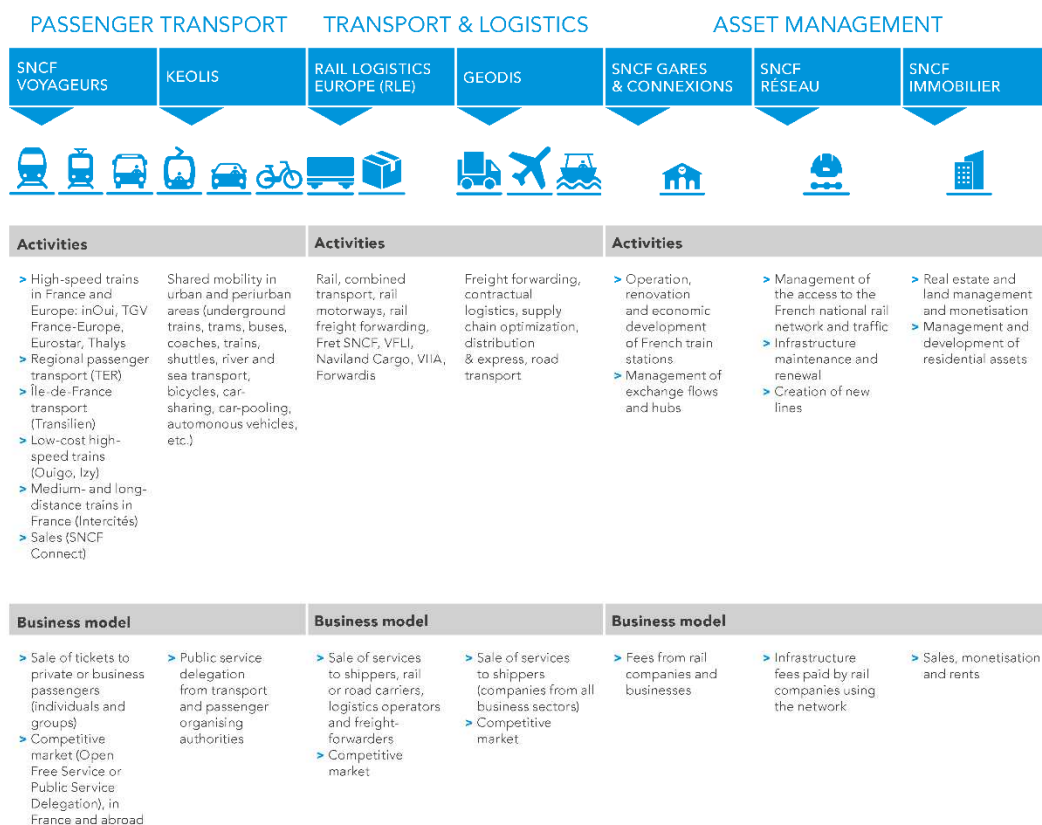


- > Less than 1% of transportation emissions for 10% of passengers and freight transported
- > Circular economy: 97.7% of removed track is recycled in steel plants and 2.3% of removed track is reused

STRENGTHS

Present in virtually all transport market segments, the SNCF Group combines experience and innovation capacity. Drawing on its rail core business, expertise, ecological assets and ability to reinvent in a radically changing context, the SNCF Group acts in the general interest, serving customers and contributing to the vitality of regions, under the recovery plan adopted by the French State (France Relance) in response to the COVID-19 crisis.

AN ORGANISATION INVOLVING 3 MAIN BUSINESS LINES



SUPPORT FUNCTIONS

CONSULTING & ENGINEERING



Activities

- Design of major infrastructure and public space projects: **SYSTRA, AREP**
- SNCF International
- SNCF Consulting

Business model

- Sale of services to customers (States, foreign railways, urban communities, etc.)
- Competitive market

A GROUP DRIVING PUBLIC POLICY, DELIVERING LOW-CARBON SOLUTIONS, COMMITTED TO A GREEN AND HUMAN RECOVERY AND PROMOTING THE DEVELOPMENT OF REGIONS, NATIONAL INDUSTRY AND EMPLOYMENT

Breakdown of revenue

47% rail

53% non-rail

< 1%

of transport GHG emissions for 10% of passengers and freight transported

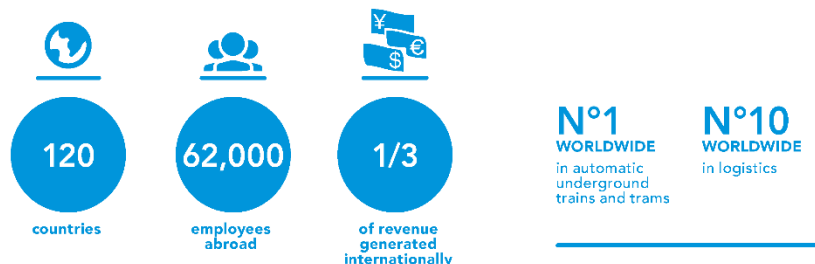
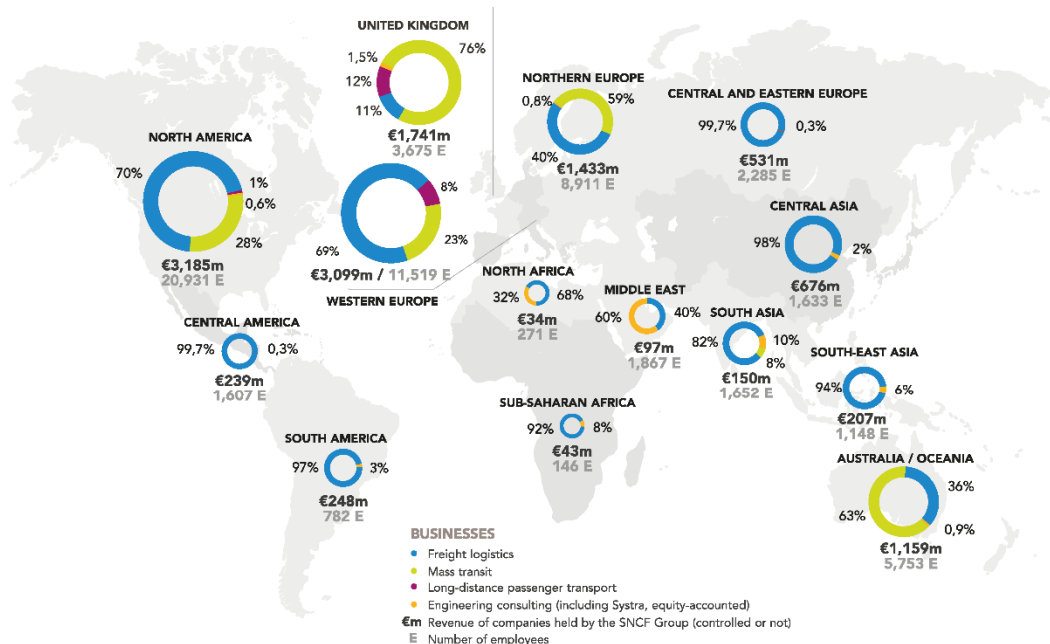
133,240

indirect jobs in the supplier chain / 98,330 jobs induced, including 27,500 jobs supported in construction and public works/year

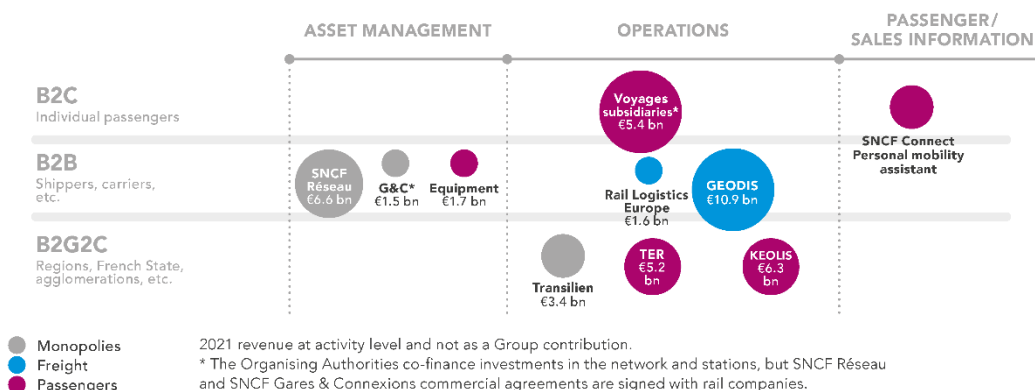
97%

of Group purchases made in France

FOCUS ON SNCF COVERAGE WORLDWIDE:
A CONSTANTLY DEVELOPING BUSINESS INTERNATIONALLY



A GROUP PRESENT ACROSS THE ENTIRE MOBILITY VALUE CHAIN



1.2 AN AMBITION: BE THE WORLD CHAMPION OF SUSTAINABLE MOBILITY BY 2030 IN DRAWING ON 4 CORE STRENGTHS

In the medium and long-term, the crisis will not undermine the fundamentals of the mobility market which is set to expand. SNCF supports this approach and in 2020 adopted its corporate project “Tous SNCF”, which has set a clear goal: **become a world-class champion of sustainable mobility for passengers and freight by 2030**.

To achieve our goal, the Group is committed to its four customer-centric thrusts: people, ecological transition, the regions and digital innovation.

1.2.1 People

SNCF wishes to put people at the centre of its operations and focus to become one of the most attractive Groups in France. The company's ambitious transformations (particularly the opening up of the domestic passenger rail market) requires it to strengthen social dialogue and support its changes while attracting and retaining employees.

The people aspect is also reflected in the solidarity within the Group in terms of jobs. As a labour-intensive company, its employees' skills are the Group's main asset. One of SNCF's strengths therefore lies in the ability to change jobs, change activities and develop its own expertise by maintaining the links between each company and activity.

These issues underline the need for strategic workforce planning in all regions across the entire Group and the development of mobilities between entities. This should ensure long-term and fulfilling positions for each employee within the company.

1.2.2 Ecological transition

SNCF is proactive and exemplary in its environmental policy, and considers ecological transition as:

- an imperative, which must be met at all levels of the company;
 - an opportunity: as a low-carbon means of transport, rail is an adapted response in the fight against climate change, which sets itself apart from other competitors.
- SNCF has adopted a plan to extensively reduce its carbon footprint: -30% in 2030 in its rail activities and -50% in real estate. It focuses on all levers: decarbonisation of traction energy, business actions, purchasing policy, etc.

1.2.3 Regions

SNCF wishes to expand its coverage in the regions and become a leader in sustainable mobility. Today, the regions are hubs of creativity, innovation and economic, industrial, non-profit and social initiatives. This regional vitality is an asset to which the Group contributes through its diversified offer of minor historical routes, mass transit and high-speed lines. Through its ability to cover the whole of France, the central positioning of its stations and its local mobility solutions, SNCF thus remains a key player contributing to the economic, environmental, social and cultural development of the regions.

1.2.4 Innovation and digital technology

Innovation, and in particular digital technology, are at the heart of SNCF's customer services, production processes and business lines to ensure the Group's competitiveness in the face of future challenges. SNCF is seeking to become one of the digital leaders in Europe. This is reflected in:

- the Group's positioning in MaaS (mobility as a service) to meet its customers' need for an individualised, efficient and integrated end-to-end offering. Based on current technologies, SNCF has undeniable assets to reach this target that is coveted by numerous players.
- the increase in the digitalisation of track slot management for greater robustness and flexibility while maintaining complete neutrality;
- increased data enhancement in all areas, particularly asset management and maintenance (real estate, rolling stock, etc.), where this enhancement contributes to developing predictive models to ensure maintenance before breakdowns or emergencies.

1.3 AN AMBITIOUS STRATEGIC PLAN ADOPTED BY THE BOARD OF DIRECTORS

1.3.1 The impact of the crisis on the Group

Since March 2020, the Group and all rail activities have been impacted by the health crisis relating to the pandemic.

It has mainly affected the domestic and international long-distance passenger rail transport of TGV - Intercités. However, all freight transport and logistics activities have demonstrated strong business momentum.

Regulated transport (Keolis, TER and Transilien) suffered limited impacts by complying with contractual clauses to share the risks with the organising authorities.

In 2021, the crisis had an impact of -€4.1 billion on revenue, including more than 80% for TGV activity (including subsidiaries), and -€3.7 billion on gross profit, including 80% for TGV activity.

Cash flow totalled -€0.7 billion, including the recovery plan, and net debt amounted to €36.3 billion (before taking into account the 2nd phase of the State's debt assumption plan for €10 billion as at 1 January 2022).

1.3.2 A response commensurate with the gravity of the situation

Given the scale of the crisis, substantial measures have been put in place to overcome financial constraints, while continuing to fulfil the Group's public utility mission.

To absorb some of the losses, the Group set up a performance and savings plan to boost available cash by €1.9 billion in 2021 by activating all possible levers (control and reduction of external expenses, investments, etc.). In particular, cash management has been a constant area of focus.

In addition to this ambitious savings plan, the Ermewa subsidiary, non-strategic asset, was sold and a total of €1.6 billion was paid out by the French State under the rail recovery plan in 2021 (cf. infra); the remainder will be paid in 2022 and 2023.

These measures have paved the way for the Group to meet its financial commitments undertaken as part of the 2018 rail reform. The objectives of a balanced free cash flow as of 2022, a “net debt / EBITDA” ratio lower than or equal to 6.0x in 2023 and a “FFO / net debt” ratio greater than or equal to 10% have been confirmed.

1.3.3 Rail, a recovery plan priority

Considering the extent of the COVID crisis impact on rail transport, state financial aid proved necessary under the government economic recovery plan.

For the rail sector, this resulted in 4 government priorities: rail network priority, rail freight recovery, combating regional inequalities and a return to a healthy and long-

lasting financial equilibrium. French rail therefore benefited from:

- A €4.7 billion recovery plan with two components:
 - an SNCF recapitalisation of €4.05 billion to maintain network development and investment capacities, paid out to SNCF Réseau through the support fund for 2021-2023. In 2021, SNCF Réseau received €1.6 billion from the recovery plan;
 - budgetary credit of €650 million earmarked for the renewal of the rail freight network, minor historical regional routes and the resumption of two night train lines.
- In addition, a specific recovery plan for the rail sector of around €170 million per year that partly benefited SNCF.

1.3.4 A bolstered strategy adopted by the Group in July 2021 faced with the crisis

This major crisis has heightened interest in rail transport in France and Europe considering the ecological pressure and opportunities:

- it has boosted growth in the demand for medium- and long-term passenger public transport;
- it has also revealed the strategic nature in France and Europe of the freight transport and logistics sector, which is steadily growing in a competitive market. This reflects the desire of industrial and economic players to boost the resilience of logistics chains.

Faced with this crisis, the Group confirmed the orientations of the strategic plan approved by the Board of Directors in July 2021:

- Reassertion of the strategic positioning:
 - Be a champion of sustainable mobility in 2030;
 - With a focus on the core rail business;

- By relying on two strategic assets, Keolis and Geodis, which are the Group's growth engines. The crisis revealed the importance of this type of asset which help diversify risks and opportunities due to the complementary nature of their markets, customers, geographical exposure and sensitivity to economic cycles.

- Retention of the objective to remain the leading and majority operator with regard to the opening of domestic passenger rail activities to competition. To achieve this, the Group must focus on filling the gap in competitiveness, which separates the historical operator from new entrants and which necessarily implies an ongoing "transformation" of the former UPG;

- Confirmation of the importance of the thrusts, mainly People and Digital for the future transformation, in particular from a social perspective;

- Recap of the Group's assets and opportunities illustrated by our strong regional presence and greater environmental focus in a growing mobility market.

The Group has therefore rolled out an ambitious strategy that is fully in line with these orientations and takes into account the most recent COVID impacts from a strategic, social and financial perspective.

The Group has even gone beyond these commitments with the aim of boosting profitability and returning to a balanced financial structure with long-term debt reduction.

1.4 A RENEWED AND STABILISED ORGANISATION AND GOVERNANCE

The 2018 rail reform confirmed the public nature of SNCF, which is deeply rooted in the French rail system where it has a systemic role.

1.4.1 A unified group of public limited companies



To address its challenges, SNCF is made up of a parent company and SNCF Réseau, SNCF Gares & Connexions, Rail Logistics Europe, SNCF Voyageurs, Geodis and Keolis:

- SNCF SA, a fully state-owned limited company and Group parent entity, ensures the Group's long-term

strategic and financial management. It ensures the Group's unity, integration and solidarity and drives its transformation. It is responsible for:

- Managing the long term: definition of the Group's strategy, consistency of business strategies, cash allocation, portfolio management and definition of

partnerships or alliances, debt management, steering of certain major transversal or industrial policies, management of research and innovation.

- Securing the short term, particularly compliance with the strategic trajectory defined with the shareholder: set-up of transversal performance plans and monitoring of financial and production/service quality macro indicators for the business.

– SNCF Voyageurs, owned by the parent entity, comprises all the Group's rail companies dedicated to transporting passengers in France and abroad;

– SNCF Réseau, owned by the parent entity, is responsible for the engineering, physical and commercial operation and maintenance of the French rail network. As infrastructure manager, SNCF Réseau is the hub for the French rail system, which acts as an optimal and impartial scheduler for the network's various users and interfaces (rail companies, regions, ports, etc.). SNCF Réseau therefore has two primary functions: infrastructure fee pricing and track slot allocation. Its independence is now secured with the set-up of a "wall" with the rest of the Group for these two functions;

– SNCF Gares & Connexions, subsidiary of SNCF Réseau, manages and operates French train stations. It guarantees train station access and services for transport operators;

– Rail Logistics Europe (RLE) oversees rail freight and logistics activities. With expertise in many areas, RLE offers its customers tailored door-to-door solutions for any type of freight in Europe and worldwide through Fret SNCF, VIIA, Captrain, Naviland cargo and Forwardis;

– the Geodis group specialises in freight logistics transport in France and 120 countries across the world;

– a 70% SNCF subsidiary, Keolis is a major player in urban and peri-urban shared mobility. World leader in automatic underground trains and trams, Keolis also operates bus, coach, train, on-demand transport, autonomous shuttle, bicycle, etc. networks on behalf of 300 Mobility Organising Authorities in 15 countries.

1.4.2 Strengthened governance normalises the Group economically and financially

The change from an EPIC to a public limited company (SA) led to a change in governance: governing bodies with greater involvement in the Group's affairs, directors with various complementary and diverse backgrounds, industrial and financial management based on the company's corporate interest.

This change helps to normalise the Group economically and financially and heightens the responsibility of its companies.

Financially speaking, the companies are now governed by the same legal rules as all commercial companies, particularly in terms of their balance sheet. They are required to manage their results and debt. This economic and financial normalisation is virtuous: it is associated with a healthy governance and promotes the Group's transformation to deal with the opening-up to competition.

The end of recruitment of personnel with railway worker status and the opening-up to competition are other items which tend to reinforce this "normalisation" of the companies in their operating and financial requirements.

1.4.3 The SNCF has a solidarity role benefiting the entire French rail system

In 2018, the rail reform provided for the assumption of €35 billion of SNCF Réseau's debt by the State. The 2020

Finance Law ratified the assumption of a first tranche of debt amounting to €25 billion on 1 January 2020. The assumption of the second tranche took place in early 2022.

Debt reduction remains a priority to create leeway and enable SNCF Réseau to modernise and renew the rail network to reduce its average age and promote the modal transition from air and road transport.

The sustainability and renewal of the SNCF Group's economic model is a major challenge for Group stability. Two vital financial solidarity mechanisms were therefore secured:

– Tax consolidation: this legal mechanism enables a parent company, the head of the tax consolidation, to collect the corporate income tax of its subsidiaries. The difference between income tax collected from the subsidiaries and income tax payable to the French State, arising from the consolidation of profits and losses between subsidiaries, fuels the parent company's resources;

– The French State support fund: given the financial pressure on the SNCF Réseau economic model, a support fund was set up by the French State. This fund provides SNCF Réseau with a yearly investment grant to finance renewal operations. This fund is financed by the parent company's own resources, mainly dividends waived by the French State, all or part of the tax consolidation profit and, where applicable, its cash flow. Under the rail recovery plan, SNCF SA benefited from a recapitalisation of €4.05 billion in 2020 that was paid to the support fund. Payments will be made to SNCF Réseau over 2021-2023 (€1.6 billion in 2021) to secure its investments.

1.5 A RESPONSIBLE GROUP

The world is developing in a context where interconnected segments are faced with four crises:

– A climate crisis requiring radical individual and collective behavioural changes, both individually and collectively;

– A regional crisis: all regions do not have the same level of development or inclusion in the globalisation of trade. This creates imbalances in terms of growth, tax resources and therefore public service coverage;

– A labour crisis, as a result of the regional crisis, generated by job access difficulties and income disparities making it hard for households to change their lifestyles and, in particular, become more environmentally friendly;

– A health crisis of historic proportions that has caused a global crisis since 2020, the consequences of which will continue for several years, leading to profound economic, social and cultural changes.

The Group's commitments are detailed in the non-financial performance statement (see section 5).

1.5.1 A reasserted social commitment

The new SNCF Group has multiple social responsibilities:

– As an employer, the Group has a workforce of 270,000 employees worldwide (including close to 210,000 in France). It must provide each employee with the means to develop professionally, a protective social framework and a reassuring environment. As part of the employer's promise, the Group must rise to the challenge of making its brand appealing to attract and retain sought-after key talents;

– As a purchaser, the Group is a major player in the rail sector and the national and European economy;

– As a mobile solutions provider, the Group is central to the life of many French people and citizens in other countries. The operational and commercial performance determines their quality of life and their ability to find employment, get to their workplace daily and access their rights. The continuous improvement of our fundamentals is not only a question of competitiveness: it is also a question of social justice and regional equity;

– As a public company, SNCF is at the service of the nation. It aims to be a useful group in the daily life of every French person.

Since 2003, SNCF has adhered to the 10 principles of the United Nations Global Compact on human rights, anti-corruption, labour rights and environmental protection. It releases an annual publication on its progress in this area.

1.5.2 The fight against climate change at the heart of our commitment

Whereas the transport sector accounts for 30% of the country's greenhouse gas (GHG) emissions, rail only accounts for 0.6% yet represents 10% of people and goods transported. To boost this performance even further and promote the modal transition to collective transport, the SNCF Group is committed to an ambitious CO₂e emission reduction plan.

As mentioned above, the Group aims to reduce transport and building CO₂e emissions by 30% and 50%, respectively, by 2030 compared to 2015. These goals are consistent with France's national low carbon strategy and the Paris Agreement objectives.

SNCF has implemented three main decarbonisation levers to meet these commitments:

- Energy conservation
- Energy efficiency
- Change in energy streams and use of technological developments.
- Eco-design and circular economy

SNCF has embarked on a path towards zero non-recovered waste by 2035 for products central to rail activity (infrastructure, rolling stock and waste in stations and on trains).

The circular economy is a major focus of the SNCF Group's sustainable development strategy. Since 2013, the SNCF Group has been developing a policy aimed at limiting the consumption of resources, reducing waste in all its operating processes, and recovering products at the end of their life cycle (ballast, sleepers, rails, switches and crossings, overhead lines).

SNCF recycles more than 92% of its trains on average and 55,000 tonnes of materials are recycled each year on average.

- The environmental management system

For many years, SNCF has adopted an ISO 14001 certified environmental approach for its industrial sites and set up adapted Environmental Management Systems (EMS) in all its operational units.

- Control of air emissions

SNCF rolled out a programme to monitor air quality in underground rail enclosures and search for improvement solutions. Several particle reduction technologies have been tested since 2020 and other new technologies will be tested by 2023.

- Preservation of biodiversity

With 30,000 km of track and 100,000 hectares of rights-of-way, SNCF constantly interacts with nature. It works to

reconcile industrial practices and biodiversity, and therefore joined Act4Nature (first French event uniting 65 companies which pledge to protect biodiversity) in 2018.

- Ongoing commitments under Act4Nature International

Since 2005, SNCF has rolled out a rational action plan for the management of plant life, based on the continuous improvement of weeding techniques (GPS equipped weeder trains) and alternative solutions in very specific areas. In 2021, SNCF Réseau upheld its commitment to eliminate glyphosate.

1.5.3 SNCF, a natural partner committed to developing regions

The Group's relationship with the regions is natural and long-standing: transport has always contributed to opening up and developing regions, agglomerations and city centres. This is promoted by the Group's 11 regional coordinators whose role is to strengthen local ties with regional players.

Regions are currently undergoing major changes: metropolitanisation and globalisation, regional de-industrialisation, population ageing, their desire to reduce their energy footprint, etc.

All the Group's business lines contribute to the response: support the development of mass transit by reinvigorating minor historical regional routes, boost the capacities of major stations while maintaining a maximum of stations open in acceptable conditions, assist all regions in developing mobility services tailored to their demographic, environmental and financial challenges.

The Group has therefore adopted a new regional approach with its organising authority customers to accompany them in optimising the use of their transport infrastructures and solutions. Under this strategy, SNCF will mobilise all the Group's entities to provide general mobility solutions adapted to the specificities of each region.

SNCF Développement supports the local economy by transforming the Group's industrial sites. Since 2011, 654 entrepreneurs have been supported and 2,113 jobs financed for a total of €10.9 million.

The SNCF Group Foundation has launched its 5-year programme for 2021-2025 dedicated to integrating young people in society. It has earmarked an annual budget of €4.5 million mainly to support associations working with young people. The Foundation is also pursuing its commitment to develop skills sponsorship, with over 6,200 employees involved with associations.

2. MAJOR ACHIEVEMENTS BY ACTIVITIES IN 2021

SNCF's diversification strategy offset the impact of measures taken to combat the pandemic, and made a direct contribution to the Group's rebound

Freight transport and logistics

Strong demand in logistics and freight helped cushion fallout from the health crisis and is set to drive future growth.

– **GEODIS reported record revenues in 2021**, with sales up 28% at €10.9bn. Freight forwarding was the strongest driver amid favorable price trends and rising volumes. Contract logistics also did well, buoyed by e-commerce and strong demand in the United States and in Europe. GEODIS made several strategic acquisitions during the year, including road transport specialist Pekaes in Poland.

– **RAIL LOGISTICS EUROPE had solid showings overall**, with sales up 9% from 2020. EBITDA and free

cash flow were also in the black, including Fret SNCF for the first time.

Passenger transport

SNCF VOYAGEURS: long-distance passenger rail captured the rebound in demand that appeared when travel restrictions were lifted in May 2021 (sales +32% from 2020). **New fares introduced in June 2021 fuelled the rebound and helped offset a fall in business travel.** Three million Avantage rail cards were sold between June and December 2021.

INTERCITÉS developed new offers including night trains linking Paris and Nice in May. Full year business was well below 2019, the pre-Covid benchmark.

International high-speed rail carriers (Eurostar, Thalys and other cross-border services) suffered from restrictive measures imposed by the pandemic, but managed to adapt offers to leisure travel. Exporting high-speed rail service to Spain was a great success: low-price OUIGO España started up in May 2021 and reached 95% seat capacity.

Regional transport by SNCF VOYAGEURS saw a strong rise in revenue, with Transilien +3% and TER +6% from 2020.

– **For Transilien, serving commuters in the Paris region, passenger traffic fell by one-third as working from home took a toll.** Operating performance was positive, with punctuality outperforming contractual obligations and service quality at an all-time high.

– **Like Transilien, TER regional rail was hit by fallout from Covid restrictions.** Occasional travellers flocked back in summer 2021, with overall traffic reaching 80% of 2019 levels—a 35% rise from 2020.

KEOLIS: despite health measures in the first half and significant changes in scope (including the sale of Wales & Borders in the UK), revenue was 3% higher than in 2020. Contributing factors were a gradual return of French and international passengers in the second half, and the company's continued service. KEOLIS is preparing for the future with major commercial wins including an operating contract for Dubai's metro.

Infrastructure manager

Passenger and freight rail traffic was back to near-normal from June on.

– **SNCF RÉSEAU reported revenue up 12%** from 2020, buoyed by a 19% rise in traffic, which was nonetheless 4% below the 2019 benchmark.

– **SNCF GARES & CONNEXIONS reported revenue up 4%** from 2020, although rental income from retail outlets in train stations was 12% below 2019.

Record investment backed by the recovery plan, in projects essential to the future of rail in France

With support from the French State, SNCF Group **continued robust investments to complete projects critical to its future**, in particular the regeneration and modernization of the national rail network. In 2021 **the spend came to €10.3bn**, nearly 35% financed by SNCF funds, with **95% earmarked for rail operations in France**. Investment in the rail network totalled €5.6bn, while €2.9bn was invested in rolling stock and operations at SNCF VOYAGEURS.

The French State has thrown its support behind a rail recovery plan totalling €4.05bn, and €1.6bn of this was paid in 2021—a very significant sum that allowed **network**

regeneration and modernization to proceed on schedule, along with station upgrades.

SNCF Group's on-going performance plan and exceptional cost-cutting measures

Since 2016, SNCF Group has pursued a **performance plan and major cost-cutting measures** that include adaptation of structural and operating costs, reduced industrial and project costs, and postponement of non-critical projects. Together these measures led to significant improvements in the Group's performance, **totalling €1.9bn in 2021 after €2.5bn in 2020.**

SNCF Group finances are well in hand

SNCF Group's financing capacities are intact, with net cash at a robust €8.5bn at the end of December 2021 and an available credit line of €3.5bn.

For financing, the Group completed numerous transactions in 2021, raising a total of €2.8bn. Thanks to a €1.5bn 40-year public benchmark issue, long private placements in foreign currencies, and a return to the sterling market, it has secured financing at 0.6% for an average maturity of 28 years.

Altogether the Group raised the equivalent of over €900m in foreign currencies in 2021, or 32.6% of the year's total, on maturities ranging from 2 to 40 years. This diversified its sources of financing across Asia and Scandinavia, with new investors in particular.

SNCF's credit rating has been confirmed by all of its rating agencies: S&P: AA-, Moody's: Aa3, and Fitch: A+.

Confirmation: SNCF is on track for a return to equilibrium

The measures implemented by the Group combined with the French State's recovery programme have had a positive impact on SNCF's cash position:

– €1.9bn in savings in 2021 achieved through performance plans (after €2.5bn in 2020)

– €3.2bn from the sale of a non-strategic asset

– €1.6bn received from the French State in 2021 under the rail recovery plan (with the balance to arrive in 2022 and 2023)

Together these developments put the Group on track to meet **its financial commitments under the 2018 French rail reform package. SNCF confirms 2022 targets calling for free cash flow at breakeven**, net indebtedness/EBITDA ratio at or below 6.0x in 2023, and an FFO1 / Net indebtedness ratio at or above 10%.

Sustainable business, environmental and social performance

Ambitious CSR strategy backed by clear governance

The "Tous SNCF/All SNCF" plan puts CSR at the heart of SNCF's strategy, opening its governance up to all of the company's internal and external stakeholders. This strategy represents a major competitive advantage and is built around six priorities:

– Giving rail and sustainable mobility a larger share of the transport mix by 2030

– Shrinking the environmental footprint of the Group's operations as a whole

– Adapting Group businesses to climate change and making them more climate-resilient

– Working towards social cohesion and the ecological and solidarity economy in local communities

¹ FFO = EBITDA – interest expense – tax

- Positioning employees as the primary stakeholders and beneficiaries of the social and ecological transition
- Practicing impeccable ethics and open governance

The Board of Directors created a special committee, bringing every area of CSR into its purview. **In SNCF Group companies, Chairs have set up issue-specific strategic committees** to promote diversity, reduce energy consumption and carbon emissions, and adapt to climate change.

In 2021, **SNCF Group's CSR performance earned an A1+ from ratings agency Vigeo Eiris, scoring 75/100 for a 1-point gain over 2020.** Out of nearly 5,000 companies rated, **SNCF was No. 1 in Europe's transport and tourism sector, and No. 6 worldwide** for all sectors combined.

Expanding sustainable mobility

Revival of iconic sustainable mobility offers. SNCF resumed rail freight service between Perpignan and Rungis, and brought back overnight passenger trains. TGV fares became more affordable, thanks to a simplified Avantage rewards card, guaranteed price caps and an expanded range of low-cost OUIGO offerings.

Stepping up the pace of the Group's energy transition

Energy efficiency/carbon reduction. SNCF used innovation to step up its efforts in a number of areas. These included converting diesel-powered TER trains to hybrid and battery technology, placing the Group's first order for hydrogen trains, expanding KEOLIS' fleet of electric buses, and acquiring LNG-powered buses at GEODIS.

Increased use of renewable energies. The Group signed a new power purchase agreement with EDF, which will add 25 GWh of renewables a year to SNCF's energy mix starting in 2023. Meanwhile, greenhouse gas emissions per passenger per kilometre travelled fell to 9.2 g CO₂e/pkm in 2021. This figure is 8% down from 2020, thanks to increased seat occupancy and the rebound in traffic.

Promoting the circular economy. SNCF opened new facilities to dismantle end-of-life rolling stock, creating 400 jobs over the long term and helping establish a viable recycling industry for railway waste.

Glyphosate use discontinued. At year-end 2021, SNCF RÉSEAU announced that it would stop using glyphosate to remove weeds from track beds.

Working towards social cohesion and the social and ecological economy in local communities

Responsible purchasing. CSR compliance was assigned 20% weighting in 36% of all purchasing decisions (up from 5.5% in 2020), contributing to positive momentum towards sustainability. Procurement from the social and solidarity economy reached €33.5m in 2021.

SNCF Foundation. The Foundation provided funding to over 100 projects that help young people move into the workforce through two main programmes—"Building a life" and "Protecting the regional environment".

Proactive policy for diversity, gender parity and non-discrimination. SNCF Group moved up by more than 200 places in the Diversity Leader rankings published by the Financial Times in November 2021.

Gender balance. The Group made major strides toward gender balance, including a solidarity agreement signed with all unions. **SNCF was rated 89/100 in the gender equality index—an 11-point increase—thanks to measures ensuring equal treatment of women after maternity leave and a higher percentage of women**

(38%) on executive committees within Group companies. In early 2022, SNCF and three unions signed a collective agreement that promotes the employment of people with disabilities. The accord calls for Group companies to deploy yearly roadmaps and for SNCF to track its progress towards proactive targets.

Employment policy maintained in 2021. SNCF continues to rank among the top French recruiters, with over 11,600 new employees in France in 2021 and more than 10,000 new hires expected in 2022. The Group's rail operations also employed 7,000 work-study participants in 2021, with 5,000 more expected in 2022.

100% sustainable finance strategy

In 2021 the Board of Directors voted to ensure that **100% of financial products issued by the Group will comply with responsible investment criteria by 2025.** SNCF is already the **world's No. 6 green bonds issuer**, with €7.6bn outstanding. Projects funded by its green bonds have saved 26 million tonnes of CO₂. In 2021 **SNCF launched a green commercial paper programme that meets green bond principles—a worldwide first—and KEOLIS has refinanced €600 million in debt as a sustainability-linked loan.**

3. OTHER MAJOR EVENTS OF 2021

3.1 COVID-19 PUBLIC HEALTH CRISIS

The COVID-19 health crisis continued to have a severe impact on SNCF Group operations in 2021.

The Passengers business was still badly affected by travel restrictions which hindered TGV passenger traffic, mainly business customers.

SNCF continued its efforts to absorb some of the losses and maintain its solid financial position with the ongoing savings plan and specific cash management measures (see Note 6 to the consolidated financial statements). At the same time, furlough measures were renewed.

3.2 EUROSTAR AND THALYS FINANCIAL SUPPORT

Severely hit by strict UK travel restrictions, Eurostar benefited from the support of its shareholders and a new refinancing plan to compensate for the slump in traffic. Its shareholders, including SNCF, firstly converted a shareholders' loan and remaining dividends payable for £115 million into equity. Under the new refinancing agreement, shareholders contributed an additional £50 million and a first-demand guarantee to secure the new bank loan in the amount of £150 million. The current banks also granted a payment deferral of £50 million, enabling Eurostar to obtain a total contribution of £250 million.

Thalys was also required to take out a bank loan of €120 million, which was partly drawn down, to safeguard its future in a context of lifted travel restrictions and gradual business recovery.

3.3 PAYMENT OF THE FIRST INSTALMENT OF STATE AID TO SNCF RÉSEAU

An initial instalment of €1.645 billion was paid on 23 February 2021 by the French State to SNCF Réseau under the rail recovery plan.

3.4 SALE OF THE ERMEWA SUBSIDIARY

The sale of Ermewa Holding SAS and its subsidiaries, approved by the Board of Directors on 8 October 2020, was signed on 22 October 2021 in the gross amount of €3.2 billion. The disposal gain recognised under "Net

proceeds from asset disposals" in the consolidated income statement totalled €1,125 million. This transaction enabled the Group to reduce its debt by €2.1 billion. As a reminder, a total of €1.1 billion was deducted from the 2020 debt due to its reclassification under IFRS 5.

Detailed information is provided in Note 4.2.6 to the consolidated financial statements for the year ended 31 December 2021.

3.5 ACQUISITION OF THE POLISH CARRIER PEKAES BY THE GEODIS SUBSIDIARY

On 1 February 2021, Geodis acquired all the shares of the Polish group Pekaes through its subsidiary Calberson GE. Residual goodwill after allocation totalled €86 million. Detailed information is provided in Note 4.1 to the consolidated financial statements for the year ended 31 December 2021.

The Pekaes group, Poland's 3rd largest logistics group, has generated revenue of €282 million since its acquisition with an average workforce of 1,310 employees and a portfolio of over 10,000 customers.

3.6 SALE OF THE KEOLIS RAIL BUSINESS IN GERMANY

Keolis, three public transport organising authorities from North-Rhine (1) in Germany and the province of Overijssel in the Netherlands (2) signed an agreement on 15 December 2021 to make certain contractual adjustments and authorise the sale by Keolis of its German rail activities to a new shareholder, TEAM Treuhand GmbH (Noerr Group).

The sale was effective on 31 December 2021 as part of a three-party transaction that required Keolis SA to recapitalise Keolis Germany (recapitalisation partially paid-up as at 1 December 2021) in accordance with loss on completion assumptions provided for in the Keolis accounts until the sale.

This transaction removed any residual commitments that Keolis had regarding Keolis Germany's operations as of 31 December 2021.

4. SNCF GROUP KEY FIGURES

4.1 KEY FINANCIAL PERFORMANCE INDICATORS

In € millions	31/12/2021	31/12/2020
Revenue	34,752	29,975
EBITDA	4,343	1,936
Net profit/loss attributable to equity holders of the parent	890	-3,030
Recurring net profit/loss - attributable to equity holders of the parent (1)	-185	-2,757
Net investments (2)	3,435	3,667
Investments from all funding sources (3)	10,293	8,932
Free cash flow (4)	-689	-2,838
Net debt / EBITDA	8.4	19.7
Workforce	270,296	271,509
In € millions	31/12/2021	31/12/2020
SNCF Group net debt	36,296	38,148
Of which SNCF Réseau net debt	29,333	29,422

(1) Definition of recurring net profit/loss in the Group activities and financial results chapter of this report.

(2) Net investments are calculated as follows:

In € millions	31/12/2021	31/12/2020
by aggregating the following line items from the cash flow statement:		
- Acquisitions of intangible assets and property, plant and equipment	8,223	7,250
- Capitalised interest	228	131
- Investment grants received	-4,866	-3,319
- New concession financial assets	1,853	1,469
- Cash inflows from concession financial assets	-2,003	-1,863
Total net investments	3,435	3,667

(3) Investments from all funding sources are calculated as follows:

In € millions	31/12/2021	31/12/2020
by aggregating the following line items from the cash flow statement:		
- Acquisitions of intangible assets and property, plant and equipment	8,223	7,250
- Capitalised interest	228	131
- New concession financial assets	1,853	1,469
minus changes in working capital requirement relating to investing activities, as presented in Note 4.2 to the annual consolidated financial statements	11	-82
Total Investments from all funding sources	10,293	8,932

(4) Free cash flow is calculated as follows:

In € millions	31/12/2021	31/12/2020
by aggregating the following line items from the cash flow statement:		
- Cash from operations after cost of net debt and taxes	3,129	856
- Acquisitions of intangible assets and property, plant and equipment	-8,223	-7,250
- Capitalised interest	-228	-131
- Investment grants received	4,866	3,319
- Repayments of lease liabilities	-965	-962
- Repayments of IFRS 16 lease receivables	0	1
- Proceeds from disposals of intangible assets and property, plant and equipment	367	137
- New concession financial assets	-1,853	-1,469
- Cash inflows from concession financial assets	2,003	1,863
- Impact of change in working capital requirement	102	983
change in working capital requirement relating to income taxes, included in the cash flow statement line item "Taxes (paid)/collected"	98	-202
accrued interest on IFRS 16 lease liabilities, included in the cash flow statement line item "Interest paid on lease liabilities"	-0	-1
dividends received from entities accounted for by the equity method, included in the cash flow statement line item "Dividends received"	15	17
Total free cash flow	-689	-2,838

4.2 MAIN NON-FINANCIAL KEY PERFORMANCE INDICATORS

	31/12/2021	31/12/2020
Total energy consumption (in GWh)	16,411	14,671
Greenhouse gas emissions (kt of CO2e) related to scope 1, 2 and 3 energy consumption (excluding refrigerants)	3,050	2,842
Percentage of women in the workforce	25.9%	25.4%
Number of permanent hires in France	11,282	10,044
Number of work-study contracts.	8,139	7,109
% of employees having received at least one training course in France		62%

5. SUBSEQUENT EVENTS

The main subsequent event is as follows:

5.1 PARTIAL ASSUMPTION OF SNCF RÉSEAU DEBT BY THE STATE

On 1 January 2022, the State assumed €10 billion of the debt carried by SNCF Réseau, in line with the initial 2022 Finance Law. The debt was assumed under the same terms and conditions as the first partial debt assumption on 1 January 2020 which totalled €25 billion.

GROUP ACTIVITIES AND FINANCIAL RESULTS

1. ANALYSIS OF GROUP RESULTS

1.1 GROUP RESULTS

In € millions	2021	2020	Change 2021 vs 2020	
Revenue	34,752	29,975	4,777	15.9%
Infrastructure fees	-603	-698	95	-13.7%
Purchases and external charges other than infrastructure fees	-14,112	-12,030	-2,082	17.3%
Taxes and duties other than income tax	-1,201	-1,296	95	-7.3%
Employee benefit expense	-14,620	-14,064	-555	3.9%
Other income and expenses	126	49	77	155.5%
EBITDA	4,343	1,936	2,407	124.3%
Depreciation and amortisation	-3,822	-4,012	190	-4.7%
Net movement in provisions	92	-128	220	-171.9%
Current operating profit/loss	613	-2,204	2,817	-127.8%
Net proceeds from asset disposals	1,254	134	1,120	836.2%
Impairment losses	-51	-266	215	-80.7%
Operating profit/loss	1,815	-2,337	4,152	-177.7%
Share of net profit/loss of companies consolidated under the equity method	7	19	-12	-64.3%
Operating profit/loss after share of net profit of companies consolidated under the equity method	1,822	-2,318	4,139	-178.6%
Net finance costs of employee benefits	69	-8	77	-962.5%
Net borrowing and other costs	-966	-1,119	153	-13.7%
Net finance costs	-897	-1,127	230	-20.4%
Net profit/loss before tax	925	-3,445	4,370	-126.8%
Income tax expense	-158	-4	-155	-
Net profit/loss from ordinary activities	767	-3,448	4,215	-122.2%
Net profit/loss from transferred operations	-	-	-	n/a
Net profit/loss for the year	767	-3,448	4,215	-122.2%
Net profit/loss attributable to equity holders of the parent	890	-3,030	3,920	-129.4%
Net profit/loss for the year attributable to non-controlling interests (minority interests)	-124	-419	295	-70.4%
Recurring net profit/loss - attributable to equity holders of the parent (1)	-185	-2,757	2,572	-93.3%
EBITDA / Revenue	12.5%	6.5%		
Current operating profit or loss / revenue	1.8%	-7.4%		

(1) The Group discloses, internally and externally, recurring net profit attributable to equity holders of the parent determined on the basis of net profit attributable to equity holders of the parent adjusted for:

- impairment losses;
- transactions generating an impact on profit or loss that is individually greater than €50 million in absolute value, generally included in and/or allocated between "Fair value remeasurement of previously-held equity interest" and "Net proceeds from asset disposals";

- the Group's share in these various items recorded in companies accounted for under the equity method and included in "Share of net profit/loss of companies consolidated under the equity method";
- changes in the fair value of financial instruments included within "Cost of net debt and other finance costs" that exceed €50 million in absolute value;
- specific transactions involving financial instruments (restructuring, renegotiation or other) with an impact of more than €50 million in absolute value on the cost of net financial debt;

- the change in deferred tax assets recognised on the entities of the SNCF tax consolidation group in the line item "Income tax expense";
- the share of minority interests relating to these various items and included in the line item "Net profit/loss

attributable to non-controlling interests (minority interests)".

The indicator better reflects the net profit or loss attributable to equity holders of the parent relating to the Group's recurring performance. At the year-end, it was as follows:

In € millions	Notes (*)	31/12/2021	31/12/2020
Net profit/loss attributable to equity holders of the parent		890	-3,030
Impairment losses	4.4	51	266
Included in "Depreciation and amortisation"	4.2.5	-	-60
Included in "Net movement in provisions"	4.6	-	108
Included in "Net proceeds from asset disposals"	4.2.6	-1,125	-
Included in "Share of net profit/loss of companies consolidated under the equity method"		-	7
Included in "Cost of net debt and other finance costs" (specific transactions on financial instruments)	6.3	-	4
Included in "Income tax expense"	7	0	6
Included in "Net profit/loss attributable to non-controlling interests"		-2	-60
Recurring net profit/loss for the period - attributable to equity holders of the parent		-185	-2,757

(*) references to the notes relate to the consolidated financial statements.

1.2 COMPARABILITY OF THE FINANCIAL STATEMENTS

The comparability of the 2021 results with those of 2020 was impacted by the following changes in scope and exchange rates:

In € millions		Impacts on changes in revenue
TGV - Intercités	Exchange rate fluctuations	4
Passengers - other	Change in 2020 scope ⁽¹⁾	
	Sale of OuiCar	-5
Keolis	Change in 2021 scope	
	Sale of CSG Commuter Security	-13
	Exchange rate fluctuations	41
Geodis	Change in 2021 scope	
	Acquisition of Condi Services	23
	Acquisition of Pekaes	282
	Acquisition of Gandon Transports	10
	Sale of STSI	-4
	Exchange rate fluctuations	-77
Rail Logistics Europe	Exchange rate fluctuations	0
Freight & Logistics - Other	Change in 2020 scope ⁽¹⁾	
	Acquisition of DEMI	3
	Change in 2021 scope	
	Acquisition of INVEHO Allemagne	17
	Sale of Ermewa Group	-83
	Exchange rate fluctuations	-1
Internal operations		14
Total		212

(1) Transactions carried out in 2020 that had an impact on 2020 / 2021 revenue trends

1.3 2021 RESULTS

1.3.1 Revenue

The SNCF group's consolidated revenue amounted to €34,752 million at the end of December 2021, an increase of €4,777 million (+15.9%) compared to 2020, which is explained by:

- changes in scope for +€244 million;
- the effect of exchange rate fluctuations for -€33 million;
- an organic growth of +€4,565 million (+15.3%) for the Group; changes in the business lines were as follows (data at business line level):

2021 organic growth in revenue at business line level

SNCF Réseau	+€720 million	+12.2%
SNCF Gares & Connexions	+€66 million	+4.5%
Transilien	+€108 million	+3.3%
TER	+€267 million	+5.4%
TGV - Intercités	+€1,256 million	+30.5%
Industrial Division	+€119 million	+7.5%
Passengers - other	+€57 million	+11.9%
Keolis	+€193 million	+3.2%
Geodis	+€2,311 million	+27.7%
Rail Logistics Europe	+€130 million	+8.9%
Freight & Logistics - Other	+€14 million	+3.4%
SNCF Immobilier	+€5 million	+0.8%
Corporate	+€14 million	+1.3%

1.3.2 EBITDA

At €4,343 million in 2021, EBITDA increased by €2,407 million compared to 2020, and the EBITDA-to-revenue ratio rose from 6.5% to 12.5% between 2020 and 2021.

In € millions	2021	2020	2021 vs 2020 change		Change at constant scope and exchange rates	
Revenue	34,752	29,975	4,777	15.9%	4,565	15.3%
Employee benefit expense	-14,620	-14,064	-555	3.9%	-543	3.9%
Purchases and external charges (other than infrastructure fees, traction energy and fuel), and other income and expenses	-12,969	-11,055	-1,913	17.3%	-1,711	15.5%
Infrastructure fees	-603	-698	95	-13.7%	101	-14.5%
Traction energy and fuel	-1,017	-925	-92	9.9%	-87	9.4%
Taxes and duties other than income tax	-1,201	-1,296	95	-7.3%	96	-7.4%
EBITDA	4,343	1,936	2,407	124.3%	2,421	125.1%
EBITDA to revenue ratio	12.5%	6.5%				

1.3.3 Current operating profit/loss

Current operating profit was €613 million, up €2,817 million compared to 2020.

The revenue to current operating profit conversion rate thus rose from -7.4% to 1.8%.

The €2,407 million increase in EBITDA was combined with:

- a €190 million decline in depreciation and amortisation, including €182 million due to the sale of the Ermewa subsidiary;
- a net increase in provisions: net reversal of €92 million in 2021, compared to net charge of -€128 million in 2020.

1.3.4 Operating profit/loss

Operating profit rose by €4,152 million; the change in current operating profit was combined with:

- impairment losses of -€51 million in 2021 compared with -€266 million in the previous year;
- a €1,120 million increase in net proceeds from asset disposals. Net proceeds from the sale of the Ermewa subsidiary in 2021 totalled +€1,125 million.

1.3.5 Net finance costs

The €230 million improvement in net finance costs between 2020 and 2021 was primarily due to a fair value gain and the positive impact from changes in actuarial assumptions for employee benefits.

1.3.6 Income tax expense

The income tax expense increased by €155 million. A tax expense on rail company profits (Taxe sur le Résultat des Entreprises Ferroviaires - TREF) of €97 million was recognised in 2021. In 2020, no tax expense on rail company profits was recorded in the financial statements.

1.3.7 Net profit/loss attributable to equity holders of the parent

As a result of all of these changes, net profit attributable to equity holders of the parent was €890 million, compared with a -€3,030 million net loss in 2020, after recognition of a net loss attributable to non-controlling interests (minority interests) of -€124 million.

1.4 CHALLENGES AND OUTLOOK

The clear rebound that took shape in the second half of 2021 strengthens SNCF Group's business outlook for 2022. Combined with the recovery plan and ongoing cost-cutting, **this momentum puts the Group on track to achieve its positive cash flow target in 2022.**

Against this backdrop, SNCF Group's strategy is to win (back) business volume by **making fares more attractive and promoting rail as an eco-friendly mobility solution.**

Nonetheless, uncertainty persists over what lies ahead on the Covid front, as seen with the emergence of the Omicron variant. New health restrictions would inevitably affect domestic and international traffic.

On international markets, SNCF Group aims to consolidate and secure contracts won by KEOLIS and maintain favourable trends at GEODIS. Both are strategic assets, and both are set to remain genuine growth drivers that will keep the Group resilient and profitable.

As part of its domestic and European policy, **SNCF Group is working to double the current volume of freight and passengers transported by rail** to meet the goals set out in France's nationwide Low Carbon Strategy (SNBC). More broadly, this strategy helps customers reconcile their strong desire to travel with rising concern for the environment.

2. ACTIVITY RESULTS

The contributions to revenue, EBITDA, net investments, and investments from all funding sources of the Group's components break down as follows (unless otherwise indicated, the financial data per activity shown in the table below and the tables on the following pages are presented as a Group contribution):

In € millions	SNCF Réseau	SNCF Gares & Connexions	Transilien	TER	TGV - Intercités	Industrial Division	Passengers - other	Keolis
a) External revenue	2,651	239	3,052	4,827	4,976	71	23	6,190
b) Internal revenue	3,954	1,306	337	342	392	1,620	518	123
a+b Revenue	6,605	1,545	3,388	5,169	5,368	1,692	541	6,314
c) External EBITDA	1,672	292	283	253	-399	40	21	606
d) Internal EBITDA	105	16	31	40	50	29	4	17
c+d EBITDA	1,777	308	315	293	-349	69	26	623
Net investments ⁽¹⁾	2,105	408	-354	-130	507	84	37	203
Investments from all funding sources ⁽¹⁾	5,666	877	1,382	650	776	97	37	233

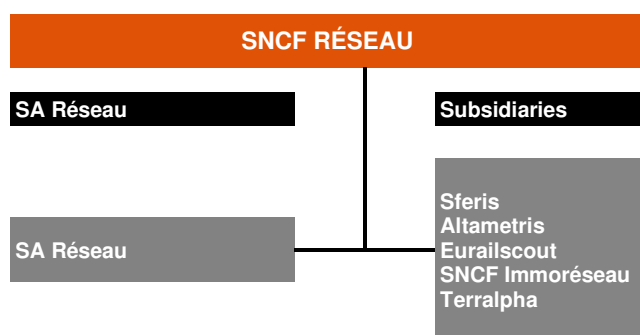
(1) See definition in Note 2 - SNCF Group key figures.

In € millions	Geodis	Rail Logistics Europe	Logistics - Other	SNCF Immobilier	Corporate	Inter-segment eliminations	Total
a) External revenue	10,803	1,482	382	43	14		34,752
b) Internal revenue	102	112	57	607	1,014	-10,486	-
a+b Revenue	10,906	1,594	439	650	1,028	-10,486	34,752
c) External EBITDA	948	176	240	225	-15		4,343
d) Internal EBITDA	7	50	-	2	54	-405	-
c+d EBITDA	955	226	240	227	39	-405	4,343
Net investments ⁽¹⁾	184	69	242	22	57		3,435
Investments from all funding sources ⁽¹⁾	178	74	246	20	56		10,293

(1) See definition in Note 2 - SNCF Group key figures.

Unless stated otherwise, the analyses of results by activity are not restated for scope and exchange rate impacts. Comments on revenue and EBITDA relate to data calculated at the level of each activity.

2.1 SNCF RÉSEAU



SNCF Réseau sells track slots and is responsible for the management, maintenance, upgrading and development of the national rail network. Its customers are 35 railway operators which use the national rail network and 13 other companies (combined transport operators, ports, etc.) which reserve track slots that they then assign to the railway operator of their choice. The segment includes the Sferis, Altametrus, Eurailscount, SNCF Immoréseau and Terralpha subsidiaries.

In € millions	2021	2020	Change
a) External revenue	2,651	2,406	244
b) Internal revenue	3,954	3,478	476
a+b Revenue	6,605	5,884	720
c) External EBITDA	1,672	851	821
d) Internal EBITDA	105	110	-5
c+d EBITDA	1,777	961	816
EBITDA / Revenue	26.9%	16.3%	
Net investments	2,105	2,681	-575
Investments from all funding sources	5,666	5,101	565

Highlights

- Signature in 2021 of performance contracts with the Normandy and Nouvelle Aquitaine regions.
- Development of freight with the signing of four freight project financing agreements between the French State and SNCF Réseau.
- Opening to competition for the 2021 annual service with Trenitalia being the first carrier to operate with open access in the national passengers market.
- Traffic totalling 424 million train-kms, down -11% compared to a normative year. High-speed and international lines were the worst hit.
- Adaptation measures again undertaken this year to limit the impacts of the health crisis.

2021 results

– Revenue

Revenue at SNCF Réseau was up 12.2%, i.e. €720 million, compared to 2020. The impacts of the health crisis and the counter-effect of strikes at the start of 2020 were estimated at +€421 million (for SNCF Réseau SA) and +€80 million, respectively. The residual difference was primarily due to a price/volume effect on infrastructure fees.

– EBITDA

EBITDA rose by €816 million or 84.9% compared to the previous year, including €442 million (for SNCF Réseau

SA) in connection with the health crisis and €70 million due to the 2020 strikes. The residual EBITDA amount was due to positive price and volume impacts on fees (+€123 million) and the roll-out of a performance plan and adaptation measures (+€136 million). Furthermore, the net increase in provisions for current assets had a €29 million impact on the EBITDA increase.

– Net investments

Net investments for the year (€2,105 million) were down €575 million. This decrease was attributable to:

- the increase in the support fund as a result of the French State's recovery plan (-€903 million);
- a rise in the volume of completed projects and capitalised interest (+€532 million), particularly for network renewal and the EOLE project;
- the increase in investment grants received (-€204 million).

– Investments from all funding sources

The volume of investments from all funding sources for the year (€5,666 million) was up €565 million due to the counter-effect of the health crisis which had slowed down work in 2020 and the French State's recovery plan that helped maintain a high level of network renewal in 2021 (€2.74 billion vs €2.45 billion in 2020).

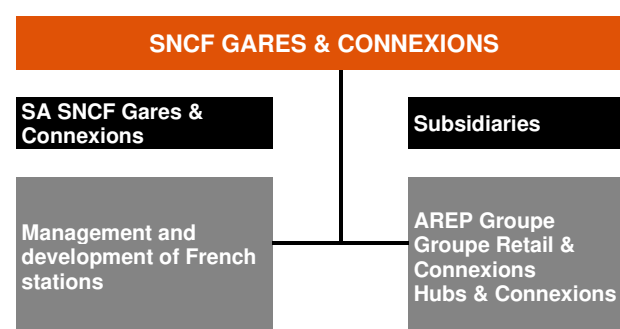
2022 outlook

– Pricing: finalise 2024-2026 infrastructure fee pricing before December 2022 and support new services and entrants.

– Transfers of minor historical regional routes: support the transfers while safeguarding SNCF Réseau's interest to the best possible extent. Ensure financial neutrality in the transfer terms and conditions.

– Performance contract with the French State: the SNCF Réseau Board of Directors approved the contract on 4 November 2021 and the French transport regulatory body (ART) delivered its opinion on 8 February 2022. It is scheduled to be signed by April 2022.

2.2 SNCF GARES & CONNEXIONS



SNCF Gares & Connexions specialises in the design, operation and marketing of train stations. It includes SNCF Gares & Connexions SA and its subsidiaries Arep, Retail & Connexions and Hubs & Connexions.

In € millions	2021	2020	Change
a) External revenue	239	186	53
b) Internal revenue	1,306	1,293	13
a+b Revenue	1,545	1,479	66
c) External EBITDA	292	237	55
d) Internal EBITDA	16	11	5
c+d EBITDA	308	248	61
EBITDA / Revenue	20.0%	16.8%	
Net investments	408	23	385
Investments from all funding sources	877	811	66

Highlights

– Health crisis

- The business level of station retail outlets was -27% on average compared to 2019 vs -45% in 2020.
- To limit the impacts of this crisis and safeguard the level of performance, a savings plan was set up for station operating expenses, structural costs and investments.

– Failure of the Paris Gare du Nord project concessionaire: on 21 September 2021, SNCF Gares & Connexions declared the forfeiture, due to breach of contract by the concessionaire, of the agreement signed with Gare du Nord 2024, resulting in the company's automatic dissolution and liquidation.

– 2021 station reference document: on 7 October 2021, the ART delivered a favourable opinion on the 2021 station reference document including a WACC rate of 4.5% vs 5.5% previously.

2021 results

– Revenue

SNCF Gares & Connexions revenue increased €66 million (4.5%) compared to 2020. The positive net impact of the health crisis (+€87 million) was partly offset by the decrease in the revenue of subsidiaries (-€13 million) and the decline in internal rents (-€8 million).

– EBITDA

EBITDA rose by €61 million between 2020 and 2021 in line for €69 million with the positive net impact of the health crisis.

– Net investments

Net investments for the year (€408 million) were up €385 million. This was attributable to a greater project volume (+€66 million), whose effect was accentuated by a very substantial reduction in trade payables (+€442 million) and curbed by a rise in cash inflows from grants (-€123 million).

– Investments from all funding sources

The volume of investments from all funding sources for the year (€877 million) did not change significantly compared to the previous year.

2022 outlook

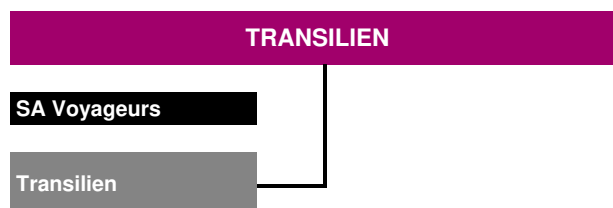
– Business turnaround: the business level of station retail outlets should amount to -10% vs 2019 in H1 2022 and -5% vs 2019 in H2 2022.

– Impact of the publication of the station single carrier decree: this decree will create a framework for future relations with carriers which will in the future perform unified basic services to assist people with disabilities and reduced mobility on behalf of SNCF Gares & Connexions.

– Changes in the pricing model: the 2022 station reference document will continue and expand the price reform initiated with the 2021 station reference document, mainly by reviewing cost drivers and complying with changes in regulations on assistance for people with disabilities and reduced mobility.

– 2021-2026 State - SNCF Gares & Connexions performance contract: the purpose of this first contract in its consultation phase is to promote the development of the rail system, mainly by adapting and upgrading station infrastructures and services based on a sustainable business model.

2.3 TRANSILIEN



Transilien provides local rail transport services in the Ile-de-France (Greater Paris) region.

This sector's financial data also includes, for 2020 only, data from the daily mobilities department.

In € millions	2021	2020 (*)	Change
a) External revenue	3,052	2,946	106
b) Internal revenue	337	334	3
a+b Revenue	3,388	3,280	108
c) External EBITDA	283	297	-13
d) Internal EBITDA	31	33	-2
c+d EBITDA	315	329	-15
EBITDA / Revenue	9.3%	10.0%	
Net investments	-354	-185	-169
Investments from all funding sources	1,382	866	516

(*) Price revisions for regulated activities led to changes in 2020 comparative data on the Passengers business segment in terms of internal revenue and EBITDA. SNCF Voyageurs' accounting separation rules were filed with the ART in January 2021 and subsequently approved in its decision 2021-029 of 27 May 2021.

Highlights

– A health crisis impact on passenger numbers in Île-de-France (down 2/3 on average compared to the nominal reference), combined with the roll-out of a transport plan tailored to new passenger behaviour for around 75% of Transilien lines since the end of Q1 2021, with the approval of Île-de-France Mobilités (IDFM).

– Punctuality results (92%) surpassing contractual objectives.

– Service quality at a record level with a customer satisfaction rate of around 80%.

– Continued steady roll-out of the investment program with:

- delivery of 36 NAT trains for lines J and P, 25 Regio2N trains for line N, 6 Dualis tram-trains for line T13 (tangentielle ouest) and 4 Dualis tram-trains for line T12 (tangentielle Massy-Évry),
- delivery of maintenance and garage sites at Vaires (lines E and P) and Corbeil (lines D and R) and

commissioning of the Montrouge workshop for lines N and U,

- ongoing installation of new ticket validation machines in Île-de-France stations,
- upgrading of screens and sound systems in stations for passenger information (traffic update screens and multimodal information tables).

2021 results

– Revenue

Transilien 2021 revenue rose by €108 million i.e. +3.3% compared to 2020. This increase was attributable for +€137 million to the reduced impact of the health crisis in 2021 compared to 2020 and for +€52 million to the counter-effect of the January 2020 strikes. However, the increase in revenue was offset by the decline in compensation expected from the Île-de-France Mobilités contract. Traffic rose by 21%.

– EBITDA

Transilien EBITDA was €15 million lower year-on-year. The reduced impact of the health crisis in 2021 compared to 2020 (+€71 million) and the counter-effect of the January 2020 strikes (+€30 million) more than offset favourable non-recurring items in 2020 and the rise in energy expenses in 2021.

– Net investments

Net investments for the year (-€354 million) were down €169 million. The substantial rise in investments from all funding sources (+€516 million) was more than offset by increases in trade payables (-€172 million) and grants received (-€513 million).

– Investments from all funding sources

The volume of investments from all funding sources for the year (€1,382 million) was up €516 million. The increase was primarily due to rolling stock purchases despite manufacturer production problems in 2021 and equipment upgrades and other fixed installation and IS projects in line with the goals of the new IDFM contract.

2022 outlook

– Expected gradual return to normal passenger travel with the long-term impact of home working and gradual recovery of leisure customers but without achieving the pre-health crisis level.

– Further adoption of an adapted transport plan validated by IDFM, in line with passenger travel assumptions.

– A production and service quality level that remains ambitious.

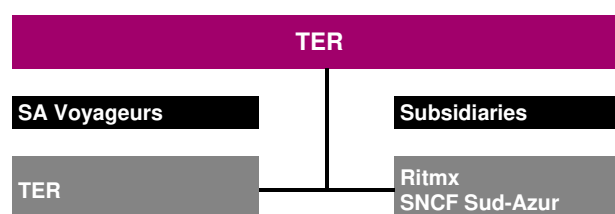
– New services such as the pre-operation and operation of line T13 (tangentielle ouest) and pre-operation of line T12 (tangentielle Massy-Évry).

– Continued steady roll-out of the investment programme with:

- delivery of numerous rolling stock: 26 NAT trains for lines J and P, 40 Regio2N trains for line N, 14 Dualis tram-trains for lines T12 (tangentielle Massy-Évry) and T13 (tangentielle ouest), 29 RER NG trains for the western extension of the RER E and RER D lines,
- delivery of phase 1 of the Val Notre Dame workshop,
- further installation of new ticket validation machines in new Île-de-France stations and development of the passenger information programme for peak periods in trains.

– Opening-up of competition for a first set of lines: trams T4, T11 and the Esbly-Crécy line with operation to be taken back at the end of 2023.

2.4 TER



TER provides regulated regional passenger transport services (rail and road, including urban and peri-urban), and related services via the Ritmx subsidiary.

In € millions	2021	2020 (*)	Change
a) External revenue	4,827	4,533	294
b) Internal revenue	342	369	-27
a+b Revenue	5,169	4,902	267
c) External EBITDA	253	405	-152
d) Internal EBITDA	40	39	1
c+d EBITDA	293	444	-151
EBITDA / Revenue	5.7%	9.1%	
Net investments	-130	-80	-50
Investments from all funding sources	650	519	131

(*) Price revisions for regulated activities led to changes in 2020 comparative data for the Passengers business segment in terms of internal revenue and EBITDA. SNCF Voyageurs' accounting separation rules were filed with the ART in January 2021 and subsequently approved in its decision 2021-029 of 27 May 2021.

Highlights

– An adapted transport plan early in the year according to the pandemic waves and until the end of the summer for one region.

– The return of occasional customers during the summer which helped maintain revenue at around 90% of 2019 revenue and 15% above 2020 summer revenue. However, this increase in revenue was mainly offset by a fall in contributions.

– Negotiations on the impact of the pandemic on the 2020-2021 financial statements and the 2021 estimates validated throughout the year.

– The sale of assets from 4 workshops by PACA TER to the organising authority for delivery as a concession to TER.

2021 results

– Revenue

TER 2021 revenue rose by €267 million or 5.4% compared to 2020 primarily due to significantly reduced health crisis impact in 2021 compared to 2020 (+€283 million). Traffic rose by 33%.

– EBITDA

TER EBITDA was €151 million (-33.9%) lower year-on-year. This decline was mainly due to the counter-effect in 2021 of non-recurring items recorded in 2021 (-€59 million), a net charge in provisions for current assets of -€34 million in 2021 (€0 million in 2020) and a rise in operating expenses (employee expenses, energy).

– Net investments

The decrease in TER net investments (-€50 million) was primarily due to an increase in grants received (-€197 million) that was offset by rising investments from all funding sources (+€131 million).

– Investments from all funding sources

The volume of investments from all funding sources for the year (€650 million) was up €131 million. New rolling stock acquisition projects resumed significantly in 2021 (+€89 million), particularly with new Regiolis orders. Likewise, fixed installation and IS projects increased by €47 million.

2022 outlook

– Complete the renegotiation of virtually all our contracts with the regions (contracts to be signed by December 2023).

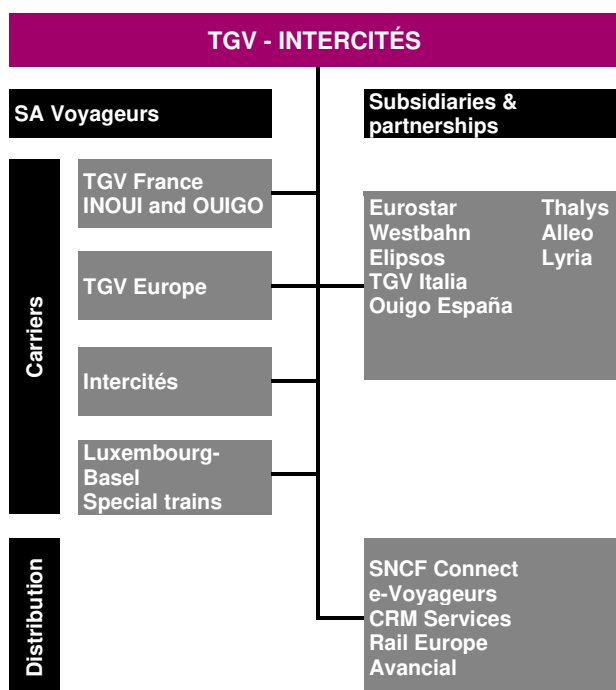
– Meet the deadlines to respond to calls for tender for the Grand-Est, Hauts-de-France and Pays-de-la-Loire lots.

– Prepare the TER for the new future competitive environment by continuing to transform organisations and processes and delivering our short-term projects (mainly IS) to boost our competitiveness.

– Underpin the growth in production fundamentals.

– Optimise direct revenue, which could reach the 2019 level (-7%) if the pandemic remains under control after the January wave. Half of the regions accept the set-up of adapted transport plans at the start of the year.

2.5 TGV - INTERCITÉS



TGV - Intercités offers its customers:

– door-to-door passenger transport services in France and across Europe via SA Voyageurs (TGV, OUIGO, Intercités), European cooperations (Aléo with DB, etc.) and its subsidiaries (Eurostar, Thalys, Lyria, OUIGO España, etc.);

– distribution of travel-related products (including the subsidiary SNCF Connect).

In € millions	2021	2020 (*)	Change
a) External revenue	4,976	3,693	1,283
b) Internal revenue	392	419	-27
a+b Revenue	5,368	4,112	1,256
c) External EBITDA	-399	-1,458	1,059
d) Internal EBITDA	50	52	-2
c+d EBITDA	-349	-1,406	1,057
EBITDA / Revenue	-6.5%	-34.2%	
Net investments	507	386	121
Investments from all funding sources	776	720	56

(*) Price revisions for regulated activities led to changes in 2020 comparative data for the Passengers business segment in terms of internal revenue and EBITDA. SNCF Voyageurs' accounting separation rules were filed with the ART in January 2021 and subsequently approved in its decision 2021-029 of 27 May 2021.

Highlights

TGV

– In 2021, TGV succeeded in boosting demand each time health constraints were relaxed and curbing the impacts of the health crisis.

- Despite a difficult 2021, solid business resilience, mainly for leisure customer traffic, through intense commercial activity and a fare overhaul for a simpler and clearer price range.

- Faced with market uncertainties, TGV demonstrated agility by adapting its offer as close as possible to demand throughout the year.

– Initiatives were undertaken in 2021 in preparation for a return to business and profitability growth.

- In constant anticipation, the activity has actively prepared measures in 2021 to develop its business and deal with the competition in 2022.

- Ambitious productivity plans have helped limit the impacts of the health crisis on EBITDA and free cash flow.

Intercités

– The health crisis required an adaptation of the Intercités transport plan: a substantial first-half reduction following the COVID crisis and there were limits on passenger numbers in night trains until November.

– Despite this context, the activity developed new offers with a strong commercial momentum:

- Successful launch of Paris-Nice night trains on 20 May 2021 (initially scheduled for April).
- Successful reopening on 1 August of the Nantes-Bordeaux line following extensive network renovations.
- Launch of Paris-Lourdes night trains in mid-December 2021.

– It also negotiated an amendment with the organising authority for 2021 and initiated the negotiation of the future 2022 agreement which should be signed in Q1 2022.

– Focus on financing agreements and cash flow improvement.

- Signature of the agreement for the renovation of maintenance workshops for new medium and long-distance railcars (AMLD) and an amendment to the AMLD rolling stock agreement.

- Signature of financing agreements for the resumption of night trains.

2021 results

– Revenue

TGV - Intercités revenue rose by €1,256 million (+30.5%), primarily due to the counter-effect of the January 2020 strikes and a stronger health crisis impact in 2020 than in 2021. The residual difference was mainly due to a decline in business customers in the mix.

Except for Eurostar whose revenue plummeted by 28.0% due to the health restrictions imposed between France and the UK, all other segments posted revenue growth, including TGV (excluding subsidiaries) +€1,221 million (+37.3%) and Thalys +€54 million (+28.5%).

– EBITDA

EBITDA rose by €1,057 million. EBITDA increased by €502 million and €104 million, respectively, due to the reduced impact of the health crisis in 2021 and the counter-effect of the 2020 strikes. The savings plan, productivity gains and the adaptation of the transport plan led to an improved business performance.

All segments reported EBITDA growth: TGV (excluding subsidiaries), Eurostar, Thalys and Intercités.

– Net investments

Net investments totalled €507 million in 2021, compared to €386 million 2020. The increase was mainly attributable to the substantial grants received by Intercités in 2020.

– Investments from all funding sources

There was no significant change in the amount of investments from all funding sources year-on-year.

2022 outlook

TGV

– 2022 will mark the return of traffic, further growth and development of fundamentals.

- In a context marked by the arrival of competition in France, much of the traffic lost in 2020 and 2021 will be won back in 2022.
- TGV will prepare for the future by initiating or continuing the roll-out of major projects: Planète Voyages, operational implementation of the planned merger between Eurostar and Thalys, effective launch of the OUIGO Trains Classiques offer, launch of new OUIGO routes in Spain, upgrading of industrial facilities, ongoing overhaul of inventory and yield management, business performance plans designed to improve fundamentals.

– In 2022, a positive free cash flow, reflecting a turnaround in activity with strong improvement in operating profitability in line with business recovery and growth.

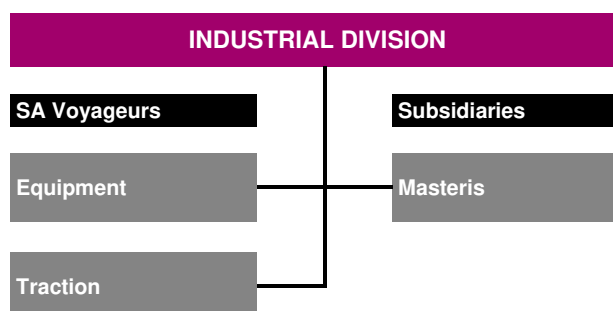
– In 2022, the activity's debt, which increased significantly during the two years of health crisis, will begin to decline.

– At the start of 2022, TGV will remain particularly attentive to the development of the health crisis and its repercussions on its domestic and international activity.

Intercités

– Signature of the new TET 2022 agreement and further negotiations on the signature of a long-term agreement (10 years).

2.6 INDUSTRIAL DIVISION



The Industrial Division coordinates all of the SNCF Group's other operations and business lines. It comprises Equipment, Traction, Rail Production, and their subsidiary Masteris.

In € millions	2021	2020 (*)	Change
a) External revenue	71	60	11
b) Internal revenue	1,620	1,513	108
a+b Revenue	1,692	1,573	119
c) External EBITDA	40	-60	100
d) Internal EBITDA	29	29	-1
c+d EBITDA	69	-30	99
EBITDA / Revenue	4.1%	-1.9%	
Net investments	84	87	-3
Investments from all funding sources	97	88	9

(*) Price revisions for regulated activities led to changes in 2020 comparative data for the Passengers business segment in terms of internal revenue and EBITDA. SNCF Voyageurs' accounting separation rules were filed with the ART in January 2021 and subsequently approved in its decision 2021-029 of 27 May 2021.

Highlights

– Safety: further proactive measures to reduce the number of "Remarkable safety events (RSE)" (a total of 7 at the end of November versus 11 over the same period in 2020).

– CSR: a railcar dismantling program, with over 1,000 train cars dismantled in 2021, an increase compared to 2020.

– Production:

- A steady upgrading / conversion activity, with the end of the 'Waouh' project for Transilien, ongoing Duplex upgrades, the beginning of night train upgrades and a high demand for engineering studies (operation, acquisition, conversions).

- A parts repair business volume that surpassed expectations despite the health crisis and reduction in activity transport plans.

- An ongoing action plan to control parts inventory despite the shortage of raw materials and the arrival of new equipment (RER NG).

- A stable level of activity in the locomotive and wagons segment despite a dwindling market.

– Improved competitiveness of the Equipment activity

- Structural cost savings and performance plan objectives achieved at management and industrial division levels.

- Further restructuring of locomotive and wagon production sites (Dunkirk, Avignon, etc.) in line with market contraction.
 - Signing of agreements for OP'TER upgrades that surpassed objectives.
- Opening to competition:
- Ongoing pricing and accounting compliance work in line with the regulator.
 - Limitation on the regulated scope (excluding accident-based repairs), with removal of N4 / N5 rolling stock industrial maintenance from the scope (decree of 16 June 2021).

2021 results

– Revenue

Industrial Division 2021 revenue increased by €119 million (7.5%) compared to 2020 due to.

- a reduced health crisis impact in 2021 than in 2020, generating revenue growth of €167 million;
- counter-effect of the 2020 strikes for +€13 million.

The additional difference of -€61 million was mainly attributable to regulated price calculation methods (neutral impact at Group level).

– EBITDA

Industrial Division EBITDA rose by €99 million between 2020 and 2021 primarily due to a reduced health crisis impact in 2021 compared to 2020 for +€82 million and the counter-effect of the January 2020 strikes for +€6 million.

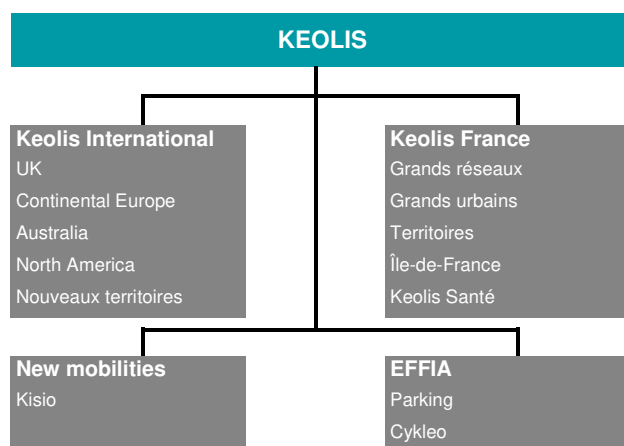
– Net investments and investments from all funding sources

There was no material change in either net investments or investments from all funding sources during the period.

2022 outlook

- Safety: ongoing RSE (zero RSE) and work accident reduction goals (frequency rate of 5 in 2025).
- CSR: development of the future train driver assistant.
- Production:
 - Start of OP'TER project industrialisation, with the aim of renovating around 900 TER trains within 10 years.
 - Current inventory levels to be maintained in a context where materials are in short supply and with a equipment scope extended to new series.
- Improve competitiveness
 - Further investments in production facilities in order to modernise installations and boost competitiveness.
 - Digitalisation of rolling stock technical diagrams and specifications.
 - Further inventory optimisation, with the deployment of a tool to optimise parts purchase volumes.
 - Ongoing performance plan with a total objective exceeding €120 million in 2022.
 - Further savings plans for transversal costs.
- Opening to competition:
 - Supply of parts & logistics services: contribute with TER to winning calls for tenders or adopting a market position for new entrants.

2.7 KEOLIS



Keolis is a mass transit operator in sixteen countries worldwide. Its expertise covers all modes of transportation (train, bus, car, underground, tramway, ferries, bicycles), and parking management.

In € millions	2021	2020	Change
a) External revenue	6,190	5,982	209
b) Internal revenue	123	111	12
a+b Revenue	6,314	6,093	221
c) External EBITDA	606	434	172
d) Internal EBITDA	17	16	0
c+d EBITDA	623	450	173
EBITDA / Revenue	9.9%	7.4%	
Net investments	203	219	-17
Investments from all funding sources	233	288	-56

Highlights

– France

- Market share consolidation in France. Major commercial wins, particularly in Île-de-France with two new Optile lots in Yvelines for a total of €680 million over the contract terms and the PAM77 win, as well as the win of an offensive call for tenders in Thionville for a bus service that was previously operated by a local public company. These four contracts represent additional full-year revenue of €100 million.
- 2021 was still impacted by the COVID-19 epidemic with the negative impact of the ongoing health crisis on transport network travel in H1 2021 (urban network revenue down by around 20% during the year compared to 2019: -30% in H1 2021 and -10% in H2 2021). Network passenger numbers nevertheless improved compared to 2020, with a sharp recovery in the last quarter before the arrival of the Omicron variant mid-December 2021.
- Major contractual negotiations were conducted and are continuing with the organising authorities to mitigate the impact of this unpredictable external event, particularly on traffic revenue commitments.
- Very significant savings plans have also been implemented.

– EFFIA

- The ongoing health crisis slowed down the gradual turnaround in customer numbers, particularly in station car parks that were heavily impacted by the sharp

decline in TGV business passengers. However, the situation improved in the second half of the year until the arrival of the Omicron variant.

– International

- The COVID-19 crisis continued to affect international operations with a level of travel and service below expectations. Nevertheless, discussions with governments and organising authorities helped to offset the impacts (mainly in the Netherlands, Sweden and North America).
- Exit from the Wales & Borders contract on 7 February 2021 with the signing of a 5-year technical support agreement between KA Wales Consulting and the organising authority.
- Keolis sold its activities in Germany. This sale agreement with the three North Rhine public transport organising authorities and the Overijssel province in the Netherlands came into effect on 31 December 2021 and is in line with the group's decision to refocus its strategic priorities.
- Sustained portfolio momentum, with first-rate commercial wins (bus contract in the Sydney region, Dubai underground, Uppsala bus network, etc.) and major contract start-ups (including operation of the Adelaide rail network, bus networks in Bergen, IJssel-Vecht, Dubai).

2021 results

– Revenue

Keolis 2021 revenue increased by €221 million (3.6%) compared to 2020. This was mainly due to:

- a negative scope impact of -€13 million (see section 1.2 Comparability of the financial statements),
- a positive foreign exchange impact of +€41 million.

At constant scope and exchange rates, Keolis revenue rose by +€193 million (+3.2%). The portfolio impact of contract wins/losses amounted to -€220 million, of which -€230 million internationally, with the exit from the Wales & Borders contract for -€310 million partly offset by the start-up of the Adelaide rail agreement and the Sydney region bus contract in Australia as well as the operation of the automatic underground and tram in Dubai.

Current contracts increased by €413 million primarily due to the recovery in transport network and EFFIA car park customer numbers in H2 2021.

– EBITDA

EBITDA at Keolis increased by €173 million. At constant scope and exchange rates, EBITDA rose by €167 million driven by the solid operating performances in Sweden, North America, Australia and France.

– Net investments and investments from all funding sources

There was no material change in either net investments or investments from all funding sources during the period.

2022 outlook

– France

- 2022 will be a very intense year in terms of calls for tender, particularly in Île-de-France and Grands Urbains. 2022 will also see the outcome of SYTRAL's considerations regarding the possible dividing-up of the Lyon network, which will influence the next call for tenders.
- Numerous energy transition projects will be confirmed (e.g. electric buses in Lyon and Rennes, electric

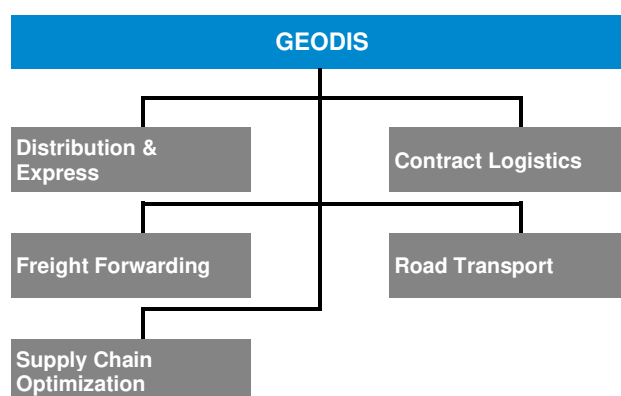
coaches in Alpes Maritimes, hydrogen bus in Dijon, intercity natural gas vehicle, etc.).

- Return to pre-health crisis city transport passenger numbers expected in Q4 2022 (excluding the impact of new variants and Omicron) with specific winback marketing initiatives.
- Absenteeism due to the impacts of COVID-19 (illnesses or close contacts), combined with the increasing difficulties in hiring drivers or maintenance staff, may cause problems for networks in delivering the expected service in 2022.
- Sustained focus on the group's profitability through major savings and productivity plans in a context of rising inflation, with a risk of energy cost fluctuations compared to contractual indexes.

– EFFIA

- A steady improvement in car park use is expected in 2022.
- International
- 2022 will be a very intense year in terms of calls for tender (Western Sydney Airport, Stockholm, Ontario, etc.).
- A slower turnaround in car park use in certain foreign countries (particularly Australia and Canada).
- Sustained growth opportunities, with a strong boost by the organising authorities in favour of green mobility in our markets, including in countries which are lagging such as the United States (KTA already has a few electric buses in the US and the infrastructure law may pave the way for greater investment by the organising authorities).

2.8 GEODIS



Geodis is a European operator with a global reach, offering management solutions across all or part of the logistics chain (Supply Chain Optimization, Air & Sea Freight Forwarding, Distribution & Express, Road Transport, Contract Logistics).

In € millions	2021	2020	Change
a) External revenue	10,803	8,260	2,543
b) Internal revenue	102	101	1
a+b Revenue	10,906	8,361	2,545
c) External EBITDA	948	707	240
d) Internal EBITDA	7	10	-4
c+d EBITDA	955	718	237
EBITDA / Revenue	8.8%	8.6%	
Net investments	184	143	41
Investments from all funding sources	178	138	40

Highlights

– After having demonstrated its resilience and ability to adapt since the start of the health crisis, Geodis delivered a record performance in 2021.

– Freight Forwarding activities delivered an excellent performance mainly driven by a favourable price impact and air freight volume growth. Since the spring of 2021, sea freight has been subject to a lack of capacity as observed in 2020 for air freight. To satisfy customer demands in this unprecedented context, the air charter operations launched in 2020 have continued in a focused manner and now include the supply of a cargo aircraft for Geodis and sea charter operations.

– Contract Logistics activities in the United States improved, driven by significant volumes in the e-commerce market and major accounts. In Europe, Contract Logistics also posted a considerable improvement driven by e-commerce and the start-up of new sites.

– Since the start of 2021, Distribution & Express activities have delivered a steady performance and Road Transport activities have regained momentum spurred by the Pekaes acquisition.

– Finally, Geodis performed several acquisitions in 2021 in various activities, particularly the Pekaes group in Poland (Road Transport activity).

2021 results

– Revenue

Geodis' 2021 revenue increased by €2,545 million (30.4%) compared to 2020. It was affected by:

- a scope impact of +€311 million (see section 1.2 Comparability of the financial statements),
- an exchange rate impact of -€77 million.

At constant scope and exchange rates, revenue was up 27.7% (+€2,311 million). An analysis of the activity is presented in Highlights (above).

– EBITDA

EBITDA rose by €237 million.

At constant scope and exchange rates, it increased by €219 million, primarily driven by the strong growth in Contract Logistics, Distribution & Express and Freight Forwarding activities. An analysis of the activity is presented in Highlights (above).

– Net investments and investments from all funding sources

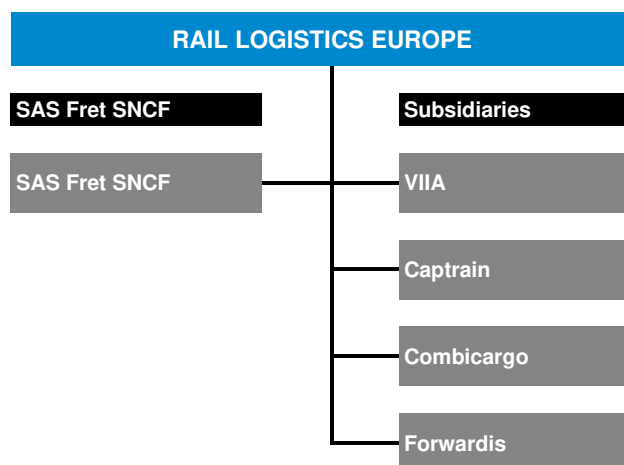
There was no material change in either net investments or investments from all funding sources during the period.

2022 outlook

– There will be positive momentum for operations in all business segments and regions.

– The main focal points will be cost inflation (energy, wages, subcontracting), and capacity and price fluctuations in air and sea freight.

2.9 RAIL LOGISTICS EUROPE



Rail Logistics Europe comprises rail and combined freight operators and freight forwarders in Europe and worldwide: Fret SNCF SAS, Captrain, Combicargo, Forwardis and VIIA.

In € millions	2021	2020	Change
a) External revenue	1,482	1,361	120
b) Internal revenue	112	102	10
a+b Revenue	1,594	1,463	130
c) External EBITDA	176	17	159
d) Internal EBITDA	50	59	-9
c+d EBITDA	226	76	150
EBITDA / Revenue	14.2%	5.2%	
Net investments	69	55	14
Investments from all funding sources	74	58	16

Highlights

Transverse Rail Logistics Europe

In 2021, there was a significant turnaround in rail freight transport, resulting in a 9% increase in revenue for Rail Logistics Europe compared to 2020.

2021 marked the first year of the recovery plan applicable to the sector as whole, with aid for single wagons and a doubling of aid for combined transport in France; these measures, combined with new financial grants in Europe, promoted the modal shift while offsetting the difference in terms of externalities with road transport.

SAS Fret SNCF

Spurred by the vigorous turnaround in steel, chemical and oil traffic, Fret SNCF regained revenue growth (+6%) and generated sharp growth in EBITDA.

Captrain

Captrain recorded a solid business increase of +8% vs 2020 despite the difficulties encountered by the automobile sector and poor weather in February and July 2021 and regained profitability due to restored activity in

the steel industry, and exceptional aid relating to the 2020 health crisis.

Forwardis

Following an excellent 2020 in France despite the health crisis, Forwardis regained business growth, particularly with the development of trains to/from China.

Combicargo

Combined transport, including Combicargo, reported revenue growth of 24% vs 2020, with its Navitrucking product generating a substantial modal shift.

VIIA

The performance of VIIA rail motorways varied according to the lines, with new traffic records on the Bettembourg-Le Boulou line operated by Lorry Rail.

2021 results

– Revenue

Rail Logistics Europe 2021 revenue increased by €130 million (8.9%) compared to 2020.

The reduced impact of the health crisis in 2021 compared to the previous year had a €119 million positive impact on revenue.

– EBITDA

EBITDA rose by €150 million, due to the improved health situation for €67 million. The savings generated by the Fret SNCF transformation plan also contributed to the increase in EBITDA.

Net investments and investments from all funding sources

There was no material change in either net investments or investments from all funding sources during the period.

2022 outlook

Transverse Rail Logistics Europe

– Aid for single wagons, infrastructure fees and combined transport confirmed in France until 2024.

– Aid for slots confirmed in Germany until 2023 and in Italy until 2022.

SAS Fret SNCF

– Traffic income forecasts up significantly in the dedicated production scheme, growth in the shared production scheme and resilience on the single wagon eligible for aid which will become an attractive segment for competition.

– An expected turnaround in the Combined & Rail Motorway activity and a Steel business, mainly with Arcelor, comparable to 2021.

– Improved 2022 forecasts for Cereals & Sugars after a difficult 2020 / 2021 campaign.

– An intense competitive environment in the Chemicals sector, which is not expecting a sharp turnaround in 2022, and an Automobile market that will undergo a logistical reconfiguration.

Captrain

– Commercial wins (particularly in Belgium and Italy) and growth (mainly in Spain) of intragroup traffic boosted by the development of synergies for RLE.

– Intense competitive pressure on prices in Germany.

– Cost inflation everywhere in Europe (energy, wage costs).

Forwardis

– Strong commercial development challenge in a highly competitive context.

Combicargo

– Growth momentum at a more moderate pace based on the business level achieved in 2021 and further development of Navitrucking/Naviroad and Combined products.

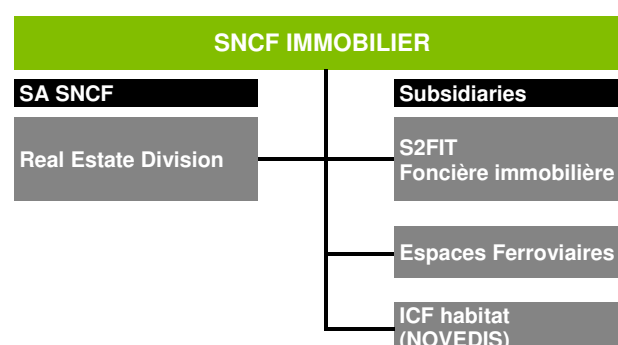
– Further improvement in the transport contribution margin (train saturation due to the modal shift).

VIIA

– Ongoing growth momentum mostly from new lines (Occitanie-Ile-de-France, combined Bettembourg-Barcelona, etc.) and streamlining of existing lines (e.g.: shutdown of the Calais-Orbassano line).

– Planned refinancing by sale & lease-back of the current pool of 240 wagons.

2.10 SNCF IMMOBILIER



SNCF Immobilier acts as agent or service provider for the other SNCF business lines in four main areas:

– Managing real estate used in operations (including master plans to optimise real estate assets, the construction and refurbishment of buildings, and managing leased properties);

– Monetising assets not required for railway operations;

– Managing the working environment in key office premises;

– Managing residential properties through the ICF Habitat group, a subsidiary of SNCF SA.

In € millions	2021	2020	Change
a) External revenue	43	56	-12
b) Internal revenue	607	590	17
a+b Revenue	650	645	5
c) External EBITDA	225	204	21
d) Internal EBITDA	2	2	0
c+d EBITDA	227	206	21
EBITDA / Revenue	34.9%	31.9%	
Net investments	22	5	17
Investments from all funding sources	20	2	19

Highlights

– Monetisation and urban development

• Sale of a building in Paris (18th district) by the subsidiary S2FIT for around €30 million.

• Sale to the subsidiary SNEF of the Hebert site (Paris 18th district) - phase 1 - for the development of the urban project.

- Signing on 17 November 2021 of the Rouen memorandum of understanding for the roll-out of projects contributing to the region's sustainable development.
 - Finalisation of the undertaking to sell the land of the former Les Quatre-Chemins freight station (Pantin).
 - Allocation of calls for transitional urban projects for Rouen Saint-Sever, three Parisian Petite-Ceinture sites (15th, 19th and 20th districts).
- Management
- On behalf of SNCF Réseau, 400 projects to improve working conditions (€15 million budget).
 - Transfer of 4 maintenance workshops in the PACA region.
 - Drafting of master plans for buildings in order to reduce by one 1/3 rental surface area in 6 regional cities and by one 1/5 in Île-de-France.
 - SNCF Immobilier appointed for project management assistance for the future maintenance workshop in Nice.
- Housing
- Signature of a new charter with the French Housing Ministry in May 2021. This charter sets out net land sales objectives in order to build 15,000-20,000 housing units by 2025, including 35% social housing units. Signature of its version for Île-de-France in December, based on the sale of 53 ha with a potential to build 6,600 housing units.
 - Espaces Ferroviaires, as developer of the "Raynal Gare Basse" lot, selected a grouping comprising GA Smart Building and the architect François Leclercq for the design and construction of offices covering 13,000 m² located at the centre of the Grand Matabiau project in Toulouse.

2021 results

– Revenue

Between 2020 and 2021, SNCF Immobilier's revenue increased by €5 million, i.e. +0.8%.

– EBITDA

EBITDA stood at €227 million in 2021, compared to €206 million in 2020.

– Net investments and investments from all funding sources

There were no material amounts of net investments or investments from all funding sources.

2022 outlook

– Monetisation and urban development

- With reservations, sale to the subsidiary SNEF of the Gare de Lyon Daumesnil site (Paris 12th district) - phase 1 - for the development of the urban project.

– Real estate management

- Probable 40% increase in building energy supply costs.
- First "Full FM" contracts, all everyday services allocated to a sole operator for each of the SNCF Réseau training centres delivered at the end of 2021 and 2022.
- Filing of a building permit for the development of the Tergnier technicentre (€40 million project).
- Reduction in the tertiary office invoice: first returns possible in Île-de-France and move to dynamic spaces.

– Develop housing at the heart of the regions: ICF Habitat la Sablière aims to produce 4,700 housing units over the next 5 years in the Île-de-France region.

– Optimise the performance of SNCF's activities

- Roll-out of the tertiary strategy with the implementation of master plans, particularly for Île-de-France and Lyon, and the termination of leases for 20,000 m² in Saint-Denis in 2022 by rehousing the occupant entitles under already existing leases.
- Delivery of two new SNCF Réseau training campuses in Bègles-Hourcade and Saint-Priest (3 campuses, including the one at Nanterre, will replace 21 regional schools).

3. INVESTMENTS AND NET DEBT

3.1 INVESTMENTS

In € millions	2021	2020	Change
Investments from all funding sources	10,293	8,932	1,361 +15%
Disposals	367	137	230 +169%
Investments, net of disposals	9,926	8,795	1,131 +13%

The level of investments from all funding sources, up €1,361 million compared to 2020, stood at €10,293 million in 2021. The volume of investments in the previous year had been severely impacted by the health crisis (slowdown in infrastructure projects, savings plans set up in 2020). Furthermore, the French State recovery plan helped to maintain a high level of network renewal.

Disposals were €230 million higher than in 2020; disposals during the financial year consisted mainly of real estate assets.

3.2 GROUP NET DEBT

In € millions	31/12/2021	31/12/2020	Change
Non-current debt	73,006	76,196	-3,191
Non-current receivable	-30,403	-33,490	3,087
Net non-current debt used to calculate net debt	42,602	42,706	-103
Current debt	8,878	8,240	637
Current receivable	-15,184	-12,798	-2,386
Net current debt used to calculate net debt	-6,306	-4,558	-1,748
Net debt	36,296	38,148	-1,853
Net debt / EBITDA	8.4	19.7	
Gearing (Net debt / Equity)	2.5	3.0	

Net debt amounted to €36,296 million as at 31 December 2021, for a gearing (net debt / equity) of 2.5 (compared with 3.0 as at 31 December 2020). The ratio of net debt to EBITDA decreased from 19.7 as at 31 December 2020 to 8.4 as at 31 December 2021.

SNCF Group net cash amounted to €8,481 million as at 31 December 2021 (€5,026 million as at 31 December 2020). It comprised cash and cash equivalents of €10,772 million (€7,939 million as at 31 December 2020) less cash borrowings and overdrafts of €2,291 million (€2,913 million as at 31 December 2020).

Net debt was impacted by the following movements in 2021:

Opening net debt	38,148
Cash from operations	-3,129
Net investments	3,435
Disposals	-367
Dividends received from companies accounted for by the equity method	-15
Repayments of lease liabilities and related interest	965
Scope transactions	-1,915
Change in operating WCR	-102
Dividends paid	148
Changes in fair value, amortised cost, translation differences	-718
Change in tax WCR	-98
Other	-57
Closing net debt	36,296

3.3 FUNDING SOURCES AND DEBT MANAGEMENT

Non-current debt decreased by €3,191 million and current debt increased by €637 million.

The main reasons for those movements were:

- repayment of bonds for -€3,128 million;
- change in fair value for -€1,510 million;
- repayment of loans from credit institutions for -€827 million;
- decrease in cash liabilities for -€637 million;
- increase in bonds less issue premiums for +€2,780 million;
- borrowings from credit institutions, net of issue premiums, for +€964 million.

The non-current receivable decreased by €3,087 million and the current receivable increased by €2,386 million.

The main reasons for those movements were:

- repayment of the PDF debt for -€1,271 million;
- decrease in deposits paid for -€1,082 million;
- change in fair value for -€749 million;
- decline in grants receivable under public-private partnerships for -€279 million.
- increase in cash and cash equivalents of +€2,983 million

The SNCF Group's long-term debt was rated as follows by the main rating agencies:

	Long-term rating	Outlook	Date of the report
Standard & Poor's	AA-	Negative	21-Oct.-20
Moody's	Aa3	Stable	20-Oct.-20
Fitch Ratings	A+	Negative	22-May.-20

3.4 EXPOSURE OF THE GROUP TO MARKET RISKS AND USE OF FINANCIAL INSTRUMENTS

Market risk management is subject to a general framework approved by the Group's Board of Directors.

Details of the strategy implemented are described in the Capital and financing note to the consolidated financial statements.

4. ACQUISITIONS OF EQUITY INVESTMENTS

The only major equity investment in 2021 was the acquisition by Geodis of the Polish transport and logistics group Pekaes.

5. FINANCIAL RELATIONS WITH THE STATE AND LOCAL AUTHORITIES

SNCF receives:

- network investment grants,
- public service orders (as is the case with any public service agent or supplier to the French State and local authorities) in a monopoly legislative and regulatory framework,
- operating and investment grants received mainly for Transilien, TER and Intercités operations.

5.1 PUBLIC SERVICE ORDERS

The table below shows revenue generated by SNCF Voyageurs SA and SNCF Réseau SA with the French regional authorities, Île-de-France Mobilités and the State:

In € millions	2021	2020	Change
Compensation for regional rates	24	22	2
Services for the Organising Authorities (Regions and Île-de-France Mobilités)	6,550	6,483	67
Socially-motivated prices	6	13	-7
Defence	129	93	36
Trains d'Equilibre du Territoire (TET)	189	173	16
TER and TET access fees	1,965	1,910	56
Total	8,862	8,693	169

5.2 GRANTS AND PUBLIC FUNDING RECEIVED FROM THE FRENCH STATE AND OTHER PUBLIC BODIES

Public funding granted to the Group by the French State and government authorities is presented in the following table:

In € millions	2021	2020	Change
Operating grants	294	159	135
Cash inflows from concession financial assets	2,003	1,863	140
Investment grants relating to intangible assets and PP&E (1)	4,866	3,319	1,546
Freight business rate compensation	159	124	35
Trains d'Equilibre du Territoire (TET)	189	173	16
Total	7,511	5,640	1,872

(1) See Note 4.2 to the consolidated financial statements.

With respect to its network investments, SNCF Réseau receives co-financing from public and private partners. Public partners include the Agence de financement des

infrastructures de transport de France (AFITF) or other regional authorities.

SNCF Voyageurs and Keolis receive investment grants in the form of third-party financing, primarily from local authorities, particularly for rolling stock.

In accordance with IFRIC 12, grants received as part of a concession are presented in the statement of financial position as a deduction from intangible assets or financial assets, according to the applicable model, following the analysis of each concession agreement. With regard to

concession financial assets, the grants received are considered as a means of reimbursing such assets.

Investment grants received are deducted from intangible assets and property, plant and equipment in the balance sheet. In the income statement, they are recorded in operating profit or loss (as a deduction from depreciation and amortisation) according to the estimated economic life of the corresponding assets.

Freight business rate compensation is paid to cover the marginal cost of freight traffic, in addition to fees paid by freight companies.

6. EMPLOYEE MATTERS

6.1 WORKFORCE

	31/12/2021	31/12/2020		Change	Change at constant scope	
SNCF Réseau	57,495	57,603	-0.2%	-108	-0.2%	-108
SNCF Gares & Connexions	5,123	4,937	+3.8%	186	+3.8%	186
Transilien	14,377	14,458	-0.6%	-81	-0.6%	-81
TER	28,471	28,440	+0.1%	31	+0.1%	31
TGV - Intercités	22,439	23,445	-4.3%	-1,006	-4.3%	-1,006
Industrial Division	10,597	10,972	-3.4%	-375	-3.4%	-375
Passengers - other	490	466	+5.1%	24	+5.1%	24
Keolis	67,753	68,833	-1.6%	-1,079	+0.1%	61
Geodis	43,189	41,038	+5.2%	2,151	+1.8%	751
Rail Logistics Europe	9,183	9,443	-2.8%	-260	-2.8%	-260
Freight & Logistics - Other	-	786	-100.0%	-786	-100.0%	-5
SNCF Immobilier	1,618	1,585	+2.1%	33	+2.1%	33
Corporate	9,560	9,504	+0.6%	56	+0.6%	56
TOTAL	270,296	271,509	-0.4%	-1,213	-0.3%	-693

6.2 PRINCIPAL AGREEMENTS SIGNED IN 2021

An agreement on long-term furlough within the scope of the five SNCF companies was signed on 15 January 2021.

An agreement promoting gender equality and diversity was signed on 9 November 2021.

RISK MANAGEMENT AND CONTROL SYSTEMS

The SNCF Group wishes to have a clear vision of the risks to which it is exposed and implement measures that contribute to the control of its activities, the effectiveness of its operations and the efficient use of its resources, in order to secure its decisions and strengthen its ability to create value.

Risk management and control systems are complementary to preventing and controlling these uncertainties.

The overall organisation of the Group's risk management and control systems is based on a "three lines of defence" governance model.

Entity operational management is the first line of defence. It defines and implements a control system encompassing the processes under its responsibility.

SA functional managers form the second line of defence, performing a support and management role. They also bring their expertise to the operational departments, promoting exchanges and the sharing of best practices. They contribute to the structuring and coordination of the control system.

On the third line of defence, internal audit provides an independent assessment of the risk control level and the robustness of internal control.

Each SA is responsible for risk management and internal control within its scope, including its subsidiaries.

The risk management process is led and steered within the Group by the Risk Management Department, part of the Risk, Audits, Safety and Security Department (DRA2S).

Internal control within the Group is led and steered by the Internal Control Department, which is part of the Group's Finance Department.

The Group's Internal Audit Department, part of the Risk, Audits, Safety and Security Department (DRA2S), provides the third line of defence, through the performance of internal audit assignments.

Furthermore, other processes contributing to risk management and control are described in the NPFS, particularly those relating to ethics and compliance.

1. SNCF GROUP RISK MANAGEMENT

For the SNCF Group, a risk is defined as "any event likely to have a negative impact on the achievement of a company's objectives, assets, reputation, people or the environment". This definition includes both internal and external risks.

After identifying and assessing the risks, risk management consists in carrying out priority actions to improve control and reduce or maintain the likelihood of these risks

occurring at an acceptable level of probability and impact. It is up to corporate governance to express its risk appetite, i.e. the type and level of risk it is prepared to take with regard to its strategy. The level of risk appetite expressed determines the allocation of resources and the expected return.

SNCF's risk management system is based on the main French and international standards: FERMA risk management reference framework, ISO 31000 standard and the 2010 AMF recommendations.

The SNCF Group has set itself the objective of making the risk-based approach an integral part of the Group's culture and gradually embedding it in the company's processes (strategic plan, project management, etc.).

To consolidate its risks, the company relies on a two-fold approach:

- a "top down" vision through regular meetings with the Chairmen of the SAs and members of the Executive Committees.

- a "bottom up" vision through several levels of mapping in the company, which updates the Group's mapping (3 levels of mapping: Group - level 1, SAs - level 2, Business lines - level 3).

The common methodology deployed within the Group is seen from a dynamic perspective, organised into 4 stages:

- The identification of an entity's risks through individual or collective interviews to collect all the risks for a scope and document them (maximum credible scenario(s), causes, consequences, link with the strategic project, existing control system to manage the risk).

- Risk assessment using a classic method: assessment of the impact, probability and margin for improvement on risk control, to obtain a hierarchical view of the risks in relation to each other.

- Risk treatment:

- Designation for each risk of a Sponsor, a member of the company's Executive Committee. He may appoint an operational pilot (person reporting directly to the Executive Committee member) to carry out the work of bringing risks under control,

- Decision on the orientations of the action plan to improve risk control (prevention, protection, transfer measures, etc.), monitoring of action plan progress, and possible escalation of alerts to the highest level of the company.

- Planned annual risk review to:

- verify the deployment of action plans and ensure their effectiveness.

- update the mapping with regard to changes in the context, organisation or progress of action plans

(reassessment of risks, elimination of risks, addition of new risks).

The collective questioning around these 4 steps is a real opportunity for managerial alignment to identify short and medium-term priorities.

A company cannot progress without taking risks, but it must have the capacity to make educated, arbitrated and well-informed decisions, minimising as far as possible the element of hazard and uncertainty. The SNCF Group applies the principle of risk appetite when deploying its services.

1.1 RISKS RELATED TO SAFETY AND SECURITY

1.1.1 SAFETY

1.1.1.1 Risk description

The SNCF group is recognised for its excellence in terms of safety of people and traffic. The expectations of our customers in this area are very high. Safety is inherent in all the SNCF Group's activities and the safety culture is deeply rooted in all business lines. Very significant resources are implemented to ensure this safety. Nevertheless, it is not possible to completely rule out the risk of a railway accident or a major industrial accident.

The Group respects and values the regulatory obligations defined by the States where it conducts its activities. The regulatory framework in France is largely based on the French Transport Code, as well as Law 2006-10 of 5 January 2006, which transposes European directives into French law. It also includes Decree 2006-369 of 28 March 2006 relating to the mandates and by-laws of the EPSF and Decree 2006-1279 of 19 October 2006, relating to rail traffic safety and rail system interoperability, amended by the Decrees 2010-814 of 13 July 2010, 2014-121 of 11 February 2014, 2015-143 of 10 February 2015, 2015-960 of 30 July 2015 and 2015-1757 of 24 December 2015.

1.1.1.2 Main control systems

Launched in 2016, the PRISME (Pro-activity – Risks – Interfaces – Simplification – Management – Equipment) safety management transformation programme made it possible to reduce the number of remarkable safety events in the scope of the former public railway group by 50%. Actions, analytical methods, as well as the implementation of preventive measures, have made it possible to initiate an essential shift to ensure the safety of the company's employees and customers. Examples include raising awareness on the importance of considering organisational and human factors (OHF) and training of 8,000 managers, the "Rules that save" deployed in all entities, risk analysis using the "butterfly-loops" method, etc.

The roll-out of Stage 2 of PRISME, which aims to establish a participatory, proactive and integrated safety culture on a long-term basis, continued in 2021.

It is based on six priorities:

- Support projects throughout their life cycle (design, deployment, embedding of practices, measurement).
- Give Occupational Health and Safety a weight equivalent to that of Railway Operating Safety by developing common methods and tools (quality and sharing of feedback, analysis of risk situations, sharing of best practices, etc.).
- Extend the consideration of Organisational and Human Factors to the "O" of organisation, to reduce exposure to risks and make human action more reliable.

– Mobilise Safety leadership: PRISME must give leaders and managers the means and tools to better understand the role of safety in their daily decisions. This is achieved through the support of safety specialists and training courses.

– Encourage and welcome, particularly through the Fair and Equitable approach, the individual and collective participation essential to improving operator safety.

– Develop risk awareness and risk management at all levels of the company.

1.1.2 SECURITY

1.1.2.1 Risk description

The SNCF Group places the security of goods and people at the heart of its concerns. Public facilities and the railway network are open spaces that cannot always be secured in their entirety.

In 2021, the terrorist threat did not ease in France and internationally and the potential *modi operandi* have become even more diversified. Stations and trains can be a prime target for attack in this respect.

1.1.2.2 Main control systems

The approach to this systemic risk, which depends on strong external factors, is transversal to the Group. The company works very closely with the public authorities on the subject of terrorist threats.

The Group is proactive in terms of researching and testing prevention solutions and implements actions to better detect the threat on its rights-of-way ("*Agissons sûreté*", armed General Security officers in civilian clothes, cooperation with the Gendarmerie Nationale, canine explosive detection teams, video protection, video patrol, detection algorithms, etc.).

1.2 RISKS RELATED TO INFORMATION SYSTEMS

1.2.1 Risk description

The activities of the SNCF group have been gradually digitised over the years and the company has become a major player in the digital world. The acceleration of the company's digital transformation has undeniably created performance levers and opportunities, but this has been accompanied by the growing dependence of the Group's business lines and activities on information systems, which accentuate the impacts of a major system failure on the operational production of the company.

Cyberattacks against businesses are multiplying. No sector is spared (industry, finance, government authorities, hospitals, etc.) and the risk of a cessation of activity due to a cyberattack is now high.

The unavailability of our information systems can also be caused by a production incident due to an internal failure, the loss of a datacentre or the failure of a telecom operator.

The company is carrying out ambitious projects to develop new information systems (production, distribution, passenger information, HR) that will lead to very significant leaps in performance. Nevertheless, the risk of a lack of control over these major projects cannot be ruled out, which could lead to a drift in costs and the temporary unavailability or under-efficiency of certain information systems.

1.2.2 Main control systems

The SNCF Group is collectively engaged at the highest level in cyber security through its ISS (Information Systems Security) management committee, which is

regularly informed of the situation regarding these risks and which guides the major projects related to this issue through a multi-year ISS master plan updated annually. This master plan emphasises risk-based management based on a principle of continuous improvement, anticipation of threats and changes in the ISS business line according to the transformation of SNCF's business lines and compliance with laws and regulations.

An internal entity specialising in cyber security carries out technical tests to ensure that applications comply with current legislation and that the operational rules for protecting information systems within the Group's scope are effective. The differences observed are reported and give rise to corrective action plans.

In parallel and because human behaviour is central to the company's IS protection, awareness-raising actions for users and project managers are conducted so that cyber security best practices are widely communicated and individual vigilance becomes a daily reality.

Major Technical Migration projects are designed to remedy priority obsolescence by migrating part of the IS to the cloud and renewing our datacentres.

In terms of project management, the project validation and monitoring committees ensure that the Group's IS urban planning policy is properly applied.

IT Recovery Plans and Business Continuity Plans are drawn up and tested as part of regular crisis exercises so that managers and operational staff can acquire the right reflexes.

1.3 RISKS RELATED TO NON-COMPLIANCE

1.3.1 Risk description

The SNCF Group has identified several types of Non-Compliance risks for which a French or foreign supervisory authority could sanction the absence of internal measures designed to prevent them. These include the risk of corruption and influence peddling, and the risk of non-compliance with the GDPR (General Data Protection Regulation).

1.3.2 Main control systems

Each of these risks is the subject of written action plans to improve their control and guarantee the traceability and auditability of the compliance system.

Among the main control systems in place in 2021 for the risk of corruption and influence peddling is the updating of more than 100 risk maps consolidated and validated on 3 levels, according to a method common to the entire SNCF Group. These maps make it possible to detect the most fragile processes and prioritise the remedial actions to be implemented. The pillars of the Sapin 2 Law are therefore the subject of joint work within the SNCF Group, with a constant concern for continuous improvement.

1.4 RISKS RELATED TO THE ECONOMIC ENVIRONMENT AND MARKETS

1.4.1 Risk description

The crisis linked to the global COVID 19 pandemic has had a major impact on all our activities (passenger and freight transport, maintenance and works, station activities).

The mobility of our passenger customers is changing in the context of a cyclical health crisis that is difficult to foresee (development of home working, environmental conscience, shift to individual cars, etc.). There is a risk of lasting revenue loss for passenger activities and a risk of loss of toll revenue/fees for Réseau and Gares & Connexions. The long-term risk would be a loss for

railways due to a disaffection of customers for the train and the lack of investment in the network.

At the same time, the arrival of competitors in the open access business and the activities covered by the agreements is reducing - slightly for the moment - the SNCF Group's market share, depriving it of part of its revenue.

The business models of our various activities, which are largely made up of fixed costs, are therefore challenged.

1.4.2 Main control systems

The Passengers, Freight, Gare & Connexions and Réseau businesses are deploying ambitious performance plans aimed at reducing their costs through better use of their assets, a more selective investment policy and the overhaul of processes based on the principles of operational excellence.

The Group is demonstrating a very dynamic commercial policy thanks to the introduction of new offers, loyalty programmes, international development and the simplification of its price lists.

1.5 HUMAN RISKS

1.5.1 Risk description

At Group level, the trajectory of job and skills development is subject to shared vigilance, given the risk of a lack (qualitative or quantitative) of competent resources - particularly in certain professions under stress, or of an imbalance between available skills and the needs of the company in the regions.

The health crisis and its economic impact accentuate the social risks linked to the management of transformations (performance plans, etc.) and changes in the workforce, requiring enhanced anticipation and support.

Finally, with the extensive transformation of the 5 SNCF companies, the risk of employee disengagement and decline in labour relations is being monitored by the management bodies.

1.5.2 Main control systems

The regular sharing of employment and resource trajectories, in line with the SNCF companies' strategic plans, and the enhanced measures to support transformations (assessment of social and economic impacts, etc.) reinforce the actions taken to control the risks identified.

Employee commitment is one of the cornerstones of the Tous SNCF corporate project, which is the subject of action plans integrated within entity projects.

The mobilisation shared with managers as part of the corporate project and the operational deployment of the Solidarité Emploi programme, contributing to the People pillar, the Group's fourth "fundamental" pillar, with the implementation of a regional employment management system since 2020, strengthen the control of these risks.

The results of the employee survey ("c'est à vous") conducted at the end of 2021 demonstrated a high level of employee commitment.

1.6 OLYMPIC AND PARALYMPIC GAMES (JOP) RISKS

1.6.1 Risk description

France is preparing to host the 2024 Olympic and Paralympic Games. The aim for these games is that all travel to the competition sites will be conducted in public transport (37 competition sites in France, mainly in Île-de-France, 13.5 million tickets sold).

For SNCF, being prepared for the Olympic Games means being able to identify our main risks in terms of safety, security, information systems, rail operating performance and the satisfaction of our usual customers and international spectators and implement robust control systems.

1.6.2 Main control systems

In 2020, the SNCF Group appointed a JOP 2024 programme director, who reports to SNCF SA and works in cooperation with all Group activities.

One of the aims of the programme is to roll out a risk management plan jointly drafted by the JOP 2024 Programme Management and the Activities. Based on the programme's risk mapping, seven transversal and critical topics were identified. A half-year review at the highest corporate level will be conducted to take stock of the progress made on these topics and deal with any alerts.

1.7 ÎLE-DE-FRANCE MAJOR PROJECT RISKS

1.7.1 Risk description

The major work portfolio carries a risk for the delivery of projects and related costs. The JO 2024 deadline may also create additional demands and heighten the risk. Certain general schedules are being reprogrammed in a challenging context: delays by certain manufacturers, numerous interfaces, shortage of technical skills.

1.7.2 Main control systems

SNCF has set up a dedicated governance to manage risks at the highest Group level. Common panels have been set up as well as a Department dedicated to IDF System operability. A monitoring committee headed by the IDF Regional Prefect brings together all the stakeholders (SNCF Mobilités, RATP, IDFM, Local authorities and Elected representatives, ADP) and shares analyses to collectively choose solutions.

1.8 CSR RISKS

1.8.1 Risk description

SNCF places its corporate social responsibility at the heart of its raison d'être and strategy. It believes that businesses have a critical role to play and a responsibility to fulfil in contributing to the achievement of the UN's sustainable development goals. SNCF must comply with increasingly stringent environmental and societal rules. It also makes more ambitious voluntary commitments that it must also respect. Despite the importance attached to corporate social responsibility, SNCF is not immune to incidents with a serious impact on the environment, nor to practices that impact the basic freedom of employees or third parties (customers, suppliers, subcontractors, the public, etc.), resulting in excess costs and a negative media impact.

Furthermore, SNCF is already having to deal with the consequences of climate change on its activities. This is illustrated by the damage caused on infrastructures (asset impairment, track deterioration, etc.), equipment (breakdowns, accelerated obsolescence, etc.), and results in a decline in service quality (delays, temporary cessation of activity). These events have financial impacts and affect customer satisfaction. Beyond the impact on SNCF's operations, these events could have a knock-on effect on the regions, with significant socio-economic impacts.

1.8.2 Main control systems

SNCF is making its CSR strategy a lever for overall performance, competitiveness and attractiveness. Within this framework, actions to improve risk management have been launched.

To reduce environmental risks, roles and responsibilities are defined with a common reference framework. Regulatory monitoring is organised, ISO 14001 certification of the most at-risk sites is implemented and an environmental performance self-assessment system is in place for the other sites. Finally, there is an environmental training system, adapted to the different business lines. In addition, a strategic energy council, made up of the directors of the group's various companies, was set up in 2020 to define objectives and trajectories and monitor the results of programmes such as eco-driving, eco-parking, decarbonisation of rolling stock, etc.

In response to social risks, SNCF has set up charters formalising the Group's commitments, as well as the principles of action to be adopted by each employee: ethics charter, CSR supplier charter, diversity/gender balance charter. In addition, a professional whistleblowing system enables all employees working on French territory to report facts or behaviour that are contrary to the law or regulations or likely to affect the company's activity or reputation.

To reduce infrastructure, station and rolling stock vulnerability - and boost their resilience to external pressures - the inclusion of climate risk in technical choices is now decisive for the company's future performance as the commitment is for several decades due to the lifespan of the investments. Studies were conducted to better understand the climate change mechanisms and the impact on railway operations and incorporate this knowledge into the operating frameworks and processes of the company, as well as into its action plans.

1.9 FINANCIAL RISKS

Since 1 January 2020, the management of financial risks in the Group is strictly governed by the "Financial risk management framework", a document approved by the SNCF SA Board of Directors. It defines the methods for managing financial risks and specifies the instruments authorised and the intervention limits of the business lines.

This management framework details the central role of the Finance and Treasury Department, which is responsible for the strategic and financial management of the SNCF Group. It is responsible for financing all the group's entities and managing financial risks.

The SNCF Group is exposed to the following financial risks:

1.9.1 Interest rate risk

In order to limit its exposure to an increase in its financial expenses, the SNCF Group sets principles as part of its financial strategy, the objective of which is to limit its exposure to interest rate risk.

The current historically low interest rates and the desire to maintain medium- and long-term economic equilibrium led the SNCF SA Board of Directors to opt for a target long-term debt structure that is at least 90% fixed-rate. A limited margin of +/- 10 points around this target is nonetheless authorised.

To achieve this breakdown, the Group may use optional derivatives or interest rate swaps for hedging purposes.

1.9.2 Liquidity risk

SNCF SA's financial strategy requires it to have sufficient financial resources at all times to finance the entire Group. In addition to its own resources and public funding, SNCF SA has raised the bulk of its financing on organised or over-the-counter debt markets.

To cover its financing needs in 2021, SNCF SA had several financing programmes covering different maturities:

- EMTN (Euro Medium Term Notes) programme, the general framework for SNCF SA's bond issues, for a maximum amount of €15 billion.
- ECP (Euro Commercial Paper) programme, format for short-term issues of up to €5 billion.
- NEU CP (Negotiable European Commercial Paper) programme for a maximum amount of €3 billion.

In addition, SNCF SA benefits from a €3.5 billion revolving credit line that has never been drawn down.

In order to provide the financial markets with good visibility on the quality of its signature, SNCF SA is rated by three rating agencies: Moody's, Standard & Poor's and Fitch. As an issuer of listed debt securities, SNCF SA must comply with certain regulatory obligations, both vis-à-vis the AMF, its competent authority under the EMTN programme, and with the rules and provisions applicable to it in other jurisdictions.

1.9.3 Foreign exchange risk

As part of its financial activity, SNCF SA negotiates financing in foreign currencies that generate a foreign exchange risk. SNCF SA is not intended to remain exposed to foreign exchange risk, so all financial transactions initiated in foreign currencies are systematically hedged to convert them into euros.

1.9.4 Counterparty risk

The SNCF Group is exposed to counterparty risk in connection with its cash investments and the subscription of derivatives from its financial partners, insofar as the debtor refuses to honour all or part of its commitment or does not have the means to respect it.

To manage and limit this risk, investment instruments and derivatives are only entered into with financial institutions corresponding to the credit rating and equity criteria validated by the SNCF SA Board of Directors. A limited commitment amount by banking institution is determined according to these criteria.

In order to hedge its counterparty risk, SNCF SA makes margin calls with its financial counterparties. Collateral (in cash only) is called up in the amount of the market value of the financial instrument portfolios for each counterparty with whom SNCF SA is at risk.

1.9.5 Commodity risk

The Group's production requirements expose it to the risk of fluctuations in the price of petroleum products and more broadly energy. This risk is managed using firm and optional derivatives (swaps, options, caps, floors).

1.9.6 Risk associated with the use of payment methods

Three types of payment methods are available to SNCF SA to pay expenses and suppliers: transfers, direct debits and cheques.

The use of payment methods is secured by the implementation of a verification procedure. The issue of payments requires the involvement of at least three or four people from two separate departments, namely an invoice input clerk, an invoice "validator" (accounting department) and two payment order signatories (treasury department) for transfers and a single signatory for cheques and direct debit authorisations.

The SNCF SA Financing and Treasury Department controls the authorisations of individuals using payment methods (delegations of signature with banks).

2. INTERNAL CONTROL

2.1 DEFINITION AND OBJECTIVES

Internal control provides the Group's governance and, more generally, each manager with a view of the control of the various processes. It covers the company's internal processes (organisation, procedures, information systems, evaluation questionnaires, guidelines, etc.) whose purpose is to avoid or reduce the risks identified. The main objectives are:

- compliance with laws and regulations,
- proper functioning of internal processes, especially those relating to the protection of assets,
- implementation of the instructions and directions given by Executive Management,
- reliable financial information.

Like any control system, however, it cannot provide an absolute guarantee that all risks are fully controlled or eliminated.

2.2 GUIDELINES ADOPTED

The Group's internal control guidelines are based on the reference framework published by the AMF (French Financial Markets Authority) in July 2010. This reference framework identifies five components:

- an organisational structure with a clear definition of responsibilities, suitable resources and competencies that is supported by appropriate information systems, procedures, tools and practices.
- in-house dissemination of relevant and reliable information.
- a risk management system to identify, analyse and manage the main risks identified.
- control activities proportionate to the challenges.
- ongoing monitoring of the internal control system.

2.3 COORDINATION AND STEERING

The Group's various SAs have primary responsibility for their internal control, including within their affiliated subsidiaries.

The Group's ambitions in terms of control are defined through the Group's internal control framework.

The following committees have been set up:

– A Group Internal Control Committee, made up of the Strategy & Finance Director, the Finance Director, the Group Internal Audit Director, Group Legal and Compliance Director and the Risk Director, which sets the main objectives in terms of internal control and ensures that they are met.

– An Internal Control Committee, which brings together the Directors/Heads of Internal Control for the Group's Activities. It ensures the implementation of the objectives set by the Group Internal Control Committee, sharing of practices within the Group and the implementation of cross-Group internal control projects (training, assessment of systems, etc.).

A network of correspondents working within SNCF Group's Activities, Businesses and Cross-functional departments is regularly organised.

An internal control checkpoint database common to the Group covers all the processes featuring in the AMF reference framework implementation guide, as well as the various "control environment" components and certain specific processes.

A new internal control tool was deployed within the 5 SA/SAS in the autumn of 2020 to assess 13 SNCF Group processes (control environment, purchasing, human resources, expense claims, etc.). Based on the results, and in line with the process benchmarks, collective and individual actions plans are defined where required and best practices shared.

In 2021, a specific subsidiary internal control plan was rolled out for those subsidiaries yet to acquire one.

3. THE GROUP INTERNAL AUDIT DEPARTMENT

The internal audit function is performed by the Group Internal Audit Department (GIAD).

The Group Audit Director is appointed by the Executive Management of the SNCF Group. She is hierarchically attached to the Director of Risk, Audits, Safety and Security.

The Group Audit Director has direct access to the Chairmen of each of the SAs and SASs, with whom she regularly discusses, whenever necessary.

She also maintains a functional relationship with the Audit, Accounts and Risk Committees in which she participates.

The GIAD conducts its audit assignments independently and objectively. Its activities are governed by the Internal Audit Charter of the unified public group, approved by the governance of the SNCF Group.

All GIAD internal auditors and potential external service providers undertake to comply with the ethical rules set out in the International Professional Practices Framework issued in France by the French Institute of Internal Audit and Control (IFACI). Specific procedures are implemented for audits covering the scope of essential facilities to ensure compliance with all legal and regulatory provisions attached to the performance of these functions. In accordance with the Confidential Information Management Plan (CIMP) drawn up by SNCF Réseau, the GIAD has signed a confidentiality agreement with SNCF Réseau.

The GIAD uses a rigorous and proven methodology in conducting its tasks, in line with professional standards in this field. Certified by IFACI Certification since June 2006, the GIAD had its professional certification renewed in 2020.

Internal audit assignments are part of the audit programme consolidating the respective audit plans of SNCF SA, SNCF Voyageurs SA and SNCF Réseau SA.

To provide the SNCF Group with greater assurance of risk coverage, the GIAD uses the major risk maps of SNCF Voyageurs and SNCF Réseau as well as the SNCF Group to propose an annual audit plan for SNCF SA (including Fret SNCF), SNCF Voyageurs SA and SNCF Réseau SA (including SNCF Gares & Connexions).

A close dialogue with SA/SAS management accompanies the consolidation of these three audit plans.

The Chairmen and their Executive Committees/Management Committees, as well as the Audit, Accounts and Risk Committees validate the audit plans within their scope.

The entire consolidated programme of the unified public group (i.e. the 3 SNCF, SNCF Voyageurs and SNCF Réseau audit plans) is presented to the SNCF SA Board of Directors to provide it with an overview of the Group's risk management system.

In 2021, the GIAD conducted some 50 audit assignments. The reports, together with recommendations to mitigate the related risks, were presented to the sponsors and

members of the relevant Executive Committees/Management Committees. In addition, each Chairman is informed of the key matters and lessons learned from the audits within his scope.

The effective implementation of the action plans, drawn up in accordance with the recommendations, is regularly monitored by the GIAD. The conclusions of these follow-ups are periodically presented by the GIAD to the Executive Committee/Management Committee and Audit, Accounts and Risk Committees.

The GIAD activity report is presented annually to the Audit, Accounts and Risk Committee.

The GIAD (IS Security Audit Assignment) also conducts audits relating to Information Systems Security (ISS). Each year, it conducts a programme of functional and technical audits to inform the business and IS teams of the risks they face if their information systems are compromised. In particular, it confirms the compliance and effectiveness of IS security operational rules within the scope of the Group. In 2021, it carried out some fifteen assignments in highly important business scopes or technological bases: applications handling sensitive data, essential applications supporting the Group's critical business processes, assessment of the maturity of entities or subsidiaries in line with ISS best practices (ISO 27001/27002 standards), etc.

The GIAD also coordinates its action with the other SNCF Group assurance functions: risk management, internal control, ethics and compliance. It maintains regular relations with the Statutory Auditors and the Transport Economic and Financial Control Mission (MCEFT).

4. INSURANCE

The Legal and Compliance Department ensures risk coverage for SNCF Group entities with insurance firms.

Accordingly, its role is to design and implement the Unified Public Group insurance policy. This action is carried out in a shared approach that improves the guarantees of the main companies (excluding Geodis) and their subsidiaries while enabling them to benefit from competitive pricing conditions.

The insurance policies negotiated and monitored by the Group Legal Department with brokers and insurers protect the Group's assets against random events likely to have an impact on its accounts, either through their intensity or frequency. They cover a large portfolio of contracts for all types of guarantees, in particular the following programmes:

- Group civil liability
- automobile fleet
- construction civil liability
- property damage (including damage caused by climatic events)
- cyber risks.

The Group Legal Department also supervises the "captive reinsurance company" SNCF RE, a subsidiary of SNCF Participations, with the aim of partly reinsuring the Group's major damage and civil liability risks.

5. INSTITUTIONAL CONTROLS

The Group has a complete institutional control environment and is subject to the control of:

- The French Court of Auditors.
- The French Government Commissioner.
- The French Transport Economic and Finance Control Office (MCEFT).

- The French Government Shareholding Agency (APE).
- The French Transport Regulatory Body (ART).
- The French Public Institution of Railway Safety (EPSF).
- The French High Committee for the National Rail Transport System.

The accounts are audited by two statutory auditors appointed by the ordinary general meeting, through a tendering procedure, following consultation with the Audit, Accounts and Risks Committee and on a proposal from

the Board of Directors. Each major subsidiary is audited by at least one of the two statutory auditors of SNCF Group. The non-financial performance statement is also verified by a certified independent third-party body appointed by Executive Management, with the exception of the non-financial indicators taken from the taxonomy regulation which remain audited by the statutory auditors. These various participants are tasked with verifying that SNCF Group's obligations are met, particularly in the area of accounting and finance.

NON-FINANCIAL PERFORMANCE STATEMENT

1. INTRODUCTION

1.1 IMPACT OF THE HEALTH CRISIS

The SNCF Group and its employees serving the French population and meeting the health challenges

During this second year of the health crisis, the SNCF Group has worked with its partners to make people want to use its services again. It also remained committed to the fight against the pandemic to ensure the best possible health safety for its employees, suppliers, subcontractors and customers.

1.1.1 Impact on global activity

Another complicated year marked by the recovery

While the multimodal freight activities of Rail Logistics Europe (RLE) and GEODIS have weathered the two-year pandemic well, passenger activities have fared less well. However, the combined effects of the government's recovery plan, asset sales, savings and transformation programmes helped the SNCF Group to mitigate the impact of the health crisis in 2021.

Renovation of stations continued, as did the SNCF Réseau renewal work, which benefits all activities and the revitalisation of the regions. Fret SNCF was able to renew almost all of its contracts with its 30 largest shipper customers. The SNCF Group also recovered 80% to 90% of its passengers on daily and long-distance transport.

1.1.2 Impact on employees, customers and service providers

To ensure its business continuity plan, while guaranteeing the safety of its employees and customers, the company set up two task forces. The first is a team with security, human resources, medical, logistical and communication skills, responsible for coordinating the implementation of government measures. The second, an expert in medical safety, is the SNCF scientific committee, made up of four university hospital doctors, who provide a weekly consultation for SNCF, and an epidemiologist.

The measures taken for employees include the protection of agents on duty, particularly in contact with customers, the maintenance of wages in the event of short-time working and extensive working from home when the job allows it. The company extended working from home, without however generalising it, by inviting employees in each Group company to sign an amendment to their employment contract from September 2021.

To avoid any risk of isolation and to respond to the constraints of certain employees (specific family situations, cramped housing, etc.), the company also provided

coworking spaces that could foreshadow new ways of working.

For employees working on site or remotely, as well as for service providers (cleaning, security, works, etc.), the organisation of work is governed by strict compliance with the COVID-19 instruction available on the intranet.

1.1.3 Focus on logistics

Freight transport strengthened by the crisis

The health crisis has accelerated the collective and public awareness of rail as a lever for sustainable development. This development is visible in view of the customers who entrust SNCF with traffic that was previously carried out by road transport. Some shippers are also asking for more rail transport because their own customers want to decarbonise their supply chain.

1.2 MARKET TRENDS: A WORLD IN TRANSITION BRINGING OPPORTUNITIES

In a few years, the market for the mobility of people and goods has changed profoundly. In France, rail accounts for almost 10% of the modal share for both passengers and freight, which offers significant development opportunities.

Three key factors are driving the repositioning of business trends:

- The opening up of domestic rail transport to competition
- New modes of consumption
- The health crisis.

1.2.1 The opening up of domestic rail transport to competition

Opening up to competition is a challenge that the SNCF Group has already taken up in other rail markets (freight, international lines, logistics, urban transport). Since December 2019 for regional transport and since December 2020 for long-distance, modal competition in the domestic market has gradually become a reality for all the Group's rail operators. While the health crisis has affected all operators and changed the timetable for the arrival of competitors, businesses are now in a position to better respond to the needs of passengers and Transport Authorities in an open framework. To achieve this, the company continues to work on developing its competitiveness, improving its quality of service and in particular its punctuality, as well as improving the clarity of its offers.

1.2.2 New modes of consumption

While "price" and "time" have long been the main criteria for customers' decisions, responsible consumption is on the rise. Consumers and customers are more vigilant with regard to the environmental (carbon footprint), social (working conditions, parity) and territorial (creation of local jobs) impact. Specialising in rail, large-scale logistics and public transport, the Group provides sustainable solutions:

- Mainly electric mobility benefiting from a low-emission energy mix
- Shared mobility to optimise the use of rolling stock
- Connected mobility allowing customers to optimise their travel and carbon footprint
- Adapted mobility allowing each region to have tailor-made solutions.

1.2.3 The health crisis

The COVID-19 health crisis has been a historical accelerator of behavioural changes, although not all conclusions can yet be drawn. Working from home, the digitalisation of the economy, the relocation of production and consumption, and ecological awareness are all movements that have developed strongly. As far as transport is concerned, these changes present opportunities (move away from domestic flights, attention to the environmental impact of travel, return to local tourism) as well as risks (health fears, reduction in demand for mobility, particularly in the professional context).

The health crisis is profoundly changing the mobility markets and the positioning of its players. As a group committed to innovation, ecological transition, service to regions and customers, and respect for human rights, SNCF has all the strengths it needs to consolidate its leading position in new mobility practices.

1.3 THE BUSINESS PLAN PLACES CSR AT THE HEART OF THE GROUP'S STRATEGY

The "Tous SNCF" corporate project is an initiative launched in 2020 by Chairman and CEO Jean-Pierre Farandou to define both the 2020-2030 strategy and its implementation within the Group. This approach was co-developed at three levels:

- The Group's executive management has defined the SNCF Group's strategic vision for the next ten years
- SNCF, SNCF Réseau, SNCF Gares & Connexions, Fret SNCF and SNCF Voyageurs have drawn up their five-year business plans.
- The establishments have built their three-year project.

Because sustainable development is the only possible way to build a prosperous, supportive and sustainable society, the Group's strategy is built around six equally important dimensions, the "six pillars of the Maison Tous SNCF", with the aim of achieving overall performance.



The "Tous SNCF" corporate project is led by the DESTE (Social, Territorial and Environmental Commitment Department) and is based on the strength of the group, the individual requirement in the effort, sharing and the wealth of diversity. It is embodied in the Group's three values: COMMITMENT, EFFICIENCY and OPENNESS.

In 2021, all railway establishments drew up their entity project. To be firmly rooted everywhere, the corporate project is long term. 2022 will thus be the second year of the project's implementation. The aim will be to go further in implementing the three essentials of the "Tous SNCF" project:

- The balance between the six pillars of the "Maison Tous SNCF"
- Co-construction with all the employees of the entity that is building its project
- The prioritisation of actions adopted in the entity's project.

To support this 2022 roadmap, SNCF has made available to managers and establishments coordination kits for carrying out team projects, as well as a performance management tool that embodies this desire for continuous improvement: PROGRESSEO. It makes it possible to visualise the progress made on different performance indicators, leaps in performance and to see your position in relation to your peers.

A new purpose

The SNCF Group has undergone profound changes in recent years, particularly through successive reforms that have modified the company's constitution and organisation. The corporate project has materialised these dynamics of change. It is therefore natural that a new purpose should conclude the work of the "Tous SNCF" project on the identity and strategic vision of the SNCF Group, to reflect the identity and uniqueness of the Group: what brings us together, what drives us on a daily basis and what the SNCF Group contributes to society.

In the spirit of the PACTE law, the Group has therefore given itself a new purpose and commitments directly linked to the six pillars of the corporate project: **Act for a changing, united and sustainable society.**

For more details, see the Management Report, chapter The SNCF Group in 2021, Group Profile section.

1.4 STRATEGY AND OUTLOOK

For more details, see the Management Report, chapter The SNCF Group in 2021, Group Profile section.

1.5 COMMITMENT TO THE UNITED NATIONS

The SNCF Group is committed to upholding and fully integrating the 10 universal principles of the United Nations relating to respect for human rights, ILO standards, the environment and the fight against corruption. Since 2015, the Group has been at the Advanced level of the Global Compact, the highest standard of performance in terms of corporate social responsibility. The actions implemented to integrate these principles strengthen the company's contribution to the 17 United Nations Sustainable Development Goals.

[Find out more > Sustainable development at SNCF](#)



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

HUMAN RIGHTS

Ethics charter and whistleblowing system
 Annual review of the Group Ethics Department
 CSR Supplier Charter - Anti-corruption (2021)
 Adherence to the charter for responsible supplier relations
 Assessment of the level of maturity of suppliers in terms of respect for human rights
 Group vigilance plan

ILO STANDARDS

Signing of collective agreements with representative trade union organisations each year
 Agreements signed in 2021:
 - Agreement on long-term furlough within the scope of the five SNCF companies (15/01/2021)
 - Tacit renewal of profit-sharing agreements (2021)
 - Agreement in favour of professional equality between women and men and diversity (10/11/2021)

ENVIRONMENT

Commitment to reduce CO2e emissions by 30% on transport activities and 50% on real estate activities between 2015 and 2030
 Commitment to a greenhouse gas emissions reduction pathway consistent with France's National Low Carbon Strategy (SNBC) by 2050
 Zero non-recycled waste pathway in 2030 for products at the heart of the railway business
 Environmental Management System (EMS)
 ISO 14001 certification of industrial plants

FIGHT AGAINST CORRUPTION

Group Ethics Charter, Ethics Memo (2021)
 Code of Conduct on preventing and combating corruption and influence peddling
 CSR Supplier Charter - Anti-corruption (2021)

Of the 17 United Nations Sustainable Development Goals, the SNCF Group contributes directly to 14 of them.



For more details, see the correspondence table in the chapter Reporting Framework.

1.6 KEY DATES OF OUR COMMITMENTS

KEY DATES OF OUR COMMITMENTS

1999	Public Enterprises for the Environment Charter
2003	UN Global Compact
2004	Diversity Charter with IMS-Entreprendre pour la cité
2006	1st company collective agreement in favour of professional equality and diversity
2008	Sustainable Development Charter of the International Association of Public Transport (UITP)
2010	International Union of Railways (UIC) Sustainable Mobility Charter
2012	Responsible Supplier Relations and Purchasing (RSRP) label
2013	"Entreprendre dans les quartiers" Charter with the Ministry of Urban Affairs
2015	SNCF is a founding member of the Railponsible initiative, for responsible purchasing in the rail sector Commitment to the French Business Climate Pledge
2016	Pledge to Science Based Targets
2017	Démoclès Charter for the recovery of construction waste
2018	Paris Action Climat Charter Participation in the Act4nature initiative, with 15 commitments in favour of biodiversity Commitment to the PAQTE approach in favour of the City's Priority Neighbourhoods Commitment to the Rail Freight Forward coalition to fight climate change
2019	INR Responsible Digital Charter Validation of SNCF targets by the Science Based Target initiative (iSBT) Commitment to the #StopE initiative
2020	Signature of the French Business Climate Pledge
2021	Pro Vélo employer label Climate change - CDP

1.7 NON-FINANCIAL ASSESSMENTS OF THE GROUP

ECOVADIS	V.E
77/100	75/100
	
Transport via railways	Travel & Tourism Europe
Top 1% of companies rated of the sector	1/21

1.8 THE BUSINESS MODEL

The Group's business model is presented in the Management Report, chapter The SNCF Group in 2021, Group Profile section.

2. CSR GOVERNANCE

2.1 GLOBAL GOVERNANCE

2.1.1 The Social, Territorial and Environmental Commitment Department (DESTE)

The Social, Territorial and Environmental Commitment Department (DESTE) reports directly to the Chairman and Chief Executive Officer of the Unified Public Group. It is positioned within the Group Executive Committee and the Executive Management Committee of SNCF SA. Its mission is to:

- Define and coordinate the Group's CSR strategy in all its dimensions
- Ensure the cohesion of CSR policies conducted within the seven companies and their subsidiaries
- Steer the Group's CSR performance by leading and coordinating the CSR players in the Group's companies and territories, and by monitoring CSR regulations on behalf of the Group's companies
- Report on the SNCF Group's CSR performance to governance bodies and all stakeholders
- Ensure compliance with CSR legal obligations

Its position enables it to lead the various networks, encourage cross-functional cooperation and the sharing of good practice, and provide concrete solutions according to the needs of the projects. The DESTE guarantees the sustainability of pathways, in line with the Group's ambitions, the commitments made and the resources available within the company. As such, it monitors the indicators for measuring the implementation of the strategy.

The DESTE brings together:

- The environmental division, with the delegation for Ecological Transition and the delegation for Energy Transition and Carbon Neutrality
- The social and territorial division, with the Social Links and Territories delegation and the SNCF Foundation
- The economic and strategic division
- The innovation and transformation division, with the "Tous SNCF" corporate project, the SNCF Mixité network and the SNCF Impact Lab
- The SNCF Développement and Trains Expo Evénements SNCF subsidiaries.

A territorial CSR coordination and steering body

The aim of this coordination body is to strengthen the unity of the Group at the level of each region, simplify exchanges with stakeholders and improve cross-functional cooperation and interface management.

It is headed by a regional advisor who has been attached to the office of the Group's Chairman and CEO since 1 December 2020. It is composed of 11 regional coordinators responsible for developing:

- A territorial strategy in line with the priorities of each region: real estate, safety - security, innovation, development, urban planning, digital, ecological transition, energy
- Customer satisfaction: multi-modality, consultation, information, reliability, availability
- Job solidarity: mobility, training, development, housing, social ties, education

2.1.2 The SNCF SA Board of Directors

The Board of Directors regularly discusses CSR issues at its meetings. On 23 June 2021, it adopted the SNCF Group's 2020-2030 CSR strategy. It is supported in its work by the specialised appointments, compensation, governance and CSR committee (ACG & CSRC), which is responsible for CSR issues.

For more details, see the corporate governance report.

Key figures

- 92% attendance rate for the SNCF SA Board of Directors in 2021
- 50% gender balance on the SNCF SA Board of Directors in 2021

2.1.3 Strategic committees within the Committee of Chairmen

Three strategic committees have been created within the Committee of Chairmen, made up of the chairmen and CEO of the Group's companies (SNCF, SNCF Voyageurs, SNCF Réseau, SNCF Gares & Connexions, Rail Logistics Europe, Keolis and GEODIS). They are chaired by the SNCF Chairman and CEO. They concern the energy-carbon strategy, adaptation to climate change and gender diversity. They meet once or twice a year and enable the Group's short, medium and long-term ambitions and pathways to be set and monitored at the highest level.

The Energy – Carbon Strategic Committee (ECSC)

In 2020, the Group made a commitment to the French Government Shareholding Agency (APE) to reduce greenhouse gas emissions by 2030. In this context, the strategic committee validated in March 2021:

- The 10-year pathways (2021-2030), co-determined with each of the Group's activities,
- Levers for action
- The financing needs.

It meets at least twice a year to monitor the implementation of the action plans.

The projected greenhouse gas emissions reduction pathway and the action plan are the subject of an initial annual report presented in the Reporting Framework chapter of this NFPS, pursuant to Article 66 of the amended Finance Act 2020-935 of 30 July 2020.

The Strategic Committee on Adaptation to Climate Change (SCACC)

The Strategic Committee on Adaptation to Climate Change held its first meeting on 29 November 2021. It defined the actions to be carried out in 2022 and set up a governance structure.

The Director of the DESTE will report to the Committee of Chairmen on the progress of the Group's work on adaptation to climate change once a year.

The Strategic Committee on Gender Equality

In 2021, the Strategic Committee on Gender Equality adopted the SNCF Group's gender equality strategy, which is based on six themes:

- Ensure equal pay. This is now one of SNCF's strengths, with a 0.7% pay gap between women and men in the five railway companies in 2021. Objective: to remain within a 1% gap.
- Increase the proportion of women in management bodies to 40% by 2030, compared with 38% by 2021 for the Group as a whole
- Increase the share of women recruited with a target of 25% by 2024 and 30% by 2030. In 2021, it reached 18.5% for the five railway companies and 23.7% for the Group
- Fight against discrimination and sexual harassment. The indicators are being defined
- Ensure equal access to training. Objective: the share of training hours taken by women in each profession should be equal to the share of women in the profession
- Increase the share of paternity leave. The share of eligible fathers rose from 61.5% in 2020 to 67.8% in 2021 across the five railway companies.

2.2 COMPLIANCE AND ETHICS GOVERNANCE**2.2.1 The legal and compliance department**

SNCF SA has a legal department that combines the traditional functions of this type of department with those of a compliance department.

In this context, among its compliance missions, it is responsible, by delegation from the Chairman, for preventing the risks of infringement of laws and regulations relating in particular to the following issues:

- Prevention of corruption and influence peddling
- Protection of personal data
- Competition law
- International sanctions
- Banking constraints

Compliance

The Group's compliance is based on a multi-level organisation:

- The Group Legal and Compliance Director is supported by the Compliance Department. This entity is responsible for deploying and implementing the procedures for monitoring compliance programmes, controlling and evaluating the systems, monitoring the updating of risk mapping and action plans, and leading

the network of compliance officers within the departments of SNCF SA and its subsidiaries.

- A network of compliance managers and officers was set up in 2020 to roll out the compliance programme within the Group.
- A compliance committee was set up in July 2018.

Chaired by the Deputy Chief Executive Officer of SNCF SA, this committee is made up of the Legal Directors of SNCF, SNCF Réseau, SNCF Voyageurs, Fret SNCF, GEODIS and Keolis, the Group Ethics Director, the Group Purchasing Director, the Group Safety and Security Risks Director, the Group Audit Director, the Director of the DESTE, the GEODIS Group Customs & Export Control Director.

This committee is responsible for monitoring the progress of the anti-corruption programme and coordinating the actions to be taken in a harmonised and consistent manner within the SNCF Group. The Committee's scope of action includes:

- Prevention of corruption
- Protection of personal data
- Competition law
- Duty of care
- Embargoes and export rules
- Banking constraints
- Illegal labour lending and improper subcontracting

The secretarial duties of the committee are provided by the Group Ethics Department.

The vigilance plan is governed by the DESTE.

For more details, see the Management Report, Vigilance Plan, chapter Mapping of risks related to the duty of care.

Protection of personal data

In 2018, the new European General Data Protection Regulation (GDPR) strengthened the protection of personal data.

As part of a global approach to data protection, the company has set up a data confidentiality and security policy aimed at guaranteeing the greatest possible protection of the personal data of its employees, customers or partners.

- A Data Protection Officer (DPO) was appointed at the beginning of 2018 in each Group entity to ensure compliance with all the obligations set out in the Regulation.
- Each Group entity keeps a documented register of personal data processing within its scope.
- The use of personal data processors is subject to a specific data protection agreement.
- Processing operations at risk are subject to privacy impact assessments (PIA).
- Requests to exercise rights received from data subjects are carefully examined by the DPO and the departments responsible for implementing the processing operations to respond to the data subjects, under the conditions and within the time limits set by the GDPR.

Indicators common to all Group entities are being developed to report on the deployment of the GDPR compliance programme.

Key indicator

	2019	2020	2021
Percentage of European revenue covered by a DPO (%) - UPG	n.c.	n.c.	98.8

2.2.2 The Group Ethics Department (GED)

The Group Ethics Department promotes the values and principles of the Group's Ethics Charter through:

- The publication of various guides for managers and employees, for example on the prevention of psychological and sexual harassment, or conflicts of interest.
- The creation of 17 thematic sheets available to all employees.
- The launch of awareness-raising actions within operational entities.
- The deployment of a "MyEtic" application on the business phones.

It monitors the implementation of the principles of the charter, in particular through the professional whistleblowing and advisory system, and through its investigations carried out on behalf of the five companies in the railway scope. The subjects examined include cases of harassment, lack of probity and conflicts of interest. Positioned within the Group Human Resources Department, it has cross-functional authority for all Group companies. It publishes an annual report on its activities.

[Find out more > Ethics review](#)

Key indicators

	2019	2020	2021
Whistleblowing alerts received (number) – 5 SAs	80	95	110
Investigations carried out by the Group Ethics department (number) – 5 SAs	28	24	22
Training sessions on the corruption prevention programme (number) – 5 SAs	46	114	152

The Group Ethics Committee

Created in 2006, the Group Ethics Committee includes representatives from major subsidiaries and several Group cross-divisional functions. It is a body for reflection and guidance of the Group's ethical policy. Its chairman, who comes from the industrial sector, is also Chairman of the Cercle d'éthique des affaires (CEA), Chairman of the Anti-Corruption and Corporate Responsibility Commission of ICC France (the National Committee of the International Chamber of Commerce) and Ethics Officer of Global Compact France.

Network of ethics officers

A network of nearly 60 ethics officers, representative of the Group's various activities, is led by the Group Ethics Department. These officers, who are regularly informed, are responsible for relaying, reinforcing and, if necessary, adapting the Group's ethical approach in their entity.

In 2021, under the guidance of the GED, a company sexual harassment prevention officer was appointed in each of the five railway companies, GEODIS and Keolis. They coordinate a network of contacts and exchange good practices in the prevention and treatment of sexual harassment in companies.

There are 33 SECs (social and economic committees) in the five railway companies. It was decided to add one additional sexual harassment prevention officer per SEC. The SECs will thus have 66 sexual harassment/sexism prevention officers, instead of the 33 initially provided for by French law.

Focus on the implementation of the anti-corruption programme

The law of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life, also known as the Sapin II law, requires large companies to implement a programme of eight measures designed to prevent, combat and detect acts of corruption or influence peddling in France and abroad. In addition to the aforementioned compliance committee, an anti-corruption steering committee, chaired by the Deputy Chief Executive Officer of SNCF SA, has been in place since May 2021. Coordinated by the Director of the GED, each month it deals with the design, implementation and follow-up of the actions required by the Sapin II law.

By delegation from the Chairman, the Director of the GED has a specific role to steer the anti-corruption programme for the Group. He is also the contact person for the French Anti-Corruption Agency (AFA). An operational anti-corruption committee, bringing together internal stakeholders at Group level, is also dedicated to discussions on best practices and the progress of the programme. The Group Ethics Director reports on the progress of the programme to the Chairman and Chief Executive Officer once a month as well as to the Group Executive Committee and the Group Board of Directors' Audit Committee several times a year.

New initiatives in 2021 include:

- **The code of conduct on the prevention of corruption**, originally adopted in October 2017, was revised and published in May 2021. As a result of the new status of the Unified Public Group, which came into effect on 1 January 2020, the code of conduct has taken into account the risk scenarios arising from these new corruption risk maps, as well as the AFA's initial recommendations. Thus, a theme on interest representatives was integrated and the Group's gifts and invitations policy revised. The new version is appended to the internal staff regulations of SNCF companies in France and abroad and is distributed to the staff of the subsidiaries.
- **A monthly anti-corruption steering committee**, chaired by the Deputy Chief Executive Officer of SNCF SA, was set up in May 2021 to strengthen the management of the programme and accelerate its deployment.
- **A progress report on the deployment of the anti-corruption programme was presented throughout 2021 to the executive committees** of the SNCF Group and its companies, as well as to the Audit Committee of the Group's Board of Directors.
- **The training for staff most exposed to the risk of corruption**, which is regularly updated, incorporates the AFA's recommendations and is adapted to the various entities with more than 80 dedicated practical cases. This training continued in 2021 with more than 150 dedicated sessions and 3,600 employees exposed to a risk of corruption trained by the GED over the year. Depending on the company, the training completion rate for exposed SNCF employees varies from 56% to 100%.
- **The awareness-raising e-learning on the prevention of corruption**, sent in 2020 to the employees of the Group's five railway companies in France, has been updated with an introduction by the SNCF Chairman and CEO. It was attended by 9,140 employees from May 2020 to December 2021.
- **Measures to assess the integrity of customers, suppliers and intermediaries** were strengthened in

2021 by the gradual introduction of a Group procedure, accompanied by a framework memo and a methodological guide, and the launch of a call for tenders to provide the Group with a common IT tool.

[Find out more > The anti-corruption code of conduct](#)

2.2.3 The Group's ethical values

Principles of behaviour

The SNCF Group's ethics charter, adopted by the Supervisory Board and Executive Committee in November 2016, formalises five ethical values: integrity, responsibility, respect for people, trust, courage, and eleven principles of behaviour that must be respected by employees. In case of doubt, the charter sets out the three reflexes to adopt: discernment, seek advice and professional whistleblowing.

[Find out more > Values and ethical principles](#)

Making every employee a responsible actor

The ethical approach promotes the right behaviour for employees to adopt. The Group Ethics Department ensures its application, to make everyone a responsible and effective actor, respectful of others and of the company.

The professional whistleblowing system enables all employees working on French territory to report facts or behaviour that are contrary to the law or regulations or likely to affect the company's activity or reputation. To encourage its use:

- **The Group's employees receive regular and comprehensive information** on this system. A guide, explaining how the whistleblowing procedure works, was revised in May 2021. For easy access, any employee, including operational staff and drivers, can now refer a matter to the GED on their work smartphone.
- **A project to revise the whistleblowing system** was launched in 2021. Unified and extended to all Group employees, in France and abroad, as well as to third parties, it will be deployed in March 2022.

For more details, see the Management Report, Vigilance Plan, chapter Whistleblowing mechanism.

Furthermore, the practical sheet and guide on conflicts of interest were revised and distributed to employees twice in 2021 to raise awareness of this issue and help them better manage these situations when they arise.

2.3 DIALOGUE WITH STAKEHOLDERS

2.3.1 Setting up of the Stakeholder Committee

The Stakeholder Committee (SC) is an advisory committee that strengthens the dialogue between SNCF and representatives of French society to better respond to their concerns. It mobilises 16, eventually 18, external individuals representing the Group's stakeholders: customers, elected representatives, transport authorities, representative associations and experts from the academic world. To support the Group's transformation, the work of the SC will be linked to the "Tous SNCF" corporate project and its four strategic thrusts: people, regions, environment, innovation and digital. The findings will be reported to the Board of Directors and the activities concerned. The first meeting, which took place in September 2021, highlighted the theme of the railway ambition for further work.

For more details, see the Management Report, Vigilance Plan, chapter Consultation with stakeholders

Regional Stakeholder Committee (RSC)

With the aim of strengthening the Group's proximity and exchanges with all of its stakeholders across France, a proactive dialogue was continued in 2021 via regional stakeholder committees, set up since 2018. Their composition and the issues they deal with vary according to the regions and the issues at stake.

Five RSCs are run by SNCF Réseau, in the Provence-Alpes-Côte d'Azur, Bourgogne-Franche-Comté and Bretagne, Pays de la Loire, Auvergne-Rhône-Alpes and Normandy regions. The RSC for the Provence-Alpes-Côte d'Azur region is jointly run by the Group's regional coordination and the SNCF Réseau territorial management. The Nouvelle Aquitaine Stakeholder Committee was replaced in 2021 by 20 line committees open to institutions, associations, customers and economic and social players.

Once a year, SNCF Réseau organises an advisory committee of railway network and station stakeholders in which it involves SNCF Gares & Connexions. This committee brings together seven individuals appointed by their institution, seven by SNCF Réseau and six individuals qualified in the fields of mobility, ecological transition and regional planning, also appointed by SNCF Réseau. This committee notably allows for discussion on defining themes such as the company's social responsibility, regional development and cohesion, the service offer and quality, safety and security and the monitoring of the corporate project.

2.3.2 Institutional relations

The SNCF Group is one of the largest public transport and logistics groups in the world. As such, it is regularly called upon to express its position on subjects that concern it and on the framework within which it carries out its work.

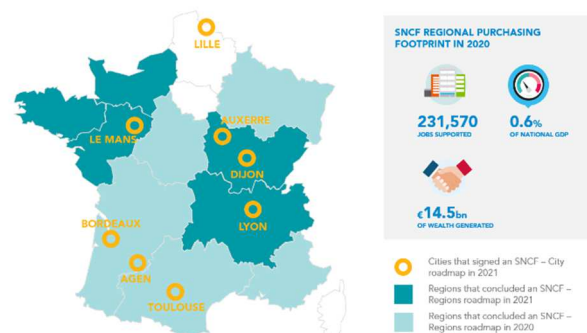
It thus participates in discussions and work on French and European regulatory developments, particularly in the passenger and freight transport sector, in the field of sustainable development, competition, digital technology or, more broadly, on any regulation that may concern it, at the European Union (EU), national and regional levels.

The Group conducts its lobbying activities in compliance with international, European and national laws and regulations.

Dialogue with the regions

The regions are one of the four strategic thrusts of the "Tous SNCF" corporate project. The new regional policy implemented by the SNCF Group aims to improve clarity and efficiency with regard to its external contacts. Its purpose is to facilitate interactions between the Group's components, for the benefit of its customers, its institutional or economic partners and its employees, while respecting the responsibilities of each, the rules of competition and the independence of the essential functions of the infrastructure manager.

As of 1 July 2020, this policy was put into practice with the appointment, in each region, of a "Group Regional Coordinator" (GRC). Appointed from among the managers in place in each region, he represents the various components of the Group (SNCF Voyageurs, SNCF Réseau, SNCF Gares & Connexions, Fret SNCF and SNCF Immobilier). Since February 2021, he has been accompanied by a deputy GRC (DGRC) attached to SNCF SA, whose time is fully dedicated to this coordination role for the SNCF Group in the regions. This has resulted in shared SNCF-Regional Council roadmaps in the form of regional strategies. The was the case for several major urban centres.



Source *Étude Utopies 2021* (2020 figures).

SNCF is currently negotiating with the Hauts-de-France and Île-de-France regions.

Furthermore, the SNCF Group is developing partnerships with the main associations of elected representatives such as Régions de France, the Association des départements de France (ADF), the Association des maires de France (AMF), France urbaine, Villes de France and the Association des petites villes de France (APVF). In this context, the Group is involved in the annual events they organise.

Sharing its vision at national level

As part of the work of the French Parliament, the SNCF Group is regularly called upon by the National Assembly and the Senate to share its vision or feedback.

These actions are carried out in compliance with the provisions of Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life, known as the "Sapin II Law", particularly with regard to the annual reporting obligations concerning interest representation actions to the High Authority for the Transparency of Public Life (HATVP). The Group has also appointed a representative of its interests duly registered in the Senate register. In addition, the Public Affairs Charter was published in 2015 and updated in 2018. A new version is being drafted in 2022.

Finally, SNCF sets out its vision and promotes its interests through its membership of the Union des transports publics et ferroviaires (UTP), the professional organisation of urban transport companies and rail companies (freight and passengers) in France, as well as other organisations such as France Industrie or Fer de France.

In addition to the many laws on managing the health crisis that marked 2021, the SNCF Group followed the work of Parliament on:

- **The "Climate and Resilience" law** of 22 August 2021, which creates a favourable environment for the development of rail transport and sets the objective of doubling the modal share of rail freight in domestic goods transport by 2030.
- **The law for global security preserving freedoms** of 25 May 2021, which includes measures to strengthen security in transport, such as the continued use of mobile cameras by the agents of SNCF's internal security services (sûreté ferroviaire).
- **The law consolidating respect for the principles of the Republic** of 24 August 2021, concerning in particular the neutrality of the agents of transport companies.
- **The finance law for 2022 of 30 December 2021**, which in particular abolishes the territorial solidarity contribution (CST) and the tax on the profits of railway companies (TREF). It also gave rise to numerous

hearings on the implementation of the recovery plan, the needs for network renewal and modernisation and the continuation of aid to rail freight.

- **The bill on differentiation, decentralisation, deconcentration and various measures to simplify local public action** (known as 3DS). It clarifies the conditions for transferring the management of minor railway lines by including stations and providing for the conditions for making employees available.

The Group's managers were also interviewed as part of the budgetary control carried out by the special rapporteurs of the Senate Finance Committee on SNCF's financial situation and outlook.

Lastly, SNCF's Chairman and CEO, Jean-Pierre Farandou, was heard in December 2021 by the sustainable development committees of each chamber to assess his work at the head of the Group and outline the prospects for the years to come.

[Find out more > HATVP register, Senate register](#)

Working together at European level

The European Union is an essential decision-making level for all those involved in the transport sector.

The Group has been present in Brussels since 1992 and has a representation at the European Union, whose staff is brought together in the European Affairs Directorate (DAE). The Group provides expertise and lobbies directly with the European institutions - Parliament, Commission and Council - as well as with the permanent representations of the Member States and various other stakeholders at European level.

It also does so indirectly, through its membership in several professional associations. Among the most important are: CER (Community of European Railway and Infrastructure Companies), EIM (European Infrastructure Managers), UITP (Union Internationale des Transports Publics), UIC (Union Internationale des Chemins de Fer) and SGI Europe (Association of companies providing public services or services of general interest).

The Group is registered as an interest representative in the European Union's Transparency Register. As a result, SNCF has adhered and submits its representatives to the code of conduct described in Annex I of the Interinstitutional Agreement on a mandatory transparency register of 20 May 2021 (Official Journal, Law L 207 of 11 June 2021, pages 1 to 17). In its entry in the transparency register, SNCF makes public a great deal of information about its European institutional relations activities. This includes the topics on which it intervenes, its responses to public calls for tender, its participation in intergroups, expert groups and associations, the number of staff involved in the activities covered by the register, the budget allocated to it or the EU grants received. The entry in the register is regularly updated.

[Find out more > EU Transparency Register](#)

In 2021, the SNCF Group contributed to European legislative and regulatory work, in particular on:

- The strategy for sustainable and intelligent mobility
- The Trans-European Transport Network Regulation
- The Freight Corridors Regulation
- The action plan on long-distance rail passenger transport
- The guidelines on State aid to railway undertakings and the guidelines on the PSO Regulation (public service obligations)

- The "Fit for 55" package, including: the revision of the Emissions Trading Scheme (ETS), the Energy Tax Directive, the Social Climate Fund, the Alternative Fuel Infrastructure Regulations, the Effort Sharing Regulations
- The regulations on MDMS (Multimodal Digital Mobility Services) and MMITS (Multimodal Information and Ticketing Systems), the Data Act and Data Governance Act.
- The Taxonomy and Green Bonds Regulation.

As a player in European rail interoperability, the SNCF Group also participates in the development of European secondary legislation and regulations led by the European Railway Agency (ERA) and the Commission.

SNCF is also a member of the Shift2Rail public-private partnership, co-funded by the European Horizon 2020 programme. The activities of this programme define the railway of the future through collaborative projects with, in return, 45% funding from the European Union. It focuses on several innovation programmes dedicated to rolling stock, control and command, infrastructure and rail freight.

SNCF has actively participated in the definition work of its successor, Europe's Rail Joint Undertaking, as a future founding member. More generally, the Group plays an active role in the European ecosystem for guiding funding for research and innovation, notably in the Research Group (RICG) of the International Union of Railways and in ERRAC, the European Rail Transport Technology Platform.

The Group also contributes to the European public debate by organising conferences and events on topical issues. In 2021, it contributed directly to the Connecting Europe Express, a train created at the initiative of the European Commission, which travelled throughout Europe on the occasion of the European Year of Rail, and organised or co-organised events in five French cities where the train stopped: Hendaye, Bordeaux, Chambéry, Strasbourg and Paris.

Through all its actions at European level, the SNCF Group aims to encourage the construction of a regulatory and financial framework favourable to the development of rail transport and the modal shift towards it. In this way, it is helping to reduce greenhouse gas emissions from the transport sector - which accounts for 30% of total emissions in France - and thus mitigate climate change.

2.3.3 Contribution to mobilisation

Several events in 2021 gave rise to public speeches by SNCF managers on the advantages of the train in meeting environmental and social challenges. Increasing the share of rail travel in passenger and freight transport, to double it within ten years in France, is a necessary condition for meeting climate commitments, but also for reducing energy dependency and limiting land use.

These speeches developed the conditions for the success of the railways to make them more attractive to passengers and shippers, and more efficient in economic and environmental terms. The implementation of investments, the integration of external costs for all modes of transport and the extension of the European ETS (Emissions Trading Scheme) to the whole sector are indispensable levers.

COP 26

The SNCF Group's commitment to COP26 in Glasgow was made in two stages:

- **The organisation, on the eve of the official opening of COP26 on 30 October, of two train journeys: one**

between Amsterdam and Glasgow and the other between Paris and Glasgow, with the first part of each journey to London by Eurostar. Representatives of European infrastructure managers and the European Commission's Directorate-General for Mobility and Transport participated from Amsterdam. Around 50 of the Group's strategic partners, including key sustainability and climate stakeholders, including IPCC members, and company representatives, participated from Paris.

- **The Group also took part in several round tables on 9 and 10 November**, in particular on the occasion of the day dedicated to transport on Wednesday 10 November in the French Pavilion.

Nice Transition Day

The Nice Transition Forum, founded in 2018, aims to accelerate the transition to a low-carbon future by mobilising a diverse community of international stakeholders. Its vocation is thus to be a catalyst for solutions.

In September 2021, the 4th edition of "Time to co-operate" was dedicated to the development of new co-operations, at the service of the ecological transition in the context of the European economic recovery and its Green Deal.

The international summit proposed four sequences during the two days of exchange: mobility, food, housing, production and consumption. The SNCF Group participated in several events during this edition. The Director of the DESTE took part in the round table "A new deal, a Green Deal - Building a new pact with citizens, regions and private actors" alongside the Deputy Governor of the Banque de France, the Mayor of Nice, President of the Nice-Côte d'Azur Metropolis, President of the Provence-Alpes-Côte d'Azur Region, the Chairwoman of the ENEDIS Management Board and the Mayor of Saint-Germain-en-Laye.

IUCN

SNCF took action at the World Conservation Congress held in Marseille from 4 to 11 September 2021. A special welcome for participants was set up at Marseille Saint-Charles station, as well as an exhibition on the Group's achievements in the Provence-Alpes-Côte d'Azur region in terms of biodiversity protection. A stand in the French pavilion presented the actions developed by the members of the Linear Infrastructure and Biodiversity Club (CILB), to which SNCF belongs. After participating in the Business Leaders' Summit, the Director of the DESTE and the Director of the Ecological Transition Delegation within the Group's DESTE spoke at two round tables on environmental philanthropy and sustainable transport. They also took part in the conference organised in partnership with the multi-stakeholder association OREE on the theme of integrating biodiversity into the SNCF strategy. Finally, the Entreprises pour l'Environnement (EpE) network presented its publication of the results of the actions of companies involved in Act4Nature, including that of SNCF.

Train France Relance

SNCF was a partner, along with Pôle emploi and EDF, in the "Train de la relance" which travelled through the 12 French regions between 6 September and 2 October 2021. Initiated by the government, the approach aimed to present in the regions the challenges of the €100 billion public aid plan launched in 2020 to overcome the COVID-19 crisis and build a more ecological, more competitive and more united France in 2030. This was an opportunity to explain that the €4.7 billion rail component of France Relance is consistent with the priorities of public policies in

the context of the recovery and with those of the SNCF Group's strategic project for 2030, called "Tous SNCF".

This exhibition train also made job seekers, and more particularly young people, aware of the recruitment needs of companies.

2.3.4 Commitments in the transport sector

UIC

SNCF is a member of the steering committee of the UIC (International Union of Railways) sustainable development platform and actively participates in numerous projects and commitments relating to the contribution of rail to the challenge of sustainable development and the search for solutions to make railways cleaner and quieter. It focuses on five main environmental themes: air quality, circular economy, energy and CO₂e, noise and vibration, sustainable land use. SNCF has also renewed its signature on the rail sector's climate declaration.

UTP

The UTP (Union of Public and Rail Transport) is the professional organisation that brings together public transport companies and companies in the railway sector (freight and/or passenger transport, infrastructure and service facility managers, other) in France. The SNCF Group companies concerned participate in the work of the UTP in its various thematic commissions, in particular the Technical and Sustainable Development Commission, where work is shared (regulations, monitoring, technology, etc.), as well as CSR news from the profession. At the end of 2021, the UTP published the results of [the 2021 mobility observatory](#) to understand the measures that would encourage car users to switch to public transport, but also the expectations in terms of security. It shows the extent to which the development of public and rail transport is expected by French people.

In light of these results, the UTP unveiled its manifesto addressed to the presidential candidates. Entitled "Let's finally give priority to public and rail transport", it includes 20 measures to meet the expectations of French people.

[Find out more > The UTP manifesto](#)

UITP

SNCF is also a member of the International Union of Public Transport (UITP) and a signatory to its sustainable development charter. The UITP was present at COP 26 and participated with SNCF in a round table on the levers of cooperation in sustainable mobility strategies.

[Find out more > The UITP Sustainable Development Charter](#)

2.3.5 Partnerships

In a context disrupted by the COVID-19 pandemic, SNCF nevertheless developed new partnership relations in 2021 and continued the actions undertaken with its main stakeholders.

To best prepare for the ecological transition of mobility, SNCF participates in the mobilisation around CSR issues by forming partnerships, carrying out joint projects and participating in working groups. The associations and networks listed below are those with which the Group has collaborated in particular over the past two years. In particular, work was carried out during 2021 on advocating for the train as part of a shared ambition to double the modal share of rail.

Two exchanges were organised with the organisations most involved in climate and ecological mobility issues for passengers and goods:

- **In April, an exchange dedicated to rail freight** took place in which the Climate Action Network (RAC), the

Foundation for Nature and Man (FNH), France nature environnement (FNE), the Institute for Sustainable Development and International Relations (IDDRI), the Institute for Climate Economics (I4CE) and The Shift Project took part, in the presence of the Executive Director of Strategy and Corporate Affairs of SNCF Réseau, the President of Rail Logistics Europe and the Director of Social, Territorial and Environmental Commitment (DESTE).

- In June, the presentation of the SNCF Group's 2020-2030 CSR strategy by the Director of the DESTE, in the presence of the same stakeholders, to which Météo&climat (Jean Jouzel) was added in order to gather their comments to enhance this project before it is presented to the Board of Directors for validation.

2.3.5.1 Multi-actor networks

EPE – ENTREPRISES POUR L'ENVIRONNEMENT - Partner since 1993

- Inter-company forum for ecological transition
- Conduct of studies, publications and events
- Participation of SNCF in thematic commissions and working groups such as climate change, biodiversity, responsible digital, representation of lifestyles in advertising, etc.

Achievements

- [Zen2050 Study](#) to establish the steps to be taken in different sectors of activity to achieve "zero net emissions" of greenhouse gases by 2050 in France
- [Business solutions for biodiversity, scaling up, Circular economy partnerships](#) (2020)
- Guide for communicators on the [representation of lifestyles and the ecological transition](#), to encourage new and more sustainable imaginations (2021)
- Act4Nature review, launch of [Act4Nature International](#) and participation in the IUCN Congress and COP 26

ORÉE - ORGANISATION POUR LE RESPECT DE L'ENVIRONNEMENT EN ENTREPRISE - Partner since 2013

- As part of the vice-chair held by SNCF, SNCF runs two business clubs (recovery of foam and textiles, management of waste linked to the deconstruction of buildings) and participates in the club on waste management in establishments open to the public (ERP)
- Collaboration on biodiversity, circular economy and regional cohesion
- Coordination by the SNCF Circular Economy officer of the FRIVEP (Industrial Reuse and Recycling of Professional Clothing), FIREX (Industrial Textile Recycling) and FREPI (Personal Protective Equipment Recycling) projects.

Achievements

- Finalisation of the experimental phase of the [FRIVEP](#) project and launch of the FIREX and FREPI project (2021)
- Booklet on the eco-design of professional clothing intended for players in the sector, institutions, ADEME, companies, etc. (2020)
- Contribution to the work on Corporate Governance and Ecological Transition, conducted by ORÉE with the support of the Ministry of Ecological Transition (2021 for publication in 2022)

RECORD – Partner since 2013

- Research projects in the framework of an original tripartite cooperation between industries, public

organisations and researchers, voted each year by the Board of Directors, including SNCF and SNCF Réseau

- Insights into emerging issues, new technologies and their impacts, standardisation and regulation projects
- Four areas of research: knowledge and characterisation, methods and tools, development of new waste recovery and treatment processes, assessment of health and environmental risks, assessment of economic and social dimensions

Achievements

- Publication on [molecular approaches to characterise soil ecological functions in ecological rehabilitation](#) (2021)
- Publication on the use of networks of [sensors for environmental monitoring of industrial and urban sites](#) (2021)
- Publication on a design and monitoring tool for rehabilitation [of degraded sites integrating nature-based solutions](#) (2021)

COMITÉ 21 - Partner since 1995

- Provision of resources, studies, CSR monitoring, news
- Facilitation of multi-actor workshops and conferences

Achievements

- Workshop [Companies and their stakeholders: new paths to governance and resilience](#) (2021)
- Support for the drafting of the SNCF contribution to the Pays de la Loire IPCC (2020 - 2021)
- Support for the implementation of an enhanced consultation aimed at improving the accessibility and intermodality of stations on the Nantes <> Châteaubriant line (2020 - 2021)
- Participation of Comité 21 as a key witness in a prospective study on CSR expectations of the SNCF Group's Communication and Brand Department (2021)

FRANCE VILLE DURABLE – Partner since 2019

- Federation of actors, State, local authorities, companies, associations, to build a sustainable and carbon neutral city by 2050

Achievements

- Participation in the guidelines and working group on "Health / Well-being and sustainable city: how to take into account health determinants in a global territorial strategy?" (2021)
- Setting up a webinar with SNCF immobilier, AREP and APUR presenting the collective work on new urban developments (2021)
- Contribution by SNCF to the "Living in the France of Tomorrow" initiative of the Ministry of Housing through the drafting of some thirty practical sheets on innovative and replicable SNCF projects (2021)

ORSE – OBSERVATOIRE DE LA RESPONSABILITÉ SOCIÉTALE DES ENTREPRISES - Partner since 2010

- Tools, studies, benchmarks, working groups and publications on emerging themes to support companies' CSR strategies

Achievements

- [Court for future generations: Should CSR be killed off?](#)
- [Benchmark of Diversity Best Practices in Business](#) (2020)
- Guide with the College of Sustainable Development Directors (C3D) on [the Pacte Law and Raison d'être](#) (2020)

- Participation in works and publications on taxonomy, [materiality analysis for stakeholder dialogue](#), [integrated accounting](#) with the C3D and the Orée association, [sustainable finance](#), [non-financial reporting](#), [new working from home practices](#), [caregiver employees](#) (2021)
- Participation of the President of ORSE as a key witness in a prospective study on the CSR expectations of the SNCF Group's Communication and Brand Department (2021)

EDH – ENTREPRISES POUR LES DROITS DE L'HOMME - Partner since 2021

- SNCF's membership of the Enterprise for Human Rights association in 2021 will help to improve SNCF's consideration of human rights on an international scale, by sharing best practices with other major French groups.

OBSERVATOIRE DE LA MIXITÉ – Partner since 2019

- Group of experts and large companies committed to the issue of diversity

Achievements

- Green paper [Six concrete measures to accelerate gender diversity in organisations](#) (2019)
- [Manifesto of economic actors against violence against women](#) signed by SNCF (2021)

FONDATION DES FEMMES – Partner since 2019

- Raising awareness of women's rights among the general public

Achievement

- Preparation of a gender equality exhibition train planned for early 2022 (2021)

SNCF is also involved in other "meta networks" for gender diversity: 2GAP, the [cercle interElles](#), [Femmes en mouvement](#), [L'alliance pour la mixité en entreprise](#), which aim to share good practices and amplify the action of companies in favour of gender diversity.

2.3.5.2 Research laboratories

THE SHIFT PROJECT - Partner since 2013

- SNCF participation in studies, publications and conferences organised by The Shift Project to inform and influence the debate in favour of a low-carbon economy in Europe

Achievements

- Guides [Energy-climate scenarios: assessment and instructions for use](#) and [Mobilising Higher Education for the Climate](#) (2019)
- Studies: [Global vision of the French Economy Transformation Plan \(PTEF\)](#); [Decarbonising mobility in the Seine Valley](#); [The possible decline of EU oil supply by 2030](#); [Crisis\(es\), climate: preparing the future of aviation](#) (2020)

2.3.5.3 Environmental and social associations

FNE – FRANCE NATURE ENVIRONNEMENT - Partner since 2008

- Sharing knowledge on environmental issues (mobility, biodiversity, resources, etc.)
- Search for new approaches in businesses and support for their implementation
- Supporting consultation in the regions with local associations

Achievements

- Invitation of local associations to the EGALIM participatory workshops organised by SNCF Réseau, publication with Réseau Action Climat: [Rail transport: are](#)

[we on track](#), proposals for a real revival of rail transport (2020)

- Support for discussions and consultations on phasing out the use of glyphosate on railway property and a framework for information on the use of plant protection products (2021)

FNH – FONDATION POUR LA NATURE ET L'HOMME • Partner since 2011

- High-level dialogue between SNCF and FNH executives
- Exchanges of expertise on mobility issues
- Relaying actions on social networks (SNCF and FNH)
- Cooperation at events

Achievements

- Participation of SNCF in the development of the FNH's daily mobility Survey (2019)
- Publications: [Railways: 3 priorities to relaunch a key sector of the ecological and social transition](#) and with Réseau Action Climat, [Rail transport: are we on track](#), proposals for a real revival of rail transport (2020)

Participation of SNCF in webinars organised by the FNH for partners on the following topics: climate justice, citizen action for biodiversity, the Climate and Resilience Act, the just transition of the automotive sector, the failure of the reduction of pesticides in France (2021)

LPO – LIGUE POUR LA PROTECTION DES OISEAUX - Partner since 2015

- Sharing knowledge to protect biodiversity on railway rights-of-way
- Thematic and methodological support
- Support for the consideration of biodiversity in railway activities

Achievements

- Working groups on the protection of biodiversity (avifauna, vegetation control), installation of 59 tit nesting boxes to combat processionary caterpillars in the Grand Est and in Provence-Alpes-Côte d'Azur and 48 bat nesting boxes in Provence-Alpes-Côte d'Azur, training and guide for vegetation control projects in Pays de la Loire (2020)
- Increased knowledge of biodiversity issues to ensure that they are better taken into account in works and to encourage dialogue and the search for appropriate solutions upstream of interventions (2021)

MÉTÉO ET CLIMAT • Partner since 2015

- Presentations at annual events (conferences, plenary sessions, etc.)
- Co-organisation of [Train du climat](#) exhibitions to invite the public to dialogue with scientists to better understand the issues and possible solutions and to accelerate the transition to action in the regions.
- Support and annual participation in the [International Weather and Climate Forum](#) (IWCF) as a member of the Partners Club

Achievements

- International Weather and Climate Forum: [Conference Extreme events: a taste of the future climate?](#) (2021)
- Preparatory work, with the Climate Messengers section, for a new joint project to raise awareness and large-scale mobilisation on climate and biodiversity issues through dialogue with scientists (2021).

CAPITAL FILLES - Partner since 2017

- Support for young female high school students by SNCF volunteer "mentors": advice, expertise in their choice of career path, application for a school or work-study programme)
- Discovery of the professional world

Achievements

- 37 SNCF mentors paired with a young girl each year, and four SNCF delegates to promote the approach (2021).

2.3.5.4 Academic world

The SNCF Group relies on academic partnerships to work on the scientific expertise and future skills potentially needed for the technological changes that will impact the company's various business lines. 37 academic partnerships were active in 2021. These include:

IRT RAIENIUM - Theme: autonomous train

2021 News

IRT Railenium and SNCF are both partners in the Train Autonome Service Voyageurs project, alongside Alstom, Thales, Bosch and Spirops. The aim is to produce a prototype train capable of fully driverless operation (GOA4) based on a Régio 2N TER train.

With a budget of €30 million, the project started in September 2018 and will end in September 2023.

After two years of specification and design, the year 2021 was mainly devoted to the first tests on the platform and then on the train of the sub-systems - automatic driving system, signal reading, geolocation, cartography - allowing semi-automatic driving (GoA2).

IRT Railenium provides the budgetary and contractual framework for the project and is responsible for or contributes to the environmental monitoring, human factors, safety, mapping and socio-economic impact work packages.

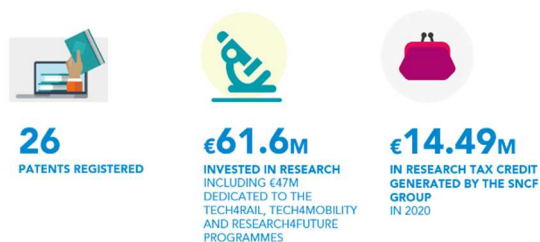
ENS – Paris Saclay – Collaboration: IDAML Chair (Industrial Data Analytics & Machine Learning) Theme: Artificial Intelligence (AI)

2021 News

The Artificial Intelligence Platform team has begun collaborative work on delay prediction, particularly at Transilien. In 2021, the Chair's work was focused on commissioning the AI-fluence project, with the startup Quantmetry on user prediction. This work focused on graph analysis applied to the railway domain. The scientific and technical deliverables of the Chair will soon be compiled in the Chair's annual report, and contain open source libraries on anomaly detection in particular.

2022 forecasts

This year will mark the continuation and end of the AI-fluence project, scheduled for the end of 2022. A reorientation of the scientific content of the Chair is envisaged towards affective computing, with a branch of signal processing and mathematics applied to cognitics. This is part of a CIFRE thesis project for the Cognitive Toolkit project conducted with Transilien and TGV-Intercités on the detection and prediction of driver mental underload.

KEY FIGURES**2.3.6 Being attentive to French people****2.3.6.1 Inclusive mobility****Partner of the regions**

Due to its sustainable mobility offer, but also because of its footprint in the regions in terms of employment and housing, its support for associations, partnerships with training organisations and support for local start-ups, SNCF is a key player in carrying out the public policies deployed by local players. In this way, it intends to contribute to addressing the main concerns of French people as revealed by the second edition of the Baromètre des Territoires: health, purchasing power, environment.

In collaboration with its regional partners, the SNCF Group and its various entities will assess, year after year, the progress of their joint action using indicators.

SNCF took part in the Baromètre des Territoires Paris with Elabe and the Institut Montaigne, in partnership with France Info and a number of regional daily newspapers. This survey of more than 10,000 people provides a quantified inventory of territorial dynamics and fractures, through the filters of social, economic and geographical mobility.

The Baromètre des Territoires 2021 offers:

- A portrait of everyday France through the national results of the survey
- A typology of four major portraits of French people who coexist in our national space and their evolution since the last survey
- A breakdown by region that highlights the specificities of each region.

Forum vies mobiles

SNCF supports Forum vies mobiles, a mobility research institute that studies the role of travel in lifestyles in France and around the world and prepares the transition to more desirable and sustainable lifestyles. In particular, in 2021, it launched its Forum Citoyen, a participatory democracy initiative to collectively debate the desired lifestyles of tomorrow: travel, pace of life and climate issues. This first edition was held in the summer of 2021 on the theme of "mobility and work". 120 citizens freely expressed their aspirations and then debated and developed proposals to achieve them.

2.3.6.2 Assessment of passenger satisfaction**SNCF image survey**

The image of SNCF with French people, whether they are customers or not, has been measured via this survey since 1987, annually or half-yearly until 2012 then continuously online since 2012.

On the occasion of the new "Tous SNCF" corporate project, the questionnaire was refocused on understanding the components of the image and the project's four thrusts. The aim is to put this survey back at the heart of the communication strategy and to make it a tool for

managing the Group's image, the SNCF brand and a common reference for the whole company.

This survey tracks French people's opinions of SNCF on a monthly basis and measures the impact of current events, the company's strategy and its communication on its image.

BtoB and BtoC customer satisfaction survey in railway stations

SNCF Gares & Connexions listens to its BtoB and BtoC customers and conducts regular surveys:

- The "Customer Satisfaction Survey" surveys incoming and outgoing customers twice a year about service promises at stations. Thus, as part of the September 2021 wave, nearly 39,000 customers were questioned in 145 stations. The results are available on [SNCF open data](#).
- The "BtoB Satisfaction Survey" measures the level of satisfaction of transport authorities and transport operators with the services offered in stations through 50 to 60 semi-structured surveys. For 2021, 18 transport authorities and 38 transport operators were consulted through a qualitative and quantitative questionnaire.

2.3.6.3 Customer relations and after-sales service

In addition to carrying out studies on the mobility expectations of French people (Forum vies mobiles), and co-constructing services with consumer associations on any subject related to transport (PRM, bicycles, fare range, etc.), each of the Passenger activities has a specific customer relations policy. Various information, assistance and support systems are deployed in stations, on board trains and on the Internet to respond more precisely to their requests.

The Simplicity for travellers programme

Offering customers a seamless travel experience using several SNCF trains is one of the promises of "Simplicity for travellers". The aim of this programme, which will be rolled out in 2022, is to provide customers with a complete response to their questions from their first contact with SNCF, regardless of the point of contact: ticket office, station agent, customer relations centre, telephone, internet, etc. In particular, the aim is to enable them to buy their end-to-end ticket in juxtaposition of the TGV + regional TER fare, on all channels. The customer will be accompanied until the end of their journey in the event of a missed connection, even if they bought the TGV and TER tickets separately. Finally, this programme will simplify the accommodation of people with reduced mobility who currently have to call each transport operator to book this service.

To do this, the programme must eliminate the technical boundaries of the various SNCF Voyageurs transport operators (Transilien, TER, TGV-Intercités, etc.). The programme, which was drawn up on the basis of the feelings of 150 customers and the analysis of various feedbacks (complaints, tweets, etc.), will therefore involve customer relations, sales, station, train, passenger information and PRM centre employees from all entities during 2022. Without changing their jobs, the programme will be able to help them in their multi-operator customer satisfaction missions. To do this, the difficulties they have encountered in the field will be taken into account so that the internal tools can provide the right information.

Focus on SNCF Voyageurs mediation

Since 1994, the mediation system has allowed passengers to request a second opinion on their complaints directly from the Ombudsman. This service is a simple, free and confidential method of settling disputes

between operators (SNCF Voyageurs, Eurostar, Thalys and Chemins de Fer de la Corse) and their customers.

The Ombudsman is competent for commercial disputes of a contractual nature, both national and international, between carriers and their customers, as well as for claims arising from infringements of the rail transport policy.

The ombudsman, an independent person from outside the company, can be contacted via the website <https://mediation-sncf.force.com/> or by post at the following address: Médiateur SNCF Voyageurs, TSA 37701, 59973 TOURCOING CEDEX.

The number of referrals to SNCF Voyageurs Mediation has been rising steadily for the past four years, with an average of 650 complaints per month in 2017 and nearly 1,500 in 2020. After a slight decrease in referrals in the first half of 2021, due to the drop in traffic caused by the health crisis, there has been a recovery in the number of complaints since October 2021, with approximately 1,400 referrals per month.

Requests are considered in law and in equity, on a case-by-case basis. Opinions result in partial or total satisfaction of the customer's request, or in a refusal.

The customer retains the right to take legal action if they are not satisfied with the Ombudsman's opinion. In practice, however, very few opinions result in subsequent legal action.

The Mediation Service alerts customer services when it finds certain recurring malfunctions in the complaints it receives. In his annual report, the Ombudsman makes recommendations to customer services.

SNCF Réseau's absolute customer focus

Improving customer service and satisfaction is a major challenge for the sustainability of the rail transport system. For this reason, SNCF Réseau has placed its customers and partners at the heart of its corporate project since 2018, which saw the creation of a dedicated department: **the Directorate General for Customers & Services (DGCS)**. Furthermore, as part of the Group's "Tous SNCF" project, SNCF Réseau integrated the concept of "Absolute customer focus" into all its departments and businesses in their day-to-day actions and decisions by the end of 2020.

Furthermore, **the Committee of Network Operators (COOPERE)** has been the permanent forum for consultation and dialogue between SNCF Réseau, its customers and partners since 2016. The aim is to improve mutual knowledge of the issues and constraints of the various stakeholders in the railway system, and to promote optimum use of the national railway network and neighbouring networks. It is made up of 30 members: infrastructure managers holding concessions or public service delegations, freight and passenger railway undertakings, transport authorities, combined transport operators and shippers. Chaired by the Chairman of SNCF Réseau, this body has set up working groups on traffic prioritisation, upstream scheduling of works and capacity, sidings and rolling stock compatibility.

3. MATERIALITY OF CSR ISSUES

3.1 MATERIALITY ANALYSIS

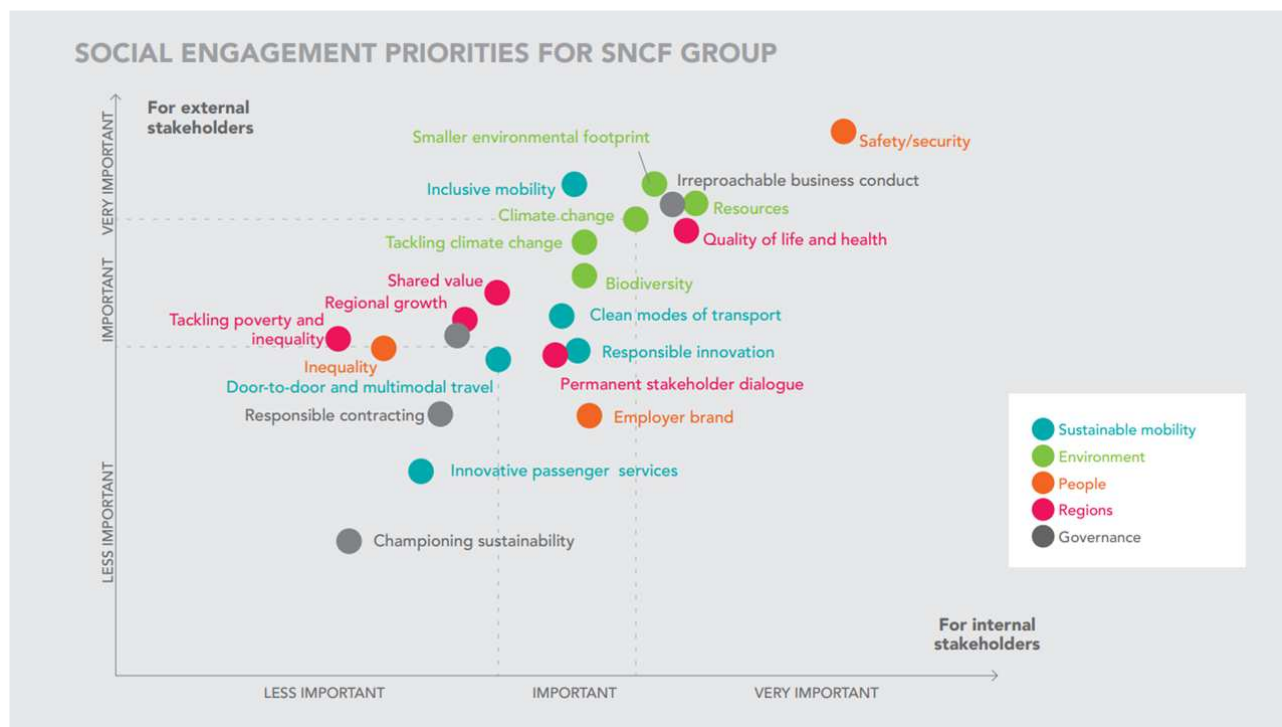
SNCF has given new impetus to its stakeholder dialogue initiatives by conducting a survey in 2017 of its internal and external stakeholders on their expectations of the Group. This materiality analysis helped redefine the Group's social commitment strategy. All the Group's employees and nearly 25,000 external parties (local authorities, partners, suppliers, customers) were questioned. Nearly 9,000 people expressed their opinion

on the importance of the various CSR issues for the Group and on its performance in these different areas. A third of the respondents declared their interest in continuing the dialogue on the Group's CSR issues.

The questionnaire was based on the main CSR issues and standards (ISO 26000, Global Compact, UN Sustainable Development Goals, Global Reporting Initiative). It incorporated the results of a quantitative

survey (face-to-face interviews) and workshops that brought together several dozen staff members from various backgrounds and a group of user representatives. The materiality analysis will be updated in 2022.

The challenges of SNCF



3.2 NON-FINANCIAL RISKS

Reporting directly to the Chairman and CEO of the Unified Public Group, the DESTE, positioned within the Group Executive Committee and the Executive Management Committee of SNCF SA, is responsible for drawing up the Group's non-financial risk map, in accordance with implementing decree 2017-1180 of 19 July 2017, in line with the risks specific to SAs. This work is carried out in collaboration with the Risk Management Department and with the support of the three lines of defence within the companies, sustainable development specialists and risk managers (representatives of the business lines) within the Group's activities and subsidiaries. The identification and assessment of significant non-financial risks is based on the Group risk framework and the Group materiality study carried out in 2017, as well as on the risk mapping carried out for the 2021 Vigilance Plan. It looks at CSR-related risks from the point of view of their impact on SNCF, in line with the approach to the company's own risks (or major risks). The approach relating to the duty of care completes the vision of non-financial risks, by identifying their consequences for third parties and the environment ("third-party risks"), and no longer only their

consequences for the company. The general organisation of the Group's risk management and internal control system and the risks to which the SNCF Group is exposed are presented in the Management Report, chapter Risk management and internal control.

Risk management and vigilance plan

For more details, see the Management Report, Vigilance Plan, chapter Mapping of risks related to the duty of care

Responsibility at the heart of the procurement process

In 2020, SNCF carried out a mapping of its CSR and purchasing risks with the support of a specialised service provider. This mapping covers all 123 purchasing families and a scope of €12 billion (2019 figures). It was used to identify and prioritise the purchasing families for which specific risk management actions are implemented as part of a continuous improvement process.

For more details, see the Management Report, Vigilance Plan, chapter Human Rights and Fundamental Freedoms and chapter Suppliers.

3.3 SUMMARY TABLE OF NON-FINANCIAL RISKS

Main non-financial risks

Main risks	Commitments and Objectives	References	Indicators	2019	2020	2021	Scope (*)
Operational Safety and Security of people and property	The safety of customers, staff and subcontractors is the top priority	4.1 Ensure the fundamentals of safety, punctuality and passenger information	Remarkable Safety Events (RSE) (number)	164	184	158	5 SA
			Physical attacks on customers and SNCF agents and simple theft against customers (number)	12,064	9,257	11,642	5 SA
	Ensure the peace and security of people and property through a targeted security policy. PRISME PROGRAMME	4.2 Ensure safe travel	Malicious acts against property and financial assets (number)	21,265	17,793	19,984	5 SA
			Anti-social behaviour and breaches of legislation (number)	207,980	267,234	368,271	5 SA
GDPR non-compliance	Ensure compliance with the rules on the protection of personal data	2.2 Governance, compliance and ethics	Percentage of European revenue covered by a DPO (%)	n.c.	n.c.	98.8	UPG
Access to the offer and meeting customer expectations	Facilitate the mobility of all citizens by improving the accessibility of structures or services and by guiding the most vulnerable groups Objective: 100% of the 736 national and regional stops in France accessible by 2025 SDNA Ad'AP PROGRAMME	4.7 Promote access to independent mobility	Rate of progress in making stations accessible (%)	39.50%	45.30%	51.90%	5 SA
	Offer multiple modes of transport, increasingly responsible and adapted to the expectations of passengers seeking fluidity and innovation Objective: 90,000 bicycle parking spaces available by 2025	4.4 Reinvent passenger mobility	Number of secure bicycle parking spaces (number)	n.c.	20,254	27,010	5 SA
	Develop personalised and inclusive mobility offers H00 PROGRAMME FIRST PROGRAMME	4.6 Provide accessible mobility for all	SNCF image survey customer satisfaction rate (%)	73%	70%	76%	5 SA
Climate change	Objective: Improve the energy performance of train traction and the building stock	5.3 Rolling stock: reduce consumption and change energies	Total energy consumption (GWh)	17,899	14,671	16,411	UPG
			Energy consumption for rail traction (GWh)	10,558	8,426	9,405	five companies Keolis Other
			Share of renewable energy in the rail traction electricity mix (% of consumption)	n.c.	n.c.	0.1	five companies
			Fuel consumption of road vehicles in commercial fleets (GWh)	4,297	3,718	4,057	GEODIS Keolis Other
			Air vehicle kerosene consumption (in GWh)	0	0	97	GEODIS
			Energy consumption of service road vehicles (in GWh)	256	222	266	five companies GEODIS Other
			Energy consumption of buildings (in GWh)	2,789	2,304	2,586	UPG

Main risks	Commitments and Objectives	References	Indicators	2019	2020	2021	Scope (*)
Climate change	Raise our customers' awareness of increasingly planet-friendly mobility solutions using tools to facilitate the choice of low-carbon multimodal transport Offer shippers low-carbon multimodal solutions to help double the share of rail in freight in Europe (from 15 to 30%) and in France (from 9 to 18%) between 2020 and 2030	4.4 Reinvent passenger mobility 4.5 Rebalance the share of rail in freight 4.8 Facilitate and encourage low-carbon mobility to help achieve France's goal of carbon neutrality by 2050 5.3 Rolling stock: reduce consumption and change energies	Greenhouse gas emissions (kt of CO2e) related to energy consumption Scope 1&2&3	3,507	2,842	3,050	UPG
	Maintain a carbon reduction pathway for trains, buildings and all our activities, by consuming less and using alternative energy Objective: - 30% traction GHG and -50% GHG for the building stock between 2015 and 2030	5.4 Become a committed player in the energy performance of buildings: GHG emissions pathway 6. Improve the adaptation of our activities to climate change	CO2e emissions per passenger.km (Scope 1&2&3) (gCO2e/passenger-km)	7.5	10.0	9.2	5 SA
Environmental standards and regulations	Deploy EMSs in Group companies to improve SNCF's environmental performance	5.9 Optimise environmental management	ISO 14001-certified railway industrial facilities (%)	97%	90%	88%	5 SA
	Fight against the depletion of resources and the impacts of the production of materials and waste on natural resources, biodiversity and the climate Aim for Zero non-recovered waste by 2030 on products at the heart of the railway activity	5.7 Integrate the circular economy in the Group	Total quantity of hazardous waste generated (K.tonnes)	84.5	69.7	75.2	UPG
	Continue our commitments under Act4Nature Anticipate the ban on glyphosate-based plant protection products by the end of 2021	5.8 Preserve biodiversity and natural resources	Percentage of railway facilities (national rail network, sites) subject to measures to reduce or eliminate the use of plant protection products (excluding biological control) (%)	5.90%	15.40%	16.80%	5 SA
Human rights and Suppliers	Support the professional integration of people who are excluded from the labour market or have a disability by integrating social clauses into contracts	7.2 Develop an ambitious responsible purchasing policy that includes suppliers and subcontractors Vigilance plan	Solidarity purchases (M€)	31.00	26.00	33.50	5 SA
	Increase the weight of CSR criteria in the choice of our subcontractors and improve our performance as a responsible buyer		Percentage of the amount of purchases contracted in year N and covered by a CSR offer rating of 20% of the overall rating (%)	n.c.	5.50%	36.00%	5 SA
	Strengthen CSR criteria throughout the purchasing process to promote social and environmental performance		CSR performance of suppliers (score out of 100) including social and human rights	56.9 n.c.	56.5 59	57.4 60.2	5 SA
Corruption, breach of duty, lack of probity	Promote ethical behaviour and monitor the implementation of the ethics charter	2.2 Governance, compliance and ethics	Whistleblowing alerts received (number)	80	95	110	5 SA
			Investigations carried out by the Group Ethics Department (number)	28	24	22	5 SA
			Training sessions on the corruption prevention programme (number)	46	114	152	5 SA

Main risks	Commitments and Objectives	References	Indicators	2019	2020	2021	Scope (*)
Occupational health and safety	Assess, prevent and better control all risks related to health and safety and the quality of life at work for SNCF employees HUMAIN PROGRAMME	8.1 Support employees with the Humain programme	Severity rate of accidents at work (per 1000 hours worked)	1.59	1.66	1.75	UPG
		8.4 Ensure health and safety within the Group	Frequency rate of accidents at work (per 1,000,000 hours worked)	22.39	16.93	20.77	UPG
		8.4 Ensure health and safety within the Group	Absenteeism rate (sickness/injury off duty) in France	5.98	7.08	6.80	UPG
Social cohesion social dialogue employee engagement	Maintain quality social dialogue HUMAIN PROGRAMME	8.1 Support employees with the Humain programme 8.3 Foster the conditions for a well-developed social dialogue	Lost days per agent during industrial action (number)	2.84	1.35	0.47	5 SA
	Develop better ways of living and working together by promoting a culture of inclusion HUMAIN PROGRAMME	8.1 Support employees with the Humain programme 8.5 Live better together	Female workforce (%)	25.2	25.4	25.9	UPG
Employer brand appeal	Enhance the attractiveness of professions to attract talent and offer an attractive training and mobility offer to remain a leading and preferred employer Objective: Recruit 7,000 work-study students in 2021 HUMAIN PROGRAMME	8.1 Support employees with the Humain programme	Hires under permanent contracts in France (number)	13,391	10,565	11,622	UPG
		8.2 Attract and retain talent	Percentage of female managers (%)	35.1	35.0	35.4	UPG
		8.5 Live better together	Dismissals (number)	5,881	10,739	6,485	UPG
		8.6 Support employee engagement	Work-study contracts (number)	6,649	7,109	8139	UPG
			Turnover (%)	11.3	9.2	11.7	UPG
Skills management	Enable employees to adapt to changes in jobs, techniques and organisations, by facilitating professional mobility throughout the Group, by developing career paths and providing appropriate training. HUMAIN PROGRAMME	8.1 Support employees with the Humain programme	Hours of training (in thousands)	6,255	4,591	5,228	UPG excluding GEODIS
		8.2 Attract and retain talent	Percentage of employees who have received at least one training course in France (%)	70.00	62.00	69.00	UPG excluding GEODIS

The indicators are defined in the reporting framework section.

(*) The scope of the NFPS indicators corresponds to:

- either the five railway companies (5 SAs): SNCF SA, SNCF Réseau, SNCF Gares & Connexions, SNCF Voyageurs and Fret SNCF
- or the unified public group (GPU), i.e.: SNCF SA, SNCF Réseau, SNCF Gares & Connexions, SNCF Voyageurs, Keolis, GEODIS, Rail Logistics Europe.

The issue of tax avoidance was taken into account when identifying non-financial risks but is not one of the most significant risks in terms of SNCF's tax strategy.

3.4 SNCF GROUP TAX STRATEGY

The media, public opinion and non-governmental organisations are paying increasing attention to the problems of international tax avoidance by large multinational groups. Furthermore, in a context of increasing pressure on public finances, governments are particularly attentive to the erosion of the tax base resulting from the artificial allocation of taxable profits to tax jurisdictions different from those where the actual business activity takes place.

In 2015, as part of its Base Erosion and Profit Shifting (BEPS) project to combat tax base erosion and profit shifting, the Organisation for Economic Co-operation and Development (OECD) published a set of recommendations for coordinated international action to

reform the current international tax system and remove any loopholes.

As a multinational group operating worldwide, SNCF recognises the key role of taxes in preparing the budgets of the countries in which it operates. All the Group's entities support the BEPS initiative and are convinced that tax transparency measures will help limit unfair tax competition and benefit the growth of its activities.

The SNCF Group applies the following guidelines:

- The SNCF Group's subsidiaries act as responsible taxpayers worldwide, in compliance with applicable tax laws and regulations.
- SNCF encourages ethical and transparent business practices.

- SNCF promotes an open dialogue based on trust between tax policy decision-makers and the companies.
- SNCF has a tax team that works closely with various players within the international tax framework, to comply with its requirements.
- SNCF undertakes to submit clear and transparent information to the various tax authorities so that they can better understand the Group's tax strategy.

3.4.1 Our commitments

Pay the right amount of tax within the statutory deadlines.

Manage the tax policy responsibly

Manage the tax risk effectively.

Establish constructive working relationships with tax authorities.

3.4.1.1 Compliance - Pay the right amount of tax within the statutory deadlines

SNCF undertakes to comply with the tax laws and regulations of the countries in which SNCF Group entities operate. This consists in paying the right amount of tax within the statutory deadlines to the tax authority of the country where the tax is due. This also involves declaring all the relevant facts and circumstances and seeking existing tax exemptions and incentives.

Furthermore, SNCF files an annual Country by Country Report (CbCR), pursuant to international recommendations and French tax law.

3.4.1.2 Responsibility in managing tax policy

As part of the development of its commercial activities, SNCF takes into account — among other factors — the tax regulations in the countries where it operates to maximise value creation in the long term for its partners or employees.

Any office in a foreign State has an economic and commercial substance and takes into account the potential impacts on SNCF's reputation and ethical integrity. The company does not set up artificial tax arrangements.

Each SNCF Group entity adopts a responsible and prudent approach; no system has been set up primarily or exclusively for tax purposes.

For cross-border transactions, SNCF applies the OECD principles and verifies that the transfer pricing rules defined within the Group comply with the "arm's length principle".

These cross-border transactions are documented within the Group and reported in full to the tax authorities if required by national tax regulations.

The Group's tax department is responsible for:

- **Defining the transfer pricing policy for all Group activities**, making sure that SNCF Group companies adopt this policy
- **Ensuring that the clauses set out in the tax agreements** entered into with the countries where the SNCF Group operates **are properly enforced**.

3.4.1.3 Effective tax risk management

Considering the Group's scope of our activities and the tax requirements incumbent upon it, there may be uncertainties as to the interpretation of local or international tax measures. Furthermore, conflicts of jurisdiction may result in disagreements as to which country should collect the taxable profit.

SNCF seeks to identify, assess and verify any tax risks to safeguard all its transactions. In the event of uncertainty or complexity surrounding the extent of a tax risk, an external advisor is consulted, particularly for international taxation.

The SNCF Group has employees qualified in all areas of finance; they are responsible for managing the taxation relating to withholding taxes and tax returns.

The SNCF Group tax department ensures that requirements for all taxes and duties, such as VAT, corporate income tax and wage tax.

3.4.1.4 Constructive working relationship with the tax authorities

SNCF maintains a professional, cooperative and respectful working relationship with all tax authorities in the countries which the Group operates.

The Group does not adopt any tax position that may create a risk for its reputation or undermine its image with the tax authorities. SNCF always answers any request for information from the tax authorities with complete transparency.

However, after having first sought to resolve disputes in a fair and transparent manner, SNCF is prepared to initiate legal proceedings should any disagreement with a tax authority decision or ruling persist.

3.5 ENVIRONMENTAL TAXONOMY

3.5.1 General context of taxonomy, origins and regulatory issues

The 2015 Paris Agreements and the European Green Deal demonstrate the importance of shifting direct investment to sustainable activities. To achieve this reorientation, financial actors, including investors and insurers, need a common and shared definition of sustainability, as well as standardised and comparable information on environmental and social issues.

This requirement led to the publication of the Taxonomy Regulation, one of the challenges of which is to provide comparable financial information on environmental issues. Work is also underway to standardise non-financial information within the framework of the CSRD (Corporate Sustainability Reporting Directive); the implementation is planned for 2024.

3.5.2 Description of the mechanism

Taxonomy is a major tool for meeting these challenges of comparability and standardisation of environmental issues. The result of three years of work within the European Union, it is applicable without transposition into national law from 2021 for public interest companies.

The taxonomy regulation aims to measure the contribution of reporting companies to six environmental objectives:

- Climate change mitigation
- Adaptation to climate change
- Sustainable use and protection of aquatic and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Three performance indicators have been identified in the taxonomy to value this contribution: revenue, CAPEX (investments) and OPEX (operating expenses).

The implementing rules of the taxonomy regulation are described in delegated acts. The first delegated act of the taxonomy regulation describes the sectors of activity

referenced with regard to adaptation² to climate change and mitigation³ of climate change. These sectors were chosen because of their significant contribution to climate issues.

For 2021, the implementation of the taxonomy directive consisted in establishing the matching, or "marking", of the entities of the entire SNCF Group - including Keolis and Geodis - with the business lines described by the taxonomy. This matching means that most of the SNCF Group's activities are in the transport sector. In Pursuant to the Taxonomy regulation, this means that, for 2021, part of the SNCF Group's activities are "eligible" for an analysis on the two climate objectives.

In a second phase of work, to be carried out in 2022, the "aligned" activities in these eligible areas will be measured.

Within the meaning of the taxonomy, an activity is aligned if it contributes substantially to all or some of the environmental objectives of the taxonomy⁴, without collateral effects on other environmental objectives and while respecting social minima. The alignment of activities will be measured progressively for each of the six environmental objectives until 2023.

This combination of a financial valuation of perimeters associated with environmental issues and social minima is one aspect of an integration approach between non-financial and financial information. It results in the presentation of revenue, CAPEX and OPEX for 2021 on the eligible scope. For 2022, these 3 indicators will be determined on the scope of aligned activities.

3.5.3 Positioning of the SNCF Group

The SNCF Group entities are eligible for the following business sectors of the taxonomy:

- 3 - Construction and renovation of rolling stock
- 6 - Transport and related activities,
- 7 - Real Estate

The correspondence with the taxonomy was established by using the NAF & NACE codes of the Group's entities to link them to the associated business sector in the taxonomy. This approach has been refined and extended in some cases. Foreign entities, which do not have NAF & NACE codes, have been classified based on the description of their activities. Entities with multiple and significant activities have been assigned to different business sectors of the taxonomy.

The eligible scope thus defines the structure of the groups of activities whose alignment will be measured in 2022.

Across the board, the performance indicators were calculated using contributory data to ensure consistency with a consolidated view of the group's financial data. An incremental approach was adopted based on entity data. It highlighted the diversity of the SNCF Group's activities: some are homogeneous with regard to the sub-sectors of the taxonomy, others are more composite.

3.5.4 Eligible revenue

The eligible revenue for the SNCF Group is €26.6 billion. It represents 77% of the Group's revenue, i.e. an eligibility rate of 77%.

More details on the Group's overall revenue can be found in the consolidated financial statements Note 3.2.

The table below details the main eligible activities that make up this revenue.

Eligible revenue (€m)	31/12/2021
6.1 - Intercity passenger rail transport	13,734
6.2 - Rail freight transport	1,320
6.3 - Urban and suburban transport, road passenger transport	4,769
6.6 - Road freight transport	3,587
6.14- Rail transport infrastructure	2,509
Other transport activities	392
3.3 - Low carbon manufacturing technologies for transport	160
7.7 - Acquisition and ownership of buildings	144
Total eligible revenue	26,614
Group revenue	34,752
% revenue eligibility	77%

The SNCF Group's eligible revenue covers the following activities:

- Transport activities such as rail, road, sea
- Activities associated with the management of railway infrastructure (rail network and stations)
- Rolling stock maintenance and upgrade activities
- Real estate related activities

The non-eligible scope concerns the following activities of the Group:

- Concessions of commercial space in railway stations
- Air freight
- Sea freight in the case of space charters on multi-carrier vessels
- Brokerage, parking and other services

Revenue has been valued on a contributory basis, thus eliminating reciprocal transactions (intercos) between Group entities. In some cases, the analysis of an entity's general eligibility had to be refined to take into account the diversity of activities of certain entities in the group, and thus refine the matching with activities in the taxonomy.

The high eligibility of rail transport activities is a recognition of the importance of this sector for the transition to a sustainable economy. The alignment measures to be carried out in 2022 will assess the sustainability of these resources in greater detail. These measures will inform the business decarbonisation strategy as described in the Management Report, section 1.5 A responsible Group.

3.5.5 Eligible CAPEX

The SNCF Group's eligible CAPEX represents 96% of all CAPEX⁵, i.e. an eligibility rate of 96%.

Eligible CAPEX consists mainly of the following investments:

- Renewal and renovation of railway infrastructure (tracks and stations)
- Acquisition of electric rolling stock: trains, trams
- Acquisition of thermal rolling stock: buses, trucks
- Renovation of rolling stock
- Real estate investments (acquisition of sites, renovation of assets)

² https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

³ https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-2_en.pdf

⁴ According to technical criteria defined in the taxonomy delegated acts

⁵ Including acquired and produced investments and IFRS 16 restatements

According to the definition of the taxonomy delegated act, CAPEX consists of investments acquired or produced by the group and those associated with contracts restated in application of IFRS 16.

This overall eligibility of 96% is reflected in the following activities of the taxonomy framework.

Eligible CAPEX (€m)	31/12/2021
6.1 - Intercity passenger rail transport	481
6.2 - Rail freight transport	385
6.3 - Urban and suburban transport, road passenger transport	293
6.6 - Road freight transport	522
6.14 - Rail transport infrastructures	6,561
Other transport activities	49
3.3 - Low carbon manufacturing technologies for transport	629
7.7 - Acquisition and ownership of buildings	298
Total eligible CAPEX	9,219
Group CAPEX	9,610
% CAPEX eligibility	96%

(*) of which:

Investments in property, plant and equipment and intangible assets (see Note 4.2.4 to the annual consolidated financial statements) 8,440

IFRS 16 leases (see Note 4.2.3 to the annual consolidated financial statements) 976

Scope entries (included in Change in Group structure Notes 4.2.3 and 4.2.4 to the annual consolidated financial statements) 194

The high eligibility of the SNCF Group's CAPEX is linked to the predominance of investments in infrastructure and rolling stock, corresponding directly to the taxonomy activities. The alignment measures to be carried out in 2022 will assess the sustainability of these resources in greater detail.

Generally speaking, CAPEX includes both recurrent investments, maintenance of railway apparatus in operational condition and investments in the transformation and modernisation of facilities and equipment.

As part of its decarbonisation strategy, the Group has undertaken actions to renovate its real estate and transform its rolling stock

– Renovation of buildings: insulation, change of boilers, installation of photovoltaic panels

– Equipping thermal equipment with a dual-mode engine

– Installation of driving optimisation equipment on board trains

– Research and development on energy alternatives

Special cases of concession financial assets - IFRIC 12

Concession financial assets correspond to financing and operating contracts for rolling stock concluded with the Transport Organising Authorities (TOA). From an accounting point of view, these agreements are recorded as financial assets in the Group's financial statements (see annual consolidated financial statements Note 3.3 Service concession agreements). Technically, they correspond to investments in rolling stock and, to a lesser extent, in railway infrastructure. In 2021, the cash flows associated with these agreements amount to €1,853m.

The definition of the taxonomy regulation does not provide for the inclusion of this type of asset in CAPEX. They

therefore do not contribute to the calculation of the 96% overall eligibility of the Group's CAPEX. They are mentioned for information purposes, taking into account the industrial measures that can be adopted for these assets and their integration in sector investments (see consolidated financial statements Note 3.1.3). Their eligibility would be 100% and would lead, according to their nature, to their allocation as follows to the following activities of the taxonomy:

6.1 - Intercity passenger rail transport

6.3 - Urban and suburban transport, road passenger transport

6.14 - Rail transport infrastructures

3.3 - Low carbon manufacturing technologies for transport

In general, the SNCF Group's CAPEX has been identified using a two-pronged approach.

For the Group's service providers, an approach by nature has been favoured for matching with the activities of the taxonomy. This classification by nature aims to better prepare the determination of the sub-scopes of analysis for the alignment tests by favouring the technical nature of the CAPEX.

For single-activity entities or those carrying out a transport activity or subsidiaries, CAPEX has essentially been identified according to their allocation scope.

3.5.6 Eligible OPEX

Eligible OPEX for the SNCF Group amounts to €6.8 billion. This represents 94% of the Group's OPEX, i.e. an eligibility rate of 94%.

The percentage of eligible OPEX corresponds to the proportion of eligible expenses in relation to a selection of so-called "qualified" expenses: eligible expenses/qualified expenses.

The qualified expenses were selected in accordance with the guidelines of the Taxonomy Regulation and AMF recommendations:

– Selection of expenses associated with maintenance, servicing and research and development operations

– Excluding current operating expenses such as infrastructure fees, energy, as well as large and multiple use accounts such as subcontracting or temporary work.

Qualified expenses are included in all purchases and external charges (see consolidated financial statements, Note 3.4.1)

The SNCF Group's eligible OPEX mainly concerns the maintenance and servicing of the infrastructure (tracks and stations) and rolling stock. It also includes research and development costs (engineering, architecture).

3.5.7 General eligibility of group entities

In general, the high eligibility of the indicators: 77% for revenue, 94% to 100% for OPEX and CAPEX means that the Group must perform a detailed and extensive analysis of its activities with regard to the alignment criteria.

With its inclusive approach to environmental issues, the taxonomy will help structure the many actions already launched in the Group as part of its CSR strategy and give them an integrated financial representation.

4. DEVELOP THE SHARE OF RAIL AND SUSTAINABLE MOBILITY

4.1 ENSURE THE FUNDAMENTALS OF SAFETY, PUNCTUALITY AND PASSENGER INFORMATION

4.1.1 Context

To share a common culture of operational excellence on its fundamentals, SNCF has set up cross-functional programmes that permeate and nurture the daily actions of the Group's five railway companies: PRISME on rail safety, H00 on punctuality and Information FIRST on passenger information.

For more details, see the Management Report, Vigilance Plan, chapter on Health and safety of individuals

4.1.2 Our commitments

Ensure better customer service in terms of safety, information and train punctuality to increase the share of rail.

4.1.3 Safety policy and actions

SNCF Safety: the PRISME programme

The safety of customers, staff and subcontractors is SNCF's top priority and part of its identity. Since 2015, SNCF has been working to transform safety management with its PRISME programme to strengthen the safety culture within the Group's various entities. Its principles, set out in the commitment charter signed in October 2021 by the chairmen of the Group's five railway companies, include:

- Encourage spontaneous reporting of incidents to better prevent them
- Simplify procedures for all actors contributing to safety to facilitate their adoption
- Analyse risks upstream and downstream to prioritise actions
- Create the managerial conditions to empower staff

A Fair & Equitable approach, life-saving rules, risk-based management, managerial transformation, updated audits and monitoring, taking into account organisational and human factors... The projects undertaken over the last six years have helped to integrate the highest safety standards in behaviour. Result: PRISME halved the number of remarkable safety events (RSE) in 2021 compared to 2015.

Key indicator

	2019	2020	2021
Remarkable safety events (RSE) (number) - 5 SAs	164	184	158

The results have improved compared to 2020, an atypical year, continuing the trend observed for several years.

Integrate a participatory, proactive and integrated safety culture by 2026

Since 2020, the programme has relied on collective intelligence to establish a lasting safety culture in all the Group's railway companies. For example, Safety cafés encourage the sharing of good practice among peers and the expression of needs. The definition of managerial, organisational and operational standards is an illustration of this with:

- The establishment of a safety contact and a database open to all establishments
- The deployment of a grid to assess the level of maturity of the transformations brought by PRISME in the

teams. This approach is integrated into the General Safety System (GSS) of SNCF Voyageurs and SNCF Réseau.

- Support for teams in times of health crisis, who are more often exposed to the risk of error when faced with organisational changes in activities.

SNCF is developing a risk-based approach everywhere and for everyone and the use of "see it/report it", as well as exemplary management, particularly through safety training. The company continues to rely on an international committee of experts for advice and insight in its safety management. Finally, as part of the corporate project, safety and security, along with ethics, are the foundations of the "Maison Tous SNCF".

Health crisis: SNCF looks after its customers' health

On long-distance trains. SNCF organised the implementation of massive checks of its customers' health passes from 9 August 2021. More than 200 employees and service providers are mobilised full time for this mission in some twenty stations in France, with the support of rail security or the police. To facilitate these checks, SNCF Voyageurs and SNCF Gares & Connexions have set up a comprehensive information system (SMS, posters in stations, emails, etc.) reminding passengers of the obligation to present a health pass to travel. Furthermore, SNCF has planned three measures to make travel easier for its customers:

- Priority access wristbands to avoid waiting for boarding for travellers whose health pass is in order and arrive early at the station.
- Priority access antigen tests to allow travellers who do not have a health pass but have a day ticket to return to their train in case of a negative result or another train in case of a positive result.
- The "Prêt à voyager" platform, a free and optional service, to link the health pass to the online ticket before going to the station and save time when boarding the train.

Find out more > [Prêt à voyager](#)

On daily trains where the health pass is not mandatory. SNCF has continued to apply health protocols as part of the "En train, tous responsables" charter. On the Transilien network:

- The trains are cleaned and disinfected at least once a day, as are the stations. Hand sanitiser dispensers have also been installed in more than 100 stations.
- To encourage passengers to respect protective measures, audible announcements are broadcast in stations and on platforms, 250,000 stickers allow passengers to make a contactless journey and floor markings to respect physical distancing. This message is regularly relayed on line blogs and Twitter feeds.
- To reduce queues, it is possible to buy or top up tickets online. Finally, to avoid overcrowding on the trains, passengers are invited to postpone their journeys until after rush hour.

The same approach is applied in all TERs.

Find out more > [The "En train tous responsables" charter](#)

The safety culture at Keolis

The Keolis Group's safety policy, drawn up by the parent company, covers both health and safety at work and operational safety. Based on a common organisational and management base, it is applied in all French and international entities, depending on their regulatory context and the specificities of the mobility services operated. With

the ultimate goal of "Zero responsible fatalities" for passengers, employees and third parties, the Keolis group provides the necessary support locally. It also ensures continuous improvement, develops the exchange of good practice and organises feedback.

The safety policy was revised in 2021 to better reflect the challenges of the Keolis group. In 2021, the objective was to verify locally the robustness of prevention and protection measures. This is why feedback has been strengthened, enabling the subsidiaries to take into account the various recommendations.

Example of good practice: driver assistance at Keolis Lyon

Road accidents in urban areas, which are still frequent, are often linked to the difficulty for a bus driver to assess the overall situation around his vehicle. Thus, after testing driver assistance devices in 2020, Keolis Lyon experimented with rear-view cameras. The result is conclusive: replacing bus mirrors with cameras significantly improves safety with wider viewing angles, reduced blind spots and all-weather day and night visibility.

The Lyon region's mobility authority (AOMTL, formerly SYTRAL) has therefore decided to equip a majority of vehicles with this system, with the aim of reaching over 80% of vehicles equipped by 2026. This innovation project is supported by the MAIF Foundation, which chose this initiative to assess its benefits.

4.1.4 Policy and actions on punctuality

SNCF Robustesse: the H00 programme

The objectives of the H00 programme are to improve the on-time performance of departing trains and ensure a better service for the customer. The application of operational and design standards resulted in an 8-point improvement in punctuality in 2021 compared to 2017.

In the context of the 2021 pandemic, which is disrupting organisations and transport plans as well as customer mobility, the results of the H00 programme have improved. Thanks to the commitment of the employees in the various companies (SNCF Réseau, SNCF Gares & Connexions, SNCF Voyageurs), SNCF achieved an annual departure punctuality rate of 88.4% for a target set at 88%.

In 2022, six priority areas of the programme will help further the actions and improve the maturity of standards with an 89% departure punctuality target for all SNCF Voyageurs activities.

Improve the handling of abandoned luggage

Abandoned items in stations and on trains have become a major cause of delays and malfunctions for the railway system. The phenomenon has increased significantly in the last two years. In October 2021, SNCF decided to launch the "Improve the handling of abandoned items" programme, to strengthen coordination between the Railway Safety teams and all the activities concerned: SNCF Voyageurs, SNCF Réseau, SNCF Gares & Connexions. The aim is to identify actions to better reconcile high levels of safety and production quality rapidly and in the long term.

In 2021, abandoned items caused 620,000 lost minutes (three times more than in 2018) and 3,000 cancelled trains. This represents more than 12 million passengers affected and is the main cause of delays on TGV and Intercity trains.

This high growth can be explained by sociological factors linked to the health crisis. Travellers, confronted with new and potentially destabilising habits (wearing masks,

checking health passes, etc.), sometimes pay less attention to their personal belongings.

A project manager was appointed in October 2021 to lead the programme.

4.1.5 Policy and actions on passenger information

SNCF Information: the Information FIRST programme

In 2021, after a year of health crisis, the objective was:

- To respond as close as possible to passengers' expectations for their return to trains
- To meet the challenges of market opening and end-to-end performance.

After four years in place, the Information FIRST programme, which focuses on passenger satisfaction in disrupted situations, has succeeded in furthering the performance improvement process initiated in 2020, despite a tight budget. To achieve this, two leitmotifs have set the pace for the daily work of the programme and all the teams contributing to passenger information: improve the responsiveness of passenger information and strengthen the field presence and commitment of employees.

Outcome: in 2021, customers rated passenger information significantly higher on average than in previous years: 6.2/10 compared to 5.8 in 2020 and 5.7 in 2017, when the programme was launched.

Customer satisfaction in 2021 compared to the promises made:

- Responsiveness: in the event of an incident, give each customer an initial estimate of the delay within 10 minutes. Promise kept at 85% compared to 70% in 2020.
- Anticipation: in the event of a problem, inform each customer of the delay. Promise kept at 80%.
- Preparation: in the event of planned disruption, inform each customer at 5pm on D-1. Promise kept at 99%.

Furthermore, the programme's 80% target for using crisis management scenarios was achieved by August 2021. A 100% rate was attained for the managerial monitoring of team business actions at the end of the year.

SNCF has furthered its commitment to passenger information, including:

- Implementation of robust and economical information systems to improve the responsiveness of passenger information.
- Support for numerous projects to renovate transport and station operational centres to make them places of pride and excellence: 12 projects completed and commissioned, 26 projects underway.
- Professionalisation of crisis management with training, role-playing and the creation of a live news feed to report facts live.
- Creation of a community of passenger information ambassadors with 50 ambassadors from all professions responsible for reporting and dealing with "irritants".

In 2022, "Information concerns everyone!"

After a significant progress made in 2021 in terms of results, the objectives set for 2022 aim to reinforce the appropriation of business practices and actions in passenger information to uphold the promises made to customers.

One of the programme's priorities will be to develop innovative projects to better meet the expectations of transport operators and passengers, particularly in a highly competitive context. Passenger information must provide the SNCF Group with a competitive edge and

achieve excellence with the 2024 Olympic and Paralympic Games in mind.

4.2 ENSURE SAFE TRAVEL

4.2.1 Context

Ensuring safety on train journeys, in stations and on all urban networks is an integral part of the services offered to passengers. The choice of whether or not to use public transport depends on it. This is why all types of safety breaches must be addressed, including sexual and gender-based violence, anti-social behaviour and the risk of terrorism.

For more details, see the management report:

Vigilance plan, chapter on Health and safety of individuals
Risk management and control system

4.2.2 Our commitments

Ensure the safety and tranquillity of passengers through a targeted security policy.

4.2.3 Policy and actions

SNCF must ensure the safety of its passengers and the goods entrusted to it by shippers. To this end, it rolls out a comprehensive integrated security policy to continue implementing security measures that combine:

- Internal resources
- A partnership with the internal security forces (police, gendarmerie, customs) and public prosecutors
- The use of private security companies for security missions.

Safety of people and property at SNCF...

Human resources are at the heart of the system, so SNCF is committed to deploying the right technological tools and organisations to improve their efficiency and provide the best possible protection for people and property. SNCF has an internal security service of 2,800 people, the Surveillance Générale, spread throughout the country, who can intervene on behalf of all railway system players, in accordance with legislation. In particular, it has helped apply health protocols since the beginning of the pandemic, in connection with the "En train, tous responsables" charter.

... and at Keolis

The security policy in all the commercial entities of the SNCF subsidiary is also based on the development of human presence on the networks, with staff and private service providers trained in prevention, deterrence and repression, equipped with appropriate technical devices, and working in cooperation with the internal security forces.

In 2021, partnerships with the national police, municipal police and the national gendarmerie were strengthened throughout the country.

The prevention of anti-social behaviour in Île-de-France

The use of audio devices, keeping doors open, smoking in stations or on trains, various forms of damage or failure to respect protective measures... Anti-social behaviour, even if it may appear harmless, disturbs travel and sometimes constitutes an obstacle to the use of public transport. The inconvenience caused is all the greater as it occurs in a confined environment.

Social mediation. In terms of prevention, Transilien deploys social mediators in the Île-de-France region to reach out to travellers and ease tensions on a daily basis. Through dialogue, they can encourage behaviour that is more compatible with the customs of life in society.

Otherwise, railway security officers intervene to fine offenders.

Anti-social behaviour related to protective measures.

In 2021, much of the anti-social behaviour in the Île-de-France region was related to non-compliance with health regulations. Security teams were forced to fine people who were travelling without protective masks or without a certificate on the rail network, when reminders of the rules proved unsuccessful. Not wearing a mask accounted for 44% of the anti-social behaviour observed at stations.

Since the start of the pandemic, a total of more than 1,900 SNCF staff have been checking that masks are worn in the Île-de-France region, including 1,200 railway security staff and 700 ticket inspectors. Result: more than 25,721 tickets were issued on Transilien lines between May 2020 and December 2021.

The fight against sexual and gender-based violence

In the five railway companies of the SNCF Group

After studying the types of offences reported to better target the phenomenon and raising the awareness of security agents to assist in filing complaints, with police support, SNCF has trained its staff to deal with sexual and gender-based violence.

Since 2021, the SNCF alert telephone number 3117, on the smartphone app or by text message (31177), is now handled by the National Centre for Railway Safety. Furthermore, the position of officer for the fight against sexual and gender-based violence was created in June 2021 for the Group's five railway companies. The first actions include: adapted procedures for better care and giving complainants a reminder card with the contact details for 3117 and the website

<https://arretonslesviolences.gouv.fr>

Between January and November 2021, there were 171 arrests for sexual offences. During the same period, 156 reports were issued for sexist offences against female customers. These results were gathered thanks to the exercises carried out by plainclothes security officers, especially during the summer.

At Keolis

This public policy is a top priority for Keolis. In 2021, it resulted in an action plan that was rolled out in three stages:

- Develop awareness and training for all staff through dedicated Stand'Up sessions and the creation of a specific e-learning module.
- Sign a sponsorship agreement with the Fondation des Femmes to commit the Keolis group to the fight against violence against women and for gender equality in the long term.
- Provide the subsidiaries with a preventive communication campaign for passengers with two types of message: one stating "On our lines, it's no! to condemn in particular sexist insults and the other stating "It's yes on all our lines!" to take action against gender-based violence. It is aimed at both victims and witnesses as well as aggressors, and recalls in particular the number 114 which makes it possible to send an alert discretely by SMS, as well as the number 3919 set up to help women victims of violence (marital, sexual, psychological). Launched on 25 November 2021, the National Day against gender-based and sexual violence, the campaign was visible in a dozen agglomerations in Île-de-France, as well as in Chambéry, Châteauroux and Orléans.

In parallel with the Keolis Group's action plan, several initiatives were launched on numerous networks in 2021 in France and abroad, such as the deployment of the "request stop" system on more than ten French networks.

Involvement in schools to reduce risks and anti-social behaviour

For more than 20 years, SNCF has been running awareness-raising campaigns in schools and colleges to prevent rail risks (electrical risks, crossing tracks, etc.) and encourage good conduct to reduce anti-social behaviour and malicious acts on board trains, in stations and in all railway areas.

Outside of health crisis periods, more than 200,000 young people are educated each year through the School Intervention system (IMS). In 2021, they numbered 125,880. The initiative is run by 500 volunteer SNCF staff from all professions, who have been specifically trained to understand the public and the prevention messages to be conveyed according to their level of education.

SNCF visits schools near railway tracks, when risky or anti-social behaviour has been reported, or at the request of teachers or school heads. In 2021, SNCF renewed its commitment to the French education system, which began in 2006. The programme of this "Voyageur et Citoyen" partnership includes a shock awareness campaign in virtual reality in the "2h38" high school module. Initiated by SNCF Réseau, it was launched in 2018 to raise awareness among young people of the dangers of trespassing on railway rights-of-way.

[Read more > The 2h38 campaign on sncf.com](#)

Key indicators

	2019	Dec 2019 to Nov 2020	Dec 2020 to Nov 2021
Physical attacks on customers and SNCF agents and simple theft against customers (number) – 5 SAs	12,064	9,257	11,642
Malicious acts against property and financial assets (number) – 5SAs	21,265	17,793	19,984
Anti-social behaviour and breaches of legislation (number) – 5SAs	207,980	267,234	368,271

The increase in the number of anti-social behaviour incidents in 2021 was linked to the failure to comply with health measures in stations and on trains.

Cybersecurity: a must for railway safety

Digital technology is playing an increasingly important role in the daily lives of our employees, in the business processes of our activities and for our customers. To counter cyberattacks, which have been on the increase since the health crisis, and prevent rail production from being halted, SNCF has developed a defence strategy and drastic controls on the efficiency of the protection systems in place.

In addition to its compliance actions and the tightening of the protection of its conventional and industrial information systems, it has deployed a cybersecurity operational centre (COC) for the past three years which supervises alerts and weak signals of attacks. A veritable cyber control tower, it significantly improves the Group's ability to detect and deal with cyberattacks:

- **A first team is in charge of monitoring, prevention and detection**, with mechanisms to control and block non-compliant access and unsecured devices. And

because human vigilance is undoubtedly the best defence against cyber attacks, these technical solutions are accompanied by awareness-raising initiatives for all employees, in particular via an e-learning programme launched in December 2021 to develop their daily cyber vigilance.

- **A second team works on attack scenarios** to contain intrusion attempts as soon as possible when they occur.

Cybersecurity therefore focuses on protecting people, data and infrastructure against cyberattacks likely to generate three major risks for businesses:

- Total or partial unavailability of information systems and/or industrial systems
- Loss of data integrity (protection)
- Sensitive data leakage or theft

The rules and objectives are defined by the SNCF Group's general information systems security policy (Group ISSP), through major information systems security principles.

They are then set out in a general repository of cybersecurity operational guidelines and driven by risks in a process of continuous improvement and compliance with laws and regulations.

For more details, see the Management Report, chapter on Risk management and control systems, Information systems risks section.

4.3 PROVIDE A SUSTAINABLE NETWORK FOR THE REGIONS

4.3.1 Context

More than a means of transport, the freight or passenger train is a real lever for regional development and revitalization. At the end of the health crisis, SNCF wishes to strengthen its partnership strategy with each region and drive each region's economic recovery. This notably involves accelerating renovation and optimising the service offer for the network of minor historical regional lines. Furthermore, the changing governance of these lines and the gradual opening up of the regulated markets to competition require closer dialogue with the transport authorities to anticipate changes in infrastructure use.

4.3.2 Our commitments

Work alongside local authorities by preserving minor regional historical lines.

4.3.3 Policy and actions

With various functionalities (peri-urban and inter-city links, low-density regional services, etc.) and uses (types of trains, number of journeys, etc.), the minor historical regional lines have been the subject of increasing investment over the last few years, both in terms of rolling stock and infrastructure renovation.

In 2020, SNCF Réseau committed €419 million in renewal investment on minor historical regional lines, i.e. double the annual average for the 2015-2018 period. In 2021, the effort was continued to reach approximately €450 million for the scope of these lines. With the draft performance contract between the State and SNCF Réseau, the trajectory should reach at least €600 million by 2024. The 14 current minor historical regional lines will be also reintegrated into the backbone network, with a total budget of €638 million between 2024 and 2030.

This momentum will continue with the implementation of the State's action plan with the regions, following on from the report by Prefect Philizot. It is set out in protocols between the State and the regions for each territory, setting out the rules for financing the lines.

By the end of 2021, five memoranda of understanding had already been signed with the Centre-Val de Loire, Grand Est, Provence-Alpes-Côte d'Azur, Bourgogne-Franche-Comté and Nouvelle-Aquitaine regions, and four others were in the process of being agreed or signed.

MINOR HISTORICAL REGIONAL ROUTES KEY FIGURES



The revival of minor historical regional lines

To help the financial effort, the rail component of the Recovery Plan allocates €620 million to minor historical regional lines, including €300 million in direct State grants for the project and €320 million allocated to SNCF Réseau. It will be combined with the commitments of many regions and contractualised in the next State/Region plan contracts (CPER) for the period 2023-2027.

Partnership approach within the framework of the French Mobility Law (LOM)

At the same time, the company is developing a partnership approach to build, with the State, the regions, local authorities and operators, an adapted and innovative response for each line.

SNCF Réseau is therefore working to support regions wishing to benefit from the possibility of transferring infrastructure management missions introduced by Article 172 of the LOM. This requires considerable efforts to identify and make data available, build economic and social impacts and build future interfaces, while ensuring that the most optimal solutions are proposed in terms of quality of service, and guaranteeing safety.

The publication of the implementing decree of 31 December 2020 (No. 2020-1820) defines the framework for implementing these transfers. The first Region to have taken this step is Occitanie which, since September 2021, has been authorised to take over the complete management of the Montréjeau <> Luchon and Alès <> Bessèges lines, with a view to reopening these lines. Exchanges were also very active with the Grand Est Region to offer prior support to the launch of its calls to tender for the first lines whose management it wishes to take over.

A guide to rethinking minor historical regional lines

Since September 2018, SNCF Réseau has published a methodological guide offering its stakeholders a new approach to building a future for "minor railway lines". This guide outlines solutions to optimise the costs of renewal and management of these lines. Updated regularly, it is based both on a method to better define the characteristics of line renewal (mobility needs to be met, definition of services, proper sizing, etc.) and on a series of optimised technical solutions, by theme. The result is a range of operations ranging from the use of the "factory train", e.g. for the renewal of the Libourne <> Bergerac line in 2019, to specific solutions providing for the reuse of tracks and the reduction in the number of sleepers, e.g. for the Avranches <> Dol line.

A 3rd edition was published in July 2021. It mainly incorporates the legislative and regulatory changes that have taken place and the innovative approaches that have

been introduced for "minor railway lines". Furthermore, a new chapter is devoted to rail network economics to better integrate the approach into its economic environment.

Find out more > [Guide to the rural lines in the territory Occitanie - SNCF agreement to reopen minor lines](#)

As part of its partnership strategy with the Occitanie Region, SNCF, via SNCF Réseau, set up an agency in October 2021 dedicated to the implementation of the "Rail Plan" approved by the Regional Council on 19 November 2020. It is an ambitious programme worth €800 million financed by the Occitanie Region over the period 2022-2033, which involves the reopening of five lines: Alès <> Bessèges, Montréjeau <> Luchon, Rodez <> Séverac, Limoux <> Quillan, the passenger service on the right bank of the Rhône and the renewal of minor historical regional lines. The Occitanie Region and SNCF Réseau wished to sign an agreement in which the region commits to a level of financing while SNCF Réseau commits to mobilising a dedicated team.

Thus, from 2021, more than 20 employees will be dedicated to the Rail Plan Agency and 50 additional jobs will be assigned to engineering and project management for the Rail Plan between now and 2025. In total, nearly 300 people, both internal and external, will be mobilised each year for the renovation of the Occitanie lines.

Reopening of the La Roche-sur-Yon<>La Rochelle line

In July 2021, SNCF Réseau reopened the section of the Nantes <> Bordeaux line between La Roche-sur-Yon and La Rochelle to rail traffic. SNCF had suspended it for 19 months to carry out a complete renewal of the track and modernise the signalling. This operation is representative of the approach proposed by the methodological guide, and moreover on a TET (train d'équilibre du territoire) route. The project includes a reduction of the line from two tracks to one (at least in the transitional phase), with a new signalling system in parallel, compatible with future ETCS (European Train Control System) standards. Under these standards, an equivalent amount of online capacity can be offered, while reducing renewal costs.

The operation was financed by the State, the Pays de la Loire and Nouvelle-Aquitaine regions and SNCF Réseau, to the tune of €155 million, within the framework of the CPERs.

The four bridges of the renovated Valenciennes<>Lourches line

Carried out between January and August 2021, the aim of the modernisation work on this section of the Hauts-de-France Region's railway was to ensure the continuity of passenger and freight traffic on the 16 km of line. By renewing the rails, ballast and sleepers, SNCF is improving passenger comfort and enabling trains to return to their original running speed of 90 km/h on this line (limited to 60 km/h prior to the work). This rail service continuity thus guarantees the region's economic vitality.

This defining project consisted of renewing 16 km of track components, renovating the hydraulic structures under the tracks, removing a bridge and replacing three railway bridges. The overall programme for the operation was undertaken under the State-Region plan contract for €33.18 million, with the Hauts-de-France Region contributing 75.02%, the State 16.48% and SNCF Réseau 8.5%.

Reopening of the Clermont-Ferrand<>Béziers line, known as the "Causses Line" or "Aubrac Line"

After the discovery of a track deformation despite recent work, it was decided in December 2020 to close the

northern part of this line over 55.9 km: Neussargues - Saint-Flour - Saint-Chély d'Apcher.

This line therefore underwent emergency repairs for nine months in 2021. Indeed, passenger traffic had to quickly be restored, as well as freight traffic as the line serves the Arcelor Mittal factory in Saint-Chély d'Apcher.

Numerous operations have been carried out on this 277 km long line: replacement of sleepers, re-gauging of tracks, renovation of engineering structures, safety of rock faces, renewal of electrical equipment. This work has made it possible to increase the speed of trains from 40 to 55 km/h.

Reopened in November 2021, the line will however have to be reinforced by a more extensive renewal to ensure sustainable operation.

The cost of these emergency repairs amounts to €11.47 million, divided into three thirds between the State and the Occitanie and Auvergne-Rhône-Alpes regions.

Reopening of the Breil<>Ventimiglia line in the Roya Valley

The floods of October 2020 in Alpes-Maritimes revealed the strengths of the railway and the fragility of the road infrastructure in the Roya Valley. Indeed, the TER line was hardly affected, unlike the roads, and thanks to the mobilisation of all the local teams, it was able to resume operation quickly over a large part of the route.

After seven months of work, rail traffic was able to resume fully on the Nice - Breil - Tende - Cuneo route on 3 May 2021. The work undertaken from June to December 2021 to the south of Breil-sur-Roya enabled traffic to resume between Breil-sur-Roya and Ventimiglia on 22 December 2021.

Additional work will be carried out in 2022 on the entire line, particularly on the hydraulic system.

The cost of the work is estimated at €30 million (for the French part, from border to border), of which €10.5 million from the State, €7.5 million from the region, €2 million from the department and €5 million from RFI (Rete ferroviaria italiana).

[Read more > Maps of the main railway projects in 2021](#)

4.4 REINVENT PASSENGER MOBILITY

4.4.1 Context

The pandemic, competition between different modes of transport and the intensification of trade are changing the contours of mobility for travellers, with a growing demand for environmentally friendly and fluid mobility. Aware that the development of low-carbon transport is a major challenge for the ecological transition, particularly for everyday journeys, SNCF is working with the transport authorities to develop active mobility, such as intermodality between bicycles and the train, tram and bus. The Group is thus positioning itself as a committed and voluntary player, in line with the objectives set by the French Mobility Law (LOM) to triple the modal share of bicycles by 2024.

4.4.2 Our commitments

Offer multiple modes of transport that are responsible and adapted to the expectations of our customers and the regions.

Decarbonise mobility and develop the use of bicycles combined with trains, contributing to the national objective of tripling the modal share of bicycles from 3% to 9% by 2024.

4.4.3 Policy and actions

Against the backdrop of the pandemic and climate emergency, the SNCF Group seeks to reinvent passenger mobility to improve sharing and sustainability.

After the deployment of "PlaneTER" in 2020, whose motto is "+ TER, - CO2e", SNCF Voyageurs launched "Planète Voyages" in 2021, an environmental approach for long-distance trains.

SNCF proposes new offers adapted to the needs of each customer and region, highlighting the advantages of trains, whether daily, tourist, international or night trains. These offers highlight its intermodality with the bicycle, bus, tram or plane to ensure door-to-door travel.

The SNCF Group has set up a "cycling" stakeholder committee

While the health crisis has given a visible boost to cycling, SNCF has been working for years to encourage this active mobility near stations or on board trains to meet economic, climate, public health and quality of life challenges. Committed alongside the State and transport authorities to increasing the modal share of cycling, the SNCF Group set up a "cycling" stakeholder committee in 2021. The aim is to work with 14 cycling and environmental associations to develop relevant solutions for developing the use of bicycles combined with trains. This committee will evaluate progress every year on the basis of shared indicators, such as the number of secure bike shelters built around stations or the number of non-disassembled bicycle spaces sold on long-distance services.

Stations as hubs for sustainable mobility

SNCF Gares & Connexions has included in its 2020-2025 strategic plan the objective of having 90,000 secure bicycle parking spaces around stations by 2025. There are currently 26,970 secure bicycle spaces within the perimeter of the 1,075 largest stations in terms of passenger numbers.

Keolis, the SNCF Group's public transport subsidiary, offers 33,000 bicycles in 44 regions and 4,500 bicycle parking spaces in 25 French cities.

Key indicator

	2019	2020	2021
Number of secure bicycle parking spaces (number)	n.c.	20,254	27,010

In addition to parking, customer information and services related to cycling

and soft mobility are increasing. For example, SNCF Gares & Connexions' EMA (Espace Multimodal Augmenté) programme is being rolled out in 224 small and medium-sized stations to offer, in association with the train, an end-to-end low-carbon transport solution. The programme offers a wide range of services such as lockers for micromobility and self-repair stations with fuel pumps and electric charging stations. Furthermore, a complete signage system (masts, totems, markings, etc.) indicates to customers the nearby cycle paths, the main points of interest in the city and the journey time to reach them.

To encourage the use of bicycles, digital tools, such as the "My station" application, include new functions such as geographical identification of services and route calculation. In addition, one-off initiatives are offered to passengers in certain stations. For example, bicycle repair workshops were available to residents of Ile-de-France between May and October 2021 in 20 stations in the region.

Finally, the "1001 stations" programme, launched in 2019 to develop vacant spaces inside stations, is increasingly welcoming projects related to cycling. For example, the "Trace Verte" bicycle café set up in Mutzig station (Grand Est region) in July 2020 offers not only coffee and snacks but also bicycle repairs and hire.

An increasing number of bicycles on board

In all TGVs, bicycles that are dismantled and placed in a cover can now be taken as luggage. The number of spaces available in INOUI TGVs for bicycles that are not dismantled will increase. In 2021, 37% of the 319 INOUI TGV trains will be able to carry 2 to 4 bicycles. This will be increased to 43% of the stock by 2022. For OUIGO trains, the new "Vitesse classique" offer will provide two spaces per coach in spring 2022.

In 2021, a total of 211,659 bicycle spaces on TGVs (an increase of 24% compared to 2020) went on sale at a price of €10. This means an increase of 48% in sales compared to 2020, i.e. 50,116 bicycle spaces.

On the Nantes <> Bordeaux and Nantes <> Lyon Intercités lines, trains have six spaces per coach (reservation required, €5) and 12 in high season when they are doubled. By 2022, all night routes will have a minimum of two bicycle spaces. Lastly, 95% of TER trains now have dedicated spaces for bicycles, with an average of six spaces per coach.

TER's extended bicycle offer

TER, in conjunction with SNCF Gares & Connexions, supports the regions in their strategy to develop both everyday cycling and cycle tourism.

For home-work commuting, the Group is developing secure parking solutions or the provision of bicycles with SNCF Connect (formerly the Assistant SNCF).

During the summer, a partnership with France Vélo Tourisme provides a rental service near stations. On the "Vélodyssée", for example, in the Nouvelle-Aquitaine Region (Bordeaux <> Arcachon, Hendaye <> Bordeaux, Bordeaux <> La Rochelle lines), each train can accommodate between 17 and 25 bicycles in an adapted configuration, with a protective cover system on the seats. Following its success, this solution has since been extended to the regions of Brittany, Auvergne-Rhône-Alpes, Provence-Alpes-Côte d'Azur and Normandy.

The Pays de la Loire Region has invested €156 million in "Jumbo vélo" trains equipped with modular zones, enabling the number of bicycle spaces to be increased from 33 to 83 by the summer of 2021.

To ensure that no customer is left stranded, the regions of Brittany, Pays de la Loire, Centre-Val de Loire, Auvergne-Rhône-Alpes, Provence-Alpes-Côte d'Azur and Occitanie have introduced a compulsory reservation system for undismantled bicycles (free of charge to €3 depending on the region) for the summer of 2021.

Low carbon tariff: TER + museum or Intercités + monuments

In the summer of 2021, TER SNCF and the Juno Beach Centre joined forces to offer a special low-carbon rate to visitors to the museum. Located on the Normandy beach of the Anglo-Canadian landings, it was created as a tribute to the 45,000 Canadians who fell during the Second World War.

Aware of the need to reduce its environmental footprint, the museum, whose carbon footprint is 81% linked to visitor travel, wishes to raise awareness of low-carbon mobility. With a reduced-price ticket on presentation of an SNCF transport ticket for a journey to a Normandy station,

the Centre intends to reduce the CO2e emissions of its visitors and reduce its emissions by 5% per year by 2050 compared to its 2019 emissions (1,096.4 tonnes of CO2e for scopes 1, 2 and 3).

Another SNCF tourist partnership for the environment: Intercités has joined forces with the Centre des Monuments Nationaux, which administers more than 100 monuments in France. On presentation of their train ticket, passengers benefit from reductions on the entrance fee to selected monuments within the regions covered by the Intercités trains.

The revival of night trains in France and Europe

The year 2021 was marked by the launch in May of the Paris <> Nice night train, followed in December by the launch of the Paris <> Lourdes line with one return trip per day. These reopenings have been made possible by the State's France Recovery Plan, which earmarked €100 million in 2021 for the development of night trains in France. With this plan, these trains are gaining a new lease of life. Increasingly in demand for travel across France and Europe, they can also meet the needs of serving landlocked territories.

Furthermore, a €44 million renovation programme for all night trains (71 carriages) has also been underway since 2018 on the two current lines Paris <> Briançon and the Occitan*. The programme will be completed in May 2023; the Paris <> Briançon line is already equipped with fully renovated carriages that have improved soundproofing, on-board wifi and four bicycle spaces per train.

*Paris <> Toulouse-Latour-de-Carol and Paris<>Cerbère

In terms of cross-border night trains, a new Paris<>Vienna line was created in December 2021. It connects the two European capitals three times a week in one night and serves the cities of Paris, Strasbourg, Karlsruhe, Munich, Rosenheim, Freilassing (in the Vienna - Paris direction), Salzburg, Linz, St. Pölten and Vienna.

It follows the memorandum of understanding signed in December 2020 between SNCF and the Austrian ÖBB, Swiss CFF and German DB railways to build a European offer. Three more lines are planned by 2024: Zurich <> Cologne <> Amsterdam, Vienna/Berlin <> Brussels/Paris and Zurich <> Barcelona.

SNCF- Air France partnership with more trains

For 25 years, Air France and SNCF have been offering their customers a service that allows them to combine train and air travel in the same booking. Called "Train + Air" (formerly TGV Air) and used by more than 160,000 customers each year, it currently connects 18 stations to the Air France hubs at Paris-Charles de Gaulle and Paris-Orly airports.

From summer 2021, "Train + Air" will include seven additional routes:

- Between Paris-Charles de Gaulle and Aix-en-Provence TGV, Bordeaux Saint-Jean, Marseille Saint-Charles and Montpellier Saint-Roch
- Between Paris-Orly (via Massy TGV station) and Valence TGV, Avignon TGV, Marseille Saint-Charles.

With "Train + Air", customers are guaranteed a seat on the next available flight or INOUI TGV, free of charge, in case of train or plane delays. Air France and SNCF are currently experimenting with a new, fully digitalised customer journey that could become widely available in 2022.

4.5 REBALANCE THE SHARE OF RAIL IN FREIGHT

4.5.1 Context

Faced with the constant increase in the flow of goods, the development of rail freight is a solution to meet the ecological challenges of the regions and the needs of economic players, particularly due to its complementarity with other modes of transport. This is the belief of the European alliance "Rail Freight Forward" and its French counterpart "4F" (French Rail Freight of the Future) of which SNCF is a member.

[Find out more > Rail Freight Forward, Alliance 4F](#)

4.5.2 Our commitments

Propose low-carbon rail solutions to shippers and carriers to help double the modal share of rail freight from 9% in 2020 to 18% in 2030 in France and to increase it from 18% to 30% at European level.

4.5.3 Policy and actions

Rail freight emits nine times less CO₂e (14 times less for Fret SNCF) than road transport, and consumes six times less energy than road freight per tonne transported per kilometre. For companies and regions that are increasingly concerned about the environment, rail is a positive-impact, high-performance, low-carbon solution.

Furthermore, thanks to their synergy, the SNCF Group rail and logistics activities can offer shippers various end-to-end transport solutions, in France and throughout Europe.

Created in early 2021, Rail Logistics Europe brings together five companies:

- Fret SNCF, the leader in rail transport in France (individual wagons and bulk trains)
- The CAPTRAIN NETWORK and its European subsidiaries
- VIIA, the operator for the transport of trucks, semi-trailers or containers by train on "rail motorways"
- NAVILAND CARGO, the European leader in combined maritime transport
- FORWARDIS, expert in rail and the multimodal transport chain.

Together with the other railway companies of the 4F alliance, Rail Logistics Europe contributes to decarbonising freight transport in France. After proposing an action plan to the State in 2020 to double the modal share of rail freight in France, in 2021 Alliance 4F succeeded in having the objective of doubling the modal share of rail freight incorporated into the Climate and Resilience law. Thus, with the first investments in 2021 of the government's recovery plan for the development of rail freight, the alliance intends to participate actively in accelerating the country's energy transition.

These measures come against a background of high shipper satisfaction with freight in 2020 and 2021, reflected in an increase in intentions to use the rail mode.

The popularity of rail freight in the context of the health crisis

According to the results of the survey conducted by Eurogroup for the period 2020-1st half of 2021:

- 65% of shippers surveyed were satisfied or very satisfied with conventional rail transport, compared to 26% in 2020. Combined rail/road transport has an overall satisfaction rate of 64%, up 4 points compared to 2020
- 58% of shippers consider the organisation of rail freight in France to be easier to understand and clearer than before, up 9 points on 2020 and 16 points on 2019

- A quarter of the panel believes that the quality of service for rail transport has improved compared to the previous year, 27% for conventional transport and 25% for combined rail/road transport.

Focus on investments for freight...

The recovery plan for rail freight agreed in 2020 provides for €1 billion in investments by 2024. In October 2021, it led to the signing of the first four State financing agreements with SNCF Réseau, in the presence of Alliance 4F. Totalling nearly €50 million, they will be used in particular to:

- Accelerate the renewal of sidings, which are essential for a more robust rail freight operation.
- Launch studies to develop the infrastructure of the Boulou rail terminal towards the Perpignan <> Figueras international line and increase freight traffic to Spain, which is still mainly by road, and increase the electrical capacity of the main French route between Dijon and Lyon to accommodate longer and heavier trains.
- Develop services, such as a digital offer to automate the ordering of train paths to respond more reactively to the needs of railway undertakings.

... and on the pact to double the modal share of rail freight

These investments are also in line with the national strategy, which aims to double the share of rail in freight transport in France from 9% to 18% by 2030.

This national strategy, presented by the Ministry of Transport in September 2021, takes up the main recommendations of the 4F alliance report, which focuses in particular on the complementarities between the different modes of transport (rail, road, river and sea).

The presentation was followed by the signing of a pact between the State, SNCF Réseau, the 4F alliance and the shippers of AUTF (Association des Utilisateurs de Transport de Fret). Through this unprecedented approach, all the signatories commit to objectives and a method that will enable them to respond concretely to the four challenges of the national strategy:

- Ensure the sustainability of the business model
- Improve the quality of service
- Strengthen the performance of infrastructure
- In particular, develop coordination with the port and waterways.

Thus, in keeping with the aid measures announced in the summer of 2020 and those included in the 2021 finance law, the new strategy provides for an additional annual budget of €170 million until 2024 for operators. By doubling the share of rail freight in France, these investments would generate savings on the external costs of land freight transport of €25 billion between 2020 and 2040 (Altermind 2020 study).

Compared to road, per tonne transported per kilometre, rail represents:

- 3.5 times less external costs
- 8 times less harmful particulate emissions
- 9 times less CO₂ emissions
- 6 times less energy consumed

[Find out more > Report on doubling the share of French rail freight](#)

Relaunch of the Perpignan - Rungis service before a new rail motorway

This service was discontinued in 2019 due to a lack of customers and problems with the age and reliability of the

wagons. In September 2021, the State chose the SNCF Group's Rail Logistics Europe to provide a new logistical flow between the Occitanie Region and the Île-de-France. This link has two complementary offers:

- A transport service for fruit, vegetables and dry goods provided by Fret SNCF, with trains made up of 12 specially renovated refrigerated wagons that can hold the equivalent of one and a half trucks.
- A rail motorway service from VIAA will soon be in operation between Occitanie and Île-de-France. It will be added to the current lines which are used to transport more than 115,000 trucks per year and avoid 94% of CO2e compared to road transport.

Furthermore, at the end of December 2021, VIAA won the call for expressions of interest launched by the State for the launch of a rail motorway between Sète and Calais from the end of 2022. Its implementation will make it possible to avoid almost 14,000 lorries per year on the route.

Winning new customers through capacity management

In 2019, Fret SNCF deployed capacity management. The aim is to offer trains that run at regular intervals on predefined routes to give customers more opportunities to integrate their goods. Trains thus become reserves of capacity allowing shippers to reserve slots corresponding exactly to their needs.

In 2021, 80% of Fret SNCF's trains passed through these capacity management routes, which link all French regions to each other and to Europe. These trains allow shippers to gain in flexibility - batch format, order variations and activity peaks -, responsiveness and reliability. A new commercial offer will be launched in 2022 to accompany this deployment. By optimising the filling of trains, capacity management also enables customers to reduce the energy balance of the tonnes transported.

Partnership between SNCF and Voies navigables de France

On average, nine times less CO2e is emitted by rail freight than by road transport, and there are 200 fewer lorries on the roads for a single river convoy. As key players in low-carbon transport modes, SNCF Réseau and Voies navigables de France (VNF) signed an alliance in February 2021 to strengthen the complementarity between river and rail transport and thus jointly create a sustainable alternative to road transport.

This combined rail and inland waterway transport offer is relevant over long distances, thanks to the trains, and practical for entering the heart of conurbations with barges. For example, the Carrières du Boulonnais shipper already uses this combination to transport its materials to construction sites in Greater Paris.

4.6 PROVIDE ACCESSIBLE MOBILITY FOR ALL

4.6.1 Context

Making the train more accessible to all categories of travellers has become a vital issue at a time when competition is being opened up and low-cost services are being introduced, as well as during the health crisis. For the past two years, this has restricted travel in France and Europe and has had a lasting effect on travel habits, particularly for business. SNCF is responding with a new, adapted offer.

4.6.2 Our commitments

Develop personalised mobility offers at affordable prices.

4.6.3 Policy and actions

The health crisis has profoundly changed the mobility needs of French people, with a sharp decrease in "leisure" trips, very little anticipation of purchases and a marked slowdown in business trips due to the increase in working from home. Furthermore, a deterioration in the purchasing power of households will increase the need for mobility at more affordable prices.

To enable as many people as possible to travel, the SNCF Group strengthened its low-cost policy for the summer of 2021 with:

- The sale until the end of August of five million tickets for less than €39, including three million TER tickets for less than €10.
- The OUIGO low-cost offer will be extended to Spain in May 2021 and to conventional trains in 2022.
- A new range of fares adapted to new mobility needs, launched for the INOUI TGV, Intercités and the European offer (excluding Eurostar and Thalys). Simpler and at more affordable prices, even at the last minute, it also provides working from home rates.

Making it easier for everyone to get back on the train

By 2021, the SNCF Group will have recovered 80% to 90% of its passengers on daily transport - TER, Keolis bus and tram networks, Transilien - and the TGV.

The complete return of travellers to the train is uncertain while the epidemic continues. This year, SNCF has again made it possible to exchange all INOUI, OUIGO and Intercités TGV tickets free of charge.

A new and more advantageous long-distance offer

The overhaul of SNCF Voyageurs' fare offer was based on a broad internal and external consultation (employees, economic experts, user associations, etc.). In particular, it enabled the implementation of:

- Capped prices regardless of the day and time of booking with the new 30% "Avantage" discount card for young people, adults and senior citizens who travel regularly.
- Free exchange and refund up to three days before departure.
- A new price indicator on the SNCF Connect application (formerly OUI.sncf) with minimum and maximum prices, including the Avantage card discount if necessary.
- A simpler and more advantageous loyalty programme for 600,000 frequent travellers
- An annual working from home offer, including 250 journeys per year, i.e. two to three days worked from home per week.

With 100,000 Max Jeunes hyper-mobile travel passes and 3.8 million "Avantage" cards sold in 2021, 68% of which were by first-time buyers, the new fare range has been well received. A specific offer for senior citizens, currently being finalised, will be launched in 2022.

OUIGO is developing in France...

In eight years, the OUIGO low-cost offer, with its 41 direct TGV destinations, has already carried more than 70 million passengers, more than half of whom for less than €25. Despite the health crisis, four million passengers took the OUIGO TGV in the summer of 2021, almost 20% more than in 2019. The Group is expanding its low-cost sustainable mobility offer in France with the launch of new seasonal destinations: Quimper, Vannes and Lorient during the summer and the renewal of Bourg-Saint-Maurice for the 2021-2022 winter season. From spring 2022, SNCF will be offering the OUIGO Train Classique

service on classic low-speed lines, using Corail trains. The service will first be tested for two years on two routes, Paris <> Nantes and Paris <> Lyon, with 14 new destinations.

...and in Spain

As part of the opening up of the European high-speed passenger market to competition, the SNCF Group is also developing the OUIGO model outside France, with an offer in Spain. Launched in May 2021 between Madrid and Barcelona with stops in Zaragoza and Tarragona, this offer, which starts at €9 for adults and a fixed €5 for children, has attracted more than one million people in its seven months of operation. By 2023, OUIGO España will be operating five round trips per day on three routes: Madrid-Barcelona, Madrid-Valencia-Alicante and Madrid-Seville-Málaga.

TER low-cost operation to encourage people to return to the train

For the second summer of the health crisis, TER wanted to make French people forget about the car with the relaunch of its special low-cost operation called "TER de France". Developed in collaboration with the regions, this campaign, which invites people to visit France while protecting the environment, has been relayed through all traditional communication channels (media, posters, etc.) and digital channels (OUI.sncf, TER websites, social networks, etc.). The system also included an interactive map showing more than 2,500 regional sites accessible by TER.

The result: with three million tickets sold for less than €10 and 85,000 Youth Passes for €29 sold during the summer period, compared with 68,000 in 2020, TER has enabled many young people to travel, bearing in mind that half of them would not have travelled without this offer*.

*Online survey of customers who purchased a youth pass for themselves, sent in two waves in August 2021 for journeys made in July and September 2021 for journeys made in August, with 2,591 responses out of 21,000 respondents and 2,071 responses out of 32,000 respondents respectively.

This exceptional system complements a wide range of low fares offered by TER and the regions throughout the year.

Key indicator

	2019	2020	2021
Customer satisfaction rate (SNCF image survey) (%)	73.00	70.00	76.00
5 SAs			

4.7 PROMOTE ACCESS TO INDEPENDENT MOBILITY

4.7.1 Context

The law of 11 February 2005 on the fundamental rights of people with disabilities makes accessibility part of the Group's strategy. The need for independent mobility is growing with the ageing population. Today, nearly 40% of travellers in France are permanently or temporarily disabled. In addition to adaptation work, the SNCF Group is developing services to facilitate access to public transport.

4.7.2 Our commitments

Cover 736 stations and stops in France over the 2016-2025 period as part of the commitments made in the Programmed Accessibility Agendas (Ad'AP), launched by the State in 2014.

Roll out the National Accessibility Master Plan - Programmed Accessibility Agenda (SDNA-Ad'AP) which concerns national rail services, validated by order of the Minister of Transport, published in the Official Journal on 18 September 2016.

Develop digital accessibility to SNCF media, particularly for visually and hearing impaired customers.

4.7.3 Policy and actions

For more than 15 years, the Group has been multiplying its actions to enable everyone, including people with disabilities and reduced mobility, to travel in optimal conditions of accessibility and comfort. Since 2014, the Ad'AP scheme has provided for work to be carried out at several levels to make platforms and passenger buildings accessible: pathways, signage, ticket offices or information and sales areas, etc. With the help of funding from the transport organising authorities and the State, SNCF has undertaken to perform accessibility work at 736 stations and stops in France by 2025.

Development of services for people with reduced mobility (PRM)

Furthermore, SNCF provides various assistance services to help passengers on and off trains. Staff in contact with customers in stations and on trains, including railway security staff, have been trained since 2006 in the specific needs of people with disabilities and reduced mobility.

Progress is also being made to make applications and websites accessible to all. In April 2021, SNCF took stock of all the improvements made in this area during World Mobility and Accessibility Day.

An ambitious programme to make stations and trains accessible

Accessibility covers several dimensions: stations, trains, assistance services and passenger information. The accessibility master plans, drawn up following the 2005 law, were amended in 2015 via the Programmed Accessibility Agendas (Ad'AP), which extend the transport accessibility strategy until 2025. They represent €3.2 billion for station accessibility.

Railway stations. At the end of 2021, work had been completed in 51.3% of the 736 stations and stops to be made accessible by 2025:

- In Île-de-France, 121 stations are already accessible to all, i.e. 57.9%. At the end of the programme, 209 stations in the region will be accessible.
- Excluding Île-de-France, more than 257 stations are accessible out of a planned total of 527 by 2025, i.e. 48.8%, for an overall budget of around €2 billion.

The State is also stepping up its participation in these projects as part of its rail recovery plan, with €120 million to speed up work to make stations accessible.

Trains. SNCF is improving the quality of train accessibility as it renovates and orders new equipment. It takes into account the regulations and feedback from associations representing people with disabilities (PWD) and people with reduced mobility (PRM).

Key indicator

	2019	2020	2021
Rate of progress in making stations accessible (%)	39.50	45.30	51.9
5 SAs			

Passenger assistance

The assistance service offered in almost 900 stations to accompany customers from the station to their seat on

the train and vice versa on arrival. In 2021, 580,000 assistance services were provided in stations, i.e. 38% lower than in 2019, the last reference year before the health crisis, and 40% higher than in 2020.

Accès Plus, Accès TER or Accès Plus Transilien guaranteed assistance service on reservation

- For Transilien, it is available to people with disabilities at 385 stations in Île-de-France and satisfied 93.6% of customers*: 13,500 assistance services in 2021, an increase of 17% compared to 2020.
- On the main lines, TGV-Intercités' Accès Plus is available to all for the purchase of an accompanied journey from start to finish (ticket + assistance + information) and was considered satisfactory by more than 95% of customers: 262,000 services in 2020 despite the health crisis.
- On TER, the 11 Accès TER services offer assistance bookings at stations on all regional lines: over 76,000 services in 2021.

*Analysis of 266 customer questionnaires in 2021

Find out more > [Accessibility report](#)

Digital accessibility: for passenger information accessible to all

Between the sites intended for the general public and those enabling agents to perform their duties, the SNCF Group manages more than 200 websites and mobile applications. After collaborative work with PRM associations, begun in 2017, and the internal deployment of a digital accessibility master plan for 2020-2022, SNCF is furthering its commitment to a more inclusive digital world.

Several SNCF sites have been brought into compliance or have been audited, the results of which are published: sncf.com, sncf-reseau.com and soon garesetconnexions.sncf and transilien.com. As for the SNCF Connect mobile application (formerly OUI.sncf), the compliance audit carried out by Atalan reveals an average 67% compliance per screen with the criteria under the accessibility assessment standard for mobile applications, version one. When the e-commerce site SNCF Connect, formerly OUI.sncf, went online in January 2022, 54.1% of the criteria under the general accessibility improvement standard, version four, were met.

In stations, digital information is accessible to all thanks to interfaces adapted to different types of disabilities. The website garesetconnexions.sncf.com provides the summary list of essential accessibility equipment and services present or not in 238 stations. During travel, a "My Visual Assistant" application allows hearing-impaired passengers to receive on-board announcements directly on their smartphone.

Regarding business applications, SNCF has continued to raise awareness of the challenges of digital accessibility with:

- The appointment of officers in each of the Group's digital departments and technology subsidiaries.
- Employee training: 135 employees attended the dedicated training modules, which were open to all Group employees.
- The inclusion of accessibility in project validation bodies to ensure that it is integrated right from the digital project design phase.
- The inclusion of a digital accessibility criterion in the rating of suppliers.

Furthermore, the five SNCF employees trained in 2021 as digital accessibility auditors have carried out more than 20 audits of existing systems and facilitated as many training sessions for internal digital experts. They support project managers who wish to include accessibility requirements in their specifications. The challenges for 2022 remain ambitious, with mobile application audits and the integration of auditors into the DtoD (Design to Development) skills centre to be as close as possible to the creators of sites and applications.

New protocol between SNCF and PRM associations

The Accessibility Advisory Council (ACFA) meeting on 8 October 2020 resulted in the signing of a new consultation protocol. This is the third protocol in 15 years signed between SNCF and associations representing the world of disability. Through this agreement, which will be in force until 2024, the PRM associations are also becoming the primary contacts of new carriers applying to operate train lines on the French network.

The aim of this collaboration is to search for accessibility solutions in a spirit of universal design and greater autonomy for people with disabilities and/or reduced mobility in the transport chain. Experience shows that the vast majority of these solutions are beneficial and useful to all travellers.

In 2021, the following took place:

- Two Accessibility Advisory Boards to inform stakeholders on strategic directions.
- Nine technical accessibility commissions.

Keolis: France's leading provider of transport for people with reduced mobility (TPRM)

Committed to an accessibility policy since 2018, the Keolis group continued in 2021 to increase the skills of its employees in relation to disabilities and frailties through numerous activities. These actions, co-developed with major players in the disability sector (UNAPEI, AVH, Handéo, etc.), included:

- **A toolkit** for subsidiaries with the Transport for People with Reduced Mobility (TPRM) label to help them adjust their offer and customer journey.
- **An internal TPRM accessibility seminar** in Lyon, bringing together various business lines (operations, information systems, marketing, etc.) and focusing on the LOM, operating tools, support services, etc.
- **Four videoconferences on the LOM**, the Cap'Handéo Mobility Services certification, visual disability (AVH) and mental disability
- **Training for all subsidiaries** on the Easy to Read and Understand method.

At the same time, Keolis continued to set up systems to ensure the autonomy of vulnerable people on the networks, such as the service providing a "Stan me guide" service in Nancy. This free service allows customers with special needs to be accompanied by a guide at all stages of their journey with assistance in:

- Finding their way: getting to the stop, finding the line
- Searching for a timetable, a destination, the website and registering for a service
- Buying a ticket, getting on the vehicle and finding the stop to get off.

Similar services are offered in several other cities in France.

In addition, Keolis tested out the NaviLens technology with Île-de-France Mobilités until July 2021 to facilitate travel for the visually impaired. This technology, which

linked the platforms of Versailles-Chantiers station to those of the bus station, consists of placing "augmented" QR codes along the route to guide people during their journey, identify buses as they approach and indicate the times of the next buses. This is the first time such a solution has been deployed in France.

4.8 FACILITATE AND ENCOURAGE LOW-CARBON MOBILITY TO HELP ACHIEVE FRANCE'S CARBON NEUTRALITY GOAL BY 2050

4.8.1 Context

With 10% of passengers and goods transported for less than 1% of CO₂e emissions out of the 30% represented by the transport sector, rail is one of the most environmentally friendly modes of transport. In the face of the climate emergency, the Group intends to promote the use of trains to reduce the carbon footprint of the transport sector with information tools and thus help achieve the objectives set out by France in its National Low Carbon Strategy (SNBC).

4.8.2 Our commitments

Raise our customers' awareness of environmentally friendly mobility solutions through tools to facilitate the choice of low-carbon multimodal transport.

4.8.3 Policy and actions

When a passenger takes the train, they emit 30 times less greenhouse gases than by car, and 80 times less than by plane (500km journey - source ADEME). The same is true when a company transports its goods by train rather than by road (nine times less - source CER). SNCF wishes to capitalise on this low-carbon advantage to strengthen its contribution to achieving France's 2050 carbon neutrality target. This was clearly illustrated with the launch of its new SNCF Connect digital service, combining OUI.sncf and SNCF Assistant services, in early 2022.

SNCF Connect to organise low-carbon travel

Available since the end of January 2022, SNCF Connect is becoming a unique digital service dedicated to short and long-distance travel. The SNCF Connect application and website make it easy to plan, book and manage all travel, by train and other responsible modes of transport. This interface combines:

- All tickets, subscriptions and information for organising, booking and modifying a door-to-door journey with TGV INOUI, OUIGO, Intercités, TER, Thalys, Eurostar, TGV Lyria, public transport in Île-de-France including Transilien, the Keolis urban transport network and other operators, long-distance buses, carpooling, etc.
- All low-carbon and shared mobility offers: train, carpooling, bicycle, scooter, urban transport, taxi and private hire taxi.

The application displays the CO₂e emissions of each journey, enabling everyone to make responsible travel choices. Eventually, low-carbon mobility will be offered on 100% of searches.

To encourage its customers to choose low-carbon transport, the SNCF Connect e-commerce site also offers [a mobility comparator](#) between five long-distance means of transport (train, car, plane, coach, carpooling). The aim is to compare the environmental footprint but also the time that can be used for another activity: reading, work..

The company has nevertheless not forgotten about the 25% of French people who do not have a smartphone and is increasing its points of sale by telephone in the regions,

with the sending of tickets by post, and physical points of sale via mobile shops and in local shops.

Eco-comparators for daily train travel

The number of regional eco-comparators is increasing under the PlaneTER programme. [After the liO Train eco-comparator](#) deployed on TER Occitanie, travellers in the Grand Est Region can now use a search engine to prepare their journeys by comparing the cost and environmental footprint of a car or motorbike and TER, for frequent or occasional travel, depending on the route defined. All they have to do is indicate the departure and arrival routes and the mode of transport used. The traveller gets an instant overview of the most advantageous mode of transport for them and the environment. If it is a TER, they can book their tickets or season ticket directly.

Example: on a journey from Épernay to Reims, a passenger under 26 with a diesel car (frequent traveller) could save €26.03 and 151.01 kg of CO₂e each month with a monthly TER subscription.

[A new version](#) of this TER Grand-Est comparator in January 2022 is designed to:

- Select an electric car, in addition to diesel, petrol or LPG
- Include the cost of purchasing, maintaining and insuring the means of transport in the calculations.

A similar car-train eco-comparator is available in the [Île-de-France](#) region.

An enhanced chatbot on Transilien

The development of the "Tilien" chatbot will encourage the use of rail in Île-de-France. This travel companion, available on Facebook Messenger 24 hours a day, announces upcoming train departures and current and future engineering works and notifies users of the state of traffic according to their settings and suggests itineraries on the entire Île-de-France rail network (metro, RER, Transilien, Tram). Among the new features since the summer of 2021: the integration of replacement buses and their services in the event of disruption on the line, the deployment of Tilien in English and the possibility of personalising alerts by giving them a title.

A guide to promote tourism by train

The SNCF Group also encourages low-carbon mobility by contributing to publications such as the Michelin guide "Vacances en train". Published in October 2021, it offers a choice of 40 TER lines to travel around France without a car. From station to station and from town to village, the guide indicates the must-see sites and walking and cycling routes. A selection of accommodation and restaurants near the stations completes each stage, as well as a series of portraits of SNCF employees, sharing their tips and passion for their region.

GEODIS CO₂e emission calculators and reports

Since the health crisis, the customers of GEODIS, the SNCF Group's freight transport and logistics company, have increasingly sought to reduce their carbon footprint. They expect solutions to reduce their energy consumption and decarbonise their freight transport chains: air, sea, rail and road freight. These are all key criteria in calls for tender. In addition to the CO₂e emissions calculator that went online in 2020, GEODIS uses the Ecotransit World tool, developed in cooperation with scientific institutes under its Oxygen programme, to improve the quality, consistency and completeness of its CO₂e scope 1, 2 and 3 emissions measurements.

[Find out more > The GEOGIS emissions calculator](#)

4.9 DEVELOP GREEN FINANCE FOR INFRASTRUCTURE AND ROLLING STOCK

4.9.1 Context

Sustainable finance has grown exponentially over the past 10 years, with issuance volumes exceeding USD 100 billion per year. It is a key market for a large number of issuers, including the SNCF Group.

Between 2016 and 2021, SNCF raised €7.6 billion in Green Bond¹ securities in 22 market transactions, making the Group the third largest issuer in France and the sixth largest in the world (excluding financial or sovereign issuers).

4.9.2 Our commitments

Convert, by 2025, all financial products used by the Group to responsible investment criteria, in a 100% green finance strategy including:

- Green Bonds for medium and long-term financing
- Green Commercial Paper (CP) for short-term financing
- Investments in media that integrate environmental, social and governance (ESG) criteria for cash.

4.9.3 Policy and actions

To convert all of its financial products, the Group draws on three levers.

Broadening the asset base. The gradual expansion to new asset types is a long-term approach for the Group. Originally designed for the rail network, the programme includes the acquisition and extensive renovation of high-speed rolling stock since 2021. Today, SNCF is working on developing indicators and approaches to broaden its base of eligible assets². The Group is interested, for example, in developing its real estate assets for railway use, such as technical or maintenance centres, or for residential use.

The extension to short-term financing (Green CP). In 2021, SNCF launched the first issue of short-term green financing securities that comply with the allocation criteria of the Green Bond Principles. The instrument is intended to finance operating expenses related to recycling, environmental remediation and renewable energy purchase agreements. This new financing method was developed in partnership with Mirova, a management company dedicated to sustainable investment. With this new initiative, the Group intends to contribute to the development of green finance and accelerate investment in the ecological transition.

The greening of investments. By 2025, SNCF wishes to convert 100% of its cash investments (UCITS and money market and bond funds) to investments that meet responsible investment criteria.

Positive impacts on the network

Between 2016 and 2020, the allocation of Green Bond funds focused on the rail network for its renewal or development. The investments financed by Green Bonds generated a saving of 33.5 million tonnes of CO₂e (avoided emissions*), which corresponds to the carbon footprint of almost 70,000 French people over 40 years.

Overall, for every €1 billion invested in the rail network, 3.7 million tonnes of CO₂e are avoided over 40 years.

[Find out more > Carbon methodology](#)

Allocation of Green Bond issues by eligible investment category

	Unit	2016-2018	2019	2020
Renewal and performance	M€	2,218	3,211	1,542
Tracks	M€	1,760	2,223	1,069
Signalling and operations	M€	315	560	254
Electric traction	M€	60	271	123
Structures and earthworks	M€	83	157	96
Major development projects	M€	402	-	-
Total investments	M€	2,620	3,181	1,541
Carbon impact	KT CO ₂ e	-8.8	-17.1	-7.6

A robust methodology

The SNCF Green Bond programme is based on best market practices, including:

- The allocation of funds to new projects: it is therefore impossible to finance the same project several times with separate emissions.
- Consideration of the product life cycle: project carbon emissions include direct emissions during the usage phase, but also a whole range of indirect emissions linked to the upstream (construction) or downstream (recycling) phases.
- Complete impact analysis: as far as possible, SNCF includes direct emissions, indirect emissions linked to energy consumption, and indirect downstream/upstream emissions.
- Objective assumptions: in particular for the assumptions on the change in the French energy mix or on the development of emission factors for rival transport modes. They are revised each year based on the latest studies by external reference bodies (ADEME, RTE, etc.).
- No double counting: SNCF incorporates allocation rules to avoid double counting of avoided emissions. More concretely, this implies that, irrespective of the project financed, 80% of the emissions are attributed to infrastructure and 20% to rolling stock³. In the case of partially subsidised or co-financed projects, SNCF takes the share of avoided emissions in proportion to the funding provided.

Furthermore, SNCF has its Green Bond programme certified each year by the best market standards, the Green Bond Principles and the Climate Bond Initiative, and publishes an annual Green Bond impact report. This document is audited by an external auditor independently of the statutory auditors.

[Find out more > Green bonds at SNCF](#)

¹Green Bond: "green" bond issue whose proceeds are allocated to assets (CAPEX) that demonstrate environmental support

²Eligible assets: CAPEX (capital expenditure) eligible for Green Bond financing / CAPEX or OPEX (operating expenditure) eligible for short-term Green Commercial financing

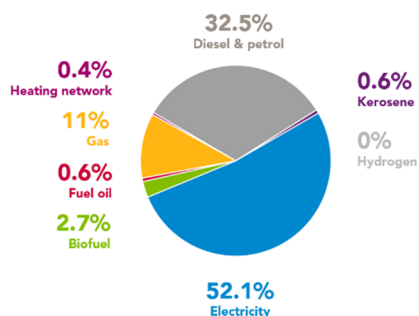
³[Carbon methodology](#)

5. REDUCE THE ENVIRONMENTAL FOOTPRINT OF OUR ACTIVITIES

5.1 REDUCE ENERGY CONSUMPTION AND CARBON EMISSIONS

The SNCF Group's total CO₂e emissions and overall energy consumption are shown in the tables below:

SNCF Group energy consumption

ENERGY MIX IN 2021 (%)
BASED ON CONSUMPTION IN KWH

Key indicators

	2019	2020	2021
Total energy consumption in (GWh) - UPG	17,899	14,671	16,411
Energy consumption for rail traction (in GWh) – five companies, Keolis, Other	10,558	8,426	9,405
Fuel consumption of road vehicles in commercial fleets (in GWh) – GEODIS, Keolis, Other	4,297	3,718	4,057
Air vehicle kerosene consumption (in GWh) - GEODIS	0	0	97
Energy consumption of service road vehicles (in GWh) – five companies, GEODIS, Other	256	222	266
Energy consumption of buildings (in GWh) - UPG	2,789	2,304	2,586

Trends

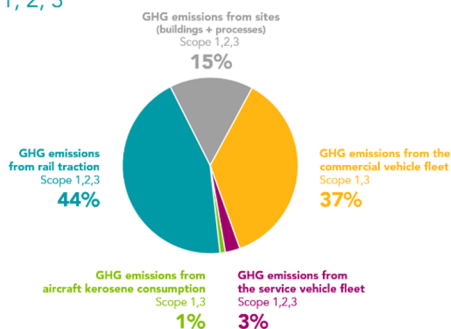
Energy consumption has increased by 12% between 2020 and 2021 for the entire SNCF Group, i.e. 8% lower than in 2019. In 2021, the impact of the health crisis was less damaging to the Group's activities than in 2020, without however returning to the level of 2019.

The inclusion of an aircraft in the GEODIS fleet represented 0.6% of consumption in 2021.

The entry of Ouigo España and the exit of Ermewa had a marginal impact on the results. The exit of Keolis' Wales & Borders subsidiary caused a significant decrease in its respective scope.

Methodological changes were made regarding energy consumption. For further details, see the Reporting framework chapter.

SNCF Group greenhouse gas emissions

MAIN GHG EMISSIONS IN tCO₂e
SCOPE 1, 2, 3

Key indicators

	2019	2020	2021
TOTAL Greenhouse gas emissions from energy consumption Scope 1,2 & 3 (CO₂e in thousands of tonnes) - UPG	3,507	2,842	3,050
of which rail traction (trains, metro, tramway) (thermal and electric - in thousands of tonnes) - UPG	1,641	1,302	1,346
of which commercial road transport (in thousands of tonnes) - UPG	1,210	1,035	1,121
GHG emissions from kerosene consumption of air vehicles - Scope 1&3 (in ktCO ₂ e) - UPG	0	0	29
of which service vehicles (in thousands of tonnes) - UPG	82	71	83
of which buildings (in thousands of tonnes) - UPG	574	434	471

For the entire SNCF group scope, GHG emissions from energy consumption increased by 7% between 2020 and 2021.

The lower increase in GHG emissions compared to energy consumption can be explained by:

- The removal from the scope of emissions of the rail traction of Wales & Borders, an entity using thermal traction trains. Diesel consumption fell by 2% between 2020 and 2021.
- The use of emission factors updated by the International Energy Agency that are more favourable than in previous years for electricity in European countries (excluding France).
- The entry of an entire electric bus network in the Netherlands operated by Keolis

For the French rail traction scope, GHG emissions increased by 16% (676ktCO₂e in 2020, 784ktCO₂e in 2021), reflecting an upturn in activity compared to 2020. The use of B100 biofuel on some TER lines represents 3% of the TER's thermal fuel consumption.

Methodological changes were made regarding GHG emissions. For further details, see the Reporting framework chapter.

For the SNCF Voyageurs rail traction energy consumption scope, the indicator per passenger-km fell by 8%, from 10g CO₂e/passenger km to 9.2g CO₂e/passenger km. The occupancy rate of trains had a positive impact on the indicator.

For the rail freight traction scope, the indicator per t-km dropped by 15%, from 5.8 g CO₂e/t.km to 4.7 g CO₂e/t.km. This is due to a new, more reliable method of metering traction electricity that minimises energy consumption.

Key indicators

	2019	2020	2021
CO ₂ e emissions per passenger (in gCO ₂ e/ passenger.km) - 5 SAs	7.5	10.0	9.2
CO ₂ e emissions per tonne of freight (in gCO ₂ e / t.km) - 5 SAs	6.3	5.8	4.7

5.2 PUBLISH AN ANNUAL REPORT ON THE CARBON PATHWAY OF SNCF ACTIVITIES IN FRANCE

5.2.1 Context

Energy transition is a major component of the environmental pillar of the SNCF Group's strategy. It is not only a necessity for a public company with a duty to set an example, but also an opportunity to set itself apart from other modes of transport.

As part of the State's holdings in the SNCF Group under the amended Finance Act 2020-935, the Group has made ambitious commitments to reduce its greenhouse gas (GHG) emissions in the Transport and Building sectors. These commitments are the subject of an annual report in accordance with the order of 2 November 2021 issued in application of Article 66 of the amended Finance Act No. 2020-935 of 30 July 2020. The purpose of this report, as required by law, is to provide an initial assessment of how this pathway has been followed.

Chapters 5.2 to 5.4 contain some information from the annual report on the carbon pathway of the SNCF group's activities in France. The full report is available in this NFPS, Reporting framework chapter.

5.2.2 Our commitments

In accordance with Article 66 of the amended Finance Act No. 2020-935 of 30 July 2020, the SNCF Group has made commitments to reduce greenhouse gas emissions:

- Reduce our GHG emissions (scopes 1 and 2) related to activities in the Transport sector by 30% by 2030, compared to 2015,
- Reduce our GHG emissions (scopes 1 and 2) related to activities in the Building sector by 50% over the same period.

The 2050 objectives are the complete decarbonisation of the Group's Transport and Building sectors.

These commitments have been defined in line with the National Low Carbon Strategy, whose sectoral objectives are the main reference for the SNCF Group in building and steering the energy transition pathways presented in the annual report.

Compliance with these pathways relies on three main decarbonisation levers:

- Energy conservation
- Energy efficiency
- Change in energy streams and use of technological developments.

They are broken down into action plans specified in chapters 5.3.3 and 5.4.3.

The detailed pathways, the investment plans that accompany these action plans and the intermediate milestones will be presented for approval to the SNCF Group's next Carbon Energy Strategy Committee.

5.2.3 Policy and actions

Presentation of pathways and scope

Since November 2021, the Group has been working on defining intermediate milestones between now and 2030, incorporating initial available data to support the aim of doubling the modal share of rail within 20 years.

Once the pathway to 2030 has been specified, for which the main areas of progress have already been identified, further work will focus on the period 2030-2050. In particular, this work requires clarification of the assumptions to be used for these long-term deadlines.

They concern changes in greenhouse gas emissions (in ktCO₂e, energy scope 1, 2 and 3) from the SNCF Group's activities in the Transport and Building sectors.

The pathways and calculation parameters are available in the SNCF Group's annual report on the carbon pathway, Reporting Framework chapter.

To comply with the pathways presented above, the SNCF Group has established an action plan to reduce its greenhouse gas emissions.

The main ongoing or future actions are presented below by sector of activity:

- **Transport**, chapter 5.3
- **Building**, chapter 5.4

Between now and 2025, the SNCF Group's strategy is based on activating the three main decarbonisation levers. This will result in energy saving and energy performance measures on all fronts, the study and validation of alternative energies and technological solutions for the renovation of rolling stock, and energy rehabilitation programmes for buildings that will structure the action plan thereafter.

The governance, ownership of the strategy, objectives and commitments are detailed in the annual report on the SNCF Group's carbon pathway, Reporting Framework chapter.

5.3 ROLLING STOCK: REDUCE CONSUMPTION AND CHANGE ENERGIES

5.3.1 Context

The SNCF Group's transport business mainly involves rail and road passenger transport (SNCF Voyageurs, Keolis, etc.) and freight transport (Fret SNCF/Rail Logistics Europe, GEODIS).

The Group has an excellent carbon and energy performance, due to the number of passengers and goods transported by train and the majority use of low-carbon electrical energy. However, the Group is the largest industrial consumer of electricity in France with an annual expenditure of around €1 billion. It must reduce its consumption and continue to transform its fleet to gradually phase out fossil fuels. These developments will have to be carried out in a context of rising energy prices and new obligations to bring installations and equipment into compliance.

5.3.2 Our commitments

Achieve a 30% reduction in greenhouse gas emissions by 2030 compared to the reference year of 2015, in line with France's National Low Carbon Strategy for all our transport activities in France.

Improve the energy performance of train traction by 20% between 2015 and 2025.

5.3.3 Policy and actions

In its activities, the Group has identified the levers for energy savings, energy performance and new renewable energies to combine them in a common pathway. Defined at the Group's Energy-Carbon Strategic Committee meeting on 29 March 2021, this pathway now applies to the company at all levels and is an opportunity to develop the share of rail and sustainable mobility for passengers and freight.

To achieve its objectives, the SNCF Group relies mainly on the following actions:

Adaptation of operations with the implementation of business practices such as optimised driving (eco-driving)

and optimised parking (eco-parking), based on savings and efficiency levers.

Research into the development of new technologies, in partnership with other industrialists, to improve the energy efficiency of operations and reduce its carbon footprint.

The innovation initiatives undertaken include:

- Development of low-emission rolling stock
- Progressive deployment of biofuel, such as B100, which reduces GHG emissions from diesel trains by 60%, and other fuels for road transport
- Design of "light" equipment associated with infrastructure with a smaller environmental footprint
- "Frugal" electrification of certain lines, in addition to new rolling stock technologies, to promote electrification while adapting the levels of resistance and robustness to the desired service

The SNCF Group also plays a role in advising and supporting transport authorities in their own energy transition policy.

Governance and organisational developments

In line with Group governance, each company and subsidiary also structures its governance and organisation to effectively manage carbon energy issues.

This is reflected in the three SNCF Voyageurs bodies:

- The strategic governance body is the Voyageurs Executive Committee
- The operational governance body is the Voyageurs Energy-Carbon Steering Committee, with representatives from each of the activities (TGV-Intercités, TER, Transilien, Industrial Division)
- The body for managerial ownership of the topics is divided into several activity committees which set out and monitor the action plans in all business lines.

Furthermore, each activity has its own governance to decide on its own improvement measures for stakeholders.

Employee engagement and communication

The PlaneTER and Planète Voyages programmes help to unite teams around common values to make the Group's 70,000 TER and TGV-Intercités employees ambassadors for sustainable mobility among passengers.

Decarbonising the entire Group fleet

With regard to train decarbonisation, a number of projects will be finalised or accelerated in 2021: hybrid, battery-powered, hydrogen and biofuel trains, etc.

The Group works with the transport authorities to develop the most appropriate sustainable mobility solutions for their territory, as well as with Keolis, the technical expert in electric mobility and alternative energies on urban networks. For its freight transport customers, GEODIS is increasing the use of biogas or biofuel for road freight, as well as for air and sea transport, worldwide.

Fret SNCF contributes to the Group's work on decarbonising its fleet, even though, with 90% of its tonne-kilometres under electric traction, the freight business already emits on average 14 times less greenhouse gas than road transport. It offers its shipper and carrier customers very low-carbon transport services, making it possible to reduce CO₂e emissions by up to 96% compared to road transport.

Energy saving programmes for trains

Eco-driving is a way of driving that uses the line terrain to limit the energy used when accelerating or braking. The

aim is to train all drivers in this type of driving, also known as "coasting", which can save 8 to 10% of energy over a journey. On each line, they are assisted by a tool, Opti-conduite, which guides them by indicating, to the nearest kilometre, the speed at which they should travel, where to cut traction and where to speed up the train to optimise energy consumption and improve regularity and punctuality.

By the end of 2021, more than 80% of drivers, i.e. nearly 8,800, had been trained and equipped with the tool on their tablets. In 2022, 100% of drivers should be operational.

Other devices have been deployed since 2021 to develop eco-parking and reduce energy consumption when trains stop without affecting regularity:

- Shutdown of engines according to foreseeable parking times
- Timed closing of doors
- Change of lighting to LED
- Reducing the operation of air conditioning and heating by adjusting the setpoint temperatures
- Installation of batteries in TGV trains to supply power to the refrigerators during the parking phase
- Connection of diesel TER trains to electrical outlets while parked in stations or workshops to supply auxiliary needs (air conditioning and heating, lighting).

These parking phases can represent up to 30% of the total consumption of certain trains and the actions carried out aim to reduce them by 5 to 30% depending on the activity.

Passenger transport activities (TER, Transilien, TGV and Intercités) have set up structured managerial initiatives to develop local work organisations (business processes) and optimise the use of these technical devices to reduce parking energy consumption as much as possible.

As an example, the expected savings target for regional passenger transport (TER) is around 48 ktCO₂e per year by 2025.

In 2021, Fret SNCF also launched eco-parking for its diesel vehicles, i.e. 10% of the fleet, on several pilot sites, such as wagon sorting platforms. This action, deployed on new sites in 2022, should reduce energy consumption by 3 to 5% by 2025.

€70 million industrial programme to measure energy consumption

To confirm these gains, meters are gradually being installed on 3,800 SNCF trains until 2026. By 2021, 1,350 trains, i.e. 35.5% of the fleet, were already equipped. The number of meters doubled between 2020 and 2021. The plan is to equip 95% of the passenger fleet by 2026.

By the end of 2021, 20% of the electricity consumed will be metered.

Focus on train decarbonisation

Diesel or dual-mode trains on non-electrified lines or portions of lines still account for 20% of traffic. Most of the greenhouse gases emitted in rail transport stem from the energy used to power these trains, so SNCF is working with manufacturers to develop less polluting solutions

Use of biofuels, particularly rapeseed-based: B100. After promising tests with B100 biofuel, carried out on the Regiolis engine test bench in 2019 at IFPEN (French Institute of Petroleum and New Energies), two trials were conducted in commercial service in 2021. They took place on 15 and 17 Regiolis trains respectively on the Paris-Granville line in Normandy from April to September and

the Paris-Laon line in Hauts-de-France from September to December.

During these tests, carried out in real conditions, the autonomy of the equipment, the behaviour of the engines and machines in operation and the impact of B100 on the equipment were assessed. The detailed analysis of the first results is underway.

The tests were carried out on a plant-based B100 biofuel, obtained from the processing of rapeseed oil. It could enable a short-term shift away from fossil fuels without major changes to existing equipment, with a reduction in greenhouse gas emissions of almost 60%.

The first runs in the Normandy region from April 2021 and in the Hauts-de-France region from September to December 2021 have shown very encouraging results.

It is a quick and transitory solution to reduce greenhouse gas emissions and pollutants, pending the deployment of new technological solutions for decarbonisation.

The Regiolis TER hybrid train set to be deployed by 2023, equipped with lithium-ion batteries that reuse the train's braking energy. The result: a reduction of up to 20% in energy and greenhouse gas emissions.

The first trials have been underway since July 2021, with a view to commercial operation in 2023 in the Occitanie, Grand Est, Nouvelle-Aquitaine and Centre-Val de Loire regions.

Rechargeable battery trains by 2024. The transformation of old dual-mode electric-diesel trains into dual-mode battery-catenary trains will enable them to recover braking energy, save energy from the catenaries and, above all, run electrically on all types of track with an autonomy of 80 km.

Five Regions, Auvergne-Rhône-Alpes, Provence-Alpes-Côte d'Azur, Occitanie, Nouvelle-Aquitaine and Hauts-de-France, have signed a memorandum of intent for the first commercial journeys of rechargeable battery trains at the beginning of 2024.

Hydrogen trains by 2025. This is another solution for low-carbon traffic on non-electrified lines. However, this project requires the deployment of a new hydrogen ecosystem to supply the trains. SNCF has announced that it will order 12 hydrogen-powered TER trains from Alstom in April 2021. The first trials are planned for 2024 and commercial operation in four Regions, Occitanie, Bourgogne-Franche-Comté, Auvergne-Rhône-Alpes and Grand Est, from late 2025.

Focus on more energy and resource efficient equipment

Following the example of the "relamping" of 300 TGV trains with LED lighting, renovated or new equipment consumes less energy.

The TGV M in 2024. SNCF unveiled the "nose" of this TGV of the future in May 2021, more than 40 years after the first TGV. The order for a hundred of these new generation trains will reduce energy consumption by 20%, thanks in particular to:

- the return of energy to the catenary during braking
- lighter materials
- the aerodynamic shape of the train
- a modular LED lighting system.

Over 97% recyclable, it will accommodate up to 740 passengers when it enters service in 2024, i.e. 20% more than the Duplex trains, and will thus reduce CO2e emissions per passenger by 32%.

Thalys' new "Ruby" trains in 2022. In October 2021, SNCF and its Belgian counterpart, SNCB, inaugurated the first renovated train of a more environmentally friendly fleet. Eventually, the entire Thalys fleet will be equipped with LEDs for more ecological electricity consumption, and with clean water toilets, which use little water and no chemicals. Their larger capacity, with 28 extra seats created during the upgrade, will also reduce CO2e emissions per passenger.

GEODIS biofuel solutions

In 2021, GEODIS continued its commitment to national and international programmes¹ to decarbonise transport and logistics.

For road freight, 2021 was marked by the order to Iveco for 200 natural gas vehicles for urban delivery in France. BioNGV can reduce CO2e emissions by up to 95% compared to diesel with the same performance. The same applies to the 95% reduction in fine particle emissions and the 90% reduction in nitrogen dioxide emissions. Furthermore, these vehicles ensure quiet deliveries at night and during the day. The aim is to provide the centres of France's 35 largest cities with 100% carbon-free transport by 2024.

In addition to the deployment of bio-gas and B100 solutions for road freight, GEODIS has implemented the purchase of sustainable fuels for its sea and air freight activities in 2021. They are derived from non-fossil sources, from food and agricultural waste. Their use reduces CO2e emissions over the cycle from production to fuel consumption by at least 80% for air transport and 90% for maritime transport² and also reduces pollutants.

GEODIS customers can now help reduce the CO2e emissions of their shipments throughout the entire supply chain, from end to end.

¹ EVE (Engagements Volontaires pour l'Environnement - Transport et Logistique) and ECTA (European Clean Trucking Alliance).

²According to suppliers [Goodshipping](#) for marine fuel and [Skynrg](#) for aviation fuel

Keolis Tour of France for sustainable mobility

The Keolis group operates several networks of vehicles using alternative energy sources to diesel or petrol, in France and abroad: bio-gas (GNV), electric, hydrogen or hybrid vehicles. It offers its technical expertise to organising authorities to meet the energy transition needs of cities and regions. To present its know-how, a tour of France was organised from 23 November to 2 December 2021 in four cities: Bourg-en-Bresse, Cesson-Sévigné, Narbonne and Arras. During this event, decision-makers were shown in concrete terms how alternative energy vehicles can be deployed operationally: combination of different energies, maintenance sites standards compliance, possible on-track equipment, investment sizing, etc.

2021 contracts

After winning several contracts in 2021 for the introduction of fleets of electric vehicles, notably in the Alpes-Maritimes region, Sweden and Australia, Keolis is operating more than 200 alternative energy vehicles in the Île-de-France region this year: bio-gas (NGV), electric, hydrogen or hybrid vehicles, to which 150 new vehicles will be added in 2022.

KEOLIS IN FIGURES



Focus on the purchase of renewable electricity

The SNCF Group's objective is to reach 40% of renewable energy in its consumption mix for traction by 2026. This requires the development of Green Corporate Power Purchase Agreements for 20% of the electricity consumption for train traction by 2026 (about 1GWh). Two contracts were signed in 2021. The production launch of the photovoltaic and wind power plants under the PPA programme will be extended until 2026. In 2021, the production of renewable energy represented 0.1% of the electricity consumption mix for rail traction in the SNCF Voyageurs scope. This value may be subject to change next year.

A solar power plant dedicated to SNCF. At the end of August 2021, CVE, an independent French producer of renewable energy, commissioned a solar power plant whose electricity will be sold directly to the SNCF Group (SNCF Voyageurs) over a period of 20 years. This power station of almost seven hectares in Alpes-de-Haute-Provence will provide SNCF with almost 8,500 MWh per year of solar energy, equivalent to the consumption of 3,700 inhabitants, at a fixed and competitive price over the long term.

First EDF-SNCF contract. In spring 2021, the EDF and SNCF groups signed their first 20-year renewable electricity purchase contract at a fixed and competitive price. The contract covers the production of electricity from a 20 MW solar power plant in the Lot region of France, where construction began this year and commissioning is scheduled for 2023. The plant's annual production will amount to 25 GWh, which corresponds to about half of the electricity consumption of TGV trains between Paris and Lille each year.

Key indicator

	2019	2020	2021
Share of renewable energy in the rail traction electricity mix (% of consumption) – five companies	n.c.	n.c.	0.1

5.4 BECOME A COMMITTED PLAYER IN THE ENERGY PERFORMANCE OF BUILDINGS

5.4.1 Context

The Group is the second largest property owner in France after the State, with 12 million m² and nearly 25,000 buildings, including 8 million m² managed by SNCF Immobilier. Through SNCF Gares & Connexions, it is also responsible for the energy and carbon footprint of some 3,000 stations with almost two million m² of passenger buildings. SNCF is taking up the challenge of reducing the energy consumption and carbon footprint of a diversified fleet of service buildings, maintenance workshops, housing, etc., with an average age of over 50 years. Some of the buildings, still in use, date from the late 19th century.

5.4.2 Our commitments

Reduce our energy consumption by 40% by 2030 for all buildings over 1,000m² compared to 2010: this is the challenge of the tertiary sector decree applicable to SNCF property.

Reduce carbon emissions from the energy consumption of our buildings by 50% by 2030 compared to 2015.

5.4.3 Policy and actions

To achieve these objectives, SNCF Immobilier is working with its teams on integrating energy consumption improvement and decarbonisation projects into its property master plans.

This involves "streamlining" SNCF property, such as selling off premises that the Group no longer needs and grouping teams together in the same premises. More generally, optimising the use of SNCF premises, by integrating working from home, which has become widespread within the Group following the health crisis, will result in a 30% reduction in the Group's tertiary real estate footprint.

Other levers include abandoning oil-fired heating, modernising lighting with LEDs, and greening the means of heating on its premises or in its buildings, such as heat pumps, biomass heating or connection to district heating whenever possible. The building master plans also include energy rehabilitation work.

In addition, the company is deploying digital technologies (IOT, BIM, etc.) in its stations and buildings that monitor consumption in real time and offer significant potential for energy performance.

Lastly, every year SNCF has to build new housing, industrial buildings and stations that comply with demanding and efficient environmental standards. Examples include the Île-de-France unified command centre, the Romilly-sur-Seine and Vénissieux technical workshops and the Nîmes Pont du Gard station, which is a model eco-sustainable station, with a positive energy balance thanks to its eco-design.

Focus on railway stations

SNCF Gares & Connexions is committed to a building renovation and energy transition programme, focusing in particular on improved management of its energy consumption, the phasing out of fuel oil in 2025 and energy rehabilitation. Its strategy is also based on the production of solar energy on its premises, with the deployment of 300,000 m² of photovoltaic panels by 2025 and 1.1 million m² by 2030, as well as the development of eco-design in its construction and renovation projects.

For more details, see the annual report on the carbon pathway, Reporting framework chapter.

HQE certification for SNCF Immobilier's tertiary property business

S2FIT1, the SNCF Group's tertiary and industrial property company, obtained the NF HQETM Tertiary Buildings in Operation * – Excellent Level certification in 2021 for its industrial property.

This certification comes after the delivery in 2019 of the two technicentres in Romilly-sur-Seine and Vénissieux, which had obtained NF HQE Tertiary Building certification in the design and construction phase. The global sustainable operation approach deployed on the two industrial sites by S2FIT1 is based on a framework agreement signed on 4 December 2020 with Certivéa for a five-year cycle. This certification is a new step in the Group's strategy to build a high-performance industrial

park, both in terms of environmental standards and the quality of the services offered.

*The aim of the NF HQE™ Tertiary Buildings in Operation certification is to ensure that environmental concerns are taken into account during the building operation process.

Framework contract between Espaces ferroviaires and Certivéa

Espaces ferroviaires, the SNCF Group's urban development and property development subsidiary, has adopted the same sustainable performance approach with the signing of a Certivéa* framework agreement in September 2021. This is an opportunity to highlight its plans to redevelop unused railway sites to create living spaces and buildings adapted to societal and environmental issues, using low-carbon construction solutions. The Certivéa certifications and labels will concern three development projects in Paris, Bordeaux and Toulouse, four hotel residences in Rennes, Nantes, Strasbourg and Marseille, and real estate developments in Paris, Bordeaux and Toulouse.

*The sustainable building performance certifier of the CSTB (scientific and technical centre for building innovation).

17 relamping projects funded by FITEV in 2021

The Fonds Innovant pour la Transition Énergétique Voyageurs (FITEV) was created in January 2021 by SNCF Voyageurs. Objective: accelerate the deployment of projects costing less than €500,000 to better measure and reduce energy consumption while reducing greenhouse gas emissions.

Most of the projects financed involve relamping (17 projects): replacement of sodium lamps with LEDs in maintenance workshops, on ceilings, in pits or on external walkways, relamping of offices or TER customer areas in stations.

Result: in less than a year, FITEV has saved 5.9GWh per year and €456,000. It also avoided 520t of CO₂e emissions per year.

Example of urban renewal: 87 new housing units

In Saint-Étienne-du-Rouvray, ICF Habitat Atlantique, a subsidiary of the ICF Habitat Group, completed its urban renewal programme in the Cité des Familles district in 2021. Construction began in 2019 and now paves the way for 85 new eco-efficient, timber-framed social housing units that fit in perfectly with the existing, recently renovated neighbourhood.

These housing units are NF Habitat and RT 2012-20% certified, enabling tenants to control their energy consumption.

GEODIS builds a 130,000 m² sustainable warehouse in the Netherlands

Trade Port Noord, in the Venlo region, has excellent connections to the European multimodal infrastructure via road, river, rail, sea and air. This makes it the ideal location to exploit the flow of goods from GEODIS' international customers and manage their warehousing and logistics needs using its European distribution network. In 2022, the construction of the new facility will be designed to standards to achieve BREEAM certification, the world's leading sustainability assessment method for buildings.

To obtain this certification, GEODIS will pay particular attention to the use of materials and the design of various energy-saving systems. Sensitive to the working conditions of its staff, GEODIS is also aiming for a WELL

"Silver" certification, an international standard for the creation of spaces that improve well-being in companies.

The Smart Station project for more energy-efficient stations

Launched in 2020 to create a centralised supervision of stations and improve the availability of equipment, the Smart Station project continued its deployment in 2021. By connecting the energy meters present in stations (electricity, gas, heat), it enables real-time monitoring of consumption to detect potential anomalies and make energy savings. Around 100 stations have already been equipped with this system.

[Find out more > Smart station](#)

Nîmes Pont-du-Gard station, a zero carbon model

This station, the first to be certified with the "Bâtiment Durable Occitanie" label in 2020, has been designed to use as little energy as possible in its operation. Built with simple materials, it is naturally ventilated and cooled. An exemplary site in terms of respect for the environment and biodiversity, Nîmes Pont-du-Gard is a zero-carbon station and a model of self-consumption: its car park equipped with solar shading provides ten times the annual energy consumption of the station, so that it feeds its surplus back into the national electricity network.

New solar farms

SNCF Immobilier continues to work with SNCF Réseau to develop solar farms on SNCF land that is no longer useful for railway operations and whose location does not allow the creation of eco-districts or housing. This is the case in Pays de la Loire where 572 photovoltaic panel boards have been installed on 17 hectares in the heart of the former marshalling yard in Le Mans. This solar farm produces 11,400 MWh, equivalent to the annual consumption of more than 9,600 inhabitants and represents 5,000 tonnes of CO₂e avoided per year.

[Find out more > Solar energy at SNCF](#)

5.5 BECOME A RESPONSIBLE DIGITAL PLAYER

5.5.1 Context

The digital sector accounts for 4% of global CO₂e emissions and is growing at a rate of around 9% per year*. In a context of accelerating digitalisation, where the CO₂e footprint of the digital sector is growing exponentially, the SNCF Group wants to control its emissions linked to the digitalisation of its activities. After an initial carbon assessment at the beginning of 2021, the company has defined its priorities and set up an action plan within its five railway companies.

* The Shift Project 2019 study

5.5.2 Our commitments

Deploy a coherent, proactive, responsible digital strategy, with quantified objectives, in the Group's five railway companies.

Our objectives in 2022 are:

- Prioritise awareness-raising among buyers and digital project managers and 20% of senior managers or executives
- Give a second life to 80% of terminals - computers, smartphones and tablets
- Introduce responsible digital criteria in IT calls for tenders
- Close down historic data centres and promote fibre optics throughout the country.

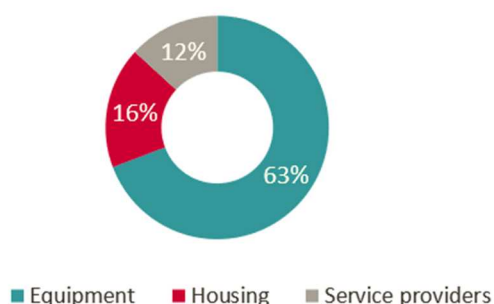
5.5.3 Policy and actions

With 100,000 PCs, 200,000 smartphones and tablets and 150,000 screens for passenger information, advertising and ticket vending machines, the five railway companies' equipment accounts for 63% of the CO₂e emissions linked to digital technology.

The second source of pollution, accounting for 16% of CO₂e emissions, stems from internal and external hosting and the volume of data stored, such as emails.

Finally, as the company outsources more than half of its IT services, its service providers account for 12% of the CO₂e emissions in the balance sheet.

Breakdown of digital CO₂e emissions at SNCF



This first assessment of digital emissions has enabled the Group to identify four levers for action.

Raise awareness of the environmental impact of digital technology

To inform all employees, the Group has chosen to multiply and diversify its training activities. In total, more than 2,500 people were made aware through:

- One-off events such as the Responsible Digital Week, offering thematic conferences, digital murals and concrete challenges.
- Best practice guides as well as training modules and/or dedicated workshops to implement them on a daily basis, particularly for managing emails.
- Self-service training on the SNCF Academy internal training platform.

The scaling up of actions is also based on the commitment of all IS players - with the signing of the SNCF Responsible Digital Charter by its 11 digital directors - and senior manager training. More than 300 senior managers or company executives took part in Digital Responsibility workshops, enabling them to better understand the concepts and apply the strategy to their area of responsibility.

Limit the renewal of digital devices

Because equipment is responsible for the majority of digital technology greenhouse gas emissions from the moment it is designed, SNCF is committed to limiting the impact of its manufacture. Three levers are currently being used to achieve this:

- Buy better by including eco-design, sustainability and efficiency criteria in IT purchases.
- Buy less by focusing on the right need. Eighteen months ago, SNCF launched a project to streamline its equipment fleets, called PilotR. The result: 16,000 landlines removed, 5,000 mobile lines deactivated.
- To give a second life to more than 60,000 computers and smartphones via the partner Olinn and to reuse unused equipment internally, particularly following

relocations. For example, hundreds of recycled screens were distributed for working from home.

Promoting environmentally friendly digital usage

The eco-design of SNCF digital services entails:

- Deployment of a decision-making tool, the Responsible Digital checklist, to help digital project managers ask themselves the right questions to promote the most inclusive and low-carbon solutions.
- Rating of each major digital project based on environmental and societal factors during project validation committees to ensure that they integrate these factors "by design".
- Involvement of the partner ecosystem with CSR criteria accounting for 20% of the rating.

Promoting energy-efficient data centres and networks

The SNCF Group continues to migrate to the cloud and promotes the most efficient data centres in terms of reducing energy losses, optimising servers and using renewable energy. This has resulted in the gradual closure of the Group's historical data centres:

- In Lyon, nearly 1,500 servers were sent to a repurposing facility
- In Lille, space was rationalised by closing one of the three rooms.

All these initiatives were conducted throughout the country, thus helping to structure local policies.

5.6 LIMIT THE DISTURBANCE LINKED TO TRAIN TRAFFIC

5.6.1 Context

Preserving air quality and reducing noise disturbance for customers, employees and residents are key to the policy of limiting the disturbance caused by rail traffic. This is a prerequisite for the development of the modal shift to rail, which is why the company has striven to limit the environmental impact of rail traffic for many years.

5.6.2 Our commitments

Ensure the conditions for the modal shift to rail by minimising the environmental footprint of rail traffic.

5.6.3 Policy and actions

Although the train meets many mobility needs while emitting less greenhouse gases, particles and nitrogen oxides, and consuming less space and energy than other modes of transport, there is still room for improvement. Contributing to improving air quality, particularly on public transport, is one of the main thrusts of SNCF's environmental policy. Although the issue of air quality in underground spaces remains complex, SNCF is one of the few railway companies active in the world on the subject, and some of its work is the subject of scientific publications.

Furthermore, noise disturbance for residents living near railways is a real concern and requires preventive measures as well as improvements.

Improving air quality by 2030

A pathway for reducing particulate emissions by 2030 is currently being structured. The aim is to achieve maximum reduction of particulate emissions and mitigate residual emissions in underground stations through various technical systems: filtration, ventilation, capture, vacuum train, dust fixation system, etc.

Focus on particulate reduction actions

The years 2020 to 2025 are devoted to improving knowledge, testing solutions followed by performance

measurement campaigns in collaboration with national and international organisations to prepare the transition to an industrial phase. An independent scientific committee has been set up to advise on the actions to be taken in the light of existing knowledge on air quality in underground railway enclosures (EFS).

Several avenues are being explored for rolling stock, particularly in terms of braking mechanisms, which contribute to the emission of fine particulates:

- an RER C train, equipped with a fine particulate suction device developed with Tallano Technologie, has been running for several months for performance and endurance tests in real conditions.
- a project for a hybrid electric Transilien RER, which would emit virtually no fine particles during braking and contribute to improving air quality in underground stations, is currently being modelled on line C. It could be developed by 2024.

In addition, various air filtration technologies have been tested at Avenue Foch station (RER C) or in Sevran Beaudottes (RER B):

- Air Liquide's technology to capture airborne particulates through a positive ionisation process.
- Starklab's air washing technology using a salt water solution
- And more traditional filtration with Mann & Hummel.

Several of these tests were carried out with the support of the Île-de-France Region. A new experimental phase is planned for 2022 and 2023, in three stations. The aim is to test the technologies selected following the initial experiments, in real conditions, at the station level (treatment of platform areas).

In addition to the actions carried out over the years to improve air quality in underground railway enclosures, the company is also developing alternatives to thermal traction for passenger transport. All actions to reduce diesel consumption have a significant impact on the reduction of particulate emissions.

Reducing railway noise by 2024

Controlling the noise pollution generated by traffic and railway works is a necessary condition for maintaining sound relations with local residents and communities and also developing the modal shift to the train for passenger and freight transport.

The company is therefore deploying a policy of prevention and reduction of noise pollution that requires combined action on rolling stock, infrastructure and operations.

In addition to its national policy of reducing noise black spots, which made it possible to treat thousands of homes affected by rail traffic, including 1,023 homes in 2021, SNCF is integrating the acoustic dimension into all its development projects. The noise policy is based on four strands of action:

- Preventive actions for investment projects in the design, construction and operation phases.
- Curative actions through a programme to reduce noise black spots, either by installing anti-noise walls or by insulating the facades of sensitive buildings.
- Actions on track components and equipment to reduce noise at source. For example, the replacement of old wooden sleepers with concrete sleepers and the replacement of short rails with long welded rails reduces the noise level by a few decibels along the renovated tracks. Similarly, the replacement of cast iron brake

blocks on freight wagons with composite brake blocks makes train passages quieter.

- Innovation and research actions.

"Silent" freight routes

The company has launched a programme to re-equip its freight rolling stock to comply with the ban*, at the end of 2024, on running so-called "noisy" wagons on all the so-called "silent" routes defined at European level. The company has published a map of its "silent" freight routes in 2020, on which wagons still equipped with cast iron brake blocks will no longer be allowed to run.

Funding for the reduction of railway noise black spots

For 2021-2025, €240 million will be spent on rail noise reduction to perform:

- Diagnostics to identify noise black spots
- Acoustic insulation work programmes for facades directly on neighbouring homes
- Work programmes for the construction of acoustic walls in railway premises.

A total of €120 million came from the proceeds of the SNCF Group's disposals. The State also supports this policy via the AFITF (French Transport Infrastructure Financing Agency), as do certain local authorities, to the tune of €120 million. The first financing agreements signed at the end of 2021 will enable SNCF Réseau to speed up work to combat noise pollution in Bourgogne-Franche-Comté, Auvergne-Rhône-Alpes and Île-de-France.

*Noise TSI (Technical Specification for Interoperability) voted on 31 January 2019

Communication on works for local residents

As part of its works projects, SNCF Réseau raises awareness, informs and consults. To limit the acoustic nuisance associated with the various phases of the works, several solutions can be implemented depending on the context. For example, the installation of an absorbent mat on gravel pits, which reduces the noise source of ballasting operations by ten. Furthermore, the company uses approved construction equipment that complies with noise standards and raises the awareness of staff on worksites.

A new method is being tested, particularly in the Île-de-France region: the "works thermometer". It consists of monitoring all the noise emitted on construction sites, day and night, and identifying the sources. These real-time measurements are used to better inform local residents about work progress and the noise pollution caused and act accordingly.

5.7 INTEGRATE THE CIRCULAR ECONOMY IN THE GROUP

5.7.1 Context

SNCF has made the circular economy a major focus of its CSR strategy to combat the depletion of resources and reduce the impact of its operating methods on material consumption, waste production and the environment in the broad sense.

5.7.2 Our commitments

Commit to a zero unrecycled waste pathway by 2030 for products central to the railway business (infrastructure, rolling stock, station and train waste and building waste) as well as in cross-cutting areas (minor IT equipment, professional clothing, etc.) by promoting reuse and all methods of recovery.

5.7.3 Policy and action

The circular economy policy has four main objectives:

- Promote eco-design by integrating life-cycle costs in all areas, from procurement to the design of infrastructure projects and building construction.
- Adapt industrial processes to optimise the lifespan of components and make the best possible use of material resources.
- Develop partnerships with existing or emerging eco-organisations and industrial waste recovery sectors.
- Create value for the company and the regions.

Thus, its priority actions are to:

- Improve the collection and sorting of waste
- Industrialise the reuse of products or the recovery of non-reusable products
- Increase the value of material not recovered internally through external sales
- Quantify and boost the carbon economy linked to the circular economy policy

5.7.3.1 Waste management

Since 2013, SNCF has been developing a strategy to limit resource consumption, reduce waste production in all its operating processes and recycle products at the end of their life. This includes the search for suitable channels or the contribution to the emergence of new channels, in partnership with other industrialists and the appropriate institutions. The policy deployed in all its activities concerns both the Group's industrial activities (infrastructure, rolling stock), the real estate sector (buildings) and cross-functional service activities.

The rail network: a considerable lever for waste reduction

Maintenance and modernisation operations on railway lines generate large quantities of dismantled products, including rails, ballast, and wooden and concrete sleepers, which constitute a veritable material capital with considerable reuse and recycling potential. By avoiding the energy- and water-intensive extraction phases, recycling and reuse save mineral and plant resources while reducing the environmental footprint. It also helps prevent the depletion of metals such as the high-quality steel used in the manufacture of rails and the copper used for overhead lines.

Result: 20.9% reduction in indirect carbon emissions due to the circular economy for SNCF Réseau.

Key figures

IN 2021 :



In 2021, €56.7 million in financial gains were obtained by selling end-of-life materials. The three flagship projects launched in 2020, which will be tested in 2021 to demonstrate their industrial sustainability, will still be operational in 2022:

- The Miramas artificial quarry, in the Bouches-du-Rhône region: to create a supply of reused ballast of

equivalent quality to that of new ballast for the railways in the Provence-Alpes-Côte d'Azur and Occitanie regions.

- The Beaune recycling centre, in Bourgogne-Franche-Comté, to recondition the structural track materials. In one year, it returned 2,000 pallets of products worth €2.2 million to stock.
- The deployment of the first "green rails" manufactured by LIBERTY Steel on the railway network. They represent 90% fewer emissions than a conventional rail and the aim is to produce carbon-neutral rails by 2030.

And among the new projects in 2021 is a centre for the reuse of railway materials launched in Lille in Hauts-de-France. The aim of SNCF and the six regional industrialists who signed this project is to recycle 95% of used products such as rails, sleepers and ballast. The ambition is to develop a common market for recycled products within three years, which will supply the railway and construction industries.

From 2022, the centre will use reused ballast as part of the renovation of the Paris-Lille high-speed line.

Waste management in stations and on trains

SNCF's ambition is to promote the recovery of waste produced in stations and on board trains, with the aim of achieving "zero recyclable waste not directed towards a recovery channel" by 2030. Thus, from 2022:

- On trains, 80% of INOUI TGVs will offer selective sorting in carriages via a collection operated by cleaning staff, and at the bar thanks to selective sorting equipment.

This service will be supplemented by the deployment of sorting bins in renovated trains and new TGV M from 2024.

- In stations, SNCF will gradually install new sorting bins to collect organic waste. These new bins, partly resulting from reuse, will optimise the efficiency of collection, simplify their upkeep and maintenance while respecting hygiene, safety and security standards.

SNCF is industrialising the collection and recycling of its work clothes

End-of-life workwear cannot be collected in consumer textile bins for safety reasons, as it represents a function and a structure.

To ensure that the disposal of this clothing is more environmentally-friendly than landfills, SNCF initiated a project in 2014 to create a new dedicated collection and treatment channel, FRIVEP, Filière de Recyclage/Réemploi Industrielle des Vêtements Professionnels (industrial channel for the recycling/reuse of professional clothing).

This project was conducted and coordinated with the Orée association, six partner companies and ADEME.

Result: after 18 months of trials from June 2018 to the end of 2020, 25 tonnes of professional clothing, including five tonnes from SNCF, were subjected to recycling and transformation tests by manufacturers. Several possible uses have already been identified, such as the manufacture of insulating felts, recycled yarn, industrial wiping cloths, padding, etc.

The Frivep project will be extended by a pre-industrial phase called FIREX, Filière Industrielle de REcyclage des teXtiles, planned for 2022, after validation of the project by ADEME.

SNCF will contribute to this system by collecting up to 15 tonnes of its own waste and will remain committed to the emergence of this sector.

Digital waste: "La Grande Collecte" is expanding externally

After having recovered more than 60,000 items of unused IT equipment between 2019 and 2021 thanks to the mobilisation of employees, the initiative launched at SNCF in 2019 continues to be rolled out. In 2021, the SNCF Group, together with its partner OLINN, launched "Pour un numérique engagé", a web platform for companies wishing to use SNCF's services to reuse their employees' computers, smartphones and tablets. Group subsidiaries such as ICF Habitat, IT Novem and TGV Lyria have already joined this platform, accessible on www.numerique-engage.com

Designed with a three-pronged economic, environmental and social approach, the "La Grande Collecte" operation enabled SNCF to reinvest part of its profits in supporting non-profit projects. Its old computer equipment could be converted into nearly €90,000 for associative projects, in particular in favour of digital inclusion of the most vulnerable or preservation of the environment in the regions. Furthermore, its partner OLINN, a company in the sheltered sector, was able to create 16 permanent jobs for people with disabilities. Companies are invited to join this virtuous chain through the "Pour un numérique engagé" platform.

[Find out more > Supported associations](#)

The Eco Boutique is growing

In 2018, SNCF launched La Boutique Eco, an internal platform for the re-use of minor equipment (excluding PCs) and supplies, developed as part of SNCF intrapreneurship. This in-house "small ads" platform allows establishments to offer to other departments objects in good condition that they no longer need for professional use: professional protective clothing and equipment (PPE), stationery, consumables, small tools, etc. It is also an opportunity for them to become involved in waste reduction and the circular economy. With over 36,000 subscribers and more than 8,000 items listed, the site has saved the company nearly €1 million in supply purchases.

In 2021, the site incorporated the possibility of offering large stocks of office furniture following relocations or refurbishments, for re-use at other Group sites. The products are put online and the stock is managed until delivery by a Group subsidiary, Géoparts.

Key indicator

	2019	2020	2021
Total quantity of hazardous waste generated (in kt) - UPG	84.5	69.7	75.248

5.7.3.2 Systematising eco-design

Eco-design is a priority for SNCF Réseau, covering products (rails, catenary wires, etc.), services or systems (signalling, telecoms) and railway projects (renewal, modernisation and development of the network).

This approach to improving environmental performance primarily results in:

- Savings of renewable or non-renewable resources and materials
- Improved energy efficiency
- Limitation of environmental pollution
- A reduction in the network's vulnerability to climatic hazards
- A reduction in the amount of space consumed and impacted.

Eco-design now extends to taking into account climatic risks and the necessary adaptation of infrastructures and rolling stock.

Eco-design is gaining ground at SNCF Réseau

An increasing number of projects throughout France are engaged in an eco-design approach at different phases. From now on, eco-design is included in the processes for preliminary studies and the subsequent design phases, but also in the investment committee process. All types of projects are concerned: station accessibility, "High Performance" projects, infrastructure renewal, wildlife protection systems during works, etc. The aim is to make the practice more widespread.

In addition, since 2020, many contract renewals for rail products (including concrete and timber sleepers and many signalling products) have included environmental performance clauses of up to 20% of the overall award score. The objective: more efficient products involving the entire value chain.

A sharing space around eco-design has been online in the company since 2018. In addition to benchmarks, lifecycle analysis results and best practices, in 2021 it hosted a structured catalogue to help designers find inspiration in all trades.

Eco-design of GEODIS logistics services

To help its customers reduce their environmental footprint, GEODIS has developed an eco-design approach that integrates the impacts of its logistics services. GEODIS thus offers a detailed carbon assessment with solutions for reducing or even avoiding CO₂e emissions. For example, this approach enabled a customer to reduce its CO₂e emissions by 51% over five years, thanks to the use of photovoltaic panels and LED lamps, a recycling process, space optimisation and high environmental quality buildings.

The GEODIS approach integrates the CO₂e emissions related to the entire service life cycle. The engineers in charge of designing logistics offers are all trained in the eco-design approach to anticipate CO₂e emissions even before a project starts. GEODIS customers have access to a comparison between a standard logistics offer and the eco-designed proposal, which they can use in their own carbon assessment. The methodology was externally audited and validated by the French Association for Quality Improvement and Management (AFAQ).

AREP eco-design model for stations and buildings

To respond to the climate emergency and the new regulations governing the environmental performance of new buildings (tertiary sector decree, new RE 2020 energy regulation, etc.), it is essential to design, build, maintain, operate and market property differently.

For design and construction aspects, AREP, a multidisciplinary architecture agency and subsidiary of SNCF Gares & Connexions, has developed the EMC2B approach, which consists of taking five dimensions into account when developing projects: energy, materials, carbon, climate and biodiversity. This approach, which is used to measure and optimise the carbon footprint of operations, restrict energy consumption and systematically plan for the production of renewable energy (solar photovoltaic, geothermal, etc.), is intended to be deployed for all construction or renovation projects.

Examples of achievements:

- 15 modular childcare facilities installed or in the process of being installed in stations in the greater Paris region

- the Saint-Denis Centre station project on the RER D, where the passenger building was studied by simulating the climatic conditions of 2050.

AREP's expertise was also rewarded with the 2021 National Engineering Prize for the Saint-Michel-Notre-Dame station transformation project in Paris. The eighth busiest station in France, its design takes into account the constraints of noise pollution, respect for air quality and resilience to the risk of flooding.

Another project that embodies all the components of the approach initiated by AREP and SNCF Gares & Connexions since 2019 is the new Nîmes Pont-du Gard station, whose eco-design incorporates the challenges of energy conservation.

Station furniture: eco-sustainable, 100% recyclable and responsible

To guarantee comfort in stations, SNCF Gares & Connexions offers a catalogue of furniture for waiting areas, shelters and rest areas, which incorporate CSR criteria. These criteria relate to materials and equipment, manufacturing and the specificities of the contract between SNCF Gares & Connexions and the supplier of the framework agreement.

- Thus, 90% of the materials used in the furniture are ecologically sustainable: PEFC-certified oak and FSC-certified cumaru, which will be 100% reused at the end of their life, high-performance fibre-reinforced concrete (HPRF) produced in France from ore extracted nearby, and steel made from 55% recycled material, which will be reused at the end of its life.
- The equipment used is also designed to reduce furniture energy consumption: lighting by LED strips, provision of USB sockets for the most part. The photovoltaic roof option for shelters is also designed for partial or total self-consumption.
- For the waste sorting equipment contract, an approach to reuse existing furniture was implemented at the design stage and integrated into the contract for the bi-flow bins.

Furniture in waiting areas, passenger shelters, waste sorting equipment and ashtrays are produced in France by ISO 14001 certified manufacturers. It provides for the optimisation of material thicknesses and the evacuation and recovery of waste in the factory and on the installation site. Another important consideration is the search for ways to reduce energy consumption at production sites and the training of employees in eco-responsible behaviour.

Furthermore, this framework agreement includes several CSR clauses, in particular 1,500 hours of the total working time required for the production of the furniture reserved for people excluded from the labour market and in a programme of integration through economic activity. Finally, a restrictive clause on transport-related CO2e emissions governs supply and delivery.

5.8 PRESERVE BIODIVERSITY AND NATURAL RESOURCES

5.8.1 Context

The SNCF railway network is a huge configuration that covers the whole country and constantly interacts with nature. As a corporate citizen, SNCF works to promote biodiversity in synergy with the regions.

5.8.2 Our commitments

Continue our commitments under the Act4Nature.

Replace glyphosate with an alternative plant protection product based on a biocontrol product after the end of 2021.

5.8.3 Policy and actions

Although SNCF's activities have an impact on biodiversity, it also owns land that provides shelter and preserves it. Biodiversity is a major issue in SNCF's CSR policy and is an important part of the Group's social commitment policy. After joining the Act4Nature* initiative in 2018, SNCF published [a first assessment](#) in 2020, as well as a guidance document, "Biodiversity approach", common to all the Group's entities. It has also extended its application of the "avoid, reduce, compensate" principle with the deployment of a tool for monitoring compensatory measures.

Act4Nature International

In 2021, the Group renewed its commitments to Act4Nature International around three issues:

- Governance, dialogue and awareness-raising
- Mitigating pressures on biodiversity
- Contributing to the improvement of knowledge.

To make its approach part of a collective commitment, the Group has entered into numerous partnerships with companies working on environmental issues - in particular the Orée, EPE or CILB associations - and finances research projects, such as the Ecosystem and Landscapes Land Transport Infrastructure (ITTECOP) programme.

In addition, to develop a culture of ecology among its employees, SNCF undertook in 2021 to raise awareness of biodiversity among 10% of network maintenance workers each year and promote employee commitment to the environment through skills sponsorship.

[Find out more > Our Act4Nature International commitments](#)

* Initiative launched in 2018 by Entreprises pour l'Environnement (EpE).

Concrete achievements to protect and promote biodiversity

As part of the Act4Nature International approach, SNCF is conducting a number of projects: restoring ecological continuity to waterways impacted by hydraulic structures, promoting biodiversity in railway stations and sites by developing rational management of their green spaces, and reducing clashes with wildlife by experimenting with various devices.

To better reconcile work and biodiversity, SNCF plans its work by taking into account the nesting and hibernation periods of various animals, and raises the awareness of its field agents on these matters. Two initiatives in the Auvergne-Rhône-Alpes region bear witness to this:

- The Question Nature application to answer questions from network maintenance workers.
- Renewal of the partnership between SNCF and the French Bird Protection League in 2021 to raise awareness of chiroptera (bat) issues in sectors where tree felling is planned.

Wildlife protection facilities

Depending on the case, SNCF is also planning a variety of measures, ranging from the restoration of the Brétigny wetland in the Île-de-France region during the replacement of catenaries on line C to the reconstruction of bat nesting boxes after the LGV Est project. The modernisation of lines such as Clisson-Cholet in 2020 included the installation of fences during the construction period to

protect rare animal and plant species: dragonflies, wild orchids.

In 2021, during reinforcement work on the Maréchalerie embankment in La Queue-lez-Yvelines, a voluntary inventory uncovered the larvae of a protected species of dragonfly, the mercury agrion. A ditch was recreated outside the work area with the substrate of the existing ditch and agrion larvae to reproduce its habitat and avoid any impact on this protected species.

In stations, insect hotels and nesting boxes can be installed on the embankments, such as at La Blancarde station in Marseille, in partnership with the LPO.

This type of initiative and many others, such as the fight against invasive alien species, a responsible timber procurement policy for sleepers or the development of research into railway biodiversity, were also included in a biodiversity action plan for 2019-2025.

Focus on the maintenance of tracks and their surroundings and the Egalim law

Reducing the use of plant protection products is a priority for the Group. To this end, various arrangements and methods are being tested:

- laying of anti-vegetation mats under the tracks
- use of alternative biocontrol products
- new technologies such as sound waves
- selected seeding.

A mixture of plant species that are minimally invasive and compatible with railway and personnel safety constraints has been tested since 2019 on 12 sites in France and could benefit a third of the country's service lines.

Phasing out of glyphosate. At the end of 2021, SNCF Réseau fulfilled its commitment to phase out glyphosate. The new weeding trains tested throughout the year were put into operation during the autumn treatment campaign to replace glyphosate with alternative herbicides. These trains also incorporate a vegetation detection system designed for targeted spraying. The objective in 2023 is to have 100% of the surfaces treated by these trains to reduce the quantity of product sprayed by 50%.

Egalim law. Under the Egalim law on agriculture and food, 12,500 local residents in more than 8,000 municipalities covered by the national rail network were invited to take part in a consultation process in 2020 on the SNCF Réseau's charter of commitments for the protection of people using plant protection products. In January 2021, a second consultation phase was launched, submitting for public comment the charter of commitments based on the contributions of the first phase.

The summary of the observations collected, as well as the charter enriched by all the local residents, were sent to the departmental prefects for approval and [published on the SNCF Réseau website](#). On 26 July 2021, the Conseil d'État requested a change in prevailing regulations, which SNCF Réseau will observe.

Key indicator

	2019	2020	2021
Percentage of railway facilities (national rail network, sites) covered by actions to reduce or eliminate the use of plant protection products (excluding biocontrol) (%)	5.9	15.4	16.8

Deployment of a water policy

To better control water management throughout the company, a water policy was rolled out from 2016 to 2020 around eight objectives involving all SNCF activities and businesses.

An initial assessment shows that several measurement and monitoring systems have been put in place, in particular to identify and trace the most water-consuming sites, establish an inventory of water networks and map the ecological continuity of rivers (CECE) and the network's vulnerable points to detect aquatic environments that could be at risk of pollution. On this basis, a remedial action plan was launched for the restoration of CECEs and water networks. A second plan is being developed to provide more solutions to reduce these environmental impacts.

A programme to renovate the water networks of industrial assets, called CEPIA (Conformité Eaux Pluviales Incendie & Assainissement), has been deployed since 2007 and will be followed until 2032. This represents an investment budget of approximately €230 million, with a focus on the sites technically most at risk. Among those that have been renovated most recently are the industrial establishments of Saulon and Moulin Neuf.

5.9 OPTIMISE ENVIRONMENTAL MANAGEMENT

5.9.1 Context

The formation of the new SNCF in January 2020 into five railway companies required the implementation of a new unifying approach to environmental issues, as well as a framework for a more global vision of environmental risks to better reduce their scope. This is the Environmental Management System (EMS).

5.9.2 Our commitments

Deploy the EMS in all Group railway companies to improve SNCF's environmental performance.

5.9.3 Policy and actions

With the creation of Unified Public Group on 1 January 2020, the roles of the five new companies were clearly defined in terms of environmental management, with an SNCF parent company taking on strategic responsibilities, strengthened management and control powers, and coordination of all the companies of the new Group. The Group's companies and activities, for their part, are fully responsible for the conduct of their operations, as close as possible to customers and employees.

A common reference framework

Internal specifications present the Group's general environmental guidelines and the associated challenges. They also specify the roles common to all five SNCF companies and their respective responsibilities in terms of environmental management.

The entire organisation of the managerial approach has been reshaped around the Social, Territorial and Environmental Commitment Department (DESTE), which defines the environmental strategy on behalf of the SNCF Group, steers and monitors the implementation of this strategy and reports publicly on it. It proposes and leads all Group policies on various environmental issues, in co-construction with all Group companies. It also organises their governance and sets up the tools needed to monitor and steer these policies (reference frameworks, information systems, coordination, etc.).

EMS in place

Implementing environmental management systems within the Group and ensuring their sustainability and

optimisation is one of the objectives of the new SNCF Group. To be effective, environmental actions must be carried out over the long term, as part of a structured continuous improvement process integrated into the operation of establishments.

EMS can be ISO 14001, HQE Exploitation, BREEAM, Integrated Management Systems (IMS) certified.

By 2021, all activities within the company had an EMS and 88% of the industrial facilities, such as the technicentres and the trackside industrial facilities, were ISO 14001 certified.

Key indicator

	2019	2020	2021
Percentage of certified industrial establishments and sites ISO 14001 (%)- 5SAs	97	90	88

The changes of the ISO 14001 certification rate reflect several situations: expired certificates, in the process of renewal, newly certified establishments awaiting certification, establishments for which certification is planned.

A comprehensive environmental management tool

The continuous improvement process of the Environmental Management System is based on:

- The compliance plan (PMC), based on the regulatory assessment of sites in relation to environmental regulations
- The continuous environmental improvement plan (PACE), based on environmental analysis. The aim of this analysis is to identify, analyse and prioritise the main sources of environmental damage from activities (water, air, soil, noise, biodiversity, energy, waste, etc.), taking into account the sensitivity of the sites. For example: sites in a flood zone or near a Seveso site. The aim is to take preventive actions to reduce the likelihood of risks occurring or to reduce the severity of the consequences.

To simplify this work and meet the specific needs of the entities, a digital environmental management tool has been developed at Group level. This solution, currently being deployed in all the activities of the five railway companies, represents a real step forward compared to the previous local solutions. The tool will also allow the company to have a more global vision of the environmental challenges and risks, at the level of a region, an activity or a company, and thus contribute to the mapping of CSR risks for the environment.

Environmental awareness for production managers

The DESTE has designed an online training course on environmental issues for managers of all the company's establishments.

This awareness-raising, deliberately practical and educational, should help them identify ecological transition challenges for SNCF and any constructive actions to be implemented. In particular, it will draw on concrete achievements within the Group using PROGRESSEO, a performance management and continuous improvement tool launched in June 2021. Developed as part of the "Tous SNCF" strategic project, this tool enables the establishments of the Group's five railway companies to compare themselves in terms of environmental risks and benefits. They are thus encouraged to progress through exchange and feedback with their peers.

At SNCF Réseau

The environmental training programme for SNCF Réseau employees enables them to develop skills in targeted areas according to their missions. These include the

basics of the industrial environment, environmental law, Facilities Classified for the Protection of the Environment (ICPE), waste, EMS, ISO 14001 environmental audits, internal IT tools dedicated to the environment, as well as nature protection, water law, administrative procedures, consultation and specific training on railway noise.

Environmental management at Keolis

To strengthen its commitment to ecological transition, Keolis has been implementing ISO 14001 environmental certification in several of its subsidiaries since 2013. Today, Keolis is the first passenger transport operator to be ISO 14001 certified at the Group level. To achieve this, the Keolis Group's Sustainable Development and Social Commitment Department goes beyond a common policy. It steers the entire process and distributes tools to ensure the overall consistency of the approach, a smoother flow of information, the exchange of best practices between subsidiaries and the coordination of the network of environmental experts in subsidiaries.

In 2021, the ISO 14001 certifications of the subsidiaries involved in this process were renewed by independent auditors, including AFNOR Certification. The scope of certification has even been extended with the addition of two new subsidiaries.

To continue this momentum and improve the environmental management of the entire Keolis group, Keolis has set itself the objective of obtaining ISO 140001 certification for 80% of its revenue by 2030.

6. IMPROVE THE ADAPTATION AND RESILIENCE OF ACTIVITIES TO CLIMATE CHANGE

6.1 IMPROVE OUR KNOWLEDGE OF THE IMPACT OF CLIMATE CHANGE

6.1.1 Context

The gradual change in the climate and the occurrence of extreme weather conditions will have a growing negative impact on traffic, passenger comfort, SNCF's financial performance and, by extension, on the economy of the regions if anticipatory measures are not taken now. In response to these major risks, the Group has made adaptation to climate change one of the six pillars of its CSR strategy. This will require a better understanding of the impact of the climate on its rail activities and tighter control of the actions to be taken.

6.1.2 Our commitments

Identify the risks of climatic hazards within the Group's five railway companies and lead an action plan for adaptation to climate change to ensure the resilience and sustainability of mobility offers.

6.1.3 Policy and actions

The latest IPCC (Intergovernmental Panel on Climate Change) report, published in 2021, confirms that climate change will make weather events more frequent, more intense and less predictable. At SNCF, these hazards affect customer expectations, employees' working conditions, service continuity, the safety of people and goods, the cost of supplying materials and products, insurance costs, etc. It is therefore in all these areas that adaptation to climate change (ACC) must be taken into account.

Setting up a governance structure

In 2021, the SNCF Group committed to developing a pathway for adapting its activities to climate change. This is one of the six pillars of the 2020-2030 CSR strategy approved by the SNCF Board of Directors on 23 June

2021. This pathway requires the integration of climate hazards in the planning and management of activities, and the development of innovative solutions. But first of all, it is necessary to better characterise this risk to anticipate it, adapt practices and better control expenditure. A coordinated action plan led at the highest level of the Group is necessary, hence the establishment of a dedicated governance structure.

An ACC Strategic Committee

The governance of adaptation to climate change is provided by the "Adaptation to Climate Change" Strategic Committee within the Committee of Chairmen. The first committee meeting was held in late November 2021. The results of this strategy will be presented once a year to this specialised strategic committee. This body, which meets once a year, will monitor the progress of the work and make the necessary decisions.

Overview of ACC studies

Since 2015, SNCF has been conducting in-depth studies in various Group companies with ADEME, the Institute of Economics for Climate (I4CE), Météo France or on its own, such as SNCF Réseau in 2021 on the Seine Paris - Le Havre line. Objective: to better understand the causes of climate hazards and adapt activities. This work has resulted in:

- Changes in certain business practices or gestures. For example, the reinforcement of network and rolling stock maintenance teams during sensitive periods, the preventive checking of trains (air conditioning) or the implementation of heat rounds to check the state of the rails, etc.
- Identification of indicators to be monitored within the Transilien scope to reduce weather-sensitive incidents
- The visualisation of target areas and causes of vulnerability on a rail network line to prioritise actions and progressively feed into an adaptation and resilience strategy for the national rail network.

These studies also revealed that knowledge of the vulnerability of the Group's facilities is still partial, with the financial consequences of climate change on the Group's activities being real but poorly understood. Finally, they showed that projects were often "siloed" by business line internally and seldom shared with the outside world. The ACC approaches therefore need to be deepened and structured to deploy them in climate change adaptation plans at Group level.

The year 2022 will allow us to continue the diagnosis of vulnerability linked to climatic hazards to build an action plan and anticipate the impact of the climate on the activities of the five Group railway companies.

Focus on a Centrale Supélec study: risks and resilience of complex systems

The patronage chair for research and education in industrial engineering aims to understand how different railway systems, electrical or otherwise, interact with each other through modelling and simulation. It thus offers a global vision of the systems to allow the anticipation and optimisation of decisions. The first concrete application is in flood risk analysis. In 2021, two scientific publications were produced on realistic and topological modelling for vulnerability analysis of interdependent rail and electricity networks.

The chair's work has been used by SNCF Réseau to develop a proof of concept for analysing flood risks on the Marseille-Aubagne route. Other use cases are being discussed with SNCF Voyageurs concerning the impact of predictive maintenance on the operating safety of critical

components (such as the braking component to have the principle of Globally At Least Equivalent - GALE - safety by comparison with that of a system already in operation).

Coordinated action plan

The work carried out in the various Group companies is now steered and coordinated by the parent company through an action plan that is regularly submitted to the Strategic Committee. The aim is to ensure that the priorities, scope and pace of action on this topic are consistent with the obligations and expectations of external stakeholders. In particular, the aim is to respond better to:

- Transport authorities that request stress tests, such as the Grand Est and Île-de-France regions for example, to establish their Regional Plans for Adaptation to Climate Change (PRACC)
- Insurance companies requesting a detailed action plan
- Financial services, via the environmental taxonomy
- Non-financial rating agencies that include this theme in their evaluations.

The Group's priorities for action in 2022 include:

- Have climate data sets derived from IPCC climate change scenarios, in collaboration with external partners such as Météo France, RTE, EDF, the Pierre Simon Laplace Scientific Institute on Climate (IPSL) or the Institute of Economics for Climate (I4CE), which will serve as a common reference for the Group's internal analyses and "stress tests" with the transport authorities
- Strengthen knowledge on the subject by analysing the vulnerability of sites with high stakes, in relation to the current and future climate, and assessing the financial impacts integrating construction work as well as operating losses, activity losses, insurance, etc.
- Identify organisational changes in operations: dedicated ACC organisation, network of trained experts, sharing of good practices from the various studies, etc.
- Initiate discussion on design and structural adaptation with technical solutions based on nature, such as the working group launched by SNCF Réseau.

6.2 INTEGRATE CLIMATE HAZARDS INTO BUSINESS PLANNING AND MANAGEMENT

6.2.1 Context

Damage to tracks, breakdowns and accelerated ageing of trains... The SNCF Group is already suffering the consequences of climate change on its equipment, resulting in a drop in service quality and financial impacts. 12% of lost minutes were due to weather events in 2020, up +17% compared to 2019. Climate risk must now be anticipated and systematically integrated into technical choices to reduce the vulnerability of infrastructure, stations and rolling stock and increase their resilience and capacity to adapt.

6.2.2 Our commitments

Integrate climate hazards into business planning and management to ensure continuity of service.

Develop research into innovative solutions for the adaptation and resilience of our activities.

6.2.3 Policy and actions

Bearing in mind that climatic events are becoming more intense, more frequent and with greater impact, scope and gravity, the SNCF Group has taken several actions within its activities to reduce the vulnerability of infrastructures and adapt to new environmental constraints. Achieving resilience in the rail network is a key objective to ensure

the sustainability of the train in the context of climate transition.

SNCF Réseau's actions to adapt infrastructures

The adaptation and resilience of the infrastructure, its components and its operation are the major challenges for SNCF Réseau. Its priority is to cope with extreme weather events and to ensure continuity of service and regularity of rail traffic in response to the expectations of customers and transport authorities.

In this context, SNCF Réseau has been implementing innovative solutions for several years to combat climate change and maintain service continuity:

- Preventive tours in bad weather or heat to anticipate any damage to structures and railways due to bad weather or high temperatures.
- Field trips to monitor interventions on the tracks in the event of a bad weather alert

However, crisis management alone in response to extreme weather events, however effective, is no longer sufficient.

Threats to the infrastructure are increasing, components are weakened, reliability and quality of service are degraded, repair costs mount up, the amortisation of investments is compromised: anticipation has become necessary.

A gradual adaptation process

Achieving complete resilience of the rail network is an ambitious goal, due to the large number of infrastructures, the complexity of its operation, its age, its close intertwining with the territories it crosses, and its permanent exposure to climatic hazards.

Achieving this objective requires transformations in practices and organisations which have been gradually implemented since 2016:

- Drawing up of a map of establishments and facilities at risk located outside the Flood Risk Territories (TRI)
- Fire safety policy for the network's technical installations (signal boxes, etc.)
- Reinforcement of surveillance actions, both through field trips and network supervision.

Since 2020, priority has been given to the detailed diagnosis of the infrastructure's current and future vulnerabilities:

- The various components of the railway infrastructure, in the area of track, earth and hydraulic structures and catenaries
- Railway lines to take into account the variation in exposure to climate change from one territory to another.

The objective is to have an overall view of the network's weaknesses to anticipate the actions to be taken at controlled costs. These diagnoses are gradually feeding into a strategy for the adaptation and resilience of the national rail network.

Diagnosis of vulnerability on the Seine Paris - Le Havre line

The latest study on the adaptation of the rail network to climate change is a vulnerability assessment of the Seine Paris - Le Havre line. It assesses the fragility in the face of climatic hazards of a set of key components of 400km of rail infrastructure, from track to signalling.

The results published in October 2021 make it possible to visualise the areas, targets and causes of vulnerability on this line in order to prioritise the actions to be taken. The range of possible solutions goes from increased

monitoring and operational measures to adaptation work, maintenance measures and changes in maintenance practices. They are supplemented by solutions that relate to the design of the material components themselves, which can improve the robustness of the whole network.

Other studies of this type will follow in 2022, particularly on the Languedoc arc, which is subject to numerous incidents linked to climatic hazards.

[Find out more > The studies](#)

7. ACT FOR SOCIAL COHESION AND THE ECOLOGICAL AND SOLIDARITY ECONOMY IN THE REGIONS

7.1 DEVELOP INCLUSIVE MOBILITY AND SOLIDARITY AT THE HEART OF THE REGIONS

7.1.1 Context

Lack of mobility is the second biggest barrier to employment after training¹. As a long-standing player in the field of integrating people excluded from the labour market, SNCF confirms asserting its desire to work towards more inclusive mobility in the regions for excluded populations.

7.1.2 Our commitments

Promote learning about geographical mobility for all, especially for job seekers.

Develop professional integration actions, particularly for young people.

7.1.3 Policy and actions

As a responsible public group with strong local roots, SNCF participates in the fight against exclusion and precarity, as well as in integrating people excluded from the labour market through numerous actions in collaboration with players involved in Inclusion through Employment (IAE) and social action.

Supporting employment and mobility towards employment

Every year, many SNCF entities provide support to help people in their lives, whether through sustainable purchasing, integration clauses, support for the sheltered sector, integration projects or subsidised contracts via apprenticeships.

To promote the professional integration of young people, who have been hard hit by the economic and social consequences of the health crisis, SNCF is continuing its actions alongside the State in the "Un jeune, une solution" scheme, which takes on over 8,000 young people on work-study programmes and developing partnerships with associations. The Group's Foundation notably set up a solidarity fund of €300,000 for 2021 to help young people in great difficulty, by acting on food insecurity, digital inclusion, and psychological distress.

It is also by making it easier for everyone to learn about geographic mobility that the Group can help the most vulnerable people find a job. This is why, faced with the difficulties encountered by almost half of the French population in their daily travel², SNCF is making inclusive mobility a priority, by increasing the number of workshops organised in partnership with the Pimms (multi-service mediation information points), as in Lyon and Rennes.

¹Laboratoire de la Mobilité Inclusive (LMI), [Study on the links between mobility, integration and access to employment](#), 2013

²Laboratoire de la Mobilité Inclusive (LMI), ["Mobility and access to employment" survey](#), 2016

Pimms Médiation to create social ties and proximity

At a time when nearly 20 million people in France are experiencing difficulties in accessing essential services - administration, employment services, training, health, mobility, etc. - SNCF is a partner in 45 of the network's 69 reception centres. Committed alongside Pimms Médiation since their creation in 1995, the Group is a partner in this territorial dynamic to meet the expectations of citizens by facilitating their access to administrative and digital services. These reception facilities, located in railway stations or urban centres, are accessible free of charge to all inhabitants of the territories, particularly to people who are far from public services or who have no access to digital technology.

In 2021, more than 43,000 people were assisted during mediation on board trains or in stations, and more than 11,000 SNCF and Keolis reception missions were handled by mediators within the Pimms Médiation structures.

The social mediators, trained by SNCF, can also help people learn about the proper use of everyday mobility through a mobility training module.

In addition, the Pimms Médiation also have a human dimension of inclusion since the social mediators are in the course of professional integration.

Focus on the regional mobility learning module

To remove obstacles to mobility and encourage the use of public transport, SNCF is deploying a module for learning about everyday mobility in regional social structures (Pimms, local missions, etc.). It has three parts:

A TER discovery tour for:

- Getting around in SNCF stations
- Presenting TER tickets and offers adapted to the profile of the beneficiaries
- Understanding information contained on a ticket
- Using automatic ticket machines, ticket validators or ticket control machines
- Discovering other modes of transport linked to the station, such as the Keolis transport network
- Raising awareness of rail risks and compliance with the rules on the TER network.

A digital-oriented mobility workshop which enables participants to familiarise themselves with the "SNCF Connect" application for finding travel options and buying tickets (formerly known as Assistant SNCF) through quizzes, animations and practical examples.

And a "flash" digital workshop which presents the main features of SNCF Connect to people already familiar with the tool.

Result:

- In the Hauts-de-France region, 2,136 beneficiaries and 857 councillors from integration structures attended a mobility workshop in 2021. These workshops are presented either by a mobility facilitator within the TER Marketing team, or by the Pimms mediation partners, or even by young people on civic service from the Unis Cité association. Furthermore, discovery and mobility courses in stations run by volunteer station agents are offered to partner structures (E2C, EPIDE, local missions). They take place in the Amiens, Albert and Abbeville stations.
- In Auvergne-Rhône-Alpes: the social mediators of the four Pimms partner associations are trained in the three parts of the module. In total, 940 people have benefited from group workshops (digital workshops and discovery tours in stations) and 776 people were accompanied in flash digital workshops in 2021.

The SNCF Foundation, focusing on the place and employment of young people

In 2020, the pandemic revealed the extent of its activities and the crucial role of the voluntary sector towards the most vulnerable groups. The Foundation took action in 2021, with young people, who are particularly affected by the economic and health crisis and the climate emergency. On the occasion of its 25th anniversary and as part of its 2021-2025 five-year programme dedicated to the integration of young people into society, the Foundation is launching two programmes to support and encourage them and help them build a sustainable future in the territories:

- **"Trouver sa voie"**
- **"Agir pour l'environnement dans les territoires"**

Its annual budget of €4.5 million will mainly support associations working with young people, from those who have just started high school up to 25 or even 30 years old. Among the support actions planned for the first axis around guidance, equal opportunities and commitment: learning support, help with orientation and career development, support for solidarity and civic projects. As part of the government's "Un jeune, un mentor" operation, the SNCF Foundation and Human Resources have also mobilised employees to support a young person in their school, student or professional career.

For the second axis on the environment, the SNCF Foundation is working with well-known players in the sector to raise awareness of the fight against waste and the preservation of resources, to encourage the repair or re-use of objects and to promote local initiatives such as waste collection or the creation of organic vegetable gardens.

For these two areas, the Foundation relies on its network of 15 regional correspondents.

Focus on the solidarity fund to help young people

After a year and a half of health crisis, young people are affected by the pandemic both in their daily lives and in their perspectives. According to an Ipsos survey carried out in 2021 with FAGE (Federation of General Student Associations), 76% of them said they had been affected psychologically, emotionally or physically.

The €300,000 emergency fund launched by the SNCF Foundation in 2021 has made it possible to support the actions of national or local associations around several priorities:

- **The fight against the digital divide**, with the support of the Collectif Mentorat in its commitment to the "Un jeune, un mentor" scheme. The grant was used to purchase 220 computers and internet connections throughout the country, as well as to structure the collective, which has proved effective in combating school drop-out and educational inequality.
- **Food insecurity and psychological and social distress**, by helping FAGE and food banks - through the AGORAé project - to set up solidarity supermarkets and distribute baskets or meals to students in difficulty, and 18 local associations to provide computer equipment or psychological assistance to young people, as well as a helping hand in accessing housing or leisure facilities.

The Grand Hackathon "Les jeunes à la relance"

In November 2021, as part of the "Un jeune - une solution" plan launched by the Ministry of Labour, Employment and Integration, SNCF took part in the Grand Hackathon on line organised by "Le French Impact" and "Big Bloom",

support programmes for social innovation projects, with five other partner companies.

Alongside 200 participants from the public, voluntary and business sectors, SNCF Group employees contributed their collective intelligence for 48 hours non-stop on the theme of "Young people moving forward". During the Grand Hackathon, projects focused on the fight against school drop-out, the promotion of social entrepreneurship and the commitment of young people to solidarity.

A project for reintegration and the fight against recidivism.

In 2022, SNCF will support the APRES association (part of the ARÉS group), which works to reintegrate prisoners after their release from prison. The social innovation that will be implemented is a kit composed of tools and rewards to engage young people in their socio-professional reintegration pathway from the moment they are taken into custody and in the months following their release. Through this incubation, SNCF is strengthening its fight against recidivism, in parallel with the implementation of community service missions.

The use of community service missions

Since 2011, SNCF has been providing support for alternatives to prison for minor offences with a focus on professional integration. Given that 62% of ex-prisoners re-offend within five years of their release, community service is a tool for combating re-offending. It also gives concrete expression to "restorative justice" by making it possible to repair the fault committed, while offering a first professional experience for 70% of beneficiaries. SNCF has chosen to entrust community service missions that are useful for the public company, such as the maintenance of certain facilities (green spaces, station surroundings, minor renovation, etc.) and service to its passengers.

The five-year partnership agreement between SNCF and the Ministry of Justice was renewed in 2016 and again in 2019. In addition to traditional community service, it provides for innovative measures such as educational community service and unpaid work.

In 2021, 73 people performed community service in the company, working 5,781 hours.

Integration projects: the success of bicycle workshops

Between May and October 2021, Transilien offered 172 bicycle repair workshops in 20 stations in the Paris region, in partnership with the Solicycle, Véloservices and M2IE associations.

These solidarity workshops, carried out in the form of integration projects, enabled 78 people this summer to acquire the know-how and skills that are in demand in this fast-growing economic sector. And to meet the new expectations of thousands of travellers in the Ile-de-France region, who are fans of this active mobility, complementary to the train.

In addition to the bicycle workshops, the workshops subsidised by SNCF in the context of integration projects mainly involve green space maintenance, small-scale renovation of buildings and digital awareness training. These workshops help to develop work skills and interpersonal skills that are conducive to a return to employment.

Keolis targets people excluded from the labour market

Through its subsidiaries, Keolis is developing partnerships with organisations in their regions to integrate people for whom access to employment is more difficult. For example, with the École de la deuxième chance works to

integrate young people without qualifications or employment.

Keolis Rennes joins the "Territoire Zéro Chômeur de Longue Durée" project

The objective of this project is to create a territorial dynamic to provide a solution to any person subject to long-term unemployment residing in a given territory.

Once human resources and employment needs are identified in the territory, one or more employment enterprises are created to connect the two. As a partner company of the project, Keolis Rennes proposes several activities related to the maintenance of the metro infrastructures, to be carried out within the framework of this future company.

"Ma Course SNCF" to better connect territories to the train

With its Tech4Mobility programme, launched in 2019 as a concept incubator, SNCF is experimenting with alternative or complementary solutions to the train to limit the use of private cars in rural areas. For example, "Ma course SNCF", a shared car with a driver and on-demand offer, was tested in 2021 in five municipalities in the Sarthe region.

The final priority of the programme is to explore innovative light rail concepts to provide more appropriate rail solutions for the wide variety of short lines.

A social innovation for immersive accessibility in the regions

SNCF is one of the main players in national heritage. Since 2020, it has been committed to a strategy of enhancing this heritage through innovation to make it more accessible to all and in all areas. After launching a dedicated platform, SNCF Group has joined forces with "L'Incubateur du patrimoine" and the Centre des monuments nationaux (CMN) to select start-ups that are experimenting with solutions that promote accessibility, including for so-called impeded people.

In this context, SNCF supported Lumeen, which offers medical and medico-social establishments (EHPAD, senior residences, hospitals, disability homes, etc.) a turnkey virtual reality solution that can be used by their staff for patients, residents and their families.

Deployed since July 2021 in more than 250 establishments, this immersive experience allows you to travel virtually on board the Yellow Train on the Cerdagne line between Villefranche-de-Conflent and Latour-de-Carol. It is thus part of the non-medicinal therapies offered to residents. In 2022, the solution will also be deployed in four establishments of ICF Habitat, a subsidiary of SNCF Immobilier.

Find out more > <https://patrimoine.sncf.com/>

A programme to support refugees at SNCF...

As part of its support for vulnerable people, the SNCF Foundation has been involved in a programme to help refugees since 2019. In 2021, its actions focused on:

- Initiating new partnerships in the framework of territorial sponsorship with the Ligue de l'enseignement in Nouvelle Aquitaine to teach French to refugees, or the Fermes d'avenir in Île-de-France and Normandy to accompany refugees in market gardening jobs.
- Extending the "Duos of Tomorrow" sponsorship programme with France Terre d'Asile and Singa for refugees under 30 years old.

- Continuing skills sponsorship missions to promote the professional integration of young refugees with Kodiko in Tours, Rennes and Strasbourg.
- Participating in a pilot project to integrate refugees with the IFRI (French Institute for International Relations) and the Committee of foundations (BNP Paribas Foundation, Total, Suez, Sanofi Espoir, L'Oréal, Adecco).
- Renewing support for refugee entrepreneurship via an incubator with Generali, La Plaine Commune in Saint-Denis.

... And at Keolis

In 2021, Keolis joined the "Refugees Are Talents" business collective. This group aims to share good practices, to raise the awareness of employees on this issue and to promote the social and professional integration process of refugees who "have the right to work". In this approach, where performance and solidarity go hand in hand, these companies are planning to set up training and recruitment campaigns.

Furthermore, a partnership signed in October 2020 with Tent, a global organisation specialising in the professional integration of refugees, reinforces Keolis' commitment to this approach. After a first partnership in the Netherlands, Keolis continues its collaboration with Tent in France and Belgium.

Finally, in 2021, Keolis also teamed up with the start-up Each One, which offers cultural, language and job placement training to refugees.

7.2 DEVELOP AN AMBITIOUS RESPONSIBLE PURCHASING POLICY THAT INCLUDES SUPPLIERS AND SUBCONTRACTORS

7.2.1 Context

The Group's purchasing policy contributes to the ambitions that SNCF has set itself in terms of reducing greenhouse gases, the circular economy and local commitment. It thus takes into account CSR issues throughout the purchasing process, and ensures that the stakeholders are aware of and involved in the process: suppliers, buyers, customers, etc. It promotes its actions through experiments, feedback and performance indicators.

7.2.2 Our commitments

Buy less: question the need and the supply processes or practices (stock, ordering process, etc.) and encourage reuse and extending the life of products.

Buy better: integrate at each stage of the purchasing process requirements that are consistent with the Group's CSR objectives and/or the CSR risks of the purchasing family in question. It also means strengthening supplier assessment, developing the "made in France" concept and participating in the socio-economic development of the regions.

Buy cheaper: have a full-cost analysis approach to tenders, integrating the life-cycle cost of products, and formulate "strictly necessary" expressions of need.

7.2.3 Policy and actions

SNCF has the opportunity to create more value by making its suppliers committed partners and contributors to its financial and CSR performance. The Group's purchasing policy is based on three pillars: economic performance, safety requirements and CSR.

Three main priorities guide its CSR action:

- Systematise the integration of CSR requirements in the choice of solutions and suppliers to control CSR purchasing risks.

- Be a player in the ecological transition by promoting the reduction of greenhouse gas emissions and the circular economy

- Develop "made in France" and actively contribute to the economic development of the territories.

Furthermore, SNCF is committed to a continuous improvement process. It is therefore involved in various groups or working groups in favour of responsible purchasing, such as the Fédération des Industries Ferroviaires (FIF), the Observatoire des Achats Responsables (Obsar), the Pacte PME association, Handéco and the Gésat network.

Increased CSR requirements in the choice of offers and suppliers

After carrying out a mapping of its CSR and purchasing risks in 2020 with the support of a specialised service provider, SNCF strengthened its procedure for assessing supplier compliance in 2021. In addition to the usual verification of regulatory documents, 508 strategic suppliers, key suppliers or suppliers belonging to purchasing families identified as being at risk, were evaluated by questionnaire. Objective: identify possible risk situations in relation to the requirements of the Sapin II law and the duty of vigilance of parent companies.

This questionnaire was sent in addition to the assessment objectives already set in 2020:

- 100% of strategic suppliers are assessed by the EcoVadis rating agency
- Key suppliers in families identified as having severe or high overall risk according to the CSR-Purchasing risk matrix are encouraged to undergo an independent third party assessment.

Out of 1,139 suppliers assessed by EcoVadis on behalf of SNCF, 850 have an assessment less than two years old. The average score of the suppliers assessed is 57.5 compared to 43.8 for all the companies assessed by EcoVadis. 76% of the suppliers assessed have an overall score above 50/100.

Guiding responsible purchasing

The information made available via the purchasing information system enables the purchaser to check the conformity of the supplier file from the consultation phase and before the contract is awarded.

In addition, the new "Supplier Relations and CSR Charter" reinforces the supplier's commitment by becoming a contractual document. A clause is also included in contracts for purchasing families identified as at risk, to require CSR assessment of suppliers by a specialised independent third party.

SNCF has been awarded the "Responsible Supplier Relations and Purchasing" label since 2012 and, in its supplier relations, favours dialogue, cooperation and, if necessary, mediation, with the referral process detailed on sncf.com [the referral process detailed on sncf.com](#)

For more details, see the Management Report, Vigilance Plan, the chapter Human Rights and Fundamental Freedoms and the chapter Suppliers.

[Find out more > The supplier relations & CSR charter](#)
[Supplier relations and responsible purchasing label](#)

Risk mapping at Keolis

Following the completion in 2018 of an initial mapping of CSR-related risks in purchasing to determine the highest-risk procurement families, prevention and mitigation actions have been carried out, including:

- The integration of the Keolis Supplier Relationship Charter in consultations and framework contracts for Purchasing
- Continued deployment of the EcoVadis solution for assessing the CSR performance of suppliers, which is available to the Group's subsidiaries.

Since 2020, the mapping is being updated to include the scope of international expenditure.

Be an actor in ecological transition

Since 2019, SNCF has included environmental and social issues in the rating of offers for 20%. The deployment of this rating allows suppliers to be aware of the CSR impacts of their offer and buyers to actively contribute to the Group's CSR objectives.

Result: in 2021, 36% of purchases contracted during the year, i.e. more than €8 billion, included a CSR rating of 20% of offers, compared to 5.5% in 2020 on a base of €4 billion. This indicator highlights that more buyers and suppliers are taking CSR issues into account.

Other actions promote the Group's responsible purchasing. For example, studies are being carried out on the collection and recovery of waste, as well as on energy saving certificates or the renewal of equipment (boilers, cars, mobiles, etc.) necessary to reduce the carbon footprint.

Solidarity or inclusive purchasing

SNCF is also developing its inclusive purchasing by increasing the use of companies from the Social and Solidarity Economy (SSE).

SOLIDARITY PURCHASING IN 2021



€33.5M
IN PURCHASES FROM
THE SSE SECTOR



€15.7M
FROM THE
SHELTERED SECTOR



€17.8M
FROM INTEGRATION
COMPANIES



1,230,923 HOURS
OF CONTRACTUALISED INTEGRATION
AT THE END OF NOVEMBER 2021

In 2021, SNCF increased its direct purchases from the SSE by 27%. This increase mainly benefits the integration sector and is linked to the recovery of the activity after the 2020 health crisis. The disability sector, which is more sensitive to the effects of the health crisis, is down by 6%.

The share of the number of hours of integration, for which the annual objective is set at one million contractual hours on the contracts signed during the year, is maintained.

On the other hand, certain emerging families such as IT and digital or intellectual services now include this type of clause and make it possible to envisage a further increase in this indicator.

At Keolis

Furthermore, Keolis and its international subsidiaries worked in 2021 on a common definition of the Social and Solidarity Economy. For this first year, the US data is consolidated with the French data. Beyond reporting, the US subsidiaries support small businesses where disadvantaged people hold at least 51% of the capital and control the management and business operations. In addition, all public service delegation contracts contain an obligation to spend money with these structures, which must be certified by the DOT (Department of Transportation) of the State concerned.

In 2021, the Keolis group made over €32.9 million in solidarity purchases, including €19.3 million in France and €13.6 million internationally.

Actor in the economic and social development of the regions

Present throughout France, the Group is a major player in regional development. Its rail business accounted for more than €12 billion of purchases from French suppliers in 2021.

Measuring the regional footprint of purchases

Every year, SNCF measures the regional footprint of its purchases using the "Local FOOTPRINT®" method with the support of the Utopies firm.

In 2021, SNCF rail activity made 97% of its purchases from French companies and 18% of the amount from SMEs and mid-cap companies.

Jobs

SNCF supported 231,570 indirect and generated jobs, i.e. 0.8% of employment in France, including:

- 133,240 indirect jobs in the supplier chain
- 98,330 jobs generated by household consumption and public spending

Added value

€14.5 billion in added value creation, i.e. 0.6 % of national GDP

Regional supplier meetings, gateways to SMEs

SNCF organises several actions to communicate the Group's responsible purchasing commitments and

requirements to service providers. The action plan includes:

- Distribution of a monthly newsletter to 20,000 subscribers with an open rate of 30%. The new version to be deployed in 2021 will include a satisfaction survey to regularly improve its content.
- Sending in October 2021 of the questionnaire organised by the SME Pact*, of which SNCF is a member, to a panel of 1,500 SME suppliers. The 13% of returns will be analysed and incorporated into action plans in 2022.
- Supplier Awards: in November 2021, the Chairmen of the five companies presented ten prizes to a panel of suppliers of all sizes, including two ESATs (establishments or services for assistance through work), in the heart of the Occitanie, Nouvelle-Aquitaine, Auvergne- Rhône-Alpes and Grand Est regions. The company judged them to be effective and innovative in addressing the Group's CSR challenges.
- **Regional meetings.** Launched at the end of 2020, these meetings bring together, remotely for the time being, all the Group's companies and service providers present in a given region. They are an opportunity for SNCF to explain to companies the Group's future needs and CSR challenges, organise purchasing and also to expand and renew its local supplier base.

These forums, with several hundred participants, i.e. a total of 2,000 by the end of 2021, are also a gateway to SNCF for local SMEs and show SNCF's desire to contribute to the economic activity of the regions through its purchasing policy.

These forums have already been held in Hauts-de-France, Grand Est, Auvergne-Rhône-Alpes, Pays de la Loire, Provence-Alpes-Côte d'Azur and Normandy. With 80% satisfaction, the process will be continued in the other regions of France in 2022.

* Joint association comprising large companies and local authorities to develop French SMEs.

For more details, see the Management Report, Vigilance Plan and the chapter Suppliers.

Key indicator

	2019	2020	2021
Solidarity purchases (€m) - 5 SAs	31	26	33.5

The trend has been stable over the past three years. In 2020, the purchases of €26 million actually represent €31 million following the update of the third-party database during the year.

7.3 SUPPORT REGIONAL AND LOCAL ACTORS IN THEIR ECOLOGICAL AND SOCIAL TRANSITIONS

7.3.1 Context

The SNCF Group is leveraging its presence across the country to actively support local authorities and economic players, with comprehensive solutions that integrate employment, housing, environment, inclusion and more open stations. Its role in revitalising territories is strengthened in this period of health, economic and climatic crisis.

7.3.2 Our commitments

Revitalise small and medium-sized stations.

Contribute to the economic dynamism of the regions and their social balance through the employment and activity that SNCF generates.

Mobilise railway land for communities to build more housing.

7.3.3 Policy and actions

Committed to the regions, SNCF has chosen to make proximity and dialogue the basis of its performance, both in terms of its railway expertise and its social and environmental approach. It is developing numerous global solutions with local authorities to promote territorial cohesion and improve the daily lives of inhabitants, serving sustainable growth.

Socio-economic support

Support for job-creating projects, support for local trade and internal projects, economic and social diagnostics, etc. SNCF Développement, a Group subsidiary, brings together all the expertise needed to revitalise the regions, particularly by helping the Group's activities to meet the CSR challenges of the regions. Thus, despite the health crisis in 2021, eight regional diagnoses were deployed to accompany transition to sustainable growth.

Housing

With an exceptional estate of 20,000 hectares, 3,000 of which are suitable for urban development, the Group, via SNCF Immobilier, conducts innovative urban projects on behalf of local authorities and the State. The mobilisation of this land represents, between 2021 and 2025, the potential construction of 15,000 to 20,000 housing units throughout the territory, 35% of which will be social housing. In Île-de-France, the thirty or so sites identified represent potentially 6,600 new homes.

Stations

At the heart of urban and regional development, stations, whatever their size, bring the city and its outskirts together. They can foster economic development and meet the expectations of a more open and inclusive society. This is the objective of the "1001 stations" programme.

Focus on the revitalisation of small railway stations

The Group's partnership with the regions within the framework of "1001 stations" is a key element of the territorial strategy deployed by the company throughout France. This initiative was launched by SNCF Gares & Connexions in June 2019 to revitalise vacant spaces in stations located mostly in towns with fewer than 100,000 inhabitants. A maximum budget of €200,000 per project is devoted to this investment to bring the premises up to standard and carry out the proprietary work. Objective: to call on promoters of local initiatives to occupy small stations with innovative and useful activities: third places, coworking spaces, bicycle cafés, recycling centres, services, shops, medical centres, etc.

The scheme is of interest to local authorities because it promotes employment and the revitalisation of their communities, via the stations.

In 2021, despite the health crisis, nearly 80 "1001 gares" projects were set up in France, and a hundred or so other projects are currently being examined, studied or set up.

[Find out more > 1001 gares](#)

Support for homelessness and integration projects

SNCF is attentive to the safety of everyone in stations. Through SNCF Gares & Connexions, it ensures that people in very precarious situations are taken care of and

works in collaboration with associations to set up appropriate prevention and social intervention measures.

- In 2021, 70 stations benefited from this system for dealing with homelessness and 77 target agreements were signed with partner associations throughout the country.

SNCF Gares & Connexions also promotes the professional reintegration of people excluded from the labour market through integration projects, while developing the range of services offered at stations. For example, so-called multiservice sites include free luggage assistance, customer guidance or assistance with waste sorting.

- In the Parisian stations Lyon, Montparnasse and Est, 97 beneficiaries on fixed-term integration contracts (CDDI) benefited from the scheme supervised by the association ARIES (Association régionale de réinsertion économique et sociale). The "works" integration project at Paris-Lyon station involved 28 beneficiaries in 2021.
- Between September and October 2021, ten young people aged between 18 and 25, who are experiencing great difficulty in finding work, took part in the repair of various woodwork structures in the forecourt of the Marseille Saint-Charles station. They were supervised by a team of educators from the "Aller vers en gare" mission and the "Maraudes mixtes" of the ADDAP13 association throughout the project.

Five-year agreement 2022-2026 for more housing for all

After signing a charter in May 2021 to speed up the sale of unused railway land and its conversion into 15,000 to 20,000 new homes, the State and ICF Habitat, a subsidiary of the SNCF Group, signed a five-year agreement in September to promote social housing, local housing policies and housing for SNCF employees, who account for a third of the housing allocated.

On the agenda between 2022 and 2026:

- The construction of 10,000 new housing units, mainly located in areas where the real estate market is tight, i.e. an average of 2,000 units per year, 90% of which will be social housing.
- The rehabilitation of 9,000 homes, including 5,000 in Île-de-France, and the energy renovation of 11,000 energy-inefficient homes.
- Active contribution to urban renewal and urban policy with local actors, such as the New National Urban Renewal Programme (NPNRU) planned for 10 municipalities, for about 3,300 dwellings. Or compliance with allocation objectives in favour of priority groups and the actions undertaken for the elderly: adaptation of housing, development of new products, partnerships for special support, etc.

It is also a question of being able to provide emergency accommodation to the State and to the territories for people in difficulty, as in the case of the project for seven new residences in the Île-de-France region, which would represent around 600 housing or accommodation places.

A six-hectare eco-district in the 12th arrondissement of Paris

Located in city centres, often close to stations, SNCF land is an essential asset for urban development. It offers local authorities a way to meet the needs of their citizens, while respecting the ambition of Zero Net Artificialisation by 2050 as set out in the Climate and Resilience Law. The former Les Messageries railway site behind the Paris-Lyon station is a concrete example.

Thanks to a partnership between the City of Paris, SNCF Immobilier and its subsidiary Espaces Ferroviaires, this land area will be transformed to accommodate, from 2025 onwards, around 44,000 m² of housing, 45,000 m² of work spaces and neighbourhood activities, 3,000 m² of shops and services, a school and a crèche. This veritable eco-district, connected to the city's heating network, will be composed of low-carbon buildings, using bio-sourced materials, and equipped with photovoltaic solar panels on 40% of the roofs. Restored to its natural state, the site will also offer three hectares of green space to encourage biodiversity.

A transitional urban planning project for people in difficulty

Since January 2021, SNCF Immobilier has reopened a former SNCF hostel near Dijon Ville station to house the Association dijonnaise d'entraide des familles ouvrières (ADEFO), an association that provides emergency accommodation and support for professional integration for people in difficulty. Fifteen rooms were made available to the new occupants, as well as common areas reorganised into offices and meeting rooms to run job search and digital literacy workshops. The building will be available until 31 December 2022.

Transitional urban planning gives new life to unused SNCF railway sites (vacant land, empty buildings), creating new places to share and live while waiting for their future conversion. The occupation of a site prefigures new uses that meet the needs of the territory.

SNCF Développement at the service of skills and territories

A springboard for Group employees

SNCF Développement, in collaboration with the Group Human Resources Department, offers a specific support and advice system for SNCF employees who are considering setting up or taking over a business. The aim is to increase their chances of success. This system also helps to develop the skills of the Group's employees, to support and promote new initiatives and to contribute to maintaining or creating jobs in the regions. Since its creation, more than 200 agents have been able to carry out their project.

Acting for sustainable growth at grassroots level

To further integrate the SNCF Group's contribution to sustainable growth in the regions, SNCF Développement draws up strategic territorial diagnoses to refine and align the roadmaps of the various SNCF activities with those of the regions. This system links the challenges of the region with the SNCF Group's strategy in terms of economic and social development, sustainable mobility, environmental impact and ecological transition.

Since 2020, the DTS (Strategic Territorial Diagnosis) approach has been deployed in eight regions, in collaboration with territorial actors. A first diagnosis has made it possible to support a transitional urban planning space.

SNCF DÉVELOPPEMENT KEY FIGURES



SNCF shares its optical fibre with the territories

Optical fibre, which replaces copper cables along the 20,000 km of lines, is used to transmit railway signalling information. These activities do not however use the full data capacity of the network. In May 2021, SNCF created a new entity to market this unused capacity. The ultra high-speed data transport offer will be proposed to fixed and mobile telephone network operators, hosting companies and data centre operators, major industrial companies including other SNCF Group companies and public initiative networks.

In 2021, the offer is being progressively deployed around Paris, Toulouse, Lille and Valenciennes and then around Lyon, Marseille and Bordeaux. It will be a source of additional revenue for SNCF Réseau and will help to reduce the digital divide in the country.

Strengthening SNCF-regional partnerships

Strengthening partnerships with the regions is at the heart of the "Tous SNCF" strategic project. This is evidenced in particular by the visit of the SNCF Chairman and CEO in autumn 2021 to two regions, as part of the Chairmen's tours of the regions and cities, which began in 2020:

- **In Occitanie**, the Chairman fulfilled the commitments he made to the Region and the Metropolis of Montpellier. He set up a dedicated team in 2021 to renovate the Occitan lines. He also generalised the free TER liO travel from the eleventh journey in the month for young people aged 18 to 26, after the successful experiment launched in the spring.
- **In Auvergne-Rhône-Alpes**, the Chairman participated in a round table in Lyon on the ecological benefits of the Lyon-Turin project. In Annecy, at the national congress of the FNAUT, he discussed with the participants the conditions necessary to attract even more passengers to the trains. In 2022, these tours will be an opportunity to follow up on the commitments made and to take into account the new challenges facing local authorities. They will continue to drive the SNCF Group's commitment to the regions.

8. MAKE EMPLOYEES THE MAIN ACTORS AND BENEFICIARIES OF ECOLOGICAL AND SOCIAL TRANSITION

8.1 SUPPORT EMPLOYEES WITH THE HUMAIN PROGRAMME

8.1.1 Context

There are many challenges to be met if SNCF is to become a key player in ecological transition in 10 years' time. Aware of the efforts this represents for its employees, the company, which has been recognised as a quality employer for the tenth consecutive year (Top employer* label), wants to go further, with a large-scale support programme dedicated to the employees of its five railway companies.

*The Top Employer label is obtained through an audit of the answers to 400 questions on HR practices in twenty major areas, including the place of people in the company, skills development, training and culture within the Group.

8.1.2 Our commitments

Putting employees at the heart of our daily focus.

Increase their commitment and their satisfaction with the help of a support programme on all existing and new schemes in line with their expectations.

8.1.3 Policy and actions

The opening up of the passenger market to competition, the demanding economic trajectory, the desire to double rail transport within 10 years in response to the climate emergency are all challenges that require the company's employees to adapt.

At the end of 2021, still marked by the health crisis, the SNCF Chairman and CEO wanted to strengthen the support given to employees on a daily basis so that they could "experience the time they spend in the company as a positive moment in their lives".

The SNCF Humain programme, called "SNCF&me", incorporates the expectations identified as priorities based on feedback from the field and internal surveys. The programme's ambitions, shared with the representative trade unions, are to:

- Make employees more aware of the many services and facilities available
- Adapt, accelerate, or even create new systems and services to meet their needs.

The Humain programme in four parts and 10 projects

The four strands of the programme correspond to the four dimensions of employees' lives:

- The personal sphere: the employee as an individual
- The work collective
- SNCF: the employee in the Group
- Society: the citizen employee

These dimensions include ten areas: from the recruitment of employees to their remuneration, their rights, their health and safety, their career path and even their aspirations such as social commitment.

The same working methodology will be used for each project: an inventory and diagnostic phase before defining guidelines and a specific deployment plan for each theme. And to ensure the progress of the projects, governance at the highest level of the company will be put in place from January 2022.

The employee as an individual

The company, as an employer, contributes to making life easier for its employees. Two projects are contributing to this:

- Remuneration and benefits,
- Support for employees and their families through social action services, housing assistance, carers, etc.

The employee in the work collective

The team and the entity in which employees work are important elements as they are a significant part of their daily lives. Four projects are therefore devoted to this:

- Management and team commitment
- The working environment and conditions
- Social dialogue
- Health and safety at work.

The employee in SNCF

In a Group like SNCF, which promotes public service values and where there are many different professions, the employees recruited must be able to project themselves positively into the future, feel respected on a daily basis and benefit from rewarding career paths. Three projects are concerned:

- Gender diversity and inclusive policies on equality, work and disability, prevention of discrimination and living together...

- Professional development, including the development of skills and career paths for employees
- The continuation of the Solidarité Emploi approach to encourage employee mobility throughout the Group and to cover internal employment needs.

The citizen employee

For many employees who want to be useful to society, it is important to take into account their civic dimension. A project is dedicated to this subject of corporate social responsibility. SNCF thus seeks to encourage and promote the commitment of these employees to associations, particularly through mentoring and skills sponsorship, to recognise this commitment and to participate, through training, in a better understanding of societal issues.

Focus on a new survey that listens to the Group's employees

The launch in November 2021 of a single employee engagement and satisfaction survey for the Group's five railway companies, instead of two surveys up to now, shows SNCF's desire to have common indicators to guide its improvement measures. Since people are a major pillar of the Group's strategy, the "It's up to you" survey is made up of four themes: commitment, quality of life at work, management and awareness of the "Tous SNCF" corporate project (see Introduction, The corporate project puts CSR at the heart of the Group's strategy). It measures the success of the attention that must be paid to employees, in particular to their professional development, their expectations, and to the treatment of "irritants" that can degrade their working conditions. Managers can also express their views on the conditions under which they carry out their managerial functions.

The participation rate of 65.5% was 6 percentage points higher than in the previous year's surveys.

"C'EST A VOUS" SURVEY



71/100

QUALITY OF LIFE AT WORK
ASSESSMENT SCORE*

**Score of 72 for the French employee benchmark (2,000 employees of major French companies surveyed over the same period).*

64/100

COMMITMENT SCORE
8 POINTS LOWER THAN THAT OF MAJOR
FRENCH COMPANIES.

79%

OF EMPLOYEES SAY THEY LIKE WORKING FOR
THE SNCF GROUP. A 4 POINT INCREASE
COMPARED TO 2020.

51%

RECOMMENDATION RATE
9 POINTS LOWER THAN IN 2020, DUE TO
CONCERNS ABOUT THE OPENING UP OF
PASSENGER ACTIVITIES TO COMPETITION.

62%

OF EMPLOYEES ARE FAMILIAR WITH THE
"TOUS SNCF" CORPORATE PROJECT ONE YEAR
AFTER ITS LAUNCH

8.2 ATTRACT AND RETAIN TALENT

8.2.1 Context

Technological developments, the health crisis and its economic and social impact, the end of recruitment of personnel with railway worker status from January 2020... SNCF is working to make its professions and training courses more attractive to face the risk of a shortage of skilled employees, particularly in certain professions where there is a shortage of workers: rail traffic, equipment and network maintenance, train driving, network engineering and safety. Recruitment volume remained high in 2021, despite the health crisis.

8.2.2 Our commitments

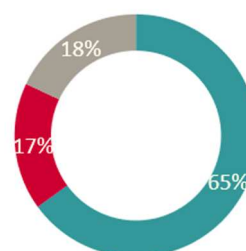
Make people want to join SNCF and stay there with an attractive training and mobility offer to remain a leading and preferred employer.

8.2.3 Policy and actions

SNCF is one of France's leading recruiters in the industrial sector, with 3,933 new employees in 2021 in the five railway companies out of a total of 11,622 employees in the Group. The five railway companies are mainly

recruiting in the Île-de-France region, accounting for 50% of recruitment, and in technical professions, with 46% for SNCF Réseau and 41% for SNCF Voyageurs. 65% of newcomers were hired as operational staff, 17% as supervisors and 18% as managers.

Breakdown of new employees in
2021



■ Labourers ■ Supervisors ■ Managers

In 2021, SNCF adopted a new employer promise, echoing the new "Tous SNCF" corporate project. It translates

into: "Developing through the sustainable mobility professions, so that together we can make this service accessible to all, now and in the future":

- Innovations for 150 businesses that contribute to more sustainable mobility
- Skills development with access to initial and continuing training, varied career paths, wage progression
- A focus on the team and the quality of life at work with teams that excel together, a work/life balance and benefits: housing, ease of movement, etc.
- The societal role of a company present throughout the country and committed to greater inclusion.

This employer promise, which resonates with the "SNCF Humain" employee support programme, is promoted on the social networks Facebook, Twitter, LinkedIn, Instagram and now TikTok. In addition, the website www.emploi.sncf.com simplifies applications, in particular thanks to a Chatbot and the matching of CVs with offers.

2021 recruitment campaigns

Target Tiktok. SNCF launched its first video campaign on the social network TikTok. By teaming up with several influential Tiktokers, the company capitalises on their audience of young subscribers to raise awareness of SNCF as an employer. Seven videos were published, showing a profession in an offbeat and humorous way, according to the codes of this social network. The result: with 1.5 million views, 200,000 likes and 1,600 positive comments and shares, these videos were a hit with users.

Find out more > [The videos on sncf.com](#)

Co-option at SNCF and GEODIS. Furthermore, SNCF is continuing its co-option programme to attract candidates who would not necessarily have thought of SNCF and thus increase the number and quality of applications for certain jobs and in job areas with high demand. The principle: SNCF employees recommend people they know who match the profiles we are looking for. More than 260 co-optees were recruited in 2021 through this process.

The same approach was implemented at GEODIS in June 2021.

Female representation objectives. In 2021, to contribute to the company's objectives of increasing the number of women in the workforce*, a €300 co-option bonus was introduced for the recruitment of women on permanent contracts. The co-opters received a bonus of up to €900 per person co-opted and recruited.

Another action was an all-female recruitment forum, "Un billet pour l'emploi", which motivated more than 400 female candidates to attend pre-selection interviews. Female ambassadors from the driving, rail safety, rail traffic and track and train maintenance professions were present to talk about their daily lives and to help them project themselves into the profession.

"Live" on work & disability. Contrary to popular belief, many SNCF jobs are accessible to people with disabilities, including production jobs. In addition to a recruitment campaign between March and September 2021 on the theme "Believe in your ambition", SNCF organised an exchange with potential candidates with disabilities on Facebook and LinkedIn in May 2021. Objective: to make them aware of the opportunities offered by the company and the support to improve their integration and their working conditions. At the end of the live session, where more than 6,800 people logged on, participants were directed to the job offers available on the website www.emploi.sncf.com

*2021-2024 agreement on professional equality between women and men and diversity

The development of work-study training

At SNCF. To prepare for future recruitment and to participate in the national effort to promote the integration of young people, SNCF has created new work-study courses in core railway professions where recruitment needs are high, such as tram-train drivers, train attendants and electrical engineering maintenance operators. In total, the company had set up more than 8,000 work-study contracts by the end of 2021, representing an increase of more than 14% - in terms of the number of work-study students taken on - compared to 2020. As a guarantee of the quality of the training provided in 2021, the railway apprentice training centre (CFA) has been Qualiopi certified.

At Keolis. With a view to strengthening its public transport network operating teams, Keolis created its first corporate CFA centre in January 2021: the Mobility Campus. Initially dedicated to the driving professions, the Keolis Mobilités campus offers access to local, sustainable and responsible employment by training young people under 29 years of age who have held a B driving licence for two years. At the end of this qualifying training, the apprentices deployed in the urban and interurban subsidiaries will receive the CTCR (Community Road Transport Driver) professional qualification. Thanks to this scheme, Keolis recruited and trained more than a hundred apprentices in 2021.

Priority to professional mobility within the Group

Launched in January 2020 to better support employee mobility within the Group's five railway companies, the Solidarité Emploi approach has been deployed in all regions via its territorial mobility agencies (ATM).

For more than a year, the territorial management of employment has enabled the Group's companies to find solutions adapted to each employee in professional transition or voluntary mobility. This was the case for over 2,000 people between January and December 2021. It is also in this spirit that "job advice spaces" have been opened within these structures.

- To encourage internal mobility, the job offers available online have been expanded with around 100 offers for assignments of three months to three years.
- To facilitate retraining and smooth mobility between the five companies, internal recruitment campaigns have increased.

After the Solidarité Numérique programme launched at the beginning of 2021 to recruit 300 male and female developers over three years, Solidarité Emploi has just started five other retraining projects for five professions experiencing shortages: rail safety, rolling stock maintenance, freight operators, station operations and traffic. These actions are supplemented by those launched by companies such as SNCF Réseau, at the end of 2021, with its "Change lane, join Réseau" campaign to cover 600 jobs.

More broadly, professional mobility is also an opportunity for the Group to develop its competitiveness by relying on increasingly competent and versatile employees. At the end of November 2021, 1,786 employees had moved between the five railway companies and 1,867 had been seconded to subsidiaries and other organisations.

Expanding the range of distance learning courses

Training is an important lever for the development of new skills for both the employee and the company. After a year of slowdown in 2020, mainly due to the effects of the

health crisis and lockdown periods, the five railway companies saw their training effort increase by 21% in 2021. This shows that SNCF has been able to adapt to the context of increased working from home by promoting the development of distance learning. This mobilisation of the company also made it possible to provide all the training required for new recruits.

New e-learning "CSR: Understand to take action"

To raise awareness among all Group employees of the importance of sustainable development in their company and for society in general, a "CSR: Understand to take action" acculturation system has been set up. With new thematic modules every two months, the first four focused on:

- The global challenges of CSR
- The major role of SNCF in this area
- The Group's CSR strategy
- CSR as a performance lever.

This first series of modules, launched in October 2021, will be supplemented by a second series in spring 2022. In particular, it will present the CSR professionals at SNCF and detail the good practices that enable each employee to integrate CSR into their daily work and management. It will address issues such as biodiversity, the circular economy and diversity.

In addition, from 2021 to 2023, a CSR training programme for the entire managerial line, i.e. 17,000 managers, will be implemented.

GEODIS trains its sales staff on the environmental impact of its solutions

The Sales Academy is a training programme designed to train GEODIS sales staff. It includes a "CSR and Low Carbon" module with two objectives:

- Advise customers on low-carbon solutions.
- Enable sales staff to assess customers' CSR strategies.

In 2021, 190 people completed this training.

Key indicators

	2019	2020	2021
Recruitment on permanent contracts in France (number) - UPG	13,391	10,565	11,622
Work-study contracts (number)	6,649	7,109	8,139
Share of employees who have received at least one training course, in France (%) - UPG excluding GEODIS	70.00	62.00	69.00
Total number of training hours (in thousands) - UPG excluding GEODIS	6,255	4,591	5,228

Trading data concerns the UPG excluding GEODIS, consolidated data not available as at 17 February 2022.

	2019	2020	2021
Redundancies (number) - UPG	5,881	10,739	6,485
Turnover (%) - UPG	11.3	9.2	11.7

8.3 FOSTER THE CONDITIONS FOR A WELL-DEVELOPED SOCIAL DIALOGUE

8.3.1 Context

The year 2021 was marked in particular by negotiations on the social framework applicable to employees in a context

of regional trains opening up to competition, by the implementation of the agreement directly linked to the health crisis on short-time working, and by the signing of a new agreement in favour of professional equality between women and men and diversity.

8.3.2 Our commitments

Maintain social dialogue, especially in a period of corporate transformation, to ensure a high level of social protection for the employees of the five Group railway companies.

8.3.3 Policy and actions

2021, still marked by the health crisis, began with the entry into force of an agreement directly linked to the pandemic on long-term furlough. The aim is to protect the jobs and pay of employees affected by the reduction in transport plans and passenger traffic. This agreement, which guarantees the employees concerned 80% of their total remuneration and 100% of their fixed remuneration, covered more than 21,000 employees at the peak of the crisis.

The year ended with the signing of another agreement on gender equality and diversity. More demanding than the three previous ones, it was signed unanimously by the company's representative trade union organisations in November 2021.

At the same time, the social partners negotiated throughout the year on measures to be put in place, some in the form of collective agreements:

- The definition of a new job classification and the harmonisation of remuneration principles for contractual employees of the five Group railway companies.
- Consolidation of the social framework for employees who are to be transferred to dedicated companies in response to calls for tender, in the context of the opening up of passenger rail transport to competition.
- Renewal of the Disabled Workers Agreement. This is the 9th collective agreement on the subject.

For more details, see the Annual Report, SNCF Group Consolidated Financial Statements, section 5.1.1 Collective agreements and branch agreements.

In competition, preserving a high level social framework

SNCF has chosen to systematically respond to all calls for tender for regional transport packages open to competition by setting up dedicated subsidiaries. Management thus negotiated with the trade unions, in the second half of 2021, the social framework applicable to SNCF employees who will be transferred to these subsidiaries to operate the lines thus assigned by the transport authorities.

The objective is to guarantee for these employees the continuation of the major fundamentals relating to their employment Status and contained in certain collective agreements and Group directives, from which they currently benefit. It also means providing them with opportunities for mobility and career development within and between the five railway companies, as well as access to internal promotion schemes offered by the Group.

In the event of the loss of a call for tenders launched by a transport authority, employees would have to be transferred to competing companies. To guarantee them a protective social framework, an agreement known as the "social backpack" was negotiated and validated within the railway sector. In addition to what was provided for in the 2018 law for a new rail pact - i.e. the maintenance of the special pension scheme and the job guarantee for

statutory employees and the maintenance of net pay for the last twelve months - the agreement provides in particular:

- Maintenance of the right to travel facilities
- Maintenance of housing
- The ability to access specialist doctors at SNCF centres for statutory employees.

Professional equality and gender equality at SNCF: doing more and better

By unanimously signing the new 2021-2024 agreement on professional equality between women and men and gender diversity in November 2021, SNCF's social partners are committing to a policy of real equality between women and men that contributes to changing mentalities and combating the gendered division of labour.

To amplify the action already begun since 2006 in this area, the agreement focuses on three main priorities:

- Increasing gender diversity in recruitment and internal mobility for all the company's professions
- Ensuring equality in career paths and pay policies
- Fighting against all forms of gender-based and sexual violence, and against domestic and intra-family violence.

These three areas are accompanied by quantified objectives, concrete actions, specific indicators and a dedicated budget, as defined in the agreement.

European agreement to put more women on the rails

With the Women in Rail agreement, SNCF was one of the major players in the European social dialogue. Signed by the Community of European Railways (CER) and the European Transport Workers' Federation (ETF) on 5 November 2021, it now commits companies and trade unions in the European rail sector to promoting gender diversity and equality in their respective organisations in eight areas:

- A comprehensive gender equality policy
- Targets for gender balance in staff, management, Board of Directors
- Increased recruitment of women through communication actions
- Reconciliation of professional and personal life through flexible working arrangements: part-time work, working from home, etc.
- Career development
- Equal pay
- Occupational health and safety and the working environment with protective equipment (PPE) adapted to both genders
- Prevention of sexual harassment and sexism.

The railways are thus the first sector to benefit from an equality agreement with binding targets at European level.

Key indicator

	2019	2020	2021
Days lost per agent due to industrial action (number) – 5 SAs	2.84	1.35	0.47

8.4 ENSURE HEALTH AND SAFETY WITHIN THE GROUP

8.4.1 Context

SNCF puts people at the heart of its business plan and its development ambitions. This is why health, safety and quality of life at work are the subject of a global policy managed at the highest level. In 2021, the Group

continued its preventive health actions in application of government measures, with a reinforced focus on its employees.

8.4.2 Our commitments

Assess, prevent and control all risks related to safety, health and the quality of life at work for employees.

People are at the heart of performance and our prevention policy must contribute to ensuring that each employee or subcontractor of the Group can carry out their tasks in optimal safety conditions.

8.4.3 Policy and actions

The pandemic, still present in 2021, has had a lasting impact on the activities and processes of the entire company, which has shown its ability to adapt while looking after its employees.

It also put the culture of health and safety back at the centre of each employee's concerns, by establishing a shared vigilance in their personal and professional spheres.

The occupational health and safety (OHS) policy also benefits from the progress of PRISME, the safety culture transformation programme launched in 2015.

Accordingly, risk prevention actions were implemented in 2021 through:

- The end of the deployment of the OHS managerial transformation with 13,000 managers trained in the 250 establishments. This contributes to the integration of safety standards into managerial practices and in particular to the implementation of safety routines: safety contact, 5-minute safety talks, field rounds, briefings, etc.
- The appropriation and application of life-saving rules. Drawn up in a participatory manner, they aim to prevent major risks related to the company's activities and must be observed in all circumstances. Five rules concern all staff and are supplemented for certain professions by other more specific rules.
- Reducing risks at source (Fair and equitable approaches and freedom of speech) by encouraging the reporting of dangerous events and situations.

Accidents at work: everyone must be involved in prevention

Employee health and safety remains a constant concern and a focus for improving working conditions. The challenge is to reduce both the severity and frequency of work accidents. In addition to the basic actions carried out in each of the Group's companies, additional measures contributing to the reduction of accidents in the workplace were implemented in 2021, in particular for:

- **Electrical risk**, with a specific action plan for the professions most concerned, including shunters and maintenance workers and two awareness-raising campaigns within SNCF Voyageurs, SNCF Réseau and SNCF Gares & Connexions and the implementation of Elec Académie (new generation training rooms) in the equipment maintenance workshops.
- **Risks related to co-activity situations**, with the widespread use of the "DIGIPREV" tool to help draw up prevention plans. 3,000 employees were trained and 30,000 prevention plans were produced in the tool.
- **Risks related to travel**, with awareness-raising operations, the provision of work shoes and the maintenance of access roads within SNCF premises.
- **The risks of personal injury**, with the continuation of training for staff in contact with customers, the equipping

of railway security employees with body cameras and their testing within SNCF Voyageurs.

- **Road risk**, with the overhaul of the training courses offered at Group level and the launch of an awareness campaign in partnership with the road safety authorities, followed by 4,500 employees.

SNCF has also encouraged employees to develop first aid skills, to encourage each of them to be vigilant and to be able to intervene to prevent accidents from happening and to limit the effects and seriousness of any accidental situation.

Health and safety in the context of COVID 19

Although 2021 did not see as many lockdown periods as 2020, the health crisis changed the Group's activities, with organisations having to adapt frequently and staff being more often exposed to the risk of error. The teams in charge of occupational risk prevention provided support to the operational entities in risk analyses upstream of organisational changes and afterwards to adapt business practices. They have further supported managers in maintaining a working environment that incorporates barrier measures to limit risk or to organise working from home for employees whose jobs allow it.

Furthermore, staff continued to have access to all the necessary protective products and equipment, in accordance with government decisions and health protocols: masks, hand sanitiser, virucide products, etc. To speed up and facilitate the vaccination of its employees, SNCF proposed several actions: SNCF regional medical offices open throughout the summer, vaccination time taken during working hours, etc. Finally, a reminder of the health protection measures in force in the company is permanently available on the intranet.

In addition, in a context that favoured domestic violence in 2020, SNCF stepped up its action in 2021 towards employees who are victims of such violence.

For more details, see the chapter Living better together.

Working from home: a growing form of work

The Group acts to promote the quality of life at work of its employees and to prevent psychosocial risks, such as commitment and satisfaction surveys, systematic appraisal in work groups, adaptation to changes in professions and techniques, or anticipation of the challenges and human impacts in supporting transformations.

As the health crisis has accelerated and systematised the implementation of working from home for those jobs that allow it, the company supplemented the 2017 collective agreement with several measures at the end of 2021. In particular:

- **A more flexible formula** of four to ten days per month to take better account of local organisations, and extended to other employee profiles (fixed-term contracts, work-study contracts, assisted contracts, etc.).
- **Better compensation** for workplace equipment and connection.

More than 40,000 employees, or a quarter of the employees of the five railway companies, currently work from home. This is ten times more than two years ago. Among the benefits perceived by the employees interviewed and concerned: better autonomy, efficiency, quality of life, concentration and savings on transport. Vis-à-vis the team: effective group time, shorter meetings. And towards their manager: management by objectives and results with increased confidence.

The annual employee satisfaction and engagement survey "C'est à vous" 2021 confirmed this trend.

Preventing psychosocial risks

To anticipate and prevent these risks, SNCF has undertaken several actions at institutional level, for use by managers and HR, Quality and Safety staff:

- A new social pact committed to in 2020 through the "Tous SNCF" corporate project and its commitment to employee satisfaction.
- A quality of life at work and psychosocial risk prevention policy, entitled "Well-being and efficiency at work" in 2019, validated by the five railway companies and accompanied by a guide entitled "Anticipating human challenges".
- A standardised "socio-economic assessment" methodology deployed in SNCF establishments in 2020, to assess the impact of the changes defined by the Group HR Department. It is used in evolutionary projects.
- A methodology for assessing PSR in the context of drawing up the Single Document. In a period of anxiety linked to the health crisis, this approach facilitated the individual and collective expression of employees. More than 7,000 assessments took place in 2021 with an estimated 50,000 employees participating.
- A centre of expertise accessible by a simple call (toll-free number 0800391787): the Psychological Support Centre (PSP) where more than 25 psychologists take turns within the territories to respond to any request for help and support from an employee, whatever the reasons, personal or professional. The PSP also supports work groups and trains managers and HR actors in the prevention and management of psychosocial risks.

Keolis develops safety culture in Hyderabad

Keolis Hyderabad (India) launched a safety culture development programme for all its employees at the beginning of 2021, entitled "Suraksha hamesha" or "Safety at all times". Objective: to prevent accidents at work through the adoption of safe behaviour and the development of shared vigilance.

This programme was developed and implemented with the help of the British Safety Council, an international benchmark organisation for occupational health and safety, and a team of in-house coaches. Volunteer employees from operations, maintenance and support functions were trained in observation, vigilance and formulation practices to apply these techniques in their own fields. Despite the complex deployment conditions due to the COVID-19 lockdowns, a total of more than 900 employees were trained on a first level of vigilance.

Keolis Hyderabad has also renewed the ISO 45 001 certification of its safety management system.

Trucks to support a road safety campaign

Between March and September 2021, the GEODIS Road Transport business line was involved in the poster campaign organised by the "Vinci Autoroutes pour une conduite responsable" foundation. Created to raise awareness of road safety among all drivers, and in particular the safety of its staff, who can be recognised by their yellow uniforms, it has called on road hauliers to deploy its "Keep your distance" campaign on their vehicles. Road Transport responded favourably and a dozen semi-trailers from the Road Transport plant in Villefranche-sur-Saône, in the Auvergne-Rhône-Alpes region, were decked out in the campaign colours.

Key indicators

	2019	2020	2021
Severity rate of accidents at work (per 1,000 hours worked) - UPG	1.59	1.66	1.75
Frequency rate of accidents at work (per 1,000,000 hours worked) - UPG	22.39	16.93	20.77
Rate of absenteeism (sickness/injury off duty) - UPG	5.98	7.08	6.80

8.5 LIVE BETTER TOGETHER

8.5.1 Context

To achieve its raison d'être, SNCF relies on what makes it strong: the diversity of its employees. For several years now, the Group has been working towards better ways of living and working together by promoting a culture of inclusion. It is now one of the pillars of the Human aspect of its "Tous SNCF" strategic project.

8.5.2 Our commitments

Recruiting employees in the image of our customers.

To foster an inclusive working environment with equal conditions for success.

8.5.3 Policy and actions

Committed to inclusion and the fight against all forms of discrimination, the Group strives to make better living together a factor of success and performance.

Its diversity and inclusion policy operates at several levels:

- **Equal opportunities**, in particular by pursuing actions in the heart of the city's priority neighbourhoods, where social difficulties are obstacles to employment: Equality & Skills Rendez-vous and Voluntary Military Service operations.
 - **The professional integration of young people**, in particular by supporting the "un Jeune, une Solution" plan, intergenerational synergy **and the employability of seniors**, by offering them development opportunities within the Group.
 - **Diversity and professional equality between women and men** through the actions of the SNCF Mixité network, a trajectory set out in the Group's five railway companies and the new rights in the third agreement (2021-2024), particularly in the fight against violence and harassment.
 - **The integration of people with disabilities** and keeping them in employment, as well as raising awareness of disability among the workforce, using measures such as [the Hantrain system](#), [DuoDay](#), disability week, e-learning, etc., which will be further developed in the 9th company agreement signed on 31 January 2022. A diagnosis of the disability policy was carried out at the beginning of 2021 prior to these negotiations.
- SNCF has 6,760 employees with a declared disability. Each year, 1,500 workstation adjustments are made to enable people to remain in employment when the consequences of their disability are a hindrance to their work.
- **Combating LGBT phobia** by ensuring equal rights and treatment for all employees, regardless of their sexual orientation and gender identity. In addition to a specific LGBT prevention plan, SNCF provides everyone with the conditions for an inclusive environment by raising awareness among managers and employees, in particular through the "ProDIVERSITÉ" Serious Game or at conferences. For example, the Inclusion & Diversity

Rendez-Vous have brought together more than 22,000 participants over the past three years. Furthermore, every year, 3,000 managers and HR actors are trained in non-discrimination.

Inclusive labels for the SNCF Group

SNCF received the **Diversity Leader 2022** award from the Financial Times in November 2021. This annual award, launched in 2019, recognises the commitment of European companies that promote diversity and inclusion among their employees through their actions. Out of 15,000 companies, only 850 have been labelled.

In addition to this award, SNCF Réseau was awarded the **"Gender Equality & Diversity for European & International Standard"** (GEEIS) label at the end of February. Issued by Bureau Veritas following audits that evaluate the commitments and actions of companies through nine criteria (gender diversity, salary and management practices, social dialogue, dissemination of a common culture, etc.), it is awarded for four years, with intermediate follow-up audits after two years. Keolis also has this label.

In addition, SNCF moved up 11 points in the **Pénicaud Equality Index** for the whole Group, from 78/100 in 2019 to 89/100 in 2021. This development reflects the commitment made by SNCF to professional equality between women and men, through successive agreements signed with social partners since 2006.

[Find out more > Equality index](#)

Gender 2030 pathway within the Group

In 2021, the percentage of women in the Group's five railway companies has remained stable for the past two years, at 22.8%. Although the proportion of women managers recruited at 29% is high, the glass ceiling remains for the highest qualifications and the hiring of women in the supervisory and executive colleges remained stable at 16%. To improve the gender diversity and number of women in its workforce, particularly in the technical professions which are highly represented at SNCF, the company has defined a gender diversity path for its five railway companies, comprising six areas of action:

- **The feminisation of recruitment** with more operations to raise awareness of the railway professions, such as Girl's Day to introduce young girls to technical professions. Organised remotely, the event was a record success in 2021 with 8,000 connections.
- **The feminisation of management bodies** with more measures to encourage women to apply for key positions
- **Equal pay** with a pay gap of less than 1%. The five railway companies have a 0.7% gap in 2021, compared to an average of 17% in French companies.
- **Balanced parenthood**, including studies on the obstacles to paternity leave.
- **Equal access to training** through strengthened managerial arrangements.
- **The fight against sexism will be stepped up** with, in addition to the awareness-raising and alert system launched in 2015, the establishment in 2022 of a network of local correspondents throughout the country.

Among the targets presented to the Group's Board of Directors at the end of the first half of 2021, the ambition is to achieve 25% of women recruited on permanent contracts by 2024 and 30% by 2030, including 40% of women in management positions. These six commitments are consistent with the annual roadmaps of the five Group companies established under the fourth collective

agreement in favour of professional equality between women and men and gender diversity, signed on 9 November 2021.

OptiMixte approach at SNCF

The equality and gender diversity agreement also provides for the generalisation of a methodology enabling establishments to carry out a self-diagnosis on all gender diversity criteria (working conditions, fight against sexism, workforce, promotions, etc.), to compare themselves and to make the necessary improvements. After a test phase in 13 establishments, OptiMixte will be deployed in all 250 SNCF establishments before the end of 2022.

Key indicators

	2019	2020	2021
Share of female employees (%) - UPG	25.2	25.4	25.9
Rate of female managers (%) - UPG	35.1	35.0	35.4

SNCF's commitment to combating domestic violence and its impact on companies

Because the company is often the only place where a victim of domestic violence can break the isolation and ask for help, SNCF is proposing concrete and strong measures against violence against women.

- The new equality and gender equality agreement allows the persons concerned to benefit from three days' leave to file a complaint, to attend a court summons, to visit a lawyer or to attend an appointment with specialised associations.
- A network of 350 social workers, psychologists and medical and paramedical staff located throughout the country supports employees who are victims of violence.
- The regional embassies of the SNCF Mixité network can direct employees to the right contacts.

During lockdown periods during the health crisis in 2020, which increased domestic violence, SNCF relayed campaigns and prevention guides from the first European network of companies committed to this issue, "One In Three Women", of which it is a signatory. Finally, to inform all staff about these tools and systems, SNCF organised a week of internal actions and awareness-raising in November 2021.

SNCF in the top 5 for DuoDay 2021

For the third year running, SNCF has taken part in DuoDay, organised on 18 November 2021 as part of the European Week for the Employment of People with Disabilities (EWPd). A new opportunity for the company to raise awareness among its employees about disability in the workplace. The principle: for one day, volunteer employees welcome people with disabilities to help them discover their profession and broaden their professional perspectives.

Ticket inspectors, drivers, commercial agents in stations, railway signalling study managers, traffic agents, passenger information managers, or equipment maintenance managers, but also Chairmen and members of the executive management committee..

In total, 269 duos were offered by employees and 144 duos were formed, placing SNCF in the top 5 of participating companies.

Disability training

Because it is essential that the culture around disability at work be as widely shared as possible, SNCF finances training each year for the elected members of the SEC and HSC on the issues of disability at work and knowledge

of current collective agreements. At a rate of 12 sessions offered per year, 240 elected members can register.

A multidisciplinary approach is fundamental in the field of work-related disability. This is why SNCF offers training in job retention methodology to managers, medical staff, social action professionals and territorial mobility agency advisors. In 2021, approximately 200 people were able to be trained.

Furthermore, an e-learning course entitled "Disability & Good Managerial Practices" is available internally on the "Mon Académie" training platform.

Internal mediation to prevent conflicts

Designed a dozen years ago, the SNCF internal mediation system has inspired many other companies to ease situations between employees before conflicts arise. A network of volunteer in-house mediators, duly trained and approved, makes it possible to conduct these mediations throughout SNCF in compliance with professional ethics. Approval from the manager is a prerequisite. However, the exchanges are confidential and the mediator's job is to get the actors concerned to find the solution to their problem themselves.

Thus, more than a hundred situations are dealt with every year and calmed down thanks to the interpersonal communication offered by the mediator. Between absenteeism and demotivation in particular, the equivalent of €6.5 million has been saved on these conflict situations.

GEODIS aims to have more women leaders by 2023

The Group's global transport and logistics subsidiary wants to promote equality between women and men and change the traditionally male image of its business sector. Its goal is to have 25% women in key positions by 2023. GEODIS is supported by a leadership programme that promotes gender diversity in management positions. Progress in this area has already been made and will be continued. In 2017, GEODIS had 13% female managers, compared to 18% in 2021.

8.6 SUPPORT EMPLOYEE ENGAGEMENT

8.6.1 Context

Through several schemes, SNCF encourages its employees to innovate to improve the way the company operates or to put their expertise at the service of a solidarity project. It aims to further enhance the value of social commitment, for the benefit of each volunteer and the Group's public service mission.

8.6.2 Our commitments

Encourage and enhance the social commitment of our employees to the Group and society in general through skills sponsorship and participatory innovation.

8.6.3 Policy and actions

Employee commitment contributes to the SNCF Group's social and territorial cohesion and inclusion missions throughout France. It also has a managerial objective, by recognising the involvement of employees. During the health crisis, which hit young people particularly hard, many employees were able to carry out learning support assignments remotely, for example. The company also wishes to involve its employees more in these new social challenges, in particular through skills sponsorship.

Strengthening skills sponsorship

- In 2021, more than 6,200 employees were involved in skills sponsorship with associations, in particular through mentoring or sponsorship of vulnerable young people. They commit their working time to one of the 87 SNCF partner associations, on average three days a year. The

aim is to get 10,000 employees involved by 2025, by offering more jobs and making it easier to access offers on the digital platform called [“Engagement citoyen SNCF”](#).

- The company has also started to extend skills sponsorship to long assignments with associations (eight in 2021) to offer employees a useful and enriching experience in their professional careers and personal lives.

Employees can also submit the application of an association in which they are a volunteer and which acts in favour of vulnerable or disadvantaged people to the SNCF Foundation's Coups de cœur solidaires. The selected associations are given between €1,000 and €3,000. In 2021, 207 projects were supported throughout the country, with a total budget of €420,000.

Stimulating ideas for the benefit of the Group

Furthermore, the company is pursuing its participatory innovation approach. In 2021, despite the health context, more than 10,000 ideas for improving working methods were proposed by employees and 34 challenges were launched.

Collective commitment with SNCF Mixité

Reflect and act for diversity, equal opportunities between women and men, fight against gender stereotypes and sexism in the company and beyond, create practical tools to diagnose and promote diversity everywhere in the company... These are SNCF's commitments, in particular via its SNCF Mixité network. Created in 2012, it is one of the first business networks dedicated to gender equality in France. Of its 11,000 members, 20% are men, and the network intends to increase this number.

Active throughout France, this network offers programmes, workshops, conferences and podcasts throughout the year to raise awareness of gender issues and change the way things are done. For example the mentoring programme, and workshops organised by regional embassies: "How to fight against burnout in women", "Never without them: equality is also a man's business", "Putting an end to the impostor syndrome"... This network contributes, together with the company's human resources, to the implementation of the 2030 gender diversity pathway.

600 volunteer employees mobilised for the environment

On the occasion of the solidarity days during Sustainable Development Week on 7 and 8 October 2021, SNCF called on its employees to take action for the environment during their working hours. Result: 600 volunteers in 30 towns committed to 40 activities in the general interest with an SNCF Foundation partner association. Among the actions carried out within the framework of skills sponsorship, they were able to:

- Care for injured wildlife in a care centre or help to develop organic farming.
- Clean up waterways or create shared gardens and bird sanctuaries.
- Participate in repair workshops, collect waste in the countryside, integrating sorting as soon as it is collected.

This first mobilisation in favour of the environment is in line with the Group's CSR strategy, which encourages professional and civic commitment to sustainable development.

On 26 November, more than 300 employees took part in the national food bank collection.

Good Économie prize for SNCF teams

It is thanks to its PlaneTER and Planète Voyages programmes, launched in 2020 and 2021 respectively, that the Group won first prize in the Grand prix de la Good Économie in the "Fight against global warming" category. This prize, supported by the Community of Companies with a Mission and the College of Sustainable Development Directors (C3D), rewarded these two initiatives, which make the 70,000 employees of SNCF Voyageurs activities ambassadors for responsible mobility. In particular, the teams who do everything possible, on a daily basis, to reduce energy consumption and encourage passengers to prefer the train.

Training and awareness-raising measures on environmental issues (murals, stands, conferences, e-learning, etc.) have been made available to employees in all professions so that they can become involved in society's transition. More than 12,000 employees were concerned in 2021.

8.7 BRING DIGITAL TECHNOLOGY WITHIN EVERYONE'S REACH

8.7.1 Context

Whether in the area of recruitment, management or employee support, human resources are going digital to gain in efficiency and attractiveness. The health crisis has accelerated the digital transformation and digital inclusion. To make it easier to use digital tools on a daily basis, the company is deploying a range of services accessible to all.

8.7.2 Our commitments

Digitise HR services that provide real added value to employees.

Support the digital transformation of the company with a digital integration plan.

8.7.3 Policy and actions

In an increasingly competitive job market, SNCF is investing heavily in digitalisation to improve the identification of the best candidates and recruitment processes.

Internally, digital HR tools allow managers and HR staff to focus on higher value-added tasks, with access to nearly 40 digital tools at the click of a button. These tools are also designed to measure employee satisfaction and make the accommodation and training offer more accessible through the Mon Académie platform, a single entry point for the Group's training catalogue.

The Digital pour tous programme

SNCF has had a digital school since 2017 to support the Group's transformation.

The massive development of working from home during the health crisis has accelerated the digital transformation of the company and has highlighted the risk of precarity or digital exclusion of a certain number of employees. This is why a digital inclusion plan was launched at the beginning of the first lockdown. And because the acceleration of the digital transformation cannot be achieved without the management line, SNCF set up a training course for the Group's senior managers in 2021.

Tools to support digital transformation

To better understand the challenges of digital transformation at SNCF and the practical implications for everyday life, the Group's digital school offers each employee online training courses to help them perfect their use of collaborative tools or acquire skills in developing business applications. In one year, 3,500 staff have already benefited from training in collaborative tools.

Today, the offer explores new formats with podcasts and becomes mobile by being accessible from a dedicated application.

As an integral part of the Group's strategy and decision-making processes, digital technology must naturally be part of the key skills of top managers. Since spring 2021, a specific web and mobile application course has been offered to the 2,600 senior managers of the Group's five companies. This "Digital Leader Label" enables them to master the challenges of digital technology, as the strategy applied at SNCF includes responsible digital technology.

In addition to this training offer, a single platform "My digital services" brings together all the user manuals, video tutorials, best practices, webinars and useful contacts allowing everyone to take control of the digital tools according to their own equipment and uses.

Digitalisation of the HR offer

Since 2016, the HR University has been digitising its training offer. By 2021, digital training will account for 96% of the HR training offer, in the form of virtual sessions, led by a trainer, or online modules on Mon Académie RH. The pandemic and widespread working from home have accelerated this development.

This NFPS presents the SNCF Group's non-financial risks and the policies and actions implemented to address them in 2021. For more details on each of the Group's companies:

SNCF Réseau: [the NFPS in SNCF Réseau financial report](#)

Keolis: [the NFPS in the Keolis annual report](#)

GEODIS: [the activity and corporate social responsibility report](#)

9. REPORTING FRAMEWORK

In accordance with the European Directive on the disclosure of non-financial information of 22 October 2014, the non-financial performance statement of the Unified Public Group is based on the reporting obligation set out in Articles L. 225-102-1 and R. 225-104 to R. 225-105 of the Commercial Code. It draws on international norms and standards, in particular:

- The transparency principles of the Global Reporting Initiative (GRI), which SNCF uses as its reporting framework.
- The ISO 26000 standard relating to the Social Responsibility of Organisations.

The SNCF Group, under the amended Finance Act 2020-935, has made commitments to reduce greenhouse gas emissions in the Transport and Building sectors by 2021. These commitments are subject to an annual report in accordance with the decree of 2 November 2021 presented in chapter 9.5.

9.1 REPORTING SCOPE

Definitively adopted by the Senate on 14 June 2018, the railway reform came into force on 1 January 2020. This reform aims to consolidate all of the SNCF Group's activities into a single integrated entity.

The scope of the non-financial performance statement indicators corresponds:

– either to the five railway companies (5 SAs): (SNCF SA, Réseau SA, Gares & Connexions SA, Voyageurs SA and Fret SNCF) which represent 55% of the average workforce.

– or to the unified public group (UPG): SNCF SA, Réseau SA, Gares & Connexions SA, Voyageurs SA and Fret SNCF, Keolis, GEODIS, Rail Logistics Europe (Fret SNCF, VIIA, Captrain, Naviland Cargo, Forwardis) The average number of employees works 77% in France, 10% in Europe (excluding France) and 13% outside Europe.

Subsidiaries are fully consolidated for the purposes of financial consolidation for the SNCF Group.

This reporting includes the international portion of activities, unless otherwise specified for specified indicators.

For each indicator, the scope covered is specified as follows: UPG for the Unified Public Group; K for Keolis; G for GEODIS; A for the other integrated subsidiaries Eurostar, Thalys, Forwardis, Naviland Cargo, Captrain, VIIA, ICF Habitat.

9.2 REPORTING METHODOLOGY

9.2.1 The business model

The business model reflects the SNCF Group's strategic vision. It highlights how the Group creates value and preserves it over the long term through its service offering. Its formalisation is the result of joint work between the Strategy Department, the Finance Department and the Social, Territorial and Environmental Commitment Department (DESTE).

9.2.2 Preparation of the reporting

Qualitative and quantitative information was collected from the five railway companies, Keolis, GEODIS and the following subsidiaries: Eurostar, Thalys, Forwardis, Naviland Cargo, Captrain, VIIA, ICF Habitat.

Qualitative information is collected and consolidated by the DESTE from a network of correspondents in charge of CSR in the Group companies. Quantitative data is entered into the Business Financial Consolidation (BFC) tool by the Group companies. Data consolidation is carried out by the DESTE.

The following indicators were collected for the 2021 non-financial performance statement:

- Percentage of European revenue covered by a DPO
- Share of renewable energy for rail traction
- Number of secure bicycle parking spaces
- Share of female managers
- Absenteeism rate (sickness/injury off duty) in France
- Turnover

Methodological changes for energy consumption

The ex-post modification of past years' data is applied.
For the year 2020, the table below shows the changes in values.

	Old values 2020	New values 2020
Total energy consumption in (GWh)	14,069	14,671
Energy consumption for rail traction (in GWh)	8,444	8,426
Fuel consumption of road vehicles in commercial fleets (in GWh)	3,099	3,718
Air vehicle kerosene consumption (in GWh)		0
Energy consumption of service road vehicles (in GWh)	222	222
Energy consumption of buildings (in GWh)	2,304	2,304

Methodological changes for GHG emissions in scopes 1, 2 and 3

The emission factor per "seasonalised use" has been replaced by the "national average mix" factor for traction electricity in France, to ensure consistency between the different accounting years and stability in changes in emission factors. The emission factor thus increases from 38.6 gCO₂e/kWh used in 2020 to 59.9 gCO₂e/kWh in 2021, an increase of 55%. The strong impact of this methodological change on one of the Group's most important items required the correction of past years with the "national average mix" emission factor.

For the years 2019 and 2020, the table below shows the changes in values.

	Old values 2019	New values 2019	Old values 2020	New values 2020
TOTAL Greenhouse gas emissions from energy consumption Scope 1,2 & 3 (CO₂e in thousands of tonnes)	3,349	3,507	2,556	2,842
of which rail traction (trains, metro, tramway) (thermal and electric - in thousands of tonnes)	1,483	1,641	1,193	1,302
of which commercial road transport (in thousands of tonnes)	1,210	1,210	858	1,035
of which commercial air transport (in thousands of tonnes)		0		
of which service vehicles (in thousands of tonnes)	82	82	71	71
of which buildings (in thousands of tonnes)	574	574	434	434

9.2.3 External audit

In 2021, the DESTE entrusted one of its statutory auditors with the task of verifying that the Non-Financial Performance Statement (NFPS) complies with the provisions of Article R.225-105, as well as the fairness of the information provided for in Article R.225-105-1, indicating, where applicable, any information omitted and not accompanied by the explanations provided for in the third paragraph of Article R.225-105.

The Statutory Auditors' report on the NFPS has been included in the Group's management report.

In 2021, the audit firm PwC verified with moderate assurance the various key performance indicators presented after risk analysis in the NFPS.

9.3 DEFINITIONS OF INDICATORS

KPIs	DEFINITIONS	SCOPE
The fundamentals		
Remarkable safety events (RSE) (number)	A remarkable safety event is an event of non-compliance with safety rules that puts at risk the physical integrity of persons transported or present in the vicinity of railway installations (including staff, employees of service providers and subcontractors).	five companies

Whistleblowing alerts received (number)	Number of professional alerts, corresponding to the definition and scope of the Sapin II law, received in the SNCF whistleblowing system and processed by the Group Ethics Department.	five companies
Investigations carried out by the Group Ethics Department (number)	Number of internal ethical investigations, resulting from the professional whistleblowing system or other reports, initiated and carried out by the Group Ethics Department.	five companies
Training sessions on the corruption prevention programme (number)	Number of classroom or distance training sessions for staff most exposed to the risk of corruption, as part of the programme to prevent corruption and influence peddling defined by the Sapin II Law, carried out by the Group Ethics Department.	five companies
Percentage of European revenue covered by a DPO (%)	Percentage of European revenue of Group companies that have appointed a data protection officer. Excluding the UK and Norway.	UPG

Develop the share of rail and sustainable mobility

Rate of progress of station accessibility (%)	Station accessibility covers the entire scope of the travel chain, including access to stopping points, passenger buildings, platforms, passenger information and associated services. The National and Regional Accessibility Master Plans - Programmed Accessibility Agendas cover 736 national and regional stopping points in France over the period 2016-2025.	five companies
Secure bicycle parking spaces [in accordance with the LOM decree] for the 1075 stations covered by the decree (nb)	Places in stations offering users secure parking for bicycles through individual or collective shelters.	five companies
Rate of customer satisfaction (%)	Percentage of people who answered very satisfied and rather satisfied to the question "Generally speaking, would you say you are satisfied with SNCF, if you think about your recent experiences with SNCF and the service as a whole (information, ticket purchase, journey, from your point of departure to your point of arrival)?". Customer satisfaction is measured by the SNCF Image Survey. A representative sample (quota method) of 1,000 French people per month aged 15 and over is continuously surveyed online via an access panel (Toluna Harris Interactive).	five companies
Physical attacks against customers and SNCF staff and simple theft against customers (number)	Physical attacks include: sexual offences (including "sexual comments or behaviour"), intentional assault and battery, rebellion against staff and customers, theft under threat/theft with violence, non-violent theft committed against customers.	five companies
Malicious acts against property and financial assets (number)	All malicious acts against SNCF property: SNCF Fraud Thefts, SNCF Burglary Thefts, SNCF Simple Thefts.	five companies
Anti-social behaviour and breaches of legislation (number)	Infringements (of the EVIN law against smoking, feet on benches, spitting, etc.), insults, threats, illegal presence (intrusions and obstructions to traffic) and activities (drug trafficking and use, begging, street vending). Since 2020, offences related to non-compliance with health measures have been added (no certificate and/or not wearing a mask).	five companies

Reduce the environmental footprint of the Group's activities

Total energy consumption (GWh)	Sum of energy consumption for rail traction, for road vehicle fuels of commercial and service fleets and total energy consumption of sites. Data partially estimated within the framework of the Non-financial Performance Statement.	UPG
Energy consumption for rail traction (kWh)	Amount of energy consumed by rail traction expressed in Gigawatt-hours.	five companies
Fuel consumption of commercial fleet road vehicles (kWh)	Amount of energy consumed by commercial road vehicles (buses, trucks, light commercial vehicles, etc.), from owned or operated commercial fleets, expressed in Gigawatt-hours	Keolis GEODIS Other
Share of renewable energy in the rail traction electricity mix (% of consumption)	The indicator tracks the share of renewable electricity from our PPA contracts in relation to rail traction electricity consumption. Proportion of PPA EnR (Power Purchase Agreement Renewable Energies) contracts effectively signed by the SNCF Group and corresponding to an expected production of renewable electricity at the end of the construction/operation phase equivalent to the percentage of traction electricity consumption calculated by the borrower	five companies
TOTAL GHG emissions from energy consumption Scope 1, 2 & 3 (CO2e in thousands of tonnes)	Total greenhouse gas emissions, expressed in thousands of tonnes of CO2 equivalent, based on the items making up the "total energy consumption" indicator.	UPG
GHG emission per passenger (in gCO2e / trip.km) GHG emissions per tonne (in gCO2e / t.km)	The indicator tracks the CO2e emissions of SNCF Voyageurs and Fret rail transport activities in relation to passenger.km and tonne.km, in accordance with the methodology established for information on greenhouse gas emissions from transport services under Art. L1431-3 of the Transport Code. Methodological note on request to engagementsocietal-transitionecologique@snf.fr	five companies
ISO 14001 certified establishments (%)	ISO 14001 certification is exclusively for industrial facilities: technicentre, maintenance and traction facility, industrial track facility. Monitoring is carried out by facility, each of which may include several sites. The other types of facility can be integrated into the so-called "adapted" management systems of the five companies.	five companies

Total quantity of hazardous waste produced (in tonnes)	For the five companies, the industrial waste at risk recovered or destroyed is monitored via the "framework service contracts" system set up by the five companies at national level. The definition of "category of waste" is that of the European Waste Catalogue (EWC) or its French transposition via Decree No. 2002-540 of 18 April 2002.	UPG
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Percentage of railway installations (national rail network, sites) covered by actions to reduce or eliminate the use of synthetic plant protection products (excluding biocontrol) (%)	Percentage of hectares of track, paths, approaches and other railway areas on which the use of synthetic herbicides is either reduced or eliminated out of the number of hectares subject to vegetation control operations.	five companies
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Improving the Group's societal impact in the regions

Solidarity purchases (in €m)	These are purchases made from players in the Social and Solidarity Economy and more specifically: -companies in the Protected and Adapted Work Sector (STPA), which promotes the integration of people with disabilities -the Structure for Inclusion through Employment (SIAE), which enables all people who have been out of work for more than 24 months to benefit from integration programmes to enable them to return to the labour market.	five companies
Percentage of amount of purchases contracted in year N and covered by a CSR offer rating of 20% of the overall rating (%)	Percentage of the amount of purchases in year Y contracted including a CSR rating of the offers at 20% / total amount of purchases contracted in year N.	five companies
Supplier CSR performance (average score out of 100 from EcoVadis assessments)	Average of the scores awarded to SNCF suppliers assessed by EcoVadis on a scale of 0 to 100. Suppliers are targeted on the basis of an analysis of social and environmental risks and their strategic importance for the Group. The assessment is based on four themes: environment, social and human rights, ethics, responsible purchasing.	five companies

Making employees the main actors and beneficiaries of the ecological and social transition

Total workforce at 31 December (number)	It is made up of employees bound to the employer by an employment contract in progress or suspended due to leave or illness, regardless of the nature of the contract. Excluding trainees. Excluding doctors for SNCF and including subsidised contracts such as professional training contracts, apprenticeship contracts and single integration contracts. Including the Caisse de Prévoyance et de Retraite SNCF. Part-time employees are counted in the same way as full-time employees.	UPG
Severity rate of occupational accidents (per 1000 hours worked)	(Number of days lost to temporary disability during the period/hours worked in the period)*1,000	UPG
Frequency rate of accidents at work (per 1,000,000 hours worked)	(Number of accidents at work with lost time excluding commuting/hours worked)*1,000,000	UPG
Portion of female employees (%)	Ratio between the number of women in the total workforce and the total number of employees.	UPG
Portion of female managers (%)	The rate of women managers corresponds to the number of women in "management" staff, including senior managers and executives in relation to the total number of "management" staff.	UPG
Days lost per agent due to industrial action (number)	Result of the ratio between the number of strike days counted over a period and the number of employees available over the same period.	five companies
Recruitment on permanent contracts in France (number)	Number of new permanent contract hires in the company over the calendar year. A hired employee is counted as one unit, regardless of the time spent in the company.	UPG
Work-study contracts (number)	Number of employees on apprenticeship contracts, fixed-term and permanent contracts and CIFRE (Industrial Training Agreements for Research) contracts on the last day of the period under review for France.	UPG
Dismissals (number)	Corresponds to terminations of employment contracts at the initiative of the employer: dismissals, removal of executives, revocations, contract terminations during the trial period at the initiative of the employer and dismissals on disciplinary grounds for employees with probationary status.	UPG
Turnover (%)	Turnover is the rate of staff turnover within the company. (Number of departures in 2021 (excluding fixed-term contracts) + Number of arrivals in 2021) / 2 / Number of staff at 31/12/2020 * 100	UPG
Total training hours (number in thousands)	Total number of training hours including e-learning. GEODIS consolidated data not available as at 17 February 2022.	UPG excluding GEODIS
Employees having received at least one training course, in France (%)	Percentage of employees who have taken at least one training course during the year. However, employees having had more than one internship are only counted once. GEODIS consolidated data not available as at 17 February 2022.	five companies Keolis Other
Absenteeism rate (sickness/injury off duty) (%)	Number of days of absence due to off-duty sickness or injuries (excluding workplace and commuting accidents) / theoretical number of days worked	five companies Keolis Other

9.4 CORRESPONDENCE TABLE

II. A. 1. Employment-related information					
R225-105	SNCF Group policy and actions	SDG	Global Compact	ISO 26000	GRI Standards 2021
II. A. 1. a. Employment			#6	6.4.3	
Total number of employees and breakdown by gender, age and geographical area	1.8 The business model				2-7 405-1
Hirings and dismissals	8.2 Attract and retain talent 8.7 Bring digital technology within everyone's reach	8.5			401-1
Remuneration and development	8.1 Support employees with the Humain programme 8.3 Foster the conditions for a well-developed social dialogue	8.5			2-20
II. A. 1. b. Organisation of work			#6	6.4.4	
Organisation of working time	1.1 Impact of the health crisis 8.4 Ensure health and safety within the Group	8.2			
Absenteeism	8.4 Ensure health and safety within the Group	8.8			
II. A. 1. c. Health and safety			#6	6.4.6	
Health and safety conditions at work	8.4 Ensure health and safety within the Group	8.8			
Accidents at work, including their frequency and severity, and occupational diseases	8.4 Ensure health and safety within the Group	3.6			403-2 403-9
II. A. 1. d. Relations with employees			#3	6.4.5	
Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff	8.3 Foster the conditions for a well-developed social dialogue	16.7			402-1
Review of collective agreements, including OSH	8.3 Foster the conditions for a well-developed social dialogue	16.6			403-4
II. A. 1. e. Training			#6	6.4.7	
Training policies implemented, including environmental protection policies	5.9 Optimise environmental management 8.2 Attract and retain talent 8.7 Bring digital technology within everyone's reach	4.4			404-2 404-3
Total number of training hours	8.2 Attract and retain talent	4.4			404-1
II. A. 1. f. Equal treatment			#1-2-6	6.3.7	
Measures taken to promote gender equality	8.3 Foster the conditions for a well-developed social dialogue 8.5 Live better together 8.6 Support employee engagement	5.1			405-1 405-2 401-3
Measures taken to employ and integrate people with disabilities	8.5 Live better together	10.2			405-1
Anti-discrimination policy	8.5 Live better together	5.2 10.3			405-1

II. A. 2. Environmental information					
R225-105	SNCF Group policy and actions	SDG	Global Compact	ISO 26000	GRI Standards 2021
II. A. 2. a. General environmental policy			#7-8-9	6.5	
Organisation of the company to take into account environmental issues and environmental assessment or certification procedures	5.9 Optimise environmental management	9.4			
Resources dedicated to the prevention of environmental risks and pollution	4.4 Reinvent passenger mobility 4.5 Rebalance the share of rail in freight 4.8 Facilitate and encourage low-carbon mobility to help achieve France's carbon neutrality goal by 2050 5.3 Rolling stock: reduce consumption and change energies 5.4 Become a committed player in the energy performance of buildings 5.6 Limit the disturbance linked to train traffic 6. Improve the adaptation and resilience of activities to climate change 9.5 Annual report on the carbon pathway of SNCF activities in France	9.4 11.6			
II. A. 2. b. Pollution			#7-8-9	6.5.3	
Measures to prevent, reduce or compensate for emissions into the air, water and soil seriously affecting the environment	4.8 Facilitate and encourage low-carbon mobility to help achieve France's carbon neutrality goal by 2050 5.3 Rolling stock: reduce consumption and change energies 5.6 Limit the disturbance linked to train traffic 5.9 Optimise environmental management	9.4 11.6			306-2
Consideration of any form of contamination specific to any activity, in particular sound and light disturbances	5.6 Limit the disturbance linked to train traffic 5.9 Optimise environmental management	11.6			
II. A. 2. c. Circular economy					
II. A. 2. c. i. Waste prevention and management			#7-8-9	6.5.3	
Measures for prevention, recycling, reuse, other forms of waste recovery and disposal	5.7 Integrate the circular economy in the Group 5.9 Optimise environmental management	12.5			306-2 306-3 306-4 306-5
II. A. 2. c. ii. Sustainable use of resources			#7-8-9	6.5.4	
Water consumption and supply according to local constraints	5.8 Preserve biodiversity and natural resources				303-5
Consumption of raw materials and measures taken to improve efficiency in their use	5.7 Integrate the circular economy in the Group	11.3 12.2			301-1 301-2
Energy consumption, measures taken to improve energy efficiency and the use of renewable energy	5.3 Rolling stock: reduce consumption and change energies 5.4 Become a committed player in the energy performance of buildings	7.2 11.1 11.3 12.2			302-1 302-4 302-5
II. A. 2. d. Climate change			#7-8-9	6.5.5	
Significant GHG emissions generated by the company's activity, in particular through the use of the goods and services it produces	5.1 Reduce energy consumption and carbon emissions 5.3 Rolling stock: reduce consumption and change energies 5.4 Become a committed player in the energy performance of buildings 5.5 Become a responsible digital player 9.5 Annual report on the carbon pathway of SNCF activities in France	13.3			305-1 305-2 305-3
Measures taken to adapt to the consequences of climate change	6. Improve the adaptation and resilience of activities to climate change	13.1			201-2
Voluntary medium- and long-term reduction targets set to reduce greenhouse gas emissions and the means implemented to this end	5.2 Publish an annual report on the carbon pathway of SNCF activities in France 5.2 Rolling stock: reduce consumption and change energies 5.4 Become a committed player in the energy performance of buildings 5.5 Become a responsible digital player 9.5 Annual report on the carbon pathway of SNCF activities in France	13.3			

II. A. 3. Societal information					
R225-105	SNCF Group policy and actions	SDG	Global Compact	ISO 26000	GRI Standards 2021
II. A. 2. e. Protection of biodiversity					
Measures implemented to protect and conserve biodiversity	5.8 Preserve biodiversity and natural resources	6.3 12.4 15.9	#7-8-9	6.5.6	304-1 304-2 304-3
II. A. 3. a. Societal commitments to sustainable development					
Impact of the company's activity on employment and local development	7.1 Develop inclusive mobility and solidarity at the heart of the regions 7.2 Develop an ambitious responsible purchasing policy that includes suppliers and subcontractors 7.3 Support regional and local actors in their ecological and social transitions	9.1			203-1 203-2 204-1 413-1
Impact of the company's activity on neighbouring or local communities	4.3 Provide a sustainable network for the regions 4.6 Provide accessible mobility for all 4.7 Promote access to independent mobility 7.3 Support regional and local actors in their ecological and social transitions	9.1 11.a			203-1 203-2 413-1
Relationships with the company's stakeholders and the methods of dialogue with them	2.3 Dialogue with stakeholders 4.1 Ensure the fundamentals of safety, punctuality and passenger information 7.1 Develop inclusive mobility and solidarity at the heart of the regions	17:17			2-29
Partnership and corporate patronage initiatives	2.3 Dialogue with stakeholders 8.6 Support employee engagement	17:17			203-1
II. A. 3. b. Subcontracting and suppliers					
Integration of social and environmental criteria in the purchasing policy	3.2 Non-financial risks 7.2 Develop an ambitious responsible purchasing policy that includes suppliers and subcontractors	8.3	# 1-2-8	6.6.6	414-1 308-1
Integration of social and environmental responsibilities in relations with suppliers and subcontractors	7.2 Develop an ambitious responsible purchasing policy that includes suppliers and subcontractors	8.3			2-6 414-1 308-1
II. A.3.c. Fair practices					
Measures taken for consumer health and safety	4.1 Ensure the fundamentals of safety, punctuality and passenger information 4.2 Ensure safe travel 8.4 Ensure health and safety within the Group	11.2	#1 -2	6.6.5	416-1 417-1
II. B. 1. Information on the fight against corruption					
Actions taken to prevent corruption	2.2.3 The Group's ethical values	16.5	#10	6.6.3	205-1 205-2 205-3
II. B. 2. Information on actions in favour of human rights					
II. B. 2. a. Promotion of and respect for the provisions of the fundamental ILO conventions					
Respect for freedom of association and the right to collective bargaining	1.5 Commitment to the United Nations	16.6 16.7	#1-2 #3	6.3.6 06/03/2010	407-1
Elimination of employment and professional discrimination	1.5 Commitment to the United Nations	5.5 10.2	#6		406-1
Elimination of forced or compulsory labour	1.5 Commitment to the United Nations	8.7	#4		409-1
Effective abolition of child labour	1.5 Commitment to the United Nations	8.7	#5		408-1

Given the SNCF Group's activity, the fight against food waste, the fight against food insecurity, respect for animal welfare and the promotion of responsible, fair and sustainable food are not material non-financial issues.

9.5 ANNUAL REPORT ON THE CARBON PATHWAY OF SNCF ACTIVITIES IN FRANCE

9.5.1 Context

The SNCF Group's CSR strategy for the period 2020-2030 defines sustainable development as a key axis for the company's ambitions.

This makes energy transition one of the Group's major projects. The SNCF Group must control its energy consumption and decarbonise its activities, while

improving its attractiveness in order to accelerate the modal shift to rail, which is essential for the success of the National Low Carbon Strategy (SNBC) in the transport sector. The purpose of this report, in accordance with the order of 2 November 2021 issued in application of Article 66 of the amended Finance Act 2020-935 of 30 July 2020, is to provide an initial assessment of the implementation of the SNCF Group's greenhouse gas emission reduction pathway.

This document presents:

- Commitments made by the Group (Chapter 9.5.2)
- Forecast decarbonisation pathways (Chapter 9.5.3)
- Ongoing work on the action plan to achieve this (from Chapter 9.5.4).

9.5.2 SNCF Group commitments

In accordance with Article 66 of the amended Finance Act No. 2020-935 of 30 July 2020, the SNCF Group has made commitments to reduce GHG emissions:

- Reduce by 30% GHG emissions (scopes 1 and 2) linked to the activities of the transport sector by 2030, compared to 2015, the SNBC reference year,
- Reduce by 50% GHG emissions (scopes 1 and 2) linked to the activities of the building sector over the same period.

The 2050 targets are the complete decarbonisation of the Group's Transport and Building activities.

These commitments have been defined in line with the National Low Carbon Strategy. The SNCF Group refers to the SNBC sector objectives to build and manage the energy transition pathways presented in chapter 9.5.3.

Compliance with these pathways relies on three main decarbonisation levers:

- **Energy conservation**
- **Energy efficiency**
- **Changing energy fluids and using technological developments.**

These different levers are detailed in chapter 9.5.4.

9.5.3 Projected greenhouse gas emission reduction pathways

The Group's decarbonisation pathways have been built based on different time milestones: a long-term objective to 2050, an intermediate milestone to 2030, in accordance with France's European and international commitments, as well as closer intermediate milestones.

Given the weight of energy production in greenhouse gas emissions from transport activities, the Group is steering its emissions reduction pathways by integrating the share of energy production in the calculation bases of the Transport and Building sectors.

These forecast pathways are based on the following input parameters:

- Organisational scope: activities in France of the Group, known as the Unified Public Group within the meaning of Law No. 2018-515 of 27 June 2018 for a new rail pact, (five historical French railway companies, French activities of Keolis, GEODIS, Eurostar, Thalys and the French entities of Rail Logistique Europe).
- Emission items covered: Energy scopes 1 and 2 and energy scope 3 not included in scopes 1 and 2.

- Reference year: 2015

- Gases considered: based on the last greenhouse gas emissions assessment (BEGES) carried out in 2017, it may be considered that within the energy scope, 99% of GHG emissions were CO₂e within the scope of the former Public Rail Group, i.e. the five railway companies of the UPG since 1 January 2020.

- Units used: thousands of tonnes of CO₂ equivalent expressed in kTCO₂e

Greenhouse gas emissions are now monitored taking into account energy-related scope 3 emissions. This allows, among other things, the monitoring of GHGs related to the use of B100 biofuel from 2021 onwards, which can only be assessed on a scope 1, 2 and 3 basis.

To enable consistency with 2021, the 2015 and 2019 data have been restated to reflect this with the addition of energy scope 3 emissions. They have also been amended as follows:

- "Electricity" emission factor:

- Update of the emission factors as published in the Ademe carbon base.

- Use of the "national average mix" emission factor for electricity instead of the "transport use - seasonalised method" emission factor for the 2015 and 2019 data.

The emission factor "transport use - seasonalised method" can no longer be used for greenhouse gas emission assessments. As a result, and in order to improve consistency between the different accounting periods and stability in changes in emission factors, the Group now uses the "national average mix" emissions factor for all of its electrical energy consumption.

Emission factor for electricity (expressed in gCO ₂ e/kWh)	2015	2019
National average mix (scope 2 and 3)	60.9	60.7
Transport usage - Seasonalised method (scope 2 and 3)	53	38.6

- "Diesel" emission factor: use, for 2015 data, of the emission factor (scope 1 and 3) of 3.16 kgCO₂e/l for road diesel and 3.17 kgCO₂e/l for non-road diesel instead of the emission factor of 3.07 kgCO₂/l.

- Distinction, for 2015 data, of "natural gas" scope 1 and 3 for the Building sector for the former Unified Public Group scope (change from 0.227 kgCO₂e/kWh to 0.187 kgCO₂e/kWh)

- Distinction, for 2015 and 2019 data, of "electricity" scope 2 and 3 for all consumption in the Transport and Building sectors.

- The 2015 and 2019 data were previously calculated with a scope 2 and 3 emission factor and presented in scope 2.

- Distinction, for 2015 and 2019 data, of scope 1, 2 and 3 with a more precise breakdown of energy consumption for certain Group entities.

Greenhouse gas emissions from energy consumption (in KTCO₂e) – Energy scopes 1, 2 and 3 – SNCF Group

	2015 Before restatement	2015 After restatement	2019 Before restatement	2019 After restatement	2021
Transport Sector	1,595	1,940	1,457	1,751	1,657
<i>o/w scope 1 (thermal)</i>	<i>1,190</i>	<i>1,179</i>	<i>1,177</i>	<i>1,050</i>	<i>1,018</i>
<i>o/w scope 2 (electrical)</i>	<i>405 (*)</i>	<i>324</i>	<i>280 (*)</i>	<i>301</i>	<i>269</i>
<i>o/w scope 3 (energy-related emissions not included in scope 1 and 2)</i>	<i>-</i>	<i>437</i>	<i>-</i>	<i>399</i>	<i>370</i>
Building Sector	246	256	279	325	313
<i>o/w scope 1 (thermal)</i>	<i>187</i>	<i>162</i>	<i>215</i>	<i>214</i>	<i>194</i>
<i>o/w scope 2 (electrical)</i>	<i>59 (*)</i>	<i>42</i>	<i>60 (*)</i>	<i>44</i>	<i>50</i>
<i>o/w scope 2 (heating network)</i>	<i>0</i>	<i>0</i>	<i>4</i>	<i>4</i>	<i>4</i>
<i>o/w scope 3 (energy-related emissions not included in scope 1 and 2)</i>	<i>-</i>	<i>52</i>	<i>-</i>	<i>62</i>	<i>65</i>
TOTAL Scope 1, 2 and 3 (CO₂e in thousands of tonnes)	1,841	2,196	1,737	2,076	1,969

(*): Data also including scope 3 emissions from electricity

2019 data), which is mainly explained by the inclusion of scope 3 emissions from "thermal" energy.

The restatement of the 2015 and 2019 data leads to an increase in total GHG emissions for scopes 1, 2 and 3 (+355 ktCO₂e for the 2015 data and +339 ktCO₂e for the

Focus on scopes 1 and 2:

Greenhouse gas emissions from energy consumption (in KTCO₂e) – Energy scopes 1 and 2 – SNCF Group

	2015 Before restatement	2015 After restatement	2019 Before restatement	2019 After restatement	2021
Transport Sector Scopes 1 and 2	1,595	1,503	1,457	1,351	1,287
Building Sector Scopes 1 and 2	246	204	279	262	248
TOTAL Scopes 1 and 2 (CO₂e in thousands of tonnes)	1,841	1,707	1,737	1,613	1,535

The restatement of 2015 and 2019 data results in a decrease in total GHG emissions for scopes 1 and 2 (-134 ktCO₂e for 2015 data and -124 ktCO₂e for 2019 data), which is mainly due to:

- The separate breakdown of "electrical" energy scope 3 emissions that were previously accounted for in scope 2.
- The separate breakdown of certain "thermal" energy scope 3 emissions that were previously accounted for in scope 1.

The greenhouse gas emission reduction targets mentioned above therefore apply to the 2015 data following the restatements presented above.

Work is underway to specify intermediate milestones between now and 2030, incorporating the initial elements available to support the ambition of doubling the modal share of rail within 20 years.

Once the pathway to 2030 has been specified, for which the main areas of progress have already been identified, further work will focus on the period 2030-2050. This requires, in particular, the definition of the assumptions to be used for these distant deadlines.

Analysis of the consistency of the SNCF Group's objectives with the SNBC reduction objectives for the sector

For the two sectors selected (Transport and Buildings), the objectives are consistent with the SNBC's sector carbon budgets, as indicated in Annex II of the "National guide to the main methodologies for the construction by a company of a greenhouse gas emissions reduction pathway consistent with the sector carbon budgets".

Since most of the SNCF Group's GHG emissions come from energy consumption, it seems necessary to check that the values and targets set for the Transport and

Buildings sectors are in line with those of the SNBC, including for the "Energy production" sector.

To do this, energy consumption was divided into two categories, "electrical" and "thermal", to which GHG emissions were assigned in accordance with the emission factors defined by Ademe.

The table below shows:

Item 1	Volume of CO ₂ eq 2015 (Kt)	SNCF reduction targets	Target CO ₂ eq volumes 2030 (Kt)
<u>Transport:</u> Scope 1 (thermal) + Scope 2 (electrical)	1,503	30%	1,052
<u>Building:</u> Scope 1 (thermal) + Scope 2 (electrical)	204	50%	102
Total	1,707		1,154

- In item 1: GHG emission volumes (scope 1 and 2) by sector and the target values with the objectives set by the Group.

- In item 2: GHG emission volumes (scope 1 and 2) by type of energy and the target values with the objectives defined by the SNBC (reference: Annex II of the Sector Guide)

Item 2	Volume of CO ₂ eq 2015 (Kt)	SNBC reduction targets (ref: Annex II of the Sector Guide)	Target CO ₂ eq volumes 2030 (Kt)
GHG emissions from electricity consumption: Scope 2 (electric) Transport + Buildings	366	-33% SNBC "Energy production" sector	245
<u>Transport:</u> Scope 1 (thermal)	1,179	-28% SNBC "Transport" sector	849
<u>Building:</u> Scope 1 (thermal)	162	-49% SNBC "Building" sector	83
Total	1,707		1,177

The SNCF Group's target is 23 Kt more ambitious than those defined by sector in the SNBC.

Finally, as a reminder, the SNCF Group had defined, as of 2019, objectives to reduce its GHG emissions by 26% in 2030 (based on 2017) for the former PRG. In order to ensure that its ambitions made an effective contribution to the objectives of the SNBC and the Paris Agreement, the SNCF Group then carried out two complementary approaches: firstly, to analyse the robustness of its commitments via the Science Based Target initiative (iSBT), and secondly, to validate the associated resources via the Assessing Low Carbon Transition (ACT) approach.

These objectives have been validated as being in line with a 2 degree trajectory and in conformity with the Paris Agreement, confirming their coherence and solidity and validating the organisation and governance set up by the SNCF Group.

9.5.4 Action plan on reducing greenhouse gas emissions

In order to comply with the pathways presented above, the SNCF Group is drawing up an action plan to reduce its greenhouse gas emissions.

It is mainly based on the three levers: **energy conservation, energy efficiency and use of technological developments.**

These levers are presented below for the two sectors concerning the SNCF Group:

- Transport (chapter 9.5.4.1)
- Buildings (chapter 9.5.4.2)

Details of the actions initiated in 2021 are presented in chapter 5 of the NFPS.

All of the work underway, combined with other levers such as improving infrastructure, services, occupancy rates,

station access, etc., must support the Group's ambitions to double the modal share of rail by 2040.

As the name given to this vision for the railways, "iron against carbon", underlines, decarbonisation underpins all the discussions and feeds into the development of short-term action plans.

9.5.4.1 Greenhouse gas emission reduction strategy for the Transport sector

The SNCF Group has identified levers for energy savings, energy performance and new non-fossil fuels in its activities in order to consolidate them into a common pathway. Defined at the Group's Energy-Carbon Strategy Committee meeting in March 2021, this pathway now permeates the company at all levels and is an opportunity to develop the share of rail and sustainable mobility for passengers and goods.

The decarbonisation pathway for the SNCF Group's transport activities is based on the aforementioned levers of energy conservation and efficiency, supplemented by more profound technological innovations.

The action plans currently being finalised aim to specify the conditions for activating these levers and their level of contribution to the objectives. They are structured in two main phases by 2030.

- The first phase will consist of activating the managerial levers and tools already identified to make a rapid leap in conservation and efficiency.
- At the same time, the study and testing of new technologies is continuing and will thus lead to a second phase in which mature and relevant innovations will complement the actions already initiated.

The **first phase** strengthens the conservation and efficiency levers while initiating deeper changes.

It is based on the implementation of professional actions such as optimising driving (or eco-driving) and optimising

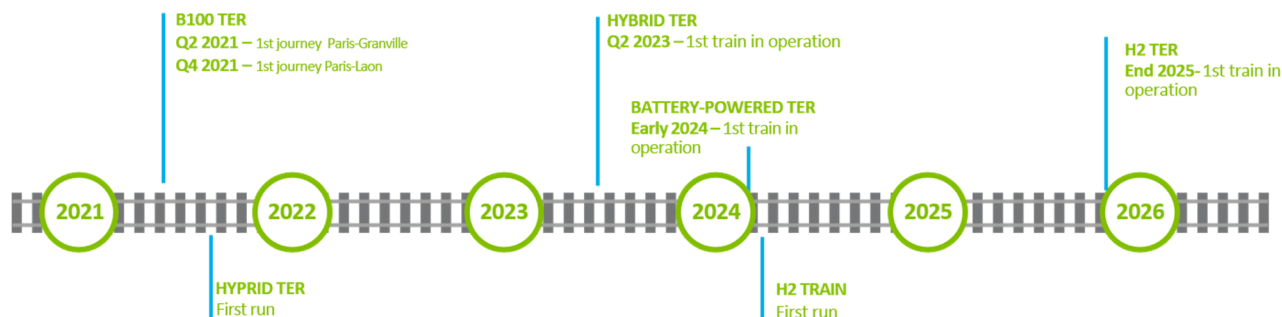
parking (or eco-parking). The principle of these business actions is detailed in chapter 5.3.3 of the NFPS.

Eco-driving can save up to 10% of energy on a journey while improving punctuality. Within this framework, at the end of 2021, 80% of drivers (i.e. nearly 8,800) had been trained in eco-driving and equipped with an assistance tool on their tablets. By 2022, all drivers will have been trained.

Eco-parking represents 10 to 30% of a train's total consumption, depending on the transport activity. It is envisaged that 5 to 25% of current parking consumption could be saved by implementing this system on all passenger transport equipment, both electric and diesel.

As an example, the target gain for regional passenger transport (TER) is around 48 ktCO₂e / year by 2025, i.e. around 10% of the CO₂e emissions of TER trains.

Fret SNCF also launched eco-parking for its diesel vehicles (10% of the fleet) in 2021, on wagon sorting platforms chosen as pilot sites. This action, deployed on additional sites in 2022, should make it possible to reduce energy consumption by 3% to 5% by 2025.



Among the innovations undertaken:

- **The development of rolling stock** with lower emissions: hybrid train, battery train, hydrogen train, TGV M with the manufacturer Alstom, coaches and other road modes using gas, electricity or hydrogen.
- **Continued deployment of biofuel (B100)**, with fuel suppliers and transport authorities, which reduces GHG emissions from diesel trains by 60% and the development of alternative fuels for road modes.
- **The design of "light" equipment** associated with infrastructure with a smaller environmental footprint.
- **The "frugal" electrification of certain lines**, in addition to new rolling stock technologies, to promote electrification while adapting the strength/robustness levels to the desired service. This allows for simpler catenary deployments: lighter equipment, reuse of catenaries and equipment from reuse channels.

This phase involves industrial and more complex and long-term levers.

In addition to these actions, SNCF also aims to electrify 30% of its vehicle fleet (20,000 vehicles) by 2030. In 2021, a framework contract for the supply of electric vehicles was awarded, open to all Group companies. A call for tenders for a framework agreement for the supply and installation of charging stations, also open to the Group, will be launched in 2022.

9.5.4.2 Greenhouse gas emission reduction strategy for the Building sector

The SNCF Group is the second largest property owner in France after the State, with 12 million m², including 8

To confirm these gains, meters are gradually being installed on trains. The plan is to equip 95% of the passenger rail fleet by 2026, including 100% of high-speed trains by 2023.

Tests are also being conducted to substitute fossil fuels with biofuels. One example is the tests carried out on commercial traffic on the Paris-Granville route in the second half of 2021. The impacts of these operations are currently being analysed.

Strong momentum is therefore in place to control energy consumption and GHG emissions.

The **second phase**, which is due to begin in 2024-2025, will reinforce the above efforts with more powerful technological levers.

This initiative is conducted in partnership with other industrial companies to improve the energy efficiency of activities and reduce their carbon footprint. It is based in particular on several experiments underway or to be carried out within the Group, as shown in the following diagram:

million m² and nearly 25,000 buildings under the responsibility of SNCF Immobilier.

Via SNCF Gares & Connexions, it is also responsible for the energy and carbon footprint of some 3,000 stations with almost 4 million m² of buildings (including 2 million m² of passenger buildings).

SNCF is facing the challenge of reducing the energy consumption and carbon footprint of a diversified portfolio (tertiary buildings, maintenance workshops, housing, etc.) that is more than fifty years old, with some buildings still in use dating back to the end of the 19th century.

The Group's general policy and the SNCF Immobilier master plans

To achieve these decarbonisation objectives and, in particular, to comply with the tertiary sector decree, SNCF Immobilier is working on integrating energy consumption improvement and decarbonisation projects into its property master plans.

Several levers have been identified to enable SNCF Immobilier to achieve its greenhouse gas emission reduction objectives:

- Streamlining SNCF property, such as the sale of premises that the Group no longer needs and grouping teams together on the same premises. More generally, the optimisation of the use of the real estate stock, by integrating working from home which has become widespread within the company following the Covid crisis, will result in a reduction of the Group's tertiary real estate footprint.
- Abandoning oil-fired heating, modernising lighting (LEDs, etc.), greening heating systems on its premises

or in its buildings, such as heat pumps, biomass heating systems or connection to district heating systems where possible, not to mention energy rehabilitation work on the real estate portfolio.

- Energy rehabilitation operations on targeted sites, requiring programming in advance and mobilising significant expertise and funding, are also planned.

In addition, the company deploys digital technologies such as the Internet of Things (IoT) or Building Management Systems (BMS) in its buildings to monitor consumption. The improvement and knowledge of flows thus offer significant potential for controlling energy consumption.

Finally, every year SNCF builds new housing, industrial buildings and stations that comply with the latest environmental and energy standards. Examples include the new programmes of its subsidiary ICF Habitat, the Île-de-France unified command centre, the Romilly-sur-Seine and Vénissieux technical workshops and the Nîmes Pont du Gard station, a model of an eco-sustainable station.

Focus on SNCF Gares & Connexions' energy transition strategy

SNCF Gares & Connexions is carrying out a building renovation and energy transition programme, which is based on several levers, including:

- Improved management of energy consumption.
- The replacement of the lighting systems in passenger buildings and on platforms with LEDs.
- Optimisation and technical management of buildings, monitoring of equipment.
- The exit from fuel oil by 2025 with the replacement of oil and gas boilers with low-carbon alternatives.
- Energy rehabilitation of buildings: insulation, thermal insulation of networks.
- Improving the efficiency of equipment: lifts and escalators.

This GHG reduction strategy is also based on the development of photovoltaic energy production. In this context, SNCF Gares & Connexions is aiming for a solar capacity of 47 MWp (nominal production capacity of 300,000 m² of photovoltaic panels) installed by 2025 and 150 to 200 MWp by 2030 (1.1 million m²).

These installations include covered car parks, passenger buildings, large passenger halls and platform shelters.

SNCF Gares & Connexions is currently finalising a call for tenders aimed at deploying car park shelter systems at around one hundred sites.

Finally, reducing the energy consumption of buildings requires projects to be designed and implemented differently. SNCF Gares & Connexions is therefore developing eco-design in its construction and renovation projects.

For more details, see chapter 5.4.3 of the NFPS.

The development of solar farms

The company is also working with SNCF Réseau and the Group's real estate branch to develop solar farms on SNCF land that is no longer used for railway operations and whose location does not allow the creation of eco-districts or housing. This is the case in Pays de la Loire where 572 photovoltaic panel boards have been installed on 17 hectares in the heart of the former marshalling yard in Le Mans. This solar farm produces 11,400 MWh, equivalent to the annual consumption of more than 9,600 inhabitants, and avoids the emission of 5,000 tons of CO₂e per year.

Controlled digitalisation

In addition to these actions, the SNCF Group has also begun specific work on controlling emissions linked to the digitalisation of its activities (integrated into the building sector).

In a context of accelerating digital development, where the CO₂ footprint of digital technology is growing strongly, the Group has defined its priorities and set up a responsible digital technology action plan detailed in chapter 5.5. 3 of the NFPS.

9.5.4.3 Link between the investment strategy and the decarbonisation pathway

All of the actions mentioned above must be based on controlled financial commitments and must take place in a restrictive economic context. Financing needs are currently being assessed, making it possible to define what can or should be led by the SNCF Group and what should be decided by external parties. The assessment should be finalised by the end of H1 2022.

It is worth highlighting here some very important points that impact components of the strategy presented above.

Whether for rail or road transport, **technological choices, then investments and the lifespan of equipment and facilities concern a long period of time.** This requires significant anticipation of choices well in advance. This means taking risks on the one hand, but also long-term commitments that must deal with changes in a variety of contexts (climate, economy, health situation, political decisions, etc.).

The technological choices require significant financial investment both in the design phase and during deployment.

Many levers, particularly those based on rolling stock (trains, trucks, buses, etc.) depend on local administrative authorities (regions for SNCF, cities and others for Keolis, subcontractors and customers for Geodis, etc.) which decide independently on financing and technological choices. The SNCF Group's role here is to advise and support the transport authorities in their own energy transition policy.

To better inform the decarbonisation decisions to be taken, the SNCF Group is also finalising a "Carbon Abatement Cost" methodology and a multi-year Internal Carbon Price trajectory. These costs and prices could be used to study most Group company investment projects to establish an economic balance sheet that takes carbon impacts into account.

9.5.4.4 Methods for appropriating the SNCF Group's strategy, objectives and commitments

The SNCF Group has changed its governance and organisation to encourage its companies to take ownership of its commitments, strategy and greenhouse gas reduction objectives.

Among the changes initiated at Group level:

Specific governance. The SNCF Group has set up a system for monitoring the trajectories and steering the action plans of subsidiaries through an Energy-Carbon Strategic Committee which brings together the Chairmen of the seven SNCF Group companies two or three times a year.

The development of training and awareness-raising for staff. 100% of the members of the SNCF Group's Executive Committee received awareness-raising training on ecological transition. Furthermore, from 2021 to 2023, a CSR training programme (including energy transition

and GHG) for the entire management line, i.e. 17,000 managers, will be rolled out.

The "Energy Cluster", a network of more than 100 experts from all the Group's companies, is working on the content of training courses on energy and carbon issues.

An operational network of Energy-Carbon experts deployed within the Group's entities and territories is currently being studied.

Lastly, the indexation of part of the variable portion of SNCF Group senior manager and executive compensation to CSR objectives, starting in 2023, is being analysed.

The development of new tools. To inform decisions to meet its GHG reduction commitments, the SNCF Group is currently developing decision-making tools dedicated to decarbonising its activities. These tools will be fed by the work presented above (technology/actions envisaged, financing, GHG reduction, internal carbon price, etc.).

The promotion and development of internal energy and greenhouse gas reduction projects. The aim is to stimulate the Group's teams and support local initiatives to reduce energy consumption and greenhouse gas emissions. For example, the Innovative Fund for Passenger Energy Transition (FITEV), created in 2021 by SNCF Voyageurs, which has made it possible to save 5.9 GWh/year and avoid the emission of 520t of CO₂e each year. In early 2022, SNCF Gares & Connexions launched a call for projects to regional departments with an allocation of €7 million.

In line with the Group's governance, each company or subsidiary has its own governance and organisation to effectively manage Energy-Carbon issues.

SNCF Immobilier and SNCF Gares & Connexions have thus initiated the creation of departments and positions dedicated to the subject of energy transition.

The changes at SNCF Voyageurs are also an illustration of this:

- The **strategic governance** body is Voyageurs Executive Committee, which discusses issues related to energy management, decarbonisation of the business and electricity consumption twice a year.
- The **operational governance** body is the Voyageurs Energy-Carbon Steering Committee, which meets three times a year with representatives from each of the activities (TGV&Intercités, TER, Transilien, Industrial Management).
- The **body for managerial appropriation of issues and implementation** is the "Passenger Morning" which brings together the heads of business units (TGV lines, Transilien lines, TER region) in which Energy-Carbon issues are discussed once a year. It is also made up of steering committees between the Voyageurs Energy-Carbon Department (VECD) and the management teams of each of the activities, where action plans and their progress are reviewed one to three times a year depending on the issues at stake.

The interventions in these four bodies are steered by the Voyageurs Energy-Carbon Department (VECD).

Finally, **each activity has its own governance, PlaneTER or Planète Voyages.** Energy-Carbon issues are managed in these steering committees which decide on actions and commitments towards upstream and downstream stakeholders. They concern, for example, selection criteria or carbon performance objectives for suppliers, awareness-raising campaigns for customers, posters and all communication operations...

In the same way, the PlaneTER and Planète Voyages programmes help to unite teams around common values to make all TER and TGV-Intercités employees ambassadors for sustainable mobility among passengers.

9.5.4.5 The Group's commitments and actions towards its stakeholders

The SNCF Group is setting up numerous actions with its stakeholders, upstream and downstream of its value chain, to encourage them to take into account its greenhouse gas emission reduction objectives.

Purchasing policy

The Group's purchasing policy contributes to the ambitions set by SNCF for reducing greenhouse gases, the circular economy and local commitment.

Three main priorities guide its CSR action:

- Systematise the integration of CSR requirements in the choice of solutions and suppliers to control CSR purchasing risks.
- Be an actor in ecological transition by promoting the reduction of greenhouse gas emissions and the circular economy
- Develop "made in France" and actively contribute to the economic development of the territories.

The Group promotes its actions through experiments, feedback and performance indicators detailed in chapter 7.2 of the NFPS.

For example, as part of the renewal of its advertising contract, SNCF Retail & Connexions, a subsidiary of SNCF Gares & Connexions, launched a call for tenders which included energy performance as a criterion for choosing new advertising equipment. Thus, the call for tenders mentioned:

- The ability to reduce the electricity consumption of the entire stock by at least 40% by the end of the concession.
- The implementation of a system for monitoring the consumption of equipment resources.
- Equipment maintenance.
- Management of equipment and other waste at the end of life.

Result: Mediagare, the successful bidder in this call for tenders, has undertaken to reduce electricity consumption by 72% and greenhouse gas emissions by 45% over the ten-year term of the contract.

To characterise the greenhouse gas assessment, the company also carried out a life cycle analysis of the model with the support of the firm EcoAct, certified by a third party auditor, in accordance with the requirements of ISO 14 040.

Customer communication

The SNCF Group is developing a number of actions for its customers to guide them towards "low carbon" transport alternatives:

- Thanks to the SNCF Connect eco-comparator (which will be merged with Oui.sncf and the SNCF Assistant in January 2022), which will allow passengers to make an informed choice
- Through the words and attitudes of employees and then signage, including posters and "nudges", on concrete evidence: the low-carbon dimension, energy savings (lighting, air conditioning, train traction) and the circular economy (reduction in water consumption, polluting products, sorting and recycling).

- Via numerous external communication campaigns (media campaign, posters, social networks, etc.)
- With regional TER partnerships to create events such as the one with the Waterfamily in Bayonne station or a permanent partnership such as with the Juno Beach Museum in Normandy.

The CDP (formerly Carbon Disclosure Project) assessment

The Group's five railway companies (SNCF, SNCF Réseau, SNCF Gares & Connexions, SNCF Voyageurs and Fret SNCF) have been assessed by the CDP, which is recognised as an international reference in the environmental field. This assessment, which measures the environmental impact of companies, territories and organisations, enabled the Group's strengths to be identified, as well as areas for progress on which to work in the long term.

Collaboration with national and international bodies

The SNCF Group's experts take part in numerous exchanges and working groups (ATEE, ADEME, AFNOR, UIC, etc.), as described in chapters 2.3 and 6 of the NFPS.

9.6 REPORT FROM ONE OF THE STATUTORY AUDITORS



**Report by one of the Statutory Auditors, appointed as an independent third party,
on the consolidated non-financial information statement**

(For the year ended 31 December 2021)

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Société Nationale SNCF
2 Place aux Etoiles
93210 Saint-Denis, France

To the annual general meeting of Société Nationale SNCF,

In our capacity as Statutory Auditor of Société Nationale SNCF (hereinafter "the entity"), appointed as an independent third party, and accredited by Cofrac (accreditation Cofrac Inspection No. 3-1060, the scope of which is available at www.cofrac.fr), we carried out our work in view of providing a reasoned opinion expressing a limited assurance conclusion on historical information (whether observed or extrapolated) contained in the consolidated non-financial information statement (hereinafter the "Information" and the "Statement" respectively), prepared in accordance with the entity's procedures (hereinafter the "Guidelines") for the year ended 31 December 2021, included in the management report pursuant to the legal and regulatory provisions of articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures we have carried out, which are detailed in the section "Nature and scope of our work", as well as on audit evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Preparation of the non-financial information statement

The lack of a generally accepted and commonly used reference framework or established practice to form the basis of the assessment and measurement of Information allows for the use of different, but acceptable, measurement techniques that may alter comparability between entities over time.

*PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex
Téléphone: +33 (0)1 56 57 58 59, www.pwc.fr*

Société d'expertise comptable inscrite au tableau de l'ordre de Paris - Ile de France. Société de commissariat aux comptes membre de la compagnie régionale de Versailles et du Centre. Société par Actions Simplifiée au capital de 2 510 480 €. Siège social : 63 rue de Villiers 92200 Neuilly-sur-Seine. RCS Nanterre 672 006 483. TVA n° FR 76 672 006 483. Siret 672 006 483 00362. Code APE 6920 Z. Bureaux : Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Neuilly-sur-Seine, Nice, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial information statement – Page 2

Therefore, the Information should be read and understood with reference to the Guidelines, the main elements of which are presented in the Statement.

Limitations inherent in the preparation of Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information presented in the Statement is sensitive to methodological choices, assumptions and/or estimates made in its preparation.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or setting appropriate criteria for the preparation of the Information;
- pursuant to legal and regulatory requirements, preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks, the outcomes of said policies, including key performance indicators, and, if applicable, the information provided for in article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- implementing the internal control procedures it deems necessary for the preparation of information that is free of material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the aforementioned Guidelines of the entity.

Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R.225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R.225-105 I, 3 and II of the French Commercial Code, i.e., the outcomes of the policies, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

As it is our responsibility to express an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular in relation to the information provided for in article 8 of Regulation (EU) 2020/852 (Green Taxonomy), the French duty of care law and anti-corruption legislation;
- the truthfulness of information provided for in article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with applicable regulations.

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial information statement – Page 3

Regulatory provisions and applicable French professional standards

The work described below was performed in accordance with the provisions of articles A.225-1 et seq. of the French Commercial Code and with the professional standards applicable in France to such engagements, as well as with ISAE 3000 (Revised) – *Assurance engagements other than audits or reviews of historical financial information*.

Independence and quality control

Our independence is defined by the provisions of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements, and the French professional standards for Statutory Auditors applicable to such engagements.

Means and resources

Our work was carried out by a team of seven people between November 2021 and February 2022 and took a total of 14 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 27 interviews with the people responsible for preparing the Statement, representing in particular the Department for Social Engagement and the Ecological Transition, the Human Resources Department, the Risks, Safety and Security Department, the Group Ethics and Deontology Department, the Procurement Department, the Communications Department, SNCF Réseau's Environment and Sustainable Development Department, and the Strategy Department of SNCF Gares & Connexions.

Nature and scope of our work

We planned and carried out our work taking into account the risks of material misstatement of the Information.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III, as well as information regarding compliance with human rights and anti-corruption legislation;
- we verified that the Statement provides the information required by article R.225-105 II when it is relevant to the principal risks and includes an explanation for the absence of the information required under article L.225-102-1 III, 2;
- we verified that the Statement presents the business model and a description of the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial information statement – Page 4

- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important (detailed in the appendix). For certain risks (e.g., those relating to corruption, tax evasion, personal data protection, responsible purchasing, etc.), our work was carried out at the level of the parent entity; for the other risks, work was carried out at the level of the parent entity and in a selection of entities: Société Nationale SNCF, SNCF Voyageurs SA, SNCF Réseau SA, SNCF Gares & Connexions, Fret SNCF SAS, Eurostar International Ltd, THI Factory – Thalys International, Geodis and Keolis;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L.233-16 within the limitations set out in the Statement;
- we examined the internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important (detailed in the appendix), we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - tests of details, using sampling techniques or other methods of selection, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities (Société Nationale SNCF, SNCF Voyageurs SA, SNCF Réseau SA, SNCF Gares & Connexions, Fret SNCF SAS, Eurostar International Ltd, THI Factory – Thalys International, Geodis and Keolis, and covers between 86% and 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures carried out for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement carried out in accordance with professional standards applicable in France ; a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, 18 February 2022

One of the Statutory Auditors
PricewaterhouseCoopers Audit

François Guillon
Partner

Sylvain Lambert
Sustainable Development Partner

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Appendix: List of information that we considered to be the most important

Key performance indicators:

- Number of remarkable security events (RSE)
- Physical attacks against SNCF customers and agents and simple theft against customers (nb)
- Number of malicious acts against property and financial assets
- Acts of incivility and breaches of legislation (nb)
- % of European revenue covered by a DPO
- Rate of progress in making stations accessible
- Number of secure bicycle parking spaces
- Rate of customer satisfaction – SNCF image survey
- Total energy consumption (in GWh)
- Energy consumption for rail traction (in GWh)
- % of renewable energy in the rail traction electricity mix
- Greenhouse gas emissions (kt of CO₂e) related to scopes 1, 2 & 3 energy consumption
- CO₂e emissions per passenger-km (scopes 1, 2 & 3) (gCO₂e/passenger-km)
- ISO 14001 certified industrial rail facilities (%)
- Total amount of hazardous waste produced (in thousands of tonnes)
- Solidarity purchases (€ millions)
- % of purchases in year Y covered by a CSR offer rating at 20% of the overall rating
- Supplier CSR performance (rating out of 100), including labour and human rights
- Number of whistleblowing alerts received (nb)
- Number of investigations carried out by the Group Ethics Department
- Number of training sessions on the corruption prevention programme
- Frequency and severity rate of occupational accidents
- Absenteeism rate (off-duty illness/injury off duty) in France
- Number of lost days per agent as a result of industrial action
- Total Group headcount, of which women
- Number of permanent hires in France
- % of women in management roles
- Number of dismissals
- Number of work-study contracts
- Training (in thousands of hours)
- % of employees having received at least one training course in France
- Turnover (%)

Quantitative information:

- Number of remarkable security events (RSE) since 2015 that PRISME has helped to reduce
- Number of assistance services provided in stations in 2021
- Recycling rate of products related to railway maintenance and modernisation
- Number of jobs indirectly supported or induced by SNCF in France in 2021
- Pénicaud equality index for the whole Group
- Details of the 5 SA hires by region

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Qualitative information (measures and outcomes):

- Implementation of a "bicycle" stakeholder committee
- Eco-driving training for drivers using the "Opti-conduite" tool
- Studies of the impact on the privacy of the data subjects (EIVP or Privacy Impact Assessment – PIA)
- MyEtic initiative
- CSR and purchasing risk map
- Awareness campaign for employees to develop their first aid skills
- Guide to conflict of interest situations in business
- 2020 Group safety commitment charter
- 2021 Keolis safety policy
- Fair and equitable approach
- Stakeholder advisory committee
- Projects supported by the SNCF Foundation's "Coups de cœur solidaires" initiative
- Increased co-option of women
- CSR e-learning: Understanding to act, offered to all employees
- Membership of SNCF in the "Entreprises pour les Droits de l'Homme" human rights association

SNCF GROUP VIGILANCE PLAN

1. PREAMBLE

1.1 THE LAW ON THE DUTY OF CARE APPLIED TO THE SNCF GROUP

Since 2020, the structure and status of SNCF has changed, from three public institutions of an industrial and commercial nature (EPIC) and their subsidiaries to a new Unified Public Group (UPG) consisting of a parent company, to which five daughter companies are directly attached.

Law No. 2017-399 of 27 March 2017 on the duty of care of parent companies and contracting companies applies to the SNCF group, after two years of operation in its new configuration. It was in fact granted a deadline following the implementation of the railway reform on 1 January 2020⁶.

In February 2022, the national company SNCF SA published its first vigilance plan covering three risk categories:

- Human rights and fundamental freedoms.,
- The health and safety of individuals,
- The environment.

This work programme aims to identify risks and prevent serious harm that could result from the Group's activities in these three risk areas. The scope of this exercise covers

the parent company and its subsidiaries, their suppliers, service providers and subcontractors in France and abroad.

The work undertaken by SNCF in 2021 on the duty of care is part of a more global and international vision of CSR compliance issues, which also incorporates the steps implemented since 2017 by the Group within the framework of Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life ("Sapin II").

Among the improvement levers identified as part of the vigilance plan, in 2022 SNCF will focus its actions on the following areas:

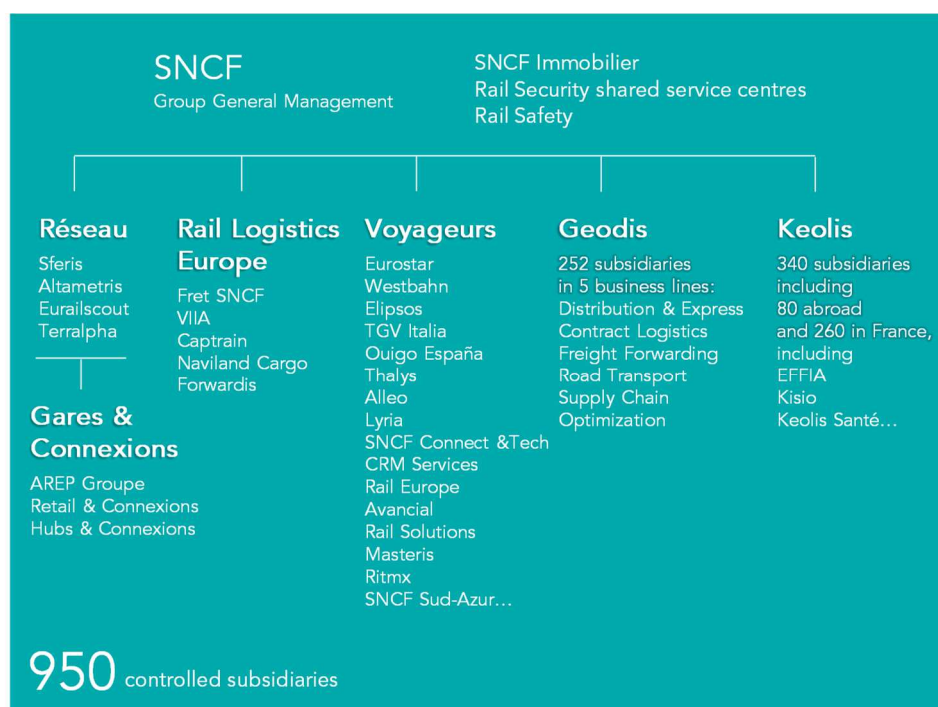
- Harmonise the different approaches to risk within the Group.
- Strengthen risk analysis feedback from subsidiaries, via internal audits and internal procurement control.
- Integrate the duty of care into the Group's internal control systems.
- Unify existing professional whistleblowing systems within the Group in a new system extended to all subsidiaries.
- Implement a human rights risk awareness programme.

The 2023 vigilance plan will report on the implementation of these actions and will set out the work programme for the following year.

⁶ : pursuant to Article 22 IV of Ordinance No. 2019-552 of 3 June 2019 on various provisions relating to the SNCF group.

1.2 SCOPE AND APPLICATION OF THE LAW

The new structure of the unified SNCF public group from 1 January 2020



Group key data

RÉSEAU

28,000 km of track
95,000 ha of railway rights-of-way
1,700 major projects
€8.3 billion in purchases

15,000 level crossings
3,000 stations totalling 10 M m²
and 10 M visitors / day
15,000 train departures / day

RAIL LOGISTICS EUROPE

36 billion tonnes. km of freight transported / year
370,000 intermodal transport units (ITUs) transported / year
Presence in 10 countries
€0.9 billion in purchases

GEODIS

303 logistics platforms
7,127 M m² of warehouses
855,218 containers by sea
3,818 own-fleet trucks
Presence in 168 countries
52% of revenue abroad
€7.1 billion in purchases

VOYAGEURS

880 M Passengers in 2021
35 technicentres in France
15,200 Equipment employees who maintain
17,000 Group trains
€5.0 billion in purchases

KEOLIS

452 km of underground train lines
1,034 km of tram lines
6,000 km of railway lines
15 railway networks
23,000 buses operated
of which 4,600 running on alternative energy
Presence in 16 countries
23,000 suppliers
€1.9 billion in purchases

In France:

Group energy consumption 14,000 GW
GHG emissions: 2,556 kt of CO₂e

8.5 M m² of buildings
20,000 ha of land

1.3 THE GROUP'S BUSINESS MODEL

For further details, see "The SNCF Group in 2021"

1.4 LONG-STANDING ETHICAL AND SAFETY COMMITMENTS

Without waiting for legal obligations, the SNCF Group has been working for a long time on the three risk categories targeted by the law on the duty of care.

Since 2003, the Group has been fully committed to the 10 principles of the United Nations Global Compact on human rights, international labour standards, environment and anti-corruption. The actions implemented within this framework strengthen its contribution to the 17 UN Sustainable Development Goals (SDGs) and have enabled it to obtain, since 2015, the highest performance score in terms of social responsibility ("Advanced" level).

These commitments to the group's employees, customers and suppliers are also formalised in charters, in particular:

- Ethical Charter.
- Supplier relations and CSR Charter

In addition, to ensure the safety of its customers and employees, the SNCF group has structured its safety policy around the "PRISME" programme⁷, common to all the rail group's entities since 2015. Environmental safety is integrated in the same way as occupational health and safety and railway operating safety.

For more details, see NFPS section 1.5

Finally, the "Tous SNCF" corporate project, an initiative launched in 2020 by the SNCF Chairman and CEO to define and implement the Group's 2020-2030 strategy, sets out the strategic ambitions for all the Group's subsidiaries and operating entities.

CSR is included as one of the levers for the SNCF Group's overall performance, competitiveness and attractiveness.

⁷ Pro-activity - Risks - Interfaces - Simplification - Management - Equipment (Safety Excellence Programme).

The objectives of the Group's CSR strategy, launched in 2021, are directly linked to the challenges of the duty of care, and are based on six areas:

- Develop the share of rail and sustainable mobility.
- Reduce the environmental footprint of activities.
- Improve the adaptation and resilience of activities to climate change.
- Act for social cohesion and the ecological and solidarity economy in the regions.
- Make employees the main actors and beneficiaries of the ecological and social transition.
- Develop the highest level of ethical conduct and open governance.

To reflect these ambitions, the SNCF group adopted a new raison d'être at the end of 2021, at the end of the "Tous SNCF" corporate project.

For more details, see NFPS sections 1.3 & 1.4

2. CONSULTATION WITH STAKEHOLDERS

2.1 STAKEHOLDER COMMITTEE (SC) AND CSR GOVERNANCE BODIES

Since 22 September 2021, the Group's governance has included an SNCF Group Stakeholder Committee, in addition to the consultation bodies already in place. This change is part of the 2020 rail reform, in accordance with

the order relating to the governance of SNCF of 3 June 2019.

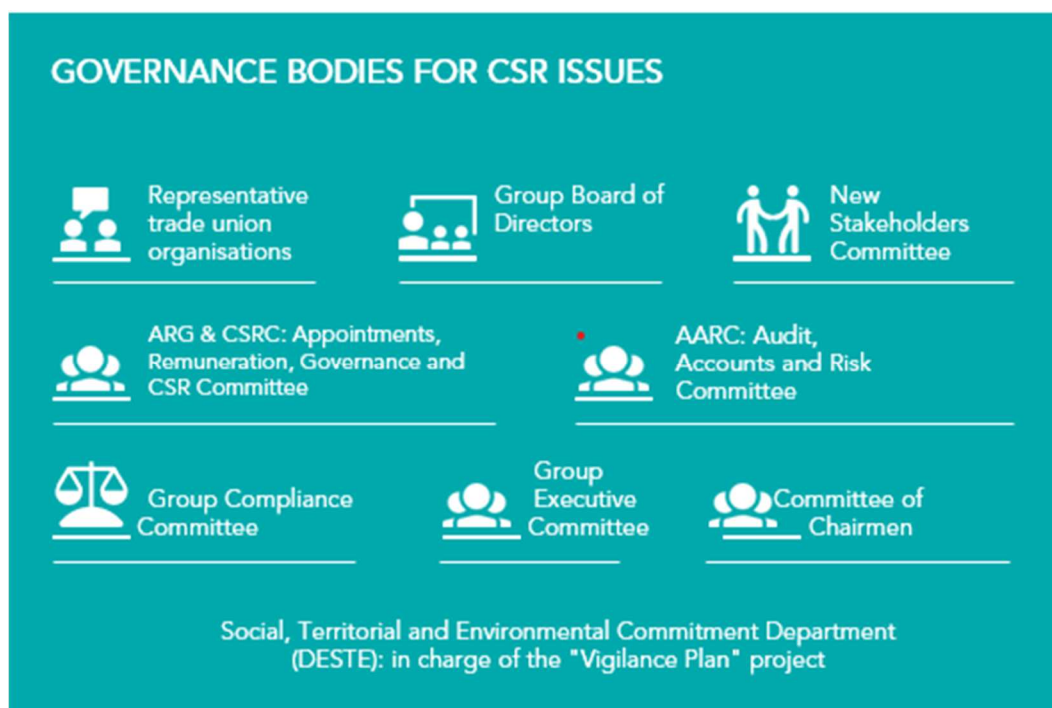
The SC is composed of 16 members appointed for three years, renewable (Decree No. 2019-1384 of 17 September 2019).

Chaired by the Group's CEO, this Committee was set up to be consulted and propose ideas and recommendations on the SNCF's priority strategic issues, such as safety, service quality, social and environmental responsibility, non-financial performance, regional development and cohesion, and the development of mobility. The Committee's work and recommendations feed into the Board of Directors.

The Stakeholder Committee was consulted in the development of the vigilance plan.

Note: SNCF Réseau and Keolis lead their own stakeholder committees. The Keolis subsidiaries organise local dialogue with the representatives of their users, local and regional authorities and public transport authorities.

In addition, the development of the vigilance plan was the subject of several presentations, discussions and reviews with the Group's governance bodies.



For more details, see NFPS section 2

2.2 AN APPROACH SHARED WITH THE GROUP'S TRADE UNIONS

The "vigilance plan" approach carried out throughout the 2021 financial year with the contribution of the seven Group companies was presented by the Social, Territorial and Environmental Commitment Department (DESTE) and the Group Ethics Department in November 2021 to the four representative trade union organisations of the company, during bilateral consultation meetings, as well

as to the members of the Group Works Council during a plenary meeting.

Information on the approach was also provided to the European Works Council in December 2021.

The trade unions showed interest in the issues discussed, both in terms of the draft plan and the platform for receiving alerts. They all expressed the wish to be involved in the monitoring of this plan in 2022.

The issues discussed with the trade unions were analysed and, where appropriate, incorporated into the 2022 vigilance plan.

Note:

Law no. 2017-399 of 27 March 2017 on the duty of care provides in Article 1:

"The plan shall include reasonable vigilance measures to identify risks and prevent serious harm to human rights and fundamental freedoms, the health and safety of individuals and the environment, resulting from the activities of the company and those of the companies it controls within the meaning of II of Article L. 233-16, directly or indirectly, as well as the activities of subcontractors or suppliers with which an established commercial relationship is maintained, when these activities are attached to this relationship [...]"

It includes the following measures:

[...]

"4 A mechanism for alerting and collecting reports on the existence or occurrence of risks, established in consultation with the representative trade unions in the company;

"5° A system for monitoring the measures implemented and evaluating their effectiveness.

3. MAPPING OF RISKS RELATED TO THE DUTY OF CARE

3.1 RISK MANAGEMENT IN THE SNCF GROUP

Three lines of defence

The general organisation of the Group's risk management and internal control is based on a governance model founded on three lines of defence:

- The operational management of the entities (1st line) defines and implements a control system for the processes for which it is responsible.
- The companies' functional departments (2nd line) provide support and guidance to the operational departments.
- Internal audit (3rd line) provides an independent assessment of the level of risk control and the robustness of internal control.

Each of the companies is responsible for the risk management and internal control within its scope, including its subsidiaries.

Risk management is led and steered within the Group by the Risk Management Department, part of the Risk, Audit, Safety and Security Department (DRA2S).

Internal control is led and steered by the Internal Control Department, an entity of the Group's Finance Department.

The Group's Internal Audit Department also coordinates its action with the Group's other assurance and control functions, risk management, internal control, ethics and compliance, as well as with the Social, Territorial and Environmental Commitment Department (DESTE).

For more details, see "Risk management and control systems"

Specific governance of the vigilance plan

The SNCF Group's vigilance plan is managed by the Social, Territorial and Environmental Commitment Department (DESTE).

Reporting directly to the Group's Chairman and CEO, DESTE is positioned within the Executive Committee (COMEX) and the Executive Management Committee of the parent company. In particular, it is responsible for managing and steering the Group's non-financial risks, in collaboration with the Risk Management Department and with the support of the three lines of control within the Group's companies and subsidiaries.

The Group's CSR risk framework, based on the materiality study (update scheduled for 2022), is now enriched by the risk mapping work carried out for the vigilance plan.

In the first quarter of 2021, DESTE set up a dedicated project governance to steer and lead the development and implementation of the vigilance plan, in conjunction with the compliance officers and risk managers of each company, and with the methodological support of the Group Risk Management department.

3.2 SPECIFIC METHODOLOGY APPLIED TO RISKS RELATED TO THE DUTY OF CARE

The treatment of risks in the vigilance plan

The methodology used to draw up the vigilance plan is based on that used for the mapping of the Group's own risks. It is organised around four stages:

- The identification of risks in each company through collaborative workshops and interviews in order to determine the universe of risks, contextualise them in the activities, and identify the existing control mechanisms to deal with the risk.
- Risk assessment using specific scales to assess the impact, likelihood and scope for improvement in controlling these risks, in order to obtain a prioritized view.
- The definition of guidelines and action plans to improve risk management, accompanied by a system for monitoring the progress of these action plans.
- A regular risk review to verify the deployment of action plans and ensure their effectiveness, punctuated by an annual update of the vigilance plan mapping.

In accordance with the expectations of the law on the duty of care, the scope of which covers "serious harm", only the risks deemed to be the most critical are analysed in this vigilance plan.

In order to define the concept of serious harm within the meaning of the law, SNCF focused its analysis on risks likely to have irreversible or harmful and lasting consequences for third parties, its employees or the environment.

Specific scales for assessing the criticality and probability of occurrence of these risks have been defined, in line with the Group's risk management methodology.

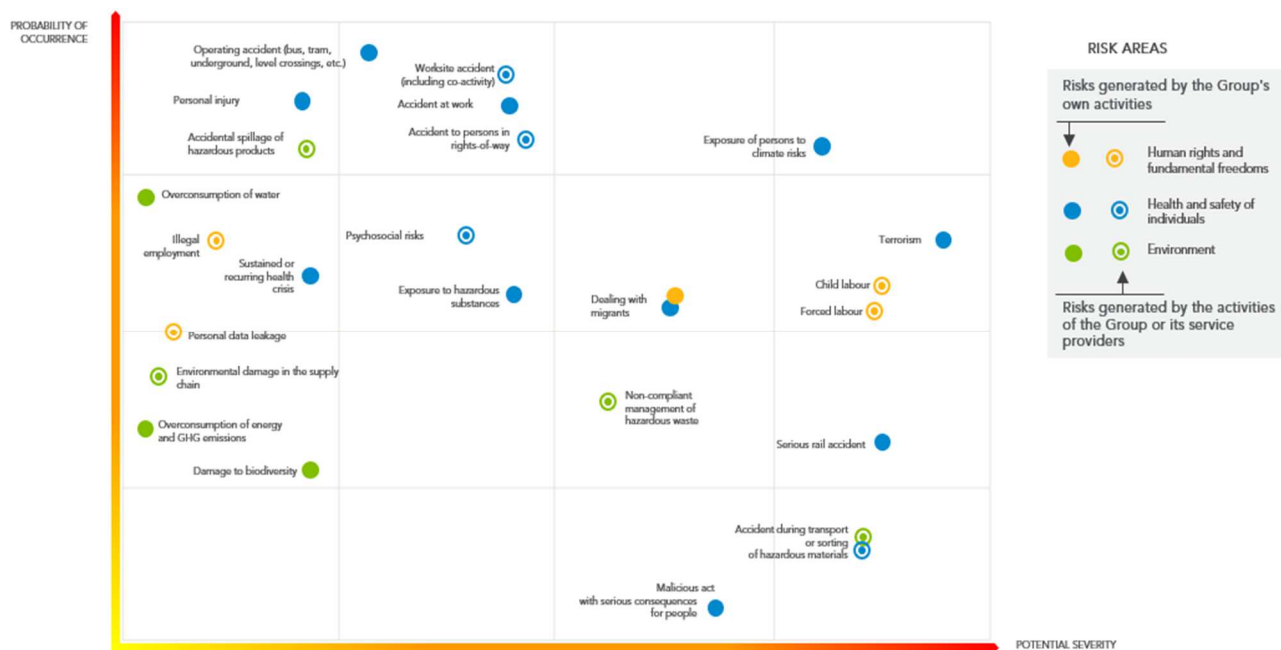
The assessment takes into account the risk prevention and mitigation measures already in place, which can be further strengthened if necessary.

The improvement of risk management is based on two levers:

- Action plans likely to act directly on the causes of the risk or to mitigate its effects.
- Internal control systems integrated into the Group's processes, businesses and activities.

Note: some risks may fall under one or more of the three risk areas of the duty of care. However, they are only dealt with once under the plan, depending on whether their dominant nature relates more to human rights and fundamental freedoms, human health and safety, or the environment.

3.3 GLOBAL MAPPING OF IDENTIFIED RISKS OF SERIOUS HARM



4. HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

4.1 DESCRIPTION OF THE RISKS OF SERIOUS HARM

4.1.1 Nature of potential risks

There are two types of risks that could seriously undermine human rights and fundamental freedoms:

- Risks for which the Group's subsidiaries are directly liable, in particular in countries considered at risk according to the composite "ESG" index⁸ (environment, social, governance). This index encompasses all three risk areas in a single measure: human rights, human health and safety, environment (see map chapter 4.4).
- Risks relating to the SNCF group's commercial relations with its suppliers, service providers and subcontractors, in identified purchasing families and/or geographical areas at risk (see NFPS section 7).

Risks for which the subsidiaries are directly liable

Potential human rights risks (but also risks to human health and safety and the environment) that are directly generated by the activities of the controlled subsidiaries of the seven Group companies are currently addressed through two existing sources:

- **Internal audits** (thematic or entity) carried out in the Group's subsidiaries. Particularly for entity audits, all subsidiaries are concerned: they are audited on a recurring basis, in a cycle of four to seven years, depending on the scale of their activity. In practice, some fifty internal audit assignments are carried out each year

by the Group Internal Audit Department, including around ten entity audits.

- **Corruption risk mapping**, for which a specific feedback process was set up in 2019, jointly by the Legal and Compliance Department and the Group Risk Management Department. This process will be progressively extended to cover risks relating to the duty of care.

For more details, see NFPS section 2.2

4.1.2 Risks related to supplier relations

Within the scope of the Group's railway companies, these risks are relatively limited, considering that 94% of the €13 billion in purchases made by these companies in 2021 are made with suppliers based in France.

Failure or non-compliant behaviour of a supplier, service provider or subcontractor that does not comply with the Group's ethical principles cannot be completely ruled out. This is why the Group's Procurement Department implemented several measures in the early 2000s to prevent and reduce these risks (see the four areas described chapter 7.3).

In addition, the sub-subsidiaries of the Group companies are responsible and autonomous in the conduct of their purchasing. The control of the Group's seven main companies over the proper application by their subsidiaries (tier 3 or higher) of the general principles of procurement governance decreed by SNCF SA will be strengthened as of 2022. To this end, initial guidelines and actions have been defined and will be implemented as part of this vigilance plan (see chapter 7.3).

These provisions are detailed in chapter 7 of this vigilance plan.

⁸ source "Global Risk Profile"

4.2 SUMMARY OF RISKS OF SERIOUS HARM

Risk category	Description of the risk	Possible causes	Potential consequences	Prevention or mitigation actions
CHILD LABOUR	Use of child labour by a foreign subsidiary, directly or via a service provider. Example: temporary work, or employment of migrants in the logistics sector.		Serious accidents, serious illnesses or disabilities. Unacceptable living conditions. Lack of schooling.	
FORCED LABOUR	Use of forced labour by a foreign subsidiary (directly or via a service provider) that does not guarantee respect for the fundamental rights and freedoms or the physical and psychological integrity of employees.	Non-compliance with the Group's ethical values. Local labour regulations below SNCF standards (country ranking downgraded in terms of corruption or rule of law). Lack of control over temporary work agencies or service providers when providing external staff.	Serious accidents, serious illnesses or disabilities. Infringement of the free movement or freedom of expression of persons. Unacceptable working hours and conditions.	Internal audits of subsidiaries. Corruption risk mapping. Reporting of risk analyses from targeted subsidiaries (countries and/or activities at risk). Investigations by the Group Ethics Department.
ILLEGAL EMPLOYMENT	Use of undeclared or illegal labour by a Group company in France or abroad - temporary staff or local contracts (road transport, construction, road maintenance, cleaning or security service providers, etc.).	Lack of HR procedure for controlling the age of staff. Deficient control of a Group company.	Serious accidents at work. Non-compliance with safety rules, working hours, lack of training, lack of pay, lack of social protection, harassment, etc. Employment conditions favouring social dumping. Decent wage not guaranteed.	Strengthening of procedures for hiring temporary workers with systematic verification of identity and age. Monitoring of cabotage and posting rules by the legal department.
DEALING WITH MIGRANTS	Intrusion of groups of migrants into railway rights-of-way or on tracks. Smuggling of migrants without the knowledge of a subsidiary operating in freight transport and logistics.	Illegal use of the Group's transport services to reach other countries (EU, UK, Eastern countries, etc.). Lack of awareness of railway risks and practices. Inadequate security or access control procedures.	Serious accidents involving persons with injuries or fatalities.	Specific Rail Security measures in close collaboration with State services and law enforcement agencies. Managerial approaches to security officers. Securing road freight transport.
PERSONAL DATA LEAKAGE	Accidental leakage of personal data whose management is entrusted by the SNCF to an IT or video protection service provider or subcontractor.	Protection flaw in the information systems of SNCF or one of its service providers. Cyberattack.	Customer, employee or supplier data disclosed or compromised.	The use of service providers or subcontractors for the management of personal data is subject to a specific data protection agreement. The SNCF's high-risk processing operations are subject to privacy impact assessments. In addition to these provisions, the measures implemented as part of the information systems security policy have so far prevented any serious consequences related to a personal data leakage, whether caused by SNCF or one of its service providers.

4.3 PREVENTION OR MITIGATION ACTIONS

Measures under this plan

In keeping with the measures already undertaken, five types of action will be launched in 2022 to improve the knowledge and treatment of human rights risks within the Group:

1. The implementation of a risk analysis reporting process for the controlled sub-subsidiaries of the seven Group companies, in the three risk areas of the duty of care. This action will be part of a three/five-year improvement trajectory, and will primarily concern companies located in countries considered to be at risk in terms of human rights, and more broadly all risks related to the duty of care. Specific remediation actions may be considered on a case-by-case basis if the results of these analyses so warrant.

2. The affirmation by all Group companies of the procurement governance principles to be applied to their subsidiaries, with effective control of the proper application of the rules defined by the Group.

3. The effective and progressive implementation of audits of supplier or service provider sites, for those subcontracting all or part of their production in countries considered at risk. These actions will be part of a three/five-year improvement trajectory (see chapter 7).

4. An enhancement of the entity audit checkpoints applied by the Group's Internal Audit department during assignments carried out in the subsidiaries of Group companies.

5. Monitoring the deployment of the "SNCF Humain" programme for Group employees, approved by the SNCF's Chairman and CEO in 2021, defining the general principles of a Group-wide human rights policy.

THE "SNCF HUMAIN" PRIORITIES FOR 2022

The opening up of the passenger market to competition, a demanding economic trajectory, and the desire to double rail transport within 10 years in order to respond to the climate emergency are all challenges that require the company's employees to adapt, especially in a period of continuing health crisis.

To support staff on a day-to-day basis, the Chairman of the SNCF has launched a major programme based on four components, corresponding to the four dimensions of employees' lives:

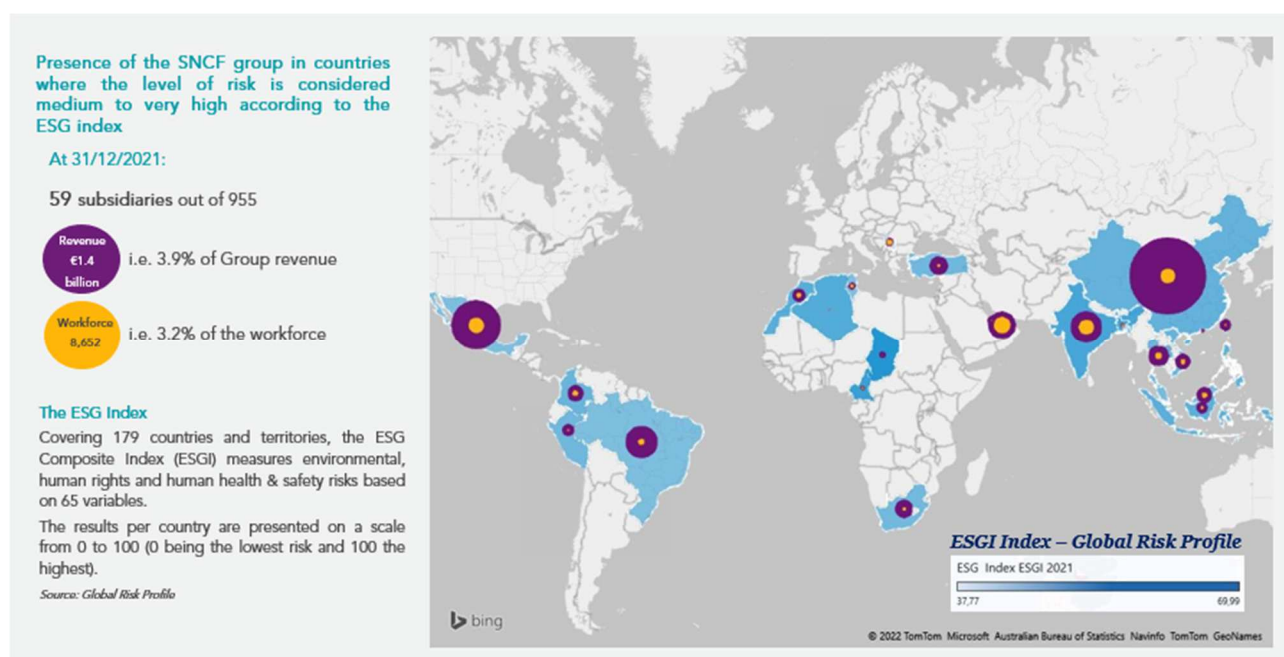
- Respect for the employee as an individual.
- The development of the employee in the work group.
- The possibility for the employee to plan positively for the future within the SNCF group.
- The involvement of employees in civic life, in connection with corporate social responsibility.

Specific governance at the level of the chairmen of the railway companies will be set up in January 2022 to ensure the monitoring and progress of the 10 projects that make up this programme.

The ambitions of the SNCF Humain programme are also shared with the representative trade unions.

For more details, see NFPS section 8.1

4.4 ISSUES AND KEY DATA



5. HEALTH AND SAFETY OF INDIVIDUALS

5.1 DESCRIPTION OF THE RISKS OF SERIOUS HARM

Safety is one of the SNCF's fundamental principles and the top priority it sets for its customers. It is the subject of a general Group policy.

Safety is inherent in all the SNCF Group's activities and is rooted in all business lines. This is why very significant resources are deployed each year to prevent any risk of accident.

Four main risk categories have been identified:

1. Risks directly related to the operation of the various modes of transport operated by the Group, primarily the risk of rail accidents.

2. Risks relating to the health and safety at work of employees or service providers of the SNCF group. This includes work accidents in industrial contexts (e.g. track renewal sites or rolling stock maintenance sites), but also exposure to dangerous substances (chemicals, asbestos, etc.), or psychosocial risks in a context of profound transformation of the Group.

Improving the health and safety of employees is a permanent focus of progress in working conditions. The Group's constant objective is "zero fatalities, zero serious accidents".

The challenge is therefore to develop a proactive safety culture based on strong safety leadership.

For more details, see NFPS section 8.4

3. The risks of personal accidents or injury on railway property or in transport (level crossing accidents, electrification, insecurity on trains, buses or underground trains, etc.).

4. The fourth category includes three heterogeneous risks which are not the direct responsibility of SNCF, but which it suffers. Nevertheless, it must take them into account in the course of its activities in order to safeguard the health and safety of its customers.

– Climate risk: The transport sector is one of the sectors which faces the greatest challenges of adapting to climate change. The SNCF Group is faced with an increasing number of intense and sometimes unexpected climatic events, which can affect the integrity of railway infrastructures and have consequences on traffic. SNCF Réseau incorporates these new climatic parameters into its processes to improve the resilience of the track, electrical installations and engineering structures such as railway bridges. SNCF Voyageurs has also begun work on the resilience of its trains, particularly through the "TGV M" project, in conjunction with its suppliers.

For more details, see NFPS section 6

– The health crisis: in 2021, the spread of COVID-19 led the SNCF to continue to integrate and adapt health protocols in all the Group's activities on a daily basis, both for its employees and for passengers.

– The risk of terrorism and malicious acts: in 2021, the risk of terrorism remained high in France and internationally and the operating methods are now more diversified. Stations and trains can be targets. Incidentally, the problem of "abandoned luggage" is taking on a scale that could hardly have been anticipated, generating frequent suspensions of operations and evacuations, with risks linked to crowd movements inherent to this type of operation.

Finally, in order to combat the ever-increasing number of cyberattacks, the SNCF Group has chosen to focus on both prevention and responsiveness. Its strategy, both defensive and offensive, aims to avoid any production stoppages and to guarantee 100% safe train traffic.

5.2 SUMMARY OF RISKS OF SERIOUS HARM

Risk category	Description of the risk	Possible causes	Potential consequences	Prevention or mitigation actions
EXPOSURE OF PERSONS TO CLIMATE RISKS	Exposure of customers, employees and service providers to extreme weather events affecting transport services or stations.	Difficulty in defining climate change adaptation pathways. Lack of resilience of facilities, infrastructure, stations and rolling stock.	Impact on train traffic and other modes operated by the Group.	Implementation of specific governance (specialised committee of the Group's Board of Directors) - see the report on corporate governance included in the 2021 financial report. Programmes to improve the resilience of the infrastructure and rolling stock in operation.
TERRORISM	Terrorist act affecting a mode of transport or an establishment open to the public operated by SNCF.	Circumvention of existing surveillance systems.	Serious injury or death.	The SNCF commits numerous human and technical resources to ensure passenger safety. All security-related missions are carried out in close partnership with law enforcement agencies, the National Police and the National Gendarmerie.
SUSTAINED OR RECURRING HEALTH CRISIS	Sustained or recurring health crisis. Example: successive pandemic waves (COVID-19).	Difficulty in applying or partial effectiveness of planned or possible protocols. Non-compliance with measures recommended by the health authorities.	Contagiousness out of control.	Continued implementation and monitoring of the measures deployed in the context of the health crisis to adapt protection measures for customers, employees and service providers to the successive waves of COVID, in conjunction with the health authorities.
SERIOUS RAIL ACCIDENT	Serious rail accident with many victims and injuries.	Technical, human or organisational failure, or event exogenous to the railway system affecting the safety of traffic.	Serious injury or death.	Implementation of the Group's safety policy and the PRISME programme (see page 29) in all companies operating in rail transport. Safety certificate for operating companies.
MAJOR OPERATIONAL ACCIDENT	Serious accidents at railway level crossings. Serious operating accident affecting the Group's other modes of transport (bus, tramway, underground).	Non-compliance with safety rules by road users using level crossings. Technical failure of rolling stock, vehicles or infrastructure. Inadequate organisation, or human error in the application of security procedures.	Serious injury or death.	Safety policies, programmes and action plans implemented in all Group companies. Policy of gradual removal of level crossings in consultation with local authorities. In 2021, a national awareness campaign for the general public on road risks at level crossings.
ACCIDENT DURING TRANSPORT OR SORTING OF HAZARDOUS MATERIALS	Accident during transport or sorting of hazardous materials with leakage of a toxic product into the air.	Derailment of one or more wagons carrying hazardous materials at a sorting site or on a line, with loss of containment of the products transported, caused by SNCF or one of its service providers or subcontractors.	Respiratory damage to employees and residents.	Application of specific maintenance standards on sidings, aimed at reducing the risk of derailment of wagons containing hazardous materials. Prospective studies on the analysis of risks on lines, by tracing the routes of trains and identification of volumes and the nature of the goods being transported to locally adapt operations. Specific training for drivers on the risks associated with the transport of hazardous materials.
MALICIOUS ACT WITH SERIOUS CONSEQUENCES FOR PEOPLE	Deliberated damage to equipment resulting in serious physical and psychological harm to employees or customers. Examples: cable theft, cyberattack, etc.	Circumvention of security of access to rights-of-way or information systems, theft of materials or sensitive components of facilities, leading to a technical failure that could affect the movement of trains or other modes operated by the Group.	Serious injury or death.	Railway security teams deployed throughout the country. Trained, sworn, licensed and armed officers. In addition to securing trains and stations, they also monitor the lines, in particular using new technologies. Continuous adaptation of cybersecurity measures.
ACCIDENT TO PERSONS IN RIGHTS-OF-WAY	Collision with rail traffic or a bus. Accident occurring in underground train or tram rights-of-way. Electrification of an SNCF agent, an employee of a service provider, a customer, on the tracks or in a station.	Trespassing of unauthorised persons on railway premises. Non-securing of a railway site. Non-compliance with regulatory requirements.	Serious injury or death. Psychological shock of people who witness an accident.	Customer information and prevention campaigns. Signage, audio announcements and awareness-raising activities in schools. Regulatory display and awareness-raising for employees, customers and service providers. Training of operating employees. Management of operations in degraded or crisis modes.
PERSONAL INJURY	Conflict situation linked to the intervention of railway security employees with an order to leave the right-of-way or a train. Customer assault on a train. Attack on staff in contact with the public.	Tense national security context. Increased crime and fraud in some sensitive areas.	Injuries. Sexual assault. Violation of the integrity and psychological health of individuals.	Specific training and equipment for railway security officers, passenger train staff and station staff. Surveillance cameras in railway stations. Equipping of staff with pedestrian cameras (1,800 cameras operational by the end of 2022). Provision of traveller alert numbers 3117 and 31177).
ACCIDENTS AT WORK	Accidents on the ground or by falling into sunken areas, falls from heights or due to the handling of loads, in the context of maintenance operations on infrastructures or rolling stock. Road accidents related to the commercial activities of carriers, or the use of service vehicles.	Non-compliance with requirements and procedures. Difficult working conditions (night work or bad weather, etc.). Inadequate work organisation. Lack of attention in an emergency situation. Inappropriate use of equipment. Poor socio-technical environment (standards, design, maintenance, training, supervision, etc.).	Serious injury or death.	* PRISME * programme (see page 29). Integrated Quality, Health, Safety and Environment management system (ISO14001, ISO45001, ISO9001) on industrial and maintenance sites. Widespread deployment of the risk-based approach and the use of see it/report it. Risk awareness campaigns, training and appropriate equipment for employees. Managerial monitoring. Quality/safety audit of equipment by the Purchasing Department.

Risk category	Description of the risk	Possible causes	Potential consequences	Prevention or mitigation actions
WORKSITE ACCIDENT (INCL. CO-ACTIVITY)	Accident on a railway infrastructure maintenance or upgrade site, or on a station renovation site, involving an SNCF employee or a service provider.	Lack of coordination between those involved, especially in the context of co-activity with a service provider on an SNCF site. Joint preliminary inspections (JPI) and prevention plans not sufficiently thorough or not properly implemented.	Serious injury or death.	Training of staff in risk analysis and the drafting of prevention plans. Widespread roll-out of the tool to help carry out Joint Preliminary Inspections (JPI) and prevention plans: 'DIGIPREV'. Managerial monitoring of the effective implementation of the measures provided for in the prevention plans.
EXPOSURE TO HAZARDOUS SUBSTANCES	Accidental exposure to chemicals or asbestos during maintenance operations or dismantling of rolling stock, or during work on fixed installations or buildings (station renovations, etc.).	Non-compliance with safety rules or intervention protocols. Undetected damage to components of a building in use.	Exposure of employees, customers, or service providers resulting in disabling occupational injury or illness that may result in injury, disability or death.	Compliance with operating procedures and protection when working with asbestos-containing materials or handling chemicals. Training and medical monitoring of staff. Strengthening of risk assessment systems and tools. Asbestos risks: programme to eliminate the use of the material. The effective implementation of preventive measures (training and information for employees and service providers, medical monitoring of staff, process reviews, etc.) is subject to traceable controls and audits (national safety audits). ISO 45001 and ISO 14001 certifications for industrial and maintenance facilities and operations.
PSYCHOSOCIAL RISKS (PSR)	The profound transformation of the company (reform of 1 January 2020) and the opening up to competition in a world affected by the health crisis may cause a destabilisation of groups and individuals.	Rapid changes in jobs and organisations linked to the digitalisation of work processes and the search for increased performance in the face of competition.	Deterioration of working conditions due to reorganisation. Psychological suffering due to difficult individual adaptation.	Performance of PSR diagnostics in all transformation projects. Training of managers to accompany transformations. Promotion of collective values. Provision of HR guides. Internal mediation and conciliation mechanisms. Psychological support centre available 24 hours a day. Network of 600 local prevention specialists.

5.3 PREVENTION OR MITIGATION ACTIONS

5.3.1 The PRISME programme

In 2015, SNCF launched the PRISME programme (Proactivity - Risks - Interfaces - Simplification - Management - Equipment) to transform safety management and strengthen the safety culture in Group entities. In 2020, the second part of this programme was launched, which aims to establish a participatory, proactive and integrated safety culture over the period 2020-2026.

This programme is based on the following principles:

- Develop a proactive behaviour that aims to ensure that each employee contributes effectively to the continuous improvement system by reporting to their management all incidents and precursor events of which they are aware.
- Implement risk-based management to prioritise actions and focus energies.
- Control the interfaces between entities to work in a security chain where each link is essential and connected to the others, including partners, service providers and subcontractors.
- Simplify procedures and documentation to ensure that they are consistently applied by operators.
- Create the managerial conditions for each employee to be personally involved in their actions and decisions, and at their level of responsibility, to minimise the risk (severity and occurrence) of accidents.
- Equip ourselves with the most innovative tools and equipment to provide each employee with a secure working environment and technological means.

Focus on the six levers of the PRISME programme



The projects undertaken over the past seven years have helped to integrate the highest safety standards in the behaviour of the company's employees, its service providers and subcontractors, its customers and its operations.

PRISME has halved the number of remarkable safety events (RSE)⁹.

PRISME PRIORITIES FOR 2022

The aim is to complete the roll-out of:

- Safety standards via team self-assessment (maturity grid).
- Managerial transformation in the field of occupational health and safety with the completion of the training of all managers, and the implementation of safety standards and routines in practices.
- Appropriation of the "rules that save", including the five that concern all employees (see diagram below).
- The "Fair and Equitable" approach encouraging the reporting of incidents with, in particular, the strengthening of organisational analyses of Organisational and Human Factors.
- The risk-based approach for everything and for everyone and the use of see it/report it.

For more details, see NFPS section 4.1.3

⁹ A remarkable safety event is defined as serious or potentially serious with regard to the criteria defined in the SNCF guidelines on "Internal investigations in the event of an accident or incident".

Focus on the "rules that save"

Drawn up in a participatory manner, they aim to prevent major risks related to the company's activities and must be observed in all circumstances. Five rules concern all staff and are supplemented for certain professions by other more specific rules.



I only carry out the tasks for which I am authorised



I systematically and correctly use all PPEs and apparatus adapted to my work



I never work under the influence of alcohol or narcotics



I never walk on the tracks unless my work requires it and without considering the railway risk



I never use a phone while driving

5.3.2 Occupational health and safety

Improving the health and safety of employees remains a priority for maintaining good working conditions.

Reinforced by the PRISME programme, the occupational health and safety (OHS) policy is developed around the general principles of prevention, with priority given to actions aimed at preventing risk.

This proactive attitude is based on the risk-based approach and reducing risks at source through the reporting of "precursor" events (near-accidents) and the identification of dangerous situations.

The OHS policy promotes a transformation of the safety culture, geared towards the implementation of standards and managerial routines (safety contact, 5-minute safety talks, field trips, briefings, etc.) and prevention of priority cross-functional risks. These are mainly risks related to situations of co-activity, routes, road travel, rail risks characterised by the risk of collisions and electrical risk, or the risks of personal injury or aggression.

For more details, see NFPS section 8.4

5.3.3 Psychosocial risks (PSR)

To anticipate and prevent these risks, SNCF has undertaken several actions at institutional level, for the use of managers and HR/Quality/Safety players:

- A new social pact through the "Tous SNCF" corporate project and its commitment to employee satisfaction.
- A quality of working life policy (QWL) and psychosocial risk prevention (PSR), entitled "Well-being and efficiency at work", validated by all Group companies and accompanied by an "Anticipating human challenges" guide.
- A Social Transformation workshop to address the consideration of social issues.

– A "socio-economic assessment" methodology standardised and deployed in all SNCF establishments, to assess the impact of the transformations defined by the Group HRD. It is used in all development projects, and more specifically for the assessment of PSRs in the context of drawing up the Single Document¹⁰. In a period of anxiety linked to the health crisis, this approach facilitated the individual and collective expression of employees.

5.3.4 Personal attacks

The Group's security policy takes into account all forms of threats and attacks. SNCF commits numerous human and technical resources to ensure passenger safety, in particular via the internal safety service of the Safety Department with 2,600 agents deployed throughout France. All the missions of this service are carried out in close partnership with the National Police and the National Gendarmerie.

For more details, see NFPS section 4.2

5.3.5 Adaptation to Climate Change (ACC)

The Group has set up a Strategic Committee on Adaptation to Climate Change within the Committee of Chairmen, in addition to the existing "Energy-Carbon" Strategic Committee, to integrate climate hazards into the management of its activities and ensure service continuity.

For more details, see NFPS section 6

2022 ACC PRIORITIES:

The definition of baseline climate scenarios to underpin the stress tests of activities and the analysis of risks, and in particular taking into account the impacts in terms of personal safety.

5.3.6 Health crisis

The Group is continuing to implement the measures deployed in the context of the health crisis to adapt the protection measures for customers, employees and service providers to the successive waves of COVID-19.

For more details, see NFPS section 4.1

5.3.7 Terrorist risk

The company works very closely with the public authorities on the subject of terrorist threats. Proactive in researching and testing prevention solutions, the Group implements numerous actions to better detect threats on its premises: the "Agissons sûreté" (Let's act on security) initiative, the introduction of armed plainclothes security agents, dog detection teams, video protection, video patrols, detection algorithms, cooperation with the Gendarmerie Nationale, etc.

A task manager was also appointed in 2021 to search for optimised handling of abandoned luggage.

¹⁰ the single document (DU) is the written transposition of the risk assessment, imposed on all employers by the French Labour Code in Article R4121-1 Legi 3 - Source Wikipedia.

5.4 ISSUES AND KEY DATA

Issue	Indicator	2021	2020	2019
ENVIRONMENTAL MANAGEMENT	Coverage of environmental management systems within the Group			
	- ISO 14001 certified sites / total number of sites	605 / 997	605 / 906	584 / ND
	- SNCF Réseau establishments covered by an EMS	31%	25%	18%
	- Keolis: % of revenue covered by ISO14001	50% (estimated)	46%	44%
	- Geodis: % workforce covered by ISO14001	ND	28%	ND
POLLUTION	Accidental spills with significant environmental consequences	4 out of 200 minor incidents	ND	ND
MANAGEMENT OF NATURAL RESOURCES	Group water consumption (million m3)	8.0	14.5	8.7
FIGHT AGAINST GLOBAL WARMING	Group energy consumption (GWh)	16,411	14,671	17,899
	Group CO ₂ emissions (kTCO ₂ e)	3,050	2,842	3,507
CIRCULAR ECONOMY	Total quantity of hazardous waste generated (kilotonnes)	75.2	69.7	84.5
	- Keolis: % of hazardous waste recovered	ND	76%	71%

6. ENVIRONMENT

6.1 DESCRIPTION OF THE RISKS OF SERIOUS HARM

6.1.1 Nature of potential risks

The train is the high-capacity means of transport with the lowest external costs in terms of CO₂e emissions (0.3% of CO₂e emissions from the transport sector in France), air pollution, noise exposure and accidents. However, the Group's activities, and in particular rail production, like any industrial activity, consume resources (energy, materials, water) and generate potential impacts on the environment.

The environmental risks inherent in the SNCF Group's activities may result from accidental spills of substances harmful to the environment, industrial waste management as well as control of water and energy consumption and related greenhouse gas emissions.

All of these risks are taken into account by each company, in an approach aimed at integrating the environment into management at all levels of the company. The general

principles are to coordinate the following two dimensions: strategic (management choices and policies) and operational (implementation of operations in the establishment or operating entity). The establishments in charge of production and operation: industrial manufacturing and maintenance, construction, transport and sorting of dangerous goods, operation of thermal traction modes, use of new energies, etc. play a leading role in ensuring the control of environmental impacts.

6.1.2 Common standards for a global vision

On the basis of common standards and information systems deployed in the seven Group companies, these risks are identified and analysed with the activities and businesses closest to production, and environmental management objectives and responsibilities are defined.

As part of its general safety policy, SNCF Voyageurs has rolled out an ISO 14001 certification policy at all its industrial rolling stock maintenance sites (technicentres). This is also the case for the Keolis group in all its foreign subsidiaries.

6.2 SUMMARY OF RISKS OF SERIOUS HARM

Risk category	Description of the risk	Possible causes	Potential consequences	Prevention or mitigation actions
ACCIDENTAL RELEASE OF HAZARDOUS MATERIALS (AIR, SOIL, WATER)	Leakage or spillage of hazardous materials occurring in an industrial site, a maintenance site, a sorting facility, a logistics site, or during operations (railway lines, road transport). Recurrent leaks generated by the distribution of diesel fuel for thermal locomotives or road vehicles.	Building damage, rail or road accident, or exogenous event. Technical failure, error in the application of prevention procedures by SNCF or one of its service providers. Inadequate management of an environmental accident. Outdated facilities at some industrial or operational sites (frequent spillage of fuels and lubricants).	Pollution of the natural environment due to the accidental spillage or release of a large volume of toxic substances into the air, soil or water. Chronic soil and water pollution resulting from recurrent leaks or spills of hazardous substances.	The company's activities must have an environmental management system (EMS). The industrial rail establishments (technicentres) and many GEODIS and Keolis subsidiaries are ISO 14001 certified. Regular monitoring of the compliance of facilities (service stations) and compliance with environmental safety procedures. Implementation of the "D+1/M+1" process for potentially significant and major environmental events. Investment programme for the renovation and upgrading of the water networks of the industrial sites of the Group's five railway companies (see page 39).
OVERCONSUMPTION OF WATER	Overconsumption of water resources by certain industrial processes such as train cleaning.	Outdated water networks at some industrial sites (leaky networks). Disrepair of real estate assets.	Difficulty in controlling consumption due to leaks, resulting in a waste of resources. Environmental non-compliance affecting a fire safety or sanitary installation.	Renovation programme for the water networks of the industrial assets operated by the Group's railway companies. Policy of equipping sites with new digital tools for monitoring consumption. Deployment of sub-meters with remote reading to segment supplies and limit leaks or overconsumption. Wastewater treatment plants with several technical centres, allowing recycling and reuse of industrial water in a closed cycle.
DAMAGE TO BIODIVERSITY	Work sites for track renewal or rail network development projects by SNCF Réseau, locally impacting biodiversity.	Technical engineering constraints (geography, geology, etc.), or regional arbitration related to the layout of lines, projects.	Alteration of ecological continuity. Destruction of habitats of protected species.	SNCF's commitment to the "Act4nature" initiative in 2018 (a voluntary, supervised commitment by French companies to biodiversity), renewed in 2021 as part of an international initiative. Integration of biodiversity in projects during design, construction and operation phases and in SNCF Réseau's renewal or routine maintenance sites. At the end of 2021, SNCF Réseau kept its commitment to stop using glyphosate and implemented a new vegetation control policy based on alternative herbicides and the use of mechanical weeding.
OVERCONSUMPTION OF ENERGY AND GHG EMISSIONS	Non-compliance with the greenhouse gas emissions reduction pathway (CO ₂ : -30% for transport and -50% for buildings between 2015 and 2030) linked to an overconsumption of fossil fuels.	Complexity encountered in the industrialisation of low-carbon mobility solutions. Delay in the implementation of the tertiary decree. Insufficient control of energy consumption in buildings.	Increased contribution to global warming. Non-compliance with the Group's commitments.	Reduction pathway initiated in all Group companies. Securing alternative energy deployment projects (hydrogen, biofuels, etc.) and the investment programme linked to the implementation of the tertiary decree. Renewal of alternative energy road vehicle fleets (GEODIS, Keolis, SNCF Réseau). Eco-driving, eco-parking of passenger trains.
MANAGEMENT OF HAZARDOUS WASTE	Non-compliant management by SNCF or one of its service providers or subcontractors of hazardous waste generated by the Group's industrial or maintenance activities.	Failure of a service provider or subcontractor. Non-compliant management of waste generated by construction sites (infrastructure or buildings).	Pollution from the transport of hazardous waste to an inappropriate site or treatment facility.	Purchasing unit dedicated to the evaluation of contractual clauses in waste collection and treatment contracts and to monitoring the execution of contracts and the traceability of treatment. Regular reminders and monitoring of the correct application of sorting procedures on industrial sites. The "clean worksites, clean network" approach being rolled out by SNCF Réseau throughout the Ile-de-France region, aimed at controlling and limiting the impact of works on the environment (nature, noise, resources, waste, air, soil and water pollution, etc.).

6.3 PREVENTION OR MITIGATION ACTIONS

6.3.1 Environmental management

To reduce environmental risks, roles and responsibilities are defined in internal guidelines for each Group company. Regulatory monitoring is organised, the ISO 14001 certification of sites identified as most at risk is maintained and a self-assessment system for environmental performance is in force for the other sites. Environmental training schemes, adapted to the staff and businesses of the seven Group companies, are also in place.

Each year, environmental guidelines are produced by the Social, Territorial and Environmental Commitment Department (DESTE) for the establishments of the five railway companies.

To improve the handling of safety events or accidents, the Group Safety Department has implemented a systematic event analysis process using the "D+1 / M+1" method, a continuous improvement process used for the analysis of remarkable safety events (RSE) in the context of railway

operations. Environmental events or accidents are being integrated into this process.

For more details, see NFPS section 5.9

6.3.2 Management of hazardous waste

As regards the management of hazardous waste produced by the activities and operating processes of the Group's companies, it is recovered or eliminated via a system of "framework service contracts" managed by a dedicated unit set up by the Group Procurement Department for the Group's railway companies.

Note:

SNCF Réseau aims to have 100% of its establishments covered by an Environmental Management System by the end of 2025.

Since 2013, the Keolis group has been committed to ISO 14001 certification. At the end of 2020*, 46% of Keolis SA's revenue was ISO14001 certified. In order to further this strategy and help all its subsidiaries to progress in the environmental management of its activity, the Keolis group has set itself the objective of covering 80% of its revenue by 2030.

For the GEODIS Group, 232 sites (i.e. 28%) had triple quality, safety and environmental certification at the end of 2020 worldwide.

(*:2021 data not currently available)

6.3.3 Measures under the vigilance plan

Major works on water networks: a programme to renovate the water networks of industrial assets, called CEPIA (Conformité Eaux Pluviales Incendie & Assainissement), has been deployed since 2007 and will be continued until 2032. This represents an investment budget of approximately €230 million, with a prioritisation of the sites technically most at risk. Since 2007, more than €74 million has already been spent on this programme.

Compliance with the tertiary decree: another investment programme for the energy renovation of buildings was initiated in 2020 to respond to the implementation of the "tertiary decree" which plans for the reduction of 40%¹¹ of energy consumption in buildings by 2030 within the scope of the Unified Public Group (UPG).

The tightening of legislation on energy consumption in buildings brought about by the tertiary decree concerns all SNCF Group buildings (excluding housing owned or occupied by the UPG): offices, warehouses, industrial and maintenance technical centres, stations, etc. For the 2nd largest property owner in France after the State, this

represents a considerable effort, especially since the property is often old.

Within the Group, the investment required to achieve the objectives set by the tertiary decree (-60% of consumption by 2050) is estimated at nearly €430 million over the period 2021-2050.

C02e emission reduction pathway: the SNCF Group is committed to an ambitious plan to reduce C02e emissions: 30% less for its transport activities and 50% less for its real estate activities by 2030 compared to 2015. By reducing energy consumption, increasing efficiency in its use and exploiting new energies that emit less CO2e, this plan is supplemented by specific actions on responsible digital technology. It is part of the National Low Carbon Strategy (SNBC) and contributes to the State's action plan to combat climate change. The group has therefore undertaken to publish a carbon pathway report for its activities in France each year.

For more details, see NFPS section 4.8

The SNCF Group is committed to preserving biodiversity by signing the act4nature commitments in 2018 (a voluntary and regulated commitment by French companies to biodiversity) and by setting individual commitments. This commitment was renewed in 2021 in an initiative extended to international groups and renamed "act4nature international".

For more details, see NFPS section 5.1

Finally, a new digital tool (HSE Perform), modernised and complete for environmental management, proposed by the Group, is being deployed in all the activities of the Group's five railway companies. It will provide a more global view of the issues and risks, at regional, activity or Group company level. Equivalent tools are also in place within the Keolis and GEODIS groups.

6.4 ISSUES AND KEY DATA

Issue	Indicator	2021	2020	2019	Investments
ENVIRONMENTAL MANAGEMENT	Coverage of environmental management systems within the Group				
	- ISO 14001 certified sites / total number of sites	605 / 997	605 / 906	584 / ND	
	- SNCF Réseau establishments covered by an EMS	31%	25%	18%	
	- Keolis: % of revenue covered by ISO14001	50% (estimated)	46%	44%	
	- Geodis: % workforce covered by ISO14001	ND	28%	ND	
POLLUTION	Accidental spills with significant environmental consequences	4 out of 200 minor incidents	ND	ND	
MANAGEMENT OF NATURAL RESOURCES	Group water consumption (million m3)	8.0	14.5	8.7	
FIGHT AGAINST GLOBAL WARMING	Group energy consumption (GWh)	16,411	14,671	17,899	
	Group CO ₂ emissions (kTCO ₂ e)	3,050	2,842	3,507	
CIRCULAR ECONOMY	Total quantity of hazardous waste generated (kilotonnes)	75.2	69.7	84.5	
	- Keolis: % of hazardous waste recovered	ND	76%	71%	
					CEPIA programme to renovate the water networks of the industrial assets of railway companies (mainly maintenance technicentres for passenger rolling stock)
					€300 million from 2007 to 2032 → €230 million still to be realised
					Energy renovation programme for buildings to comply with the tertiary decree
					€430 million from 2021 to 2050

¹¹ 2010 baseline.

7. SUPPLIERS

7.1 DESCRIPTION OF THE RISKS OF SERIOUS HARM

Nature of potential risks

Apart from the risks of serious human rights violations, the occurrence of which in France or Europe remains unlikely (forced labour, child labour), the risks that may incur the liability of the SNCF Group in its commercial relations with its suppliers differ little from those that it may generate through its own activities.

The potential for human rights abuses lies primarily in the subcontracting chain of suppliers or service providers, especially in countries where the rule of law is not respected and corruption is high. While the probability of occurrence of risks relating to first-tier suppliers is low (94% of SNCF suppliers are based in France), visibility on the subcontracting chain is less immediate. This is one of

the reasons why the Group's third-party assessment control systems and control environment were completely overhauled in 2021.

Risks linked to illegal work may also concern France, in sectors providing labour services (security, cleaning, etc.). The SNCF exercises constant and particular vigilance over these sectors through quality audits or verification of the lists of employees of service providers working for the Group on its premises.

Serious security risks are largely related to co-activity on worksites. The SNCF Group closely monitors the skills and training of the staff of its service providers, as well as the establishment, knowledge and proper application of prevention plans.

As for the environmental risks related to the activities of SNCF suppliers or service providers, they do not differ from the potential risks inherent in the Group's own activities (see chapter 6).

7.2 SUMMARY OF RISKS OF SERIOUS HARM

Risk category	Description of the risk	Possible causes	Potential consequences	Prevention or mitigation actions
CHILD LABOUR	Use of child labour by a supplier or subcontractor of a supplier abroad Example: unethical exploitation of rare materials.	Unfavourable cultural or economic context. Downgraded country ranking (rule of law, corruption).	Sequestration of children. Modern slavery. Serious injuries. Chronic diseases. Fatal accidents. Reduced life expectancy.	Commitment by tier 1 suppliers to comply with the SNCF group's CSR policy, Supplier Relations & CSR Charter and Ethics Charter, and to ensure that their co-contractors, sub-contractors and intermediaries also comply with them, for the execution of the contract and throughout its duration.
FORCED LABOUR	Use of forced labour by a foreign supplier or subcontractor that does not guarantee the respect of fundamental rights and freedoms or the physical and psychological integrity of workers.	Use of untrained or unaccredited illegal workers on building sites or in railway stations (e.g. security or cleaning), or in freight forwarding activities.	Accidents at work. Sequestration. Confiscation of identity papers. Modern slavery. Lack of freedom of association.	Commitment by suppliers to respect international and national law standards (basic human rights) in the execution of contracts. Possible inclusion of clauses in procurement contracts on the origin of minerals and wood used in rail maintenance, or clauses providing for the possibility of on-site auditing by a third-party provider.
ILLEGAL EMPLOYMENT	Use of illegal labour by service providers or subcontractors in France or abroad.	Use of untrained or unaccredited illegal workers on building sites or in railway stations (e.g. security or cleaning), or in freight forwarding activities.	Non-compliance with safety rules, working hours, lack of pay, lack of social protection, harassment, psychosocial risks.	Organised supplier risk analysis feedback from SNCF group sub-subsidiaries (tiers 3 and above) located in high-risk countries (see page 20)
WORKSITE ACCIDENT (INCLUDING CO-ACTIVITY)	Serious accident at work on a railway or construction site.	Co-activity risks not taken into account, work organisation not in accordance with prevention plans or safety protocols. Poor co-ordination of participants on a construction site. Non-compliance with safety rules.	Serious work accident, resulting in injury or death.	In 2021, 3,000 employees were trained in the "DIGIPREV" tool to help create prevention plans, and 30,000 prevention plans were produced using the tool. Actions in 2021: integration of 'life-saving rules', including among the Group's service providers and subcontractors, and enhancement of co-activity training. Inclusion in service provider contracts of clauses on the frequency rate of external companies and on the application of SNCF rules on worksites. For example, SNCF Réseau excludes from its contracts service providers whose performance in occupational health and safety is insufficient and/or who do not implement remediation plans.
ENVIRONMENTAL DAMAGE IN THE SUPPLY CHAIN	Air, soil or water pollution on a construction site upstream or downstream of the supply chain for SNCF Group activities.	Improper management of hazardous materials or waste management. Lack of training of service provider or subcontractor personnel. Non-compliance with regulations or standards at a supplier operating Facilities classified for the protection of the environment (ICPE), or at an engineering company.	Accident causing environmental pollution.	Assessment of the company's environmental impact reduction measures and activities: documents required from the supplier or service provider in the context of public contracts, specifying the organisation set up to control the risks of a site's impact and to comply with the Environmental Compliance Notice drawn up by the project owner (Organisational diagram of an Environmental Assurance plan, Waste Organisation and Management diagram).

7.3 PREVENTION OR MITIGATION ACTIONS

7.3.1 A responsible procurement policy

Since 2008, the SNCF Group has been developing a responsible procurement strategy based on a strong commitment to respecting human rights, protecting the environment and fighting corruption. All products and services purchased, which may involve personal safety,

are also assessed on the basis of strict quality/safety criteria, if necessary by means of specific audits (dedicated auditors within the Group Procurement Department).

The SNCF Group's supplier CSR risk management policy is based on four main areas:

- The identification of the most high-risk purchasing families according to an EcoVadis methodology (see chapter 7.3.2.1).
- Suppliers' commitment to respect the SNCF Group's "CSR Supplier Relations Charter"¹².
- A procedure for assessing third-party suppliers based on the use of open sources and questionnaires throughout the life of the contract.
- The possibility of conducting supplier audits.

All related procedures are applicable by default to all SNCF Group entities.

The third-party assessment procedure, revised in 2021 jointly by the Procurement, Ethics and Compliance Departments, is being rolled out.

The Group's five railway companies are in the process of finalising the operational processes for its implementation on the basis of a common reference framework, with the aim of effective deployment by the end of 2022. The scope of this procedure, focused on corruption risks, will be gradually extended in 2022 to all risks related to the duty of care.

The Keolis and GEODIS groups have their own procedures, which are consistent with the principles laid down by the SNCF Group's Procurement Department, as presented below.

For more details, see NFPS section 7.2

7.3.2 The four pillars of the Group's procurement policy

7.3.2.1 CSR procurement risk maps

Led by the Group's Procurement Department, a CSR procurement risk mapping, carried out in 2020 using the EcoVadis methodology, identified 13 purchasing families at risk.

Similar approaches have been adopted by the procurement departments of the Keolis and GEODIS groups.

Several CSR criteria can be integrated at different stages of the contracting process with suppliers:

- In specifications
- In the selection of candidates
- In the scoring of tenders
- In contract performance clauses.

The requirements for suppliers are defined with regard to the challenges and opportunities specific to these 13 purchasing families.

When a purchasing family is subject to qualification, the suppliers who apply are assessed by SNCF quality experts. This assessment takes into account the supplier's CSR performance.

The SNCF has set itself the rule of systematically taking into account CSR criteria for 20% of the score when awarding its contracts. Today, this provision is systematically implemented by the Group Procurement Department, but remains an objective for the Group's other procurement departments. This is a real differentiating criteria for purchases with high CSR stakes.

Note:

Total purchasing turnover of the five railway companies

€13 billion, of which 94% in France

13 high-risk purchasing families out of 114

Total Keolis purchasing turnover

€1.9 billion, of which 53% in France

6 high-risk families out of 11

Total GEODIS purchasing turnover

€7.1 billion of which 26% in France

23 high-risk families out of 135

7.3.2.2 The commitment of suppliers and service providers

Since 2012, the SNCF's three main Procurement Departments (Group, SNCF Passenger Equipment, and SNCF Network) have adhered to the "Charter for Responsible Supplier Relations and Procurement" and have been awarded the "Responsible Procurement" label.

This charter was completely revised in 2021. By adhering to this charter (which is an integral part of the contractual documents), the SNCF Group asks all its suppliers and service providers to commit to respecting the Group's ethical, safety and environmental values.

Suppliers and service providers undertake to respect and enforce the standards of international conventions throughout the supply chain, in particular in countries that are not signatories to the International Labour Organisation (ILO) conventions where they may be required to work. For suppliers and service providers, this covers the following provisions:

- Human rights and fundamental freedoms:
 - Not using any form of forced or child labour in their own operations or in their supply chain.
 - Prohibition of any form of discrimination or harassment.
 - The promotion of gender balance and gender equality.
- Health and safety of people and the environment:
 - Suppliers are asked to report their workplace accident frequency rate. A monthly "Supplier Accident" report is drawn up to ensure continuous improvement by companies and to make safety a major issue that determines their performance in the broad sense (frequency rate requirement by purchasing family).

In addition, the Group encourages suppliers to implement:

- Appropriate risk management systems (Environmental Management System, Project Management System, Quality and Safety, etc.).
- A policy to prevent and control the environmental risks and impacts of their activities.
- Any useful initiative with regard to the circular economy, reduction of greenhouse gas emissions, environmental protection and preservation of biodiversity.

7.3.2.3 The new third-party assessment procedure

The implementation of a regular assessment of the suppliers, service providers and subcontractors with which the SNCF Group has an established commercial

¹² https://medias.sncf.com/sncfcom/fournisseurs/Charte_RSE.pdf

relationship involves collecting information in order to identify and assess, throughout the life of the contract, the risks that may result from entering into a business relationship (or its continuation) with suppliers who meet the criteria of high-risk purchasing families.

These assessments are made before the relationship is formally entered into and are updated periodically during the course of the relationship, or if events occur which are likely to impact the risk level of the third party.

The assessment is based on a classification of third parties according to different risk profiles (minor/low or medium/high). Each profile requires the implementation of specific risk prevention actions with, depending on the case, recourse to the compliance department of the Group entity concerned.

Third party groups classified as medium risk are subject to a simplified assessment. In contrast, a more in-depth assessment is carried out for those groups of third parties identified as high risk.

A third party not belonging to a particular risk category may nevertheless be subject to a more in-depth assessment in the event of an alert or conviction for example.

The assessment process is determined by a mapping of third parties according to their organisation, status, revenue, workforce, activities, countries where they operate, etc., in order to identify the groups of third parties to which assessment procedures will have to be applied and adapted according to the level of risk.

Certain categories of third parties are subject to enhanced vigilance in the areas of environment, safety, workers' health or fundamental rights, but also corruption:

- Intermediaries.
- Companies that have been sanctioned by a European authority for infringements.
- Third parties operating in a country with a Corruption Perception Index (CPI) score of 30 or less.

The assessment of suppliers, service providers and subcontractors is based on information systems (IS) and databases specific to the Group Procurement Department. A new IS tool will be implemented in the second half of 2022.

These measures should allow for a comprehensive assessment of third-party portfolios, with varying depth of analysis depending on the category and risk profile of the third party.

The control of the assessment process is based on three levels:

- Operational staff, who carry out the assessments.

- Compliance officers or other designated officers (independent of the operational staff) who check that the controls are properly carried out by the operational staff,

- Internal audit, ensuring that the third-party assessment system complies with SNCF Group requirements and that it is effectively implemented and maintained. A dedicated audit will be included in the 2022-2023 annual audit plan.

7.3.2.4 Supplier audit policy

Suppliers and service providers can be asked to demonstrate the proper implementation of the CSR Charter for supplier relations. To this end, the SNCF reserves the right to carry out or have a third-party auditor carry out audits relating to the duty of care and the fight against corruption during the performance of the contract, including, where applicable, on the contractor's assembly site or on sites in the subcontracting chain.

In the event of non-compliance with the obligations set out in this charter, corrective measures provided for in the contract may be implemented. They can go as far as excluding the supplier from public procurement procedures (under the conditions laid down in the regulations). The Group also encourages its suppliers to have their CSR performance regularly assessed by an independent third party.

Further investigation and the opinion of the Compliance Department is sought if a contract bidder meets any of the following three criteria:

- List of sensitive countries in which the supplier is established or operates.
- Convictions or prosecutions of the third party [...] in the last five years.
- Economic or financial sanctions of the company, its beneficiaries, subsidiaries, as natural persons or legal entities.

2022 AUDIT PRIORITIES

The SNCF Group will specify its policy on supplier, service provider and subcontractor audits, detailing the criteria for triggering these audits:

- Geographical areas
- Purchasing families
- Categories of third-party suppliers assessed as being most at risk,
- Reports or alerts.

Targeted audits will be progressively implemented in line with this policy.

7.4 ISSUES AND KEY DATA

Risk category	Indicator	2021	2020
SUPPLIER CSR - PURCHASING ETHICS	- Share of purchase amount covered by a 20% CSR offer rating (scope covering five companies)	36%	5,5 %
	- Keolis: % of expenditure with CSR assessment of suppliers	37%	29%
	CSR performance of suppliers (score out of 100) Scope: five railway companies + GEODIS	57,4	56,5

The Group's purchases in 2021 (Scope of the 5 railway companies)	
€13 billion in purchases, of which 94% in France	€4 billion in 13 high-risk purchasing categories (of which 97% in France) i.e. 30% of total purchases
22,345 suppliers	57.4/100 Average supplier CSR performance rating
€33.5 million in solidarity purchases	20% of purchases with SMEs or VSEs
	Purchasing represents... 231,570 jobs supported in France * including 133,240 indirect jobs (jobs supported at our suppliers and subcontractors) *

*: 2020 data taken from a regional purchasing footprint assessment conducted in 2021.

8. MONITORING OF THE MEASURES IMPLEMENTED AND EVALUATION OF THEIR EFFECTIVENESS

8.1 SUMMARY OF MEASURES TO BE IMPLEMENTED

2022 PRIORITY INITIATIVES

Support the harmonisation of the various existing risk maps within the Group, and integrate certain new scenarios analysed as part of the vigilance plan into the entities' risk maps.

Structure the reporting of risk analyses from the sub-subsidiaries of the main Group companies (tier 3 and above) in the areas of human rights and fundamental freedoms, personal health and safety, and the environment. Attention will be paid to subsidiaries in high-risk countries in terms of ESG indicator. The implementation of the risk management information system will be used to this end.

Enhance entity/subsidiary audit checkpoints and include, in its annual programme, audits aimed at measuring the control of the main risks of the vigilance plan, in particular the implementation of the third-party assessment procedure.

Integrate specific checkpoints into existing internal control systems, to improve the control of risks related to the duty of care.

Define a multi-year trajectory of supplier audits in the most high-risk countries and purchasing families, with regard to the three risk areas of the law on the duty of care, focusing first on suppliers with significant subcontracting.

Complete the panel of specific indicators dedicated to monitoring the risks of the duty of care, harmonised at the level of the seven Group companies and their subsidiaries.

Ensure the roll-out of the "SNCF Human" Program within the Group and plan awareness-raising and acculturation initiatives on human rights issues (e-learning, etc.) for those affected by human rights issues.

8.2 MONITORING AND EVALUATION MECHANISMS

8.2.1 Group governance and stakeholders

In 2022, all the work carried out under the vigilance plan will be regularly reviewed by the Board of Directors, in consultation with the trade unions and in consultation the Stakeholder Committee (see chapter 2.1).

8.2.2 A cross-functional steering committee

To steer the implementation of this plan, the SNCF Group set up a project structure and a steering committee in 2021 involving all the functions concerned in the Group's seven companies: ethics, legal and compliance, CSR, risk management, compliance, internal control, security, procurement, HR. This steering committee monitored the drafting of the vigilance plan risk map and the definition of the action plan and its implementation procedures.

In 2022, this "Vigilance" steering committee will continue its work to analyse the risks in the subsidiaries and sub-subsidiaries of the Group's companies in greater depth and monitor the effectiveness of the prevention and mitigation actions implemented.

The vigilance plan risk map will be updated and a report on the implementation of actions will be included in the 2023 vigilance plan.

8.2.3 Monitoring the actions

All actions will be monitored against defined targets and key performance indicators through regular reviews with the Group departments involved in the development of this plan.

8.2.4 Feedback on the work carried out in 2021

Feedback on this first vigilance plan will be provided in 2022 with a view to refining the process of leading and steering the current plan. It will also improve the phasing with the other risk mapping processes in force within the Group: risks specific to the seven main companies, corruption risks and non-financial risks. In particular, this alignment will involve structuring and organising a convergence of the various risk mapping processes in a new information and risk management system that will begin to be deployed in the first half of 2022.

8.2.5 Sharing good practices

Through its membership of the "Entreprise pour les Droits de l'Homme" association in 2021, SNCF will be able to share best practices with other major French groups to

ensure that human rights are taken into account at the international level of the SNCF group. In addition, the opportunity for a peer review of the 2023 vigilance plan will be examined, as part of the SNCF group's membership of the Global Compact.

9. WHISTLEBLOWING MECHANISM

9.1 PROFESSIONAL ALERT UNTIL 2021

The current schemes

Under the SAPIN II law¹³ and the French Labour Code, alerts can be collected from natural persons working for a company.

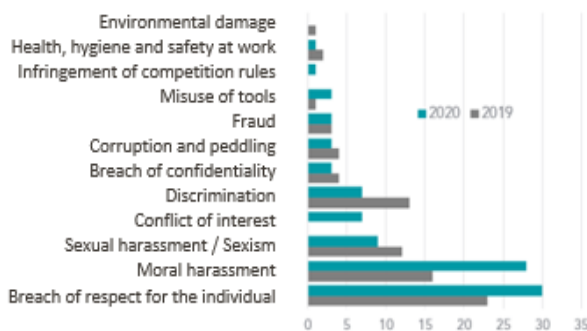
In 2011, the SNCF Group set up an Ethics Alert system enabling all employees of the five companies in the rail sector, including the holding company, SA SNCF Réseau, SA SNCF Voyageurs, SA SNCF Gares & Connections and SAS Fret SNCF, to report facts or behaviour that are contrary to the law or regulations or to the Group's Ethics Charter.

This "hotline" alert system in French is accessible by email, telephone or the MyEtic digital application available since 2021 on all professional mobile tools for personnel within the railway scope in France. It is managed by the Group Ethics Department (DEG) with ethics officers who receive and process alerts and then decide on the action to be taken in consultation with the director and his or her deputy.

There is also an advisory system ("ethics line") managed by the Group Ethics Department to respond to requests for advice from employees within the same scope. This advisory system will be maintained in 2022.

Until 2021, other Group companies also had separate, outsourced reporting channels. This was the case for Keolis, GEODIS, Thalys, Eurostar, AREP and ICF Habitat.

Focus on incident reporting in 2019 / 2020



NB alerts in line with supplier relations are also dealt with in this context

9.2 DEPLOYMENT IN 2022 OF A NEW PLATFORM FOR THE GROUP

An outsourced platform for receiving alerts at Group level, accessible to employees and third parties

The multiple existing alert channels will be combined into a single platform for the collection of reports, accessible to all Group employees and third parties. Its deployment will be initiated from February 2022 with a gradual integration of

the Group's major companies during 2022. The new scheme aims to factor in the requirements of compliance with the duty of care law and the national laws being transposed from Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of European Union law.

The challenges of setting up such a platform are ethical, societal and economic. The aim is to combat fraud, corruption or any other reprehensible practice and reduce the risks of such acts, which are detrimental to the interests and reputation of a public company.

The objective is also to encourage and facilitate reporting through a single tool known to all. This platform, which simplifies and guides the procedures for all employees and third parties in all the Group's subsidiaries in France and abroad, will be available in several languages and accessible at any time.

The Group's secure whistleblowing system also aims to reassure whistleblowers of the impartiality and neutrality of their treatment (the need for trust and the protection of whistleblowers against the risk of reprisals). To strengthen the protection of whistleblowers and ensure anonymity for those who fear reprisals, the Group decided to outsource the management of this platform to a European service provider.

As an example of good practice in major groups, this new platform will be the subject of a specific announcement on the company's appropriate communication channels at its launch.

Note:

This is a non-exclusive channel and is complementary to the reports that can be made through the hierarchical channel, the HR channel, or any other specific mechanism at the level of the subsidiary concerned.

In addition, the Group Ethics Department (mandated by the companies in the railway scope) and the Keolis and GEODIS subsidiaries retain their autonomy with regard to the qualification and processing of alerts received via the platform concerning their respective scopes.

Focus on the whistleblowing platform

- Implementation of decentralisation but with a Group vision: a single platform covering all incident reporting at Group level: Keolis, GEODIS, and the five companies in the railway scope. The consolidated indicators and dashboards will make it possible to inform senior management and stakeholders about strong trends and weak signals by entity or issue.
- Opening up whistleblowing to all third parties for matters covered by the duty of care such as human rights, pending the effective transposition of the 2019 EU whistleblowing directive.
- Site translated into eleven languages¹⁴ for easy access and reporting.
- 24/7/365 availability with the possibility of a voice mail alert.

¹³ Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life

¹⁴ French, English, German, Dutch, Italian, Spanish, Romanian, Polish, Czech, Vietnamese, Chinese.

INTERNAL CONTROL RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

1. DEFINITION, OBJECTIVES AND SCOPE

Financial and accounting internal control covers the processes which supply accounting data: production of financial information, accounts closing and reporting measures.

The application scope of the internal control procedures relating to the preparation and treatment of financial and accounting information includes SNCF SA and all subsidiaries in the consolidated financial statements.

The control procedures are tailored to the size and activities of the various entities.

2. STEERING PROCESS FOR THE ACCOUNTING AND FINANCIAL ORGANISATION

2.1 PRODUCTION AND MANAGEMENT OF THE ACCOUNTS OF SNCF SA AND ITS DIRECTLY CONTROLLED SUBSIDIARIES

The production of financial and accounting information for SNCF SA and its directly controlled subsidiaries is managed by the SNCF SA Finance Department. It coordinates the preparation of the financial statements by relying on the services of the SNCF SA Finance Department and the accounting and financial departments of the subsidiaries.

The SNCF SA Finance Department coordinates the preparation of the monthly reporting packages produced by the accounting players using a reporting tool, and

validates the overall consistency before importing the packages into the accounts consolidation tool.

Within SNCF SA, the operational entities produce an income statement, balance sheet items, a statement of changes in equity and the corresponding analyses. These items are discussed at monthly management meetings (except the January and July results) with the SNCF SA Finance Department. The subsidiaries produce an income statement, balance sheet, statement of changes in equity and the corresponding analyses. These items are reviewed regularly with the SNCF SA Finance Department for the main direct subsidiaries.

The quality of the financial and accounting information produced is based on continuously improving tools and skills within the teams of the SNCF SA Finance Department and the accounting and financial teams of the subsidiaries.

The SNCF SA Finance Department is responsible for the final production of the SNCF SA parent company financial statements. The Finance Departments of the subsidiaries are responsible for the production of their financial statements. The SNCF SA Finance Department is responsible for ensuring that the financial statements comply with current accounting standards and, as such, may request that corrections be made to the accounts produced by the operating entities and subsidiaries.

The SNCF SA accounting entities and subsidiaries have the necessary expertise for bookkeeping, tasks that are not shared within accounting shared services centres, the formalised review of their accounts, and the production of

their individual financial statements (where necessary) and financial reporting for the SNCF SA Finance Department.

For the Group's main companies, the quality of the interim and annual financial statements is backed by the pre-closings at 31 May and 30 November, during which all specific accounting matters are discussed with the operating entities and then validated.

The Statutory Auditors notify the SNCF Group Activity and Entity Finance Departments of the audit and internal control review work they have carried out and share with them the recommendations issued and audit points. At SNCF SA, a summary of recommendations on internal control is prepared for the Finance Department and presented to the Audit, Accounts and Risk Committee (AARC).

In addition, SNCF SA has a system of formalised commitments from the CFOs and financial managers of the operational entities on the faithful representation and fairness of the financial information they produce in their respective financial statements.

2.2 PRODUCTION AND COORDINATION OF THE SNCF GROUP'S ANNUAL FINANCIAL STATEMENTS

SNCF Group financial and accounting information is produced by the SNCF SA Finance Department. As such, it coordinates the preparation of the SNCF Group's financial statements with the support of the Finance Departments of the Group's subsidiaries.

Consolidated accounts were prepared for the SNCF Group. They are audited and published in a full financial report.

The main subsidiaries coordinate the financial and accounting tasks of the subsidiaries and accounting entities within their scope.

The SNCF SA Finance Department is responsible for the final production of the SNCF Group consolidated financial statements and ensures compliance with prevailing accounting standards.

The SNCF SA Finance Department conducts the IFRS consolidation of the SNCF Group in the consolidation software package and uses a reconciliation procedure implemented via an Internet portal to manage intragroup transactions.

Furthermore, in accordance with Law no. 2018-515 on a new railway pact, separate financial statements are prepared and published. These separate financial statements comprise a balance sheet and an income statement making it possible to distinguish between service facility management activities, passenger transport activities and within them passenger transport activities subject to a public service contract and freely organised passenger transport activities, other activities, eliminations of internal flows between these separate activities and a total corresponding to the SNCF Voyageurs SA financial statements.

In its decision no. 2019 -003 of 31 January 2019 published on 7 February 2019, the ART had approved the accounting separation rules of EPIC SNCF Mobilités. The separation rules were updated to take into account scope changes relating to the roll-out of the 2018 rail reform and the ensuing reorganisation of the public rail group from 1 January 2020. They now govern SNCF Voyageurs and SNCF Fret. These updated rules were approved for both legal entities by the ART on 27 May 2021.

2.3 SNCF'S OPTIM'SERVICES (SSC) ACCOUNTING PRODUCTION DEPARTMENT

The Accounting Production Department, which reports to Optim'Services, ensures the accounting production of the transversal processes of the 5 national SNCF companies. These processes concern trade payable accounting, payroll and social security accounting, trade receivable and expense claim accounting.

To carry out its missions, Optim'services relies on 4 Shared Services Centres dedicated to each process:

- The Accounts Payable Accounting SSC handles supplier invoices for SNCF Voyageurs, SNCF SA and SNCF Gares & Connexions, as well as part of those of SNCF Réseau.

- The Expense Claims SCC processes and records the expenses incurred by employees of the 5 national SNCF companies in the course of their professional activity.

These two SSCs roll out a transaction management approach to local players and conduct certain centralised controls themselves.

- The Trade Receivable SCC handles a portion of the invoicing carried out by the 4 national SNCF companies, SNCF Voyageurs, SNCF SA, SNCF Gares & connexions et SNCF Réseau, (in particular invoicing between national companies, seconded personnel, etc.) as well as the related accounting and collection.

- The Payroll and Social Security Accounting SSC, which is responsible for the accounting of salaries, social security contributions and employee-related liabilities, whatever the type of employment contract, for all five national SNCF companies.

It checks and corroborates the accounting data. In coordination with the Payroll Department, it develops the control measures and procedures to cope with changes in scope, accounting journal entries or information systems.

2.4 ACCOUNTING STANDARDS AND CHART OF ACCOUNTS

The SNCF Group prepares its consolidated financial statements in accordance with IFRS.

These standards are broken down into a set of accounting rules and methods (the "standards manual"). This manual applies to all group entities and is constantly updated.

The rules and methods are regularly updated, taking into account the changes in IFRS standards and interpretations. The Accounting Standards Department, within the SNCF SA Finance Department, constantly monitors regulations and coordinates with its standard-setting correspondents to properly disclose the applicable regulation.

The Group accounting standards manual was overall updated in H1 2021.

The standards manual is then broken down per subsidiary or activity.

The Group Accounting Standards Department also maintains a glossary of the chart of accounts used in the Group's financial consolidation tool as well as a glossary of the various types of off-balance sheet commitments.

2.5 MANAGEMENT TOOLS

The SNCF Group relies on a management cycle whose objective is to determine and monitor the SNCF Group's level of economic and financial ambition. Each scope then defines its own part of the selected objectives by steering its own entities (business lines, activities, entities, subsidiaries, etc.).

For the SNCF Group, Executive Management, supported by the Management Control Department within the SNCF SA Finance Department, coordinates the process through the various management cycle components.

This comprises stages common to the entire SNCF Group:

- The purpose of the strategic and financial plan is to set and monitor the SNCF Group's 10-year economic and financial goals in the light of changes in its economic, competitive and legal environment. The trajectory corresponds to the consolidation of its activities, each with its own selected objectives and managing its own sub-entities. The strategic plan aims to determine and manage profitability objectives, group investments, the debt trajectory and growth strategies (internal and external). It is steered by the Strategy Department, supported by SNCF SA's Finance Department, and is rolled out in two phases: an initial phase to define the ambition and make strategic decisions, and a phase to apply this goal at a more exhaustive level to secure the achievement of the overall trajectory.

A strategic plan was presented to the SNCF SA Board of Directors on 29 April 2020 (before COVID). Since then, the trajectory has been used as a tool for discussion with the Board of Directors. The strategic orientations were approved by the Board of Directors on 8 October 2020. At the Board's request, further consideration was given to the strategies of TGV-Intercités, Keolis and SNCF Gares & Connexions, approved by the SNCF Board between May and June 2021, and the 2021-2030 financial trajectory of the Group and SA/activities was updated, taking into account the recent impacts of the economic and health crisis. The modified 2021-2030 strategic plan, drawing on the strategic orientations approved by the Board of Directors on 8 October 2020, was approved by the SNCF SA Board of Directors on 29 July 2021.

- the Y+1 budget, with reference to an estimated Y: the budgets for year Y+1 are examined in November/December. They set the level of ambition for the following year and are approved by the Boards of the various Group companies before 31/12/Y.

- an annual forecast in the autumn, which makes it possible to update the data for the current year's budget and serves as a basis for the following year's budget.

The above measures are supplemented by monthly management monitoring:

- monthly management reviews (except for January and July results) are conducted by SNCF SA's Finance Department on the basis of a management letter prepared by each activity (accounting and financial analyses, production indicators and operational performance indicators). These monthly management reviews are used to continuously monitor changes in the performances of the various scopes of responsibility and ensure that they meet their budget objectives.

- each month, a summary document on the Group's results is drawn up by the Management Control Department for the attention of Executive Management.

- for the SNCF Group Executive Management Committee, a monthly dashboard is produced and brings together management and analysis elements.

3. REPORTING OF FINANCIAL AND ACCOUNTING INFORMATION

Within SNCF SA, the SNCF Group Finance Department is responsible for monitoring and coordinating the financial communications of the entire SNCF Group (SNCF SA and all its subsidiaries) and for monitoring financial reporting obligations and compliance with standards.

Compliance with requirements is based in particular on the closing instructions sent by the SNCF SA Finance Department to the subsidiaries and businesses, which specify the key dates of the process and the substantive and formal requirements relating to the financial statements and management reports.

SNCF SA, the Group's parent company/holding company, is the only financial issuer to operate on the markets for the entire Group. In this context, corporate, economic and financial communication is carried out by the SNCF Group, in coordination with all of its constituent entities, in strict compliance with applicable regulations and the financial information policy (General Regulations of the French Financial Markets Authority (AMF), the French Commercial Code and the French Monetary and Financial Code).

Consequently, the SNCF Group publishes an annual and half-yearly consolidated financial report. A new SNCF Group economic and financial communication charter was adopted on 1 January 2020, the date on which the new SNCF Group was created following the 2018 rail reform.

The financial information communicated to the public by the SNCF Group is available on the website <https://www.sncf.com/en/group/finance>.

The statutory auditors guarantee the reliability and true and fair nature of the SNCF Group financial statements and ensure that the specific documents published when results are announced are compliant (management report, press release and press presentation).

The French Financial Markets Authority (AMF) also ensures that, in terms of financial reporting, the SNCF Group respects its obligations as an issuer on the financial markets.

Specific financial reporting requirements

Since 1 January 2020, the Group's bond financing are managed by SNCF SA, the Group's sole issuer on the financial markets.

SNCF Réseau's outstanding debt remains on its balance sheet.

Consequently, SNCF SA as sole issuer and SNCF Réseau SA, as long as it has bonds traded on regulated markets, are subject to the following obligations:

- the Transparency Directive (Directive 2004/109/EC of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, as amended) on the disclosure of periodic and ongoing information: see publication of annual and half-yearly financial reports

- the MAR Regulation (Regulation 596/2014 of 16 April 2014 on market abuse, as amended) on insider trading, the illegal publication of inside information and market manipulation: see press release on inside information.

No other entity within the SNCF Group is subject to these specific financial reporting requirements.

31 December 2021

02 – REPORT ON CORPORATE GOVERNANCE

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REPORT ON CORPORATE GOVERNANCE

SNCF governance as of 1 January 2020:

The new Railway Pact Law of 27 June 2018 approved the creation as at 1 January 2020 of a unified public group in the rail transport and mobility sector.

Pursuant to Decree 2019-1585 of 30 December 2019, the fully state-owned limited company SNCF directs, coordinates and manages the unified public group that it controls and whose organisation it defines.

– 7 members appointed by the general meeting of shareholders, at least two of whom meet independence criteria,

– 1 representative of the State appointed pursuant to Article 4 of the Order of 20 August 2014 on governance and capital transactions of public companies,

– 4 employee representatives appointed under Article 7 of the aforementioned Order of 20 August 2014.

1. THE BOARD OF DIRECTORS

1.1 COMPOSITION OF THE BOARD

The national company SNCF SA is administered by a Board of Directors of twelve (12) members, composed as follows:

Names and titles	Positions
Mr. Jean-Pierre Farandou [Chairman]	<i>Other positions within SNCF</i> SNCF Chairman and Chief Executive Officer Chairman of the Board of Directors <i>Positions outside SNCF</i> None
Mr. Frédéric Saint-Geours [Vice-Chairman of the Board of Directors]	<i>Other positions within SNCF</i> None <i>Positions outside SNCF</i> None <i>Other Offices:</i> - Director of Casino-Guichard-Perrachon (SA) since 2006. Chairman of the Audit Committee, member of the Governance and CSR Committee. - Director of BPIFRANCE Investissement and BPIFRANCE Participations since 2013. Chairman of the Investment Committee.
Mr. Didier Casas [Chairman of the AARC]	<i>Other positions within SNCF</i> None <i>Positions outside SNCF</i> - Secretary General - TF1 Group

Mrs. Isabelle Bui Member representing the State <u>until 31 July 2021</u>	<p><i>Other positions within SNCF</i></p> <p>None</p> <p><i>Positions outside SNCF</i></p> <ul style="list-style-type: none"> - Director of Transport Investments, Agence des participations de l'État - General Secretary of the Club de Paris, French Ministry for the Economy and Finance - Director – Groupe ADP - Director - Engie
Mrs. Claire Vernet-Garnier Member representing the State <u>from 8 October 2021</u>	<p><i>Other positions within SNCF</i></p> <p>None</p> <p><i>Positions outside SNCF</i></p> <ul style="list-style-type: none"> - Director of Transport Investments, Agence des participations de l'État - Director representing the State – Groupe ADP - Director representing the State – Radio France - Director representing the State – Dexia Crédit Local - Director representing the State – Dexia S.A.
Mrs. Céline Lazorthes	<p><i>Other positions within SNCF</i></p> <p>None</p> <p><i>Positions outside SNCF</i></p> <ul style="list-style-type: none"> - Chairwoman of Leetchi SA - Chairwoman of SAS Celavi - Chairwoman of Resilience SAS - Member of the Illiad Board of Directors - Member of the Florac SAS Strategic Committee - Member of the NJJ Boru SAS Board of Directors - Member of the Mangopay SA Board of Directors
Mr. André Martinez [Chairman of the SIC]	<p><i>Other positions within SNCF</i></p> <p>None</p> <p><i>Positions outside SNCF</i></p> <ul style="list-style-type: none"> - Member of the Kaufman & Broad Board of Directors (until 5 May 2021) - Member of the Covea Board of Directors - Member of the MMA Board of Directors
Mrs. Agnès Touraine [Chairwoman of the ARG & CSR Committees]	<p><i>Other positions within SNCF</i></p> <p>None</p> <p><i>Positions outside SNCF</i></p> <ul style="list-style-type: none"> - Chairwoman of Act III Consultants, unlisted company - Director of Rexel SA-France - listed company - Member of the Supervisory Board of Tarkett SA- France- listed company - Director of Proximus BV - Belgium - listed company - Director of Groupe Bruxelles Lambert -Belgium- listed company - Member of the Supervisory Board of 21 Partners-France - unlisted - Director of the René TOURAINE Foundation - Director of the IDATE Foundation

Mrs. Amélie Verdier until 31 July 2021	<p><i>Other positions within SNCF</i></p> <p>None</p> <p><i>Positions outside SNCF</i></p> <ul style="list-style-type: none"> - Budget Director- French Budget Ministry - Directorships: Companies: - AFP (Agence France Presse) - FRANCE TV - BPI France (observer) EPIC (State-owned industrial and commercial companies): - AFPA (State-owned company in charge of professional training for adults) - OPERA NATIONAL DE PARIS - PHILHARMONIE DE PARIS (State-owned company at the Cité de la musique) - SOLIDEO (Company tasked with delivering Olympics facilities) EPA (State-owned administrative companies): - ANTAI (National agency for automated offence processing) - ANTS (National Agency for Secure Documents) - OFB (French Biodiversity Office)
Mrs. Mélanie Joder from 21 September 2021	<p><i>Other positions within SNCF</i></p> <p>None</p> <p><i>Positions outside SNCF</i></p> <ul style="list-style-type: none"> - Budget Director – French Ministry for the Economy, Finance and Recovery, - Observer - BPI France, - Director representing the State- France TV, - Member of the Board of Directors - AFPA (State-owned company in charge of professional training for adults) - Member of the Board of Directors - OFB (French Biodiversity Office), - Member of the Board of Directors - PHILARMONIE DE PARIS (State-owned company at the Cité de la musique) – in the process of appointment, - Member of the Board of Directors - SOLIDEO (Company tasked with delivering Olympics facilities), - Member of the Board of Directors - ANTAI (National agency for automated offence processing), - Member of the Board of Directors - ANTS (National Agency for Secure Documents).
Mrs. Christelle Jeannet (employee representative)	<p><i>Other positions within SNCF</i></p> <p>Employee director</p> <p><i>Positions outside SNCF</i></p> <p>None</p>
Mr. Bruno Lacroix (employee representative)	<p><i>Other positions within SNCF</i></p> <p>Executive – Equipment</p> <p><i>Positions outside SNCF</i></p> <p>None</p>
Mr. Fabien Villedieu (employee representative) since December 2020	<p><i>Other positions within SNCF</i></p> <p>Train operator</p> <p><i>Positions outside SNCF</i></p> <p>None</p>

Mrs. Séverine Rizzi (employee representative) since December 2020	<i>Other positions within SNCF</i> Administrative personnel
	<i>Positions outside SNCF</i> None

The Board of Directors should consider what should be the right balance within its membership and within that of its committees, particularly in terms of diversity (gender, nationalities, international experience, expertise). The list of members of the Board and associated committees, attached to this report, attests to the respect of this balance in the appointment of directors.

The term of office of Board members is four (4) years and is renewable.

The secretary of the Social and Economic Committee or of the equivalent body pursuant to Article L. 2312-74 of the French Labour Code; the secretary of the Public Rail Group's Central Committee, the official responsible for exercising the State's economic and financial control pursuant to Article L. 2101-7 of the French Transport Code, and the Government Commissioner also sit in an advisory capacity at Board meetings.

In addition, the Secretary of the Board of Directors, his deputy and, where appropriate, his staff, automatically sit on the Board.

The statutory auditors also attend meetings of the Board of Directors at which the annual financial statements are reviewed.

The Chairman of the Board of Directors may, if he deems it necessary, and depending on the agenda, invite members of the company or persons from outside the company to attend meetings of the Board of Directors without the right to vote.

1.2 BOARD DUTIES AND POWERS

In accordance with its general powers referred to in [Article L. 225-35 of the French Commercial Code](#), the Board of Directors:

- determines the orientations of the company's activity and ensures their implementation, in accordance with its corporate interest, taking into consideration the social and environmental stakes of its activity;
- may examine, subject to the powers expressly reserved to shareholders' meetings and within the limit of the corporate purpose, all issues relating to the proper functioning of the Company and settles by its deliberations all matters which concern it;
- carries out the controls and checks it deems appropriate;
- authorises sureties, endorsements and guarantees to be given to third parties under the conditions provided for by the legal and regulatory provisions.

The chairman or chief executive officer is required to communicate to each director all the documents and information necessary for the performance of their duties.

In accordance with [Article L. 2102-9 of the French Transport Code](#), and in compliance with Article L. 2101-1 of the same Code, the Company's Board of Directors approves the strategic, economic, financial, human resources, industrial and asset development and management policies of the unified public group. It constantly oversees the management of the SNCF national company.

In application of the Commercial Code, the Board of Directors has other specific powers:

- it convenes general meetings;
 - at the end of each financial year, it draws up the annual financial statements, prepares the management report in accordance with Article L 232-1 of the French Commercial Code and calls the general meeting to approve them;
 - it prepares and presents to the general meeting a corporate governance report attached to the annual report; where appropriate, the corporate governance report may be presented in a specific section of the annual report;
 - it draws up the management planning documents and the corresponding reports;
 - it authorises regulated agreements, i.e. agreements signed between the company and one of its managers, directors or shareholders holding more than 10% of the voting rights;
 - it co-opts directors;
 - it decides whether to combine or separate the functions of Chairman and Chief Executive Officer; if the decision is made to combine the functions of Chairman and Chief Executive Officer, the Board of Directors may appoint, from among the independent directors, a lead director whose role is to help lead and coordinate the work of the Board, in particular by ensuring compliance with the rules of governance and the quality of relations and exchanges between the Chairman of the Board, the directors and the shareholder;
 - it sets the remuneration of directors in accordance with the provisions of the Articles of Association¹ (Articles L.225-47 and L 225-53);
 - it appoints the members of the committees;
 - it carries out the distribution of the remuneration of the directors;
 - it decides on the relocation of the registered office on French territory, subject to ratification of this decision by the next ordinary general meeting;
 - on delegation from the extraordinary general meeting, the Board of Directors brings the Articles of Association into conformity with the legislative and regulatory provisions, subject to ratification of the amendments by the next extraordinary general meeting;
 - it carries out a mandatory annual deliberation on the company's policy on professional and wage equality between all employees and between women and men.
- In general, and with the exception of day-to-day management, all decisions likely to significantly affect the Company's strategy, to modify its financial structure or its scope of activity, are subject to the prior authorisation of the Board of Directors after prior study, if necessary, by the relevant committee.
- The Board of Directors also examines questions submitted to it for information at the initiative of the Chairman.
- It also discusses issues that a director wishes to see debated by the Board of Directors in the context of various subjects, with the Chairman's agreement. In this case, the

director informs the Chairman of the nature of the item at the beginning of the meeting, and the Chairman decides whether or not to include it on the agenda of the meeting or at the following meeting.

1.3 OPERATION OF THE BOARD

The Board of Directors meets as often as the interests of the Company require, at the call of the Chairman of the Board of Directors or if the latter is prevented from doing so, by the Vice-Chairman. By way of derogation from Article 12 of the aforementioned Order of 20 August 2014, it also meets when convened by at least half of its members on an agenda and in a place specified in the meeting notice. The Chief Executive Officer may request the Chairman to convene a meeting on a specific agenda.

The members of the Board of Directors are convened via a secure electronic platform or any other appropriate means at least ten (10) days before the Board meeting. However, in case of emergency, notices may be given twenty-four hours in advance, in the same form.

During the 14 meetings (6 ordinary and 8 extraordinary) held in 2021, 72 files were examined including:

– the group's annual financial statements

- the 2021 interim financial statements of the SNCF Group and SNCF SA and its subsidiaries,
- the 2022 budget of the SNCF group and SNCF SA
- review of the major risk mapping for the SNCF group
- the response to several calls for tender, mainly internationally,
- financing strategy and cost of debt optimisation,
- Group and subsidiary strategic reviews
- review of 23 commitment files
- extension of competencies for the Appointments, Remuneration and Governance Committee to include CSR,
- approval of the corporate purpose,
- self-assessment of the Board's operation and monitoring of actions.

At each ordinary meeting, the Board of Directors is kept informed by its Chairman of the main events concerning the life of the SNCF Group. A safety review is systematically presented by the General Director for Safety.

Table of attendance

Directors' attendance at Board of Directors' meetings in 2021 - attendance rate of 92%

2021 meetings	Jean-Pierre FARANDOU	Agnès TOURAINE	Amélie VERDIER (resignation from term of office on: 03.09)	Mélanie JODER (co-opted at the Extra-Meeting of 28.09)	André MARTINEZ	Bruno LACROIX	Céline LAZORTHES	Christelle JEANNET	Didier CASAS	Frédéric SAINT-GEOURS	Isabelle BUI KHOI HUNG (resignation from term of office on: 30.07)	Claire VERNET-GARNIER (appointment by decree on: 08.10)	Séverine RIZZI	Fabien VILLEDIEU
Wednesday 13 January (Extraordinary meeting)	OUI	OUI	OUI		OUI	OUI	OUI	OUI	NON	OUI	OUI		OUI	OUI
Thursday 11 February (Extraordinary meeting)	OUI	OUI	NON		OUI	OUI	OUI	OUI	OUI	OUI	OUI		OUI	OUI
Wednesday 24 February	OUI	OUI	NON		OUI	OUI	OUI	OUI	OUI	OUI	OUI		OUI	NON
Wednesday 14 April	OUI	OUI	OUI		OUI	OUI	OUI	OUI	OUI	OUI	OUI		OUI	OUI
Wednesday 21 April (Extraordinary meeting)	OUI	OUI	NON		OUI	OUI	OUI	OUI	OUI	OUI	OUI		OUI	OUI
Wednesday 28 April (Extraordinary meeting)	OUI	OUI	OUI		OUI	OUI	OUI	OUI	OUI	OUI	OUI		OUI	OUI
Wednesday 12 May (Extraordinary meeting)	OUI	OUI	OUI		OUI	OUI	OUI	OUI	OUI	OUI	OUI		OUI	OUI
Wednesday 23 June	OUI	OUI	OUI		OUI	OUI	OUI	OUI	OUI	OUI	NON		OUI	OUI
Tuesday 6 July (Extraordinary meeting)	OUI	OUI	OUI		OUI	OUI	OUI	OUI	OUI	OUI	OUI		OUI	OUI
Thursday 29 July	OUI	OUI	NON		OUI	OUI	OUI	OUI	OUI	OUI	OUI		OUI	NON
Tuesday 21 September (Extraordinary meeting)	OUI	OUI		OUI	OUI	OUI	OUI	OUI	NON	OUI			OUI	OUI
Wednesday 13 October	OUI	OUI		OUI	OUI	OUI	OUI	OUI	OUI	OUI		NON	OUI	NON
Thursday 2 December (Extraordinary meeting)	OUI	OUI		OUI	OUI	OUI	OUI	OUI	OUI	OUI		OUI	OUI	OUI
Thursday 16 December	OUI	OUI		OUI	OUI	OUI	NON	OUI	OUI	OUI		OUI	OUI	NON
Fixed compensation: K€ 17														
Vice-Chairman: + K€ 5														
SIC and AARC Chairmen: + K€ 15														
ARGC Chairwoman: + K€ 7														
Attendance	14	14	6	4	14	14	13	14	12	14	9	2	14	10
Corresponding variable compensation														
Total compensation (in K€)														
Number of meetings	14	14	10	4	14	14	14	14	14	14	10	3	14	14
% attendance	100%	100%	60%	100%	100%	100%	93%	100%	86%	100%	90%	67%	100%	71%

1.4 THE SPECIALISED COMMITTEES

At its first meeting on 16 January 2020, the Board of Directors decided to set up three specialised committees chosen from among its members and responsible for assisting it with its work:

- An Audit, Accounts and Risk Committee.
- A Strategy and Investment Committee.
- An Appointments, Remuneration, Governance and CSR Committee.

Thus, the Board of Directors has three committees responsible for preparing the decisions submitted to the Board and for providing it with additional information:

The Appointments, Remuneration, Governance and CSR Committee (ARGC & CSR):

It should be noted that in 2021, the Board of Directors approved the extension of the Committee's competencies. It is now also responsible for corporate social responsibility (CSR).

The Appointments, Remuneration, Governance and CSR Committee should not comprise any executive officers of the Company.

– With regard to appointments, the Committee proposes to the Board of Directors the appointment and succession of directors and executive officers. It supervises the selection process of potential candidates. The precise list of the appointments concerned within the Group is drawn up by the Committee. The Chairman and Chief Executive Officer inform and obtain the opinion of the Committee for the appointment of the Group's senior executives.

– With regard to remuneration, the Committee examines and expresses its opinion on the principles and criteria for determining, allocating and awarding the components of remuneration and benefits of all kinds for corporate officers. It makes recommendations on the amount and terms and conditions of the remuneration to be allocated to directors.

– In terms of governance, it monitors issues relating to corporate governance and ensures the implementation within the Company's corporate bodies of the relevant

principles and rules of good governance stemming in particular from the AFEP-MEDEF Code. It steers the annual evaluation process of the Board of Directors. It makes proposals on the independence of Board members in light of the criteria of the AFEP MEDEF Code.

– With regard to corporate social and environmental responsibility, it reviews the Company's CSR policy commitments and strategies. It monitors its implementation and more generally ensures that CSR issues are taken into account in the Company's strategy and its roll-out.

The Committee held 5 meetings during 2021, which provided an opportunity to discuss 34 files including:

- the functioning of the Board of Directors (self-assessment),
- management compensation,
- the succession plan,
- the trajectory promoting gender equality,
- the extension of the Committee's competencies,
- CSR strategy,
- managerial performance.

The Strategy and Investment Committee (SIC): expresses its opinion on the Company's strategic orientations and monitors their implementation.

It decides, where appropriate, on:

- The strategic plan, including the group's development projects;
- Strategic agreements, alliances and partnerships;
- The Research and Development policy;
- Internal or external growth operations, main commitments, main commercial contracts under the conditions in particular as to amount defined in Article 8 of these internal regulations.

This Committee may be requested by the Chairman of the Board of Directors to deliver an opinion on:

- Strategic choices in terms of technological developments, and even more broadly in terms of innovation.
- The issues of creating and modernising industrial equipment and works.

The Strategy and Investment Committee held 16 meetings (including 6 ordinary and 10 extraordinary meetings) in 2021. A total of 39 files, including 13 strategic files and 26 commitment files, were examined at these meetings.

In particular, the Committee was asked to analyse the following files:

- the strategic review of SNCF SA,
- update of the group's strategic plan / trajectory,
- strategic review of subsidiaries,
- digital strategy,
- several responses to calls for tender, mainly internationally.

The Audit, Accounts and Risks Committee (AARC) is responsible, in particular, for reviewing the annual and half-yearly financial statements, the budget, risk mapping, the annual internal audit work programme, the report on corporate governance, internal control and risk management, and the compliance programme. The role of the Audit, Accounts and Risks Committee is not separable from that of the Board of Directors, which is legally required to approve the annual parent company financial

statements and prepare the consolidated financial statements.

The Audit, Accounts and Risks Committee, when monitoring the process of preparing financial information, ensures the relevance and permanence of accounting methods, in particular when dealing with significant transactions. When examining the accounts, the Audit, Accounts and Risk Committee examines the major transactions in which a conflict of interest could have arisen.

In the context of monitoring the effectiveness of internal control and risk management systems and, where applicable, internal audit concerning procedures relating to the preparation and processing of financial and non-financial accounting information, the Audit, Accounts and Risk Committee hears the heads of internal audit and risk control and delivers its opinion on the organisation of their services. It is informed of the internal audit programme and receives internal audit reports or a periodic summary of these reports. It also monitors the performance of the Statutory Auditors' assignment and ensures their independence.

It held 6 meetings in 2021 and examined 33 files. These meetings were devoted in particular to:

- the consolidated financial statements of the SNCF Group and the parent company financial statements for the year ended 31 December 2020.
- the closing of the Group's half-yearly financial statements.
- the 2021-2022 audit programme,
- risk mapping,
- the annual activity report of the Group internal audit department,
- the assumption of the debt by the State,
- the 2022 budget.

1.5 THE COMMITMENTS COMMITTEES

The purpose of the commitment control system is to safeguard the SNCF Group's corporate interest and enable it to exercise its role as a strategic leader over its subsidiaries.

It is carried out through three dedicated committees:

- The Group Commitments Committee (for commitments impacting the Group).
- The Corporate Commitments Committee (for the commitments of the national company SNCF SA).
- The Real Estate Commitments Committee (for specifically real estate commitments).

Each of these committees meets every fortnight as a general rule, and in any event as often as necessary.

They are made up of representatives of the legal, financial and strategy departments, the entity that bears the commitment, experts invited as needed, the head of the committee and the secretary.

The Deputy Chief Executive Officer of SNCF SA (or his representative, in real estate matters) chairs the meetings and decides on the follow-up to be given to the proposed commitment after inviting the other participants to give their opinion.

2. THE CHAIRMAN OF THE BOARD OF DIRECTORS

In accordance with Article L. 2102-8 of the French Transport Code, the Chairman of the Company's Board of Directors is appointed from among the members proposed

by the French State appointed pursuant to Article 6 of the aforementioned Order of 20 August 2014.

Pursuant to Article 11-2 of the Articles of Association, the Board of Directors also appoints a Vice-Chairman who, in the event that the Chairman is unable to attend, has the power to convene the Board of Directors and chair its meetings.

The Chairman of the Board of Directors organises and directs the work of the Board, which he reports on to the general meeting. He oversees the proper functioning of the Company's bodies and ensures, in particular, that the directors are able to fulfil their duties.

In the event of a tie, the person chairing the Board of Directors has the casting vote.

3. AGREEMENTS ENTERED INTO BETWEEN A MANAGER OR MAJOR SHAREHOLDER AND A CONTROLLED ENTITY

All agreements in 2021 were everyday agreements entered into at arm's length.

The compensation paid in 2021 to executive corporate officers shown in the table below corresponds to the gross taxable compensation.

As at 31 December 2021

In thousands of euros						Amounts paid		Amounts due		
	Fixed compensation	Annual variable compensation	Deferred /multiannual variable compensation	Exceptional compensation	Benefits in kind	Sub-total	Termination benefit	Non-compete benefit	Supplementary pension plan	Grand total
Farandou Jean-Pierre										
PDG, Chairman of the Board of Directors of SNCF SA										
Commitments	-	-	-	-	-	-	-	-	-	-
Paid	450	-	-	-	7	457	-	-	-	457
Trévisani Laurent										
Deputy Chief Executive Officer Finance Strategy SNCF SA										
Commitments	-	-	-	-	-	-	-	-	-	-
Paid	300	134	-	-	11	445	-	-	-	445
Total compensation	750	134	-	-	18	902	-	-	-	902

The Deputy Chief Executive Officer was appointed on 28 February 2020. The 2021 amounts therefore correspond to a full year and the 2020 variable portion paid in 2021. Only the Deputy Chief Executive Officer may benefit from a variable portion, for the criteria of which are validated by the Agence des Participations de l'État, following the deliberation of the Board of Directors.

As a reminder, as at 31 December 2020, the compensation of the executive corporate officers was as follows:

In thousands of euros	Fixed compensation	Annual variable compensation	Deferred /multiannual variable compensation	Exceptional compensation	Benefits in kind	Amounts paid		Termination benefit	Non-compete benefit	Amounts due	
						Sub-total				Supplementary pension plan	Grand total
Farandou Jean-Pierre											
PDG, Chairman of the Board of Directors of SNCF SA											
Commitments	-	-	-	-	-	-		-	-	-	-
Paid	450	-	-	-	11	461		-	-	-	461
Trévisani Laurent											
Deputy Chief Executive Officer Finance Strategy SNCF SA											
Commitments	-	-	-	-	-	-		-	-	-	-
Paid	250	-	-	-	8	258					258
Total compensation	700	-	-	-	19	719		-	-	-	719

The compensation paid in 2021 to non-executive and unsalaried corporate officers is presented below:

In thousands of euros	Amounts paid						Amounts due			
	Fixed compensation	Annual variable compensation	Deferred /multiannual variable compensation	Exceptional compensation	Benefits in kind	Sub-total	Termination benefit	Non-compete benefit	Supplementary pension plan	Grand total
Frédéric Saint-Geours Vice-Chairman of the Board of Directors (**)	22	38	-	-	-	60	-	-	-	60
Didier Casas Director, Chairman of the SIC and AARC	32	36	-	-	-	68	-	-	-	68
Isabelle Bui Khoi Hung Director (*)	10	44	-	-	-	54	-	-	-	54
Claire Vernet-Garnier Director (*)	7	10	-	-	-	17	-	-	-	17
Céline Lazorthes Director (**)	17	58	-	-	-	75	-	-	-	75
André Martinez Director (**)Chairman of the SIC	32	60	-	-	-	92	-	-	-	92
Agnès Touraine Director Chairwoman of the ARG & CSR Committees	24	38	-	-	-	62	-	-	-	62
Amélie Verdier Director (*)	13	16	-	-	-	29	-	-	-	29
Mélanie Joder Director (*)	4	10	-	-	-	14	-	-	-	14
Total compensation	161	310	-	-	-	471	-	-	-	471

(*) For directors representing the French State, 100% of their compensation is paid directly by SNCF SA to the French State (APE).

(**) For directors appointed on the recommendation of the French State, 15% of their compensation is paid directly by SNCF SA to the French State (APE).

Directors representing employees on the Board of Directors did not receive compensation due to their directorship.

As a reminder, no compensation was paid in 2020 to non-executive and unsalaried directors.

31 December 2021

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CONSOLIDATED INCOME STATEMENT

In € millions	Notes	31/12/2021	31/12/2020
Revenue	3	34,752	29,975
Purchases and external charges	3	-14,715	-12,729
Employee benefit expense	3	-14,620	-14,064
Taxes and duties other than income tax	3	-1,201	-1,296
Other operating income and expenses	3	126	49
EBITDA		4,343	1,936
Depreciation and amortisation	4.2.5	-3,822	-4,012
Net movement in provisions	4.6	92	-128
Current operating profit/loss		613	-2,204
Net proceeds from asset disposals	4.2.6	1,254	134
Impairment losses	4.4	-51	-266
Operating profit/loss		1,815	-2,337
Share of net profit/loss of companies consolidated under the equity method	4.3	7	19
Operating profit/loss after share of net profit of companies consolidated under the equity method		1,822	-2,318
Net finance costs of employee benefits	5.3	69	-8
Net borrowing and other costs	6.3	-966	-1,119
Net finance costs		-897	-1,127
Net profit/loss before tax from ordinary activities		925	-3,445
Income tax expense	7	-158	-4
Net profit/loss from ordinary activities		767	-3,448
Net profit/loss from discontinued operations, net of tax		-	-
Net profit/loss for the year		767	-3,448
Net profit/loss attributable to equity holders of the parent		890	-3,030
Net profit/loss for the year attributable to non-controlling interests (minority interests)		-124	-419

Notes 1 to 10 are an integral part of these consolidated financial statements.

NET PROFIT/LOSS AND GAINS/LOSSES RECOGNISED DIRECTLY IN EQUITY

<i>In € millions</i>	Notes	31/12/2021	31/12/2020
Net profit/loss for the year		767	-3,448
Change in foreign currency translation differences		116	-144
Tax on change in foreign currency translation differences		-2	2
Change in fair value of cash flow hedges	6.4	815	-245
Tax on change in fair value of cash flow hedges		-7	4
Change in fair value of hedging costs	6.4	116	-49
Tax on change in fair value of hedging costs		0	0
Share of recyclable other comprehensive income of companies consolidated under the equity method	4.3	5	-5
Total recyclable other comprehensive income/loss		1,042	-437
Actuarial gains/losses on employee defined-benefit plans	5	250	-28
Tax on actuarial gains/losses on employee defined-benefit plans		16	4
Change in value of equity instruments at fair value through equity		-1	-4
Share of non-recyclable other comprehensive income of companies consolidated under the equity method	4.3	-1	-3
Total non-recyclable other comprehensive income/loss		263	-32
Gains/losses recognised directly in equity		1,305	-468
Net profit/loss and gains/losses recognised directly in equity		2,071	-3,917
<i>Attributable to equity holders of the parent</i>		<i>2,140</i>	<i>-3,455</i>
<i>Attributable to non-controlling interests</i>		<i>-69</i>	<i>-462</i>

Notes 1 to 10 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED ASSETS

In € millions	Notes	31/12/2021	31/12/2020
Goodwill	4.1	2,285	2,127
Intangible assets	4.2	2,114	2,148
Lease right of use assets	4.2.3	3,425	3,836
Property, plant and equipment	4.2	52,587	52,217
Non-current financial assets	6	32,364	35,732
Equity investments	4.3.1	1,014	1,014
Deferred tax assets	7	4,592	4,615
Non-current assets		98,382	101,690
Inventories and work-in-progress	4.5.1	1,385	1,288
Operating receivables	4.5.2	9,649	9,924
Operating assets		11,034	11,212
Current financial assets	6	4,535	4,996
Cash and cash equivalents	6.3.2.5	10,772	7,939
Current assets		26,341	24,147
Assets classified as held for sale	4.3.2	-	2,113
Total assets		124,723	127,949

CONSOLIDATED EQUITY AND LIABILITIES

In € millions	Notes	31/12/2021	31/12/2020
Share capital	6.6	1,000	1,000
Consolidated reserves		12,754	14,721
Net profit/loss for the year attributable to equity holders of the parent		890	-3,030
Equity attributable to equity holders of the parent		14,645	12,691
Non-controlling interests	6.6	40	4
Total equity		14,685	12,696
Non-current employee benefits	5	2,579	2,814
Non-current provisions	4.6	1,121	1,412
Liabilities relating to concession assets excluded from the scope of IFRIC 12	4.2.5	2,363	2,409
Non-current financial liabilities	6	74,006	77,150
Non-current lease liabilities	6	2,677	3,127
Deferred tax liabilities	7	175	112
Non-current liabilities		82,921	87,023
Current employee benefits	5	167	163
Current provisions	4.6	144	150
Operating payables	4.5.3	17,025	17,343
Operating liabilities		17,335	17,656
Current financial liabilities	6	8,880	8,242
Current lease liabilities	6	902	888
Current liabilities		27,118	26,786
Liabilities associated with assets classified as held for sale	4.3.2	-	1,444
Total equity and liabilities		124,723	127,949

Notes 1 to 10 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In € millions</i>	Share capital	Additional paid-in capital	Actuarial gains/losses on employee defined-benefit plans	Equity instruments at fair value through equity	Group translation reserves	Cash flow hedges	Hedging costs	Retained earnings and other reserves	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Equity published as at 01/01/2020	13,736	0	-607	-66	-181	-1,465	-47	-20,117	-8,746	118	-8,628
Net profit/loss for the year	-	-	-	-	-	-	-	-3,030	-3,030	-419	-3,448
Gains/losses recognised directly in equity	-	-	-2	-3	-123	-244	-49	-4	-425	-43	-468
Net profit/loss and gains/losses recognised directly in equity	-	-	-2	-3	-123	-244	-49	-3,034	-3,455	-462	-3,917
Dividends paid	-	-	-	-	-	-	-	-4,812	-4,812	-	-4,812
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-35	-35
Capital transactions (*)	-	4,050	-	-	-	-	-	0	4,050	32	4,082
Changes in scope, non-controlling interests and non-controlling interest purchase commitments (**)	-0	-0	-2	-	-0	2	-	673	672	352	1,024
Other changes (***)	-12,736	29	-0	-	-	82	-	37,606	24,982	-1	24,982
Equity published as at 31/12/2020	1,000	4,079	-612	-68	-303	-1,626	-96	10,316	12,691	4	12,696
Net profit/loss for the year	-	-	-	-	-	-	-	890	890	-124	767
Gains/losses recognised directly in equity	-	-	231	-1	105	793	116	5	1,250	55	1,305
Net profit/loss and gains/losses recognised directly in equity	-	-	231	-1	105	793	116	895	2,140	-69	2,071
Dividends paid (****)	-	-	0	-	-	-	-	-140	-140	-1	-141
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-7	-7
Capital transactions	-	-	-	-	-	-	-	0	0	38	38
Changes in scope, non-controlling interests and non-controlling interest purchase commitments (**)	-0	-0	1	-	-1	-6	-	-80	-86	8	-77
Other changes (****)	-	-	2	-	-	37	-	1	40	65	104
Equity published as at 31/12/2021	1,000	4,079	-377	-70	-199	-800	19	10,992	14,645	40	14,685

(*) A share capital increase was performed by the French State in December 2020 (see Note 6.6.1).

(**) Of which changes in Eurostar and THI Factory non-controlling interest purchase commitments.

(***) Includes the raising of the share capital of SNCF SA after its transformation into a société anonyme on 1 January 2020, the transfer of share capital to consolidated reserves and an increase in consolidated reserves following the assumption by the French State of SNCF Réseau's debt (see Note 6.6.1).

(****) Includes the share of minority interests in the conversion of the shareholder loan into equity and remaining dividends payable to Eurostar (see Note 2.1.2).

(*****) Dividends paid correspond to payments made to French State support fund (see Note 6.6.1).

Notes 1 to 10 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

<i>In € millions</i>	Notes	31/12/2021	31/12/2020
Net profit/loss for the year	IS⁽¹⁾	767	-3,448
Eliminations:			
share of net profit/loss of associates	IS ⁽¹⁾	-7	-19
deferred tax expense/(income)		-25	-44
depreciation, amortisation, impairment losses and provisions		3,718	4,488
revaluation gains/losses (fair value)		-59	28
net proceeds from disposals and gains and losses on dilution		-1,264	-148
Cash from operations after net borrowing costs and taxes		3,129	856
Eliminations:			
current income tax expense/(income)	7	184	48
net borrowing costs		1,071	1,077
dividend income		-2	-2
Cash from operations before net borrowing costs and taxes		4,382	1,979
Impact of change in working capital requirement	4.5	102	983
Taxes paid (collected)		-86	-250
Dividends received		17	18
Cash flow from operating activities	6	4,415	2,731
Acquisitions of subsidiaries, net of cash acquired		-130	-8
Disposals of subsidiaries, net of cash transferred (3)		2,082	-35
Acquisitions of intangible assets and property, plant and equipment	4.2	-8,223	-7,250
Capitalised interest	4.2	-228	-131
Disposals of intangible assets and property, plant and equipment		367	137
New concession financial assets, net of concession liabilities	3.3	-1,853	-1,469
Cash inflows from concession financial assets, net of concession liabilities		2,003	1,863
Cash inflows from lease receivables		0	1
Acquisitions of financial assets		-8	-4
Disposals of financial assets		1	8
Changes in loans and advances		97	-99
Changes in cash assets		1,079	-863
Investment grants received		4,866	3,319
Cash flow from/used in investing activities	6	52	-4,531

<i>In € millions</i>	Notes	31/12/2021	31/12/2020
Cash inflows from equity transactions		37	4,080
Issue of debt instruments		3,942	7,464
Repayments of borrowings net of Public Debt Fund (PDF) receivables (4)		-2,747	-2,452
Cash inflows from PPP receivables		279	277
Cash outflows on PPP payables		-282	-283
Net interest paid		-921	-1,349
Repayments of lease liabilities		-965	-962
Interest paid on lease liabilities		-143	-147
Dividends paid to Group shareholders	Chg. in eq. ⁽²⁾	-140	-4,812
Dividends paid to non-controlling interests	Chg. in eq. ⁽²⁾	-7	-13
Increase/decrease in cash borrowings		-636	307
Cash flow from/used in financing activities		-1,585	2,110
Effects of exchange rate fluctuations		45	-35
Impact of changes in accounting policies		-49	-28
Impact of changes in fair value		-14	-2
Increase/decrease in cash and cash equivalents		2,865	246
Opening cash and cash equivalents	6	7,519	7,273
Closing cash and cash equivalents	6	10,384	7,519

(1) Consolidated income statement.

(2) Consolidated statement of changes in equity.

(3) Sale of the Ermewa subsidiary (see Note 4.2.6)

(4) Including cash inflows for the PDF receivable (see Note 6.3.2.5)

Notes 1 to 10 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes 1 to 10 are an integral part of these consolidated financial statements.

All amounts are in millions of euros (€ millions), unless stated otherwise. As the Group has elected not to round off figures, there may be minimal differences.

1. ACCOUNTING STANDARDS BASE

Pursuant to European Regulation 1606/2002 of 19 July 2002, the SNCF Group prepares its consolidated financial statements in accordance with IFRS (International Financial Reporting Standards).

The consolidated financial statements for the year ended 31 December 2021 were approved by the SNCF Group Board of Directors on 24 February 2022.

The terms “the SNCF Group”, the “Group” and “SNCF” refer to the group formed by the consolidated entities.

“SNCF SA” refers to the national company, SNCF, the group’s head company.

1.1 ADOPTION OF IFRS

The consolidated financial statements of SNCF Group for the year ended 31 December 2021 have been prepared in

accordance with the international accounting standards issued by the IASB (International Accounting Standards Board) and adopted by the European Union as at this date. The IFRS framework as adopted in the European Union may be consulted on the European Commission website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The basis of preparation for the 2021 consolidated financial statements detailed in the following notes is the result of:

- standards and interpretations of mandatory application for fiscal years commencing on or before 1 January 2021; The methods used by the SNCF Group to adopt these texts are described in a grey inset at the start of each note to the financial statements;
- elected accounting options and exemptions applied, as provided for by the standards, in the preparation of the 2021 financial statements. These options and exemptions are described in the relevant notes to the financial statements.

1.1.1 Standards and interpretations applicable to consolidated financial statements for financial periods beginning on or after 1 January 2021

Amendments to standards and interpretations as well as the new standards published and applicable as at 1 January 2021 that more specifically concern the Group's consolidated financial statements are as follows:

Standard or interpretation	Summary description	Impacts
Amendments to IFRS 9, IAS 39 and IFRS 7, "Interest Rate Benchmark Reform - Phase 2"	Issued by the IASB: 27/08/2020 Endorsed by the EU: Regulation (EU) 2021/25 of 13 January 2021. Phase 2 amendments cover the accounting treatment of the impacts arising from the update of contracts following the interest rate benchmark reform and specific disclosures on these impacts.	See Capital and financing note
Amendment to IFRS 16 extending practical relief regarding COVID-19-related rent concessions to 30 June 2022.	Issued by the IASB: 31/03/2021 Endorsed by the EU: not yet endorsed The amendment, which permitted lessees, as a practical expedient, not to assess whether particular rent concessions relating to the COVID-19 pandemic prior to 30 June 2021 were lease modifications and to recognise their impact in profit or loss for the period, was extended until 30 June 2022.	The SNCF Group has applied this amendment. No material impacts were identified as at 31 December 2021
IFRIC interpretation on the attribution of benefits to periods of service under certain defined-benefit plans	Issued by the IASB: May 2021 This applies to defined-benefit plans under which benefits are only attributed if the employee is still employed by the entity when they reach retirement age and if the benefit amount depends on the length of employee service but is capped at a specified number of consecutive years of service. The new IFRIC position involves recognising service in the last years of the employee's career to attribute benefits at the time of retirement and not over the duration of the career within the company.	The SNCF Group implemented the change in method resulting from this decision. Given the immaterial amount, and to simplify matters, the impact was recognised at the start of 2021 with no restatement for 2020 cash flows. This resulted in a decrease in the provision for post-employment benefits offset against opening share capital as at 31 December 2021. See the Employee Benefits note.
IFRIC interpretation on accounting for related upgrades required to implement software as a service (SaaS).	Issued by the IASB: April 2021 Related upgrades are costs incurred during the year if the entity does not control the intellectual property of their code for example. The cost of these related upgrades will be amortised over the term of the service agreement if it cannot be distinguished from the software service itself.	The SNCF Group is currently analysing a decision of the IFRS IC: Publication in April 2021 of a decision relating to IAS 38 "Intangible assets" on the recognition of the costs of configuring and customising software in the cloud as part of a Software as a service (SaaS) arrangement. This analysis had yet to be finalised as at 31 December 2021 considering the operational complexity of implementing this decision.

The Group has not opted for the early application of standards and interpretations of mandatory application in fiscal years starting on or after 31 December 2021, regardless of whether they were adopted by the European Commission.

1.2 CHANGE IN ACCOUNTING METHOD

The group implemented the change in method resulting from the IFRIC's decision that was validated by the IASB in May 2021 regarding the methods of attributing benefits to periods of service under certain employee defined-benefit plans.

This change mainly concerns pension plans in France which fall under the national bargaining agreements for the real estate, railway catering, road transport, construction and rail transport sectors.

This change in method reduced the opening provision for post-employment benefits by €36 million, offset against an increase in equity in the same amount, and did not have a major impact on net profit (see Note 5.1 on Employee benefits).

1.3 ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the Group accounts, management must make estimates, as numerous items included in the consolidated financial statements cannot be valued precisely. The accounting estimates used for the 31 December 2021 financial statements were prepared under the current context of uncertainty regarding business outlooks (see Note 2.1.1). Management is required to revise its estimates in the event of a change in circumstances on which they are based or as a result of new information or further experience. As such, the estimates adopted at 31 December 2021 may be materially modified and subsequent actual results may differ materially from these estimates based on different assumptions or conditions.

These estimates and assumptions primarily concern:

– Determination of goodwill

Business combinations are accounted for using fair value estimates of the assets acquired and liabilities assumed and previously held equity investments in a step acquisition are remeasured at fair value. Goodwill is the difference between the acquisition price plus the value of the previously held equity investments and the fair value of the acquired assets and liabilities.

– Impairment of non-financial assets

When determining the recoverable amount of assets for impairment testing purposes (IAS 36) in accordance with the policy described in Note 4.4, value in use calculations are primarily based on estimates of expected future cash flows from the asset or cash-generating unit (CGU), the appropriate discount rate to be used to calculate the present value of these future cash flows and the growth rate adopted. Market value calculations are based on an assessment of the transaction price that could be obtained for the sale of the assets tested, taking into account the current condition of such assets.

– Employee-benefit related items

Considering that these benefits are settled several years after the personnel has rendered the corresponding services, the obligations under defined benefit plans and other long-term liabilities are recognised using actuarial valuations based on financial and demographic assumptions including discount, inflation, and salary increase rates and mortality tables. Due to the long-term nature of these plans, changes in these assumptions can generate actuarial gains and losses and may lead to a significant change in the commitments recorded.

– Recognition of deferred tax assets

A deferred tax asset is recognised when it is probable that the Group will generate future taxable profits against which unused tax savings may be offset. The Group's ability to recover these tax assets is analysed based on its business plan, contingencies relating to the economy and the uncertainties surrounding markets in which the Group is active. As at 31 December 2021, this recoverability analysis takes account of the new performance contract between the French State and SNCF Réseau, presented to the SNCF Réseau Board of Directors on 4 November 2021 and currently being signed by the French State.

– Provisions for environmental risks

The Group records a provision for environmental risks when there is a legal or implicit obligation towards a third party that can be reliably measured and which would result in an outflow of resources.

Amounts recorded for site decontamination are based on the best possible estimate resulting from year-end

assessments and take into account valuations for known risks currently being assessed (see Note 4.6).

Amounts recorded for the dismantling of rolling stock containing asbestos correspond to the estimated dismantling costs at the end of the equipment life. These costs are determined based on the prices invoiced by scrap metal dealers and asbestos removers and the target prices of the most recent calls for tender. A change in these costs would be passed on to the amounts recorded.

– Derivative financial instruments

The Group uses assumptions to measure the fair value of its derivative instruments. The recognition and measurement principles are described in Note 6.5.

– Leases

The main uncertainties concern the inclusion of optional periods when assessing lease terms. The Group bases its estimates on the materiality of the underlying assets in the conduct of operations and a set of other assumptions deemed as reasonable with regard to facts and circumstances.

– Climate change information

Our valuation of assets and liabilities has taken into account currently available information on the climate change initiatives. These measures give rise to specific investments and/or excess costs which were incorporated into asset impairment tests.

1.4 BASIS OF CONSOLIDATION

1.4.1 Entities under control, joint control or significant influence

Companies over which the Group exercises control, directly or indirectly, are fully consolidated. Under IFRS 10, control is defined and determined based on three criteria: power, exposure to variable returns and the relationship between power and these returns.

All material transactions between the controlled companies are eliminated.

The profit or loss of subsidiaries is divided between the Group and the non-controlling interests based on their percentage interest even if this results in the recording of negative non-controlling interests.

Joint arrangements qualified as joint operations within the meaning of IFRS 11 are recorded for their share of assets and liabilities and revenues and expenses after elimination of intra-group transactions.

The following are equity-accounted:

– Joint arrangements qualified as joint ventures under IFRS 11, meaning that they solely give rights to the net assets of an entity.

– Entities in which the Group exercises significant influence over financial and operating policies, but which it does not control (associates) under IAS 28. Significant influence is presumed to exist where the Group holds an interest of 20% or more.

– All internal profits and losses between companies accounted for under the equity method are eliminated according to the percentage interest held. For internal profits realised by the Group on an investment, if the gain to be eliminated exceeds the carrying amount of the investment in the associate or joint venture, this excess amount is recognised as deferred income in accordance with Group standards.

Loans to companies accounted for under the equity method are financial instruments which if necessary are subject to impairment pursuant to IFRS 9.

The results of companies acquired or disposed of during the fiscal year are included in the consolidated income statement of the Group from the date control is acquired up to the date of transfer of control on disposal.

The financial statements of the companies included in the scope of consolidation are drawn up to 31 December 2021 and restated to comply with Group accounting policies.

A list of the main subsidiaries, joint ventures, joint operations, and associates and the factors used to assess control in certain entities is presented in Note 10.

1.4.2 Translation of the financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries whose functional currency is not the euro are translated into euros using the period-end exchange rate method:

- balance sheet accounts are translated at the year-end rate of exchange,
- income statement items are translated at the average annual rate of exchange,
- translation differences arising on the retranslation of opening balance sheet items (movement between opening and closing exchange rates) and income statement items (movement between average and closing exchange rates) are taken to “Translation differences” under other comprehensive income in consolidated equity.

Likewise, foreign exchange differences arising from the translation of receivables and payables that are part of the net investment in a foreign subsidiary are also recorded in “Translation differences” in equity. They are recorded in profit or loss upon removal of the net investment.

2. HIGHLIGHTS

2.1 MAJOR EVENTS OF 2021

2.1.1 COVID-19 public health crisis

The COVID-19 health crisis continued to have a severe impact on SNCF Group operations in 2021.

The Passengers business was still badly affected by travel restrictions which hindered TGV passenger traffic, mainly business customers.

SNCF continued its efforts to absorb some of the losses and maintain its solid financial position with the ongoing savings plan and specific cash management measures (see Note 6 to the consolidated financial statements). At the same time, furlough measures were renewed.

2.1.2 Eurostar and Thalys financial support

Severely hit by strict UK travel restrictions, Eurostar benefited from the support of its shareholders and a new refinancing plan to compensate for the slump in traffic. Its shareholders, including SNCF, firstly converted a shareholders' loan and remaining dividends payable for £115 million into equity. Under the new refinancing agreement, shareholders contributed an additional £50 million and a first-demand guarantee to secure the new bank loan in the amount of £150 million. The current banks also granted a payment deferral of £50 million, enabling Eurostar to obtain a total contribution of £250 million.

Thalys was also required to take out a bank loan of €120 million, which was partly drawn down, to safeguard its future in a context of lifted travel restrictions and gradual business recovery.

2.1.3 Payment of the first instalment of State aid to SNCF Réseau

An initial instalment of €1.645 billion was paid on 23 February 2021 by the French State to SNCF Réseau under the rail recovery plan.

2.1.4 Sale of the Ermewa subsidiary

The sale of Ermewa Holding SAS and its subsidiaries, approved by the Board of Directors on 8 October 2020, was signed on 22 October 2021 in the gross amount of €3.2 billion. The disposal gain recognised under “Net proceeds from asset disposals” in the consolidated income statement totalled €1,125 million. This transaction enabled the Group to reduce its debt by €2.1 billion. As a reminder, a total of €1.1 billion was deducted from the 2020 debt due to its reclassification under IFRS 5.

Detailed information is provided in Note 4.2.6 to the consolidated financial statements for the year ended 31 December 2021.

2.1.5 Acquisition of the Polish carrier Pekaes by the Geodis subsidiary

On 1 February 2021, Geodis acquired all the shares of the Polish group Pekaes through its subsidiary Calberson GE. Residual goodwill after allocation totalled €86 million. Detailed information is provided in Note 4.1 to the consolidated financial statements for the year ended 31 December 2021.

The Pekaes group, Poland's 3rd largest logistics group, has generated revenue of €282 million since its acquisition with an average workforce of 1,310 employees and a portfolio of over 10,000 customers.

2.1.6 Sale of the Keolis rail business in Germany

Keolis, three public transport organising authorities from North-Rhine (1) in Germany and the province of Overijssel in the Netherlands (2) signed an agreement on 15 December 2021 to make certain contractual adjustments and authorise the sale by Keolis of its German rail activities to a new shareholder, TEAM Treuhand GmbH (Noerr Group).

The sale was effective on 31 December 2021 as part of a three-party transaction that required Keolis SA to recapitalise Keolis Germany (recapitalisation partially paid-up as at 1 December 2021) in accordance with loss on completion assumptions provided for in the Keolis accounts until the sale.

This transaction removed any residual commitments that Keolis had regarding Keolis Germany's operations as of 31 December 2021.

2.2 SUBSEQUENT EVENTS

The main subsequent event is as follows:

2.2.1 Partial assumption of SNCF Réseau debt by the State

On 1 January 2022, the State assumed €10 billion of the debt carried by SNCF Réseau, in line with the initial 2022 Finance Law. The debt was assumed under the same terms and conditions as the first partial debt assumption on 1 January 2020 which totalled €25 billion.

3. PERFORMANCE FOR THE PERIOD

EBITDA comprises:

- revenue and other income minus expenses directly attributable to operating activities. Those expenses mainly comprise purchases, sub-contracting, other external services, employee costs, taxes and duties other than income tax, disposals of operating assets (property, plant and equipment - mainly transport equipment - used in the operating cycle and disposed of in connection with

upgrades to production facilities) and various other items, - plus movements in provisions for current assets directly related to operating activities. Revenue recognition principles are described in Note 3.2. EBITDA is separate from current operating profit, which includes the majority of non-cash items (depreciation and amortisation, provisions, etc.) and other miscellaneous items not directly attributable to another income statement account. Accordingly, charges to provisions for employee benefits (excluding finance costs), provisions for liabilities and charges and reversals of used and unused provisions are recognised below EBITDA under "Net movement in provisions". EBITDA is therefore only impacted when the expense or loss covered by the provision is effectively incurred.

3.1 SEGMENT INFORMATION

3.1.1 Determination of reported segments

The operations of the SNCF Group are organised into five business lines and eleven segments:

– The **Infrastructure Management business line**, comprising two segments:

- SNCF Réseau, whose mission is to commercialise, manage, maintain, upgrade and develop the French national rail network. Its customers are 35 railway operators which use the national rail network and 13 other companies (combined transport operators, ports, etc.) which reserve track slots that they then assign to the railway operator of their choice. This segment includes the following SNCF Réseau subsidiaries: Sferis, Altametrus, Eurailsout, SNCF Immoréseau and Terralpha.
- SNCF Gares & Connexions specialises in the design, operation and marketing of train stations. It includes SNCF Gares & Connexions SA and its subsidiaries Arep, Retail & Connexions and Hubs & Connexions.

– The **Passengers business line** comprises four segments:

- Transilien: local regulated rail transport services in the Île-de-France (Greater Paris) region.
- TER: regulated regional passenger transport services (rail and road, including urban and suburban), and associated services (Ritmx).
- TGV-Intercités (formerly Voyages SNCF): door-to-door passenger transport in France and across Europe via SNCF Voyageurs SA (TGV, OUIGO, Intercités), European cooperations (Alleo with DB, etc.) and its subsidiaries (Eurostar, Thalys, Lyria, OUIGO España, etc.), and distribution of travel-related products (including the subsidiary SNCF Connect).
- the Industrial Division: Equipment, Traction, and Rail Production activities and the Masteris subsidiary. This division coordinates the Group's industrial operations.

– **Keolis**: in charge of mass transit in sixteen countries. Its expertise covers all modes of transportation (train, bus, car, underground, tramway, ferries, bicycles), and parking management.

– The **Freight & Logistics business line**, comprising two segments:

- Geodis: a European operator with a global reach, offering management solutions across all or part of the logistics chain (Supply Chain Optimization, Air & Sea Freight Forwarding, Distribution & Express, Road Transport, Contract Logistics).

- Rail Logistics Europe: a rail/multi-modal freight specialist, including rail and combined freight operators and freight forwarders in Europe and worldwide (Fret SNCF SAS, Captrain, Combicargo, Forwardis and VIIA).

– **SNCF Immobilier** acts as agent or service provider for the other SNCF Group companies in four main areas: managing real estate assets used in operations (master plans to optimise real estate assets, the construction and refurbishment of buildings, and managing leased properties), monetising assets not required for railway operations, managing the working environment in key office premises, and managing residential properties through the SNCF SA subsidiary ICF Habitat Group.

All of these segments are served by corporate support functions and other service providers from within the SNCF Group: Shared Service Centres, holding company activities within SNCF Participations, and SUGE (rail safety), along with certain operational subsidiaries that comprise the "Other" segment.

3.1.2 Reported indicators

The key indicators reported for each segment are:

– **External revenue**, excluding transactions with the Group's other segments.

– **Internal revenue** comprising transactions between segments.

– **EBITDA as reported in the consolidated income statement**.

– **Net investments**, which comprise gross acquisitions of property, plant and equipment and intangible assets (including own production capitalised and borrowing costs capitalised), net of (i) investment grants received and (ii) new concession financial assets net of cash inflows, i.e. after the impact of changes in working capital requirements relating to investing activities.

– **Investments all funding sources**, which comprise gross acquisitions of property, plant and equipment and intangible assets as recognised for accounting purposes (including own production capitalised and borrowing costs capitalised), plus new gross concession financial assets.

– **Net indebtedness** is the sum of current and non-current financial liabilities less current and non-current financial assets, when the latter arise from transactions which, in substance, only involve exchanges of cash flow: issue or receipt of cash in consideration for an expected cash reimbursement or remuneration.

The accounting methods adopted for the preparation of financial data for each segment are those used in the preparation of the consolidated financial statements. The internal revenue is eliminated in an "Inter-segment" line item for purposes of reconciliation with the Group consolidated financial statements.

3.1.3 Segment information

							31/12/2021
In € millions	External revenue	Internal revenue	Revenue	External EBITDA	Net investments	Investments from all funding sources	Net Indebtedness
SNCF Réseau	2,651	3,954	6,605	1,672	2,105	5,666	29,333
SNCF Gares & Connexions	239	1,306	1,545	292	408	877	960
Intra-business line eliminations		-538	-538				
Infrastructure Management	2,890	4,722	7,612	1,964	2,514	6,543	30,293
Transilien	3,052	337	3,388	283	-354	1,382	-322
TER	4,827	342	5,169	253	-130	650	-1,336
TGV - Intercités	4,976	392	5,368	-399	507	776	4,266
Industrial Division	71	1,620	1,692	40	84	97	346
Other	23	518	541	21	37	37	491
Intra-business line eliminations		-2,449	-2,449				
Passengers	12,949	760	13,708	199	144	2,943	3,445
Keolis	6,190	123	6,314	606	203	233	1,030
Geodis	10,803	102	10,906	948	184	178	447
Rail Logistics Europe	1,482	112	1,594	176	69	74	-57
Other	382	57	439	240	242	246	-610
Intra-business line eliminations		-83	-83				
Freight & Logistics	12,667	189	12,856	1,364	496	498	-219
SNCF Immobilier	43	607	650	225	22	20	-305
Corporate	14	1,014	1,028	-15	57	56	2,053
Inter-segment eliminations		-10,486	-10,486				
Total	34,752	-	34,752	4,343	3,435	10,293	36,296

							31/12/2020
In € millions	External revenue	Internal revenue	Revenue	External EBITDA	Net investments	Investments from all funding sources	Net Indebtedness
SNCF Réseau	2,406	3,478	5,884	851	2,681	5,101	29,422
SNCF Gares & Connexions	186	1,293	1,479	237	23	811	786
Intra-business line eliminations		-620	-620				
Infrastructure Management	2,592	4,151	6,744	1,088	2,703	5,913	30,208
Transilien	2,946	334	3,280	297	-185	866	-44
TER	4,533	369	4,902	405	-80	519	-1,445
TGV - Intercités	3,693	419	4,112	-1,458	386	720	3,559
Industrial Division	60	1,513	1,573	-60	87	88	447
Other	68	420	488	-8	31	53	741
Intra-business line eliminations		-2,290	-2,290				
Passengers (*)	11,300	765	12,065	-824	239	2,247	3,259
Keolis	5,982	111	6,093	434	219	288	1,034
Geodis	8,260	101	8,361	707	143	138	669
Rail Logistics Europe	1,361	102	1,463	17	55	58	18
Other	415	74	489	281	242	241	-14
Intra-business line eliminations		-92	-92				
Freight & Logistics	10,036	185	10,222	1,005	441	436	673
SNCF Immobilier	56	590	645	204	5	2	-286
Corporate	9	1,005	1,014	29	60	46	3,260
Inter-segment eliminations (*)		-9,809	-9,809				
Total	29,975	-	29,975	1,936	3,667	8,932	38,148

(*) Price revisions for regulated activities led to changes in 2020 comparative data for the Passengers business segment in terms of internal revenue and EBITDA. SNCF Voyageurs' accounting separation rules were filed with the ART in January 2021 and subsequently approved in its decision 2021-029 of 27 May 2021.

Pursuant to IFRS 8 (section 33), information concerning geographical areas is not provided since the necessary information is unavailable.

3.2 REVENUE

SNCF Group generates its revenue from contracts with customers, in accordance with IFRS 15. It corresponds to all compensation (transaction price) collected from business transactions carried out in connection with its main standard and recurring operating activities. SNCF Group revenue is generated by its business lines:

- Passengers (TGV Intercités, TER, Transilien, Industrial Division),
- Infrastructure Management (SNCF Réseau, SNCF Gares & Connexions),
- Keolis,
- Freight and Logistics (Geodis, TFMM -Fret SAS),
- SNCF Immobilier.

The transaction price mainly comprises:

- fixed contractual compensation agreed to with the customer,
- variable consideration corresponding to an entitlement subject to the realisation of recurring future events that can be reliably estimated using predictive methods. This mainly involves discounts and rebates granted to customers, penalties and indemnification following failure to meet contractual specifications and gains or losses regarding the performance of contractual objectives,
- consideration payable to customers corresponding to amounts paid or payable that is deducted from the transaction price when it does not correspond to distinct services received from the customer.

For the most part, guarantees are granted to customers in connection with passenger and freight transportation. They may be used to provide assurance that services sold meet contractual specifications (assistance guarantee, guarantee for damages, etc.). In this case, costs are provided for in accordance with IAS 37. When they correspond to a penalty incurred because a certain level of performance has not been met, they are deducted from revenue as a variable consideration of the transaction price (punctuality guarantee, travel vouchers issued due to disruptions, etc.). Finally, when they correspond to an additional service provided to the customer, they are recognised in revenue as a separate performance

obligation.

The Group recognises revenue in its consolidated financial statements once control over the service is transferred to the customer:

- Under the multi-year agreements with the Transport Organising Authorities, the Group operates a transportation service. The performance obligation consists in maintaining continued access to the transport public service for users. The transaction price is determined on a yearly basis, according to the estimated operating costs and the criteria for achieving certain contractually defined performance objectives. Given the direct relationship between the parameters used to calculate compensation and the expected level of performance in completing the service over the same period, the annual compensation received is allocated directly to the annual services to which it corresponds. Control is therefore considered to be transferred over time and revenue is recognised on a straight-line basis over the period based on the accepted price quote.
- Regarding the other passenger transport activities, control is transferred as soon as the travel service is provided. Payment of the transaction price is due once the customer receives the service,
- Rail network usage fees paid by rail operators are recognised as revenue when trains are actually running, with control over the service transferred on such date,
- Regarding freight transport and logistics services, control over the service is steadily transferred over a short period and revenue can be recognised, given the very short duration, at a given time (goods departure or arrival),
- Services for which control is transferred over a long period primarily correspond to some real estate activities and certain station management activities.

The SNCF Group derives revenue from providing services, at a point in time or continuously over a period of time, to private individuals and to public and private sector customers. The key revenue-generating service lines are:

<i>In € millions</i>	31/12/2021	31/12/2020	Change	Segment
Passenger transport revenue	4,342	3,174	1,167	TGV - Intercités
Freight transport revenue	9,433	7,010	2,424	Freight & Logistics business line
Other services ancillary to transport	2,855	2,604	251	TGV - Intercités, Freight & Logistics business line
Fees from Transport Organising Authorities (TOA) for regulated operations	14,115	13,199	916	Transilien, TER, Keolis
Rail network management fees	2,348	2,251	97	SNCF Réseau
Station management revenue	239	186	53	SNCF Gares & Connexions
Real estate rental revenue (excluding rent generated)	93	97	-4	Freight & Logistics, TGV - Intercités, Corporate business line
Transport equipment leasing revenue	320	361	-41	Freight & Logistics, Transilien, TER, Keolis business line
Upkeep and maintenance services	284	229	55	All segments
Other revenue	723	865	-141	All segments
Revenue by main service line	34,752	29,975	4,777	
Public sector (public bodies)	16,643	15,387	1,257	
Private individuals	4,482	3,317	1,165	
Private sector companies	13,627	11,272	2,355	
Revenue by customer type	34,752	29,975	4,777	
Immediate or one-day transfer	7,137	5,815	1,322	
Point-in-time transfer over a period of less than one year (logistics, freight transport and compensation from OA)	27,384	23,545	3,838	
Services provided continuously over more than one year (real estate, some station management operations, etc.)	231	615	-383	
Revenue by recognition rate	34,752	29,975	4,777	

3.3 SERVICE CONCESSION AGREEMENTS

As part of its transport activities, the Group provides public services on behalf of the Transport Organising Authorities (TOA or OA): the French State or various regional authorities. These services are covered by operating agreements with terms of 3 to 10 years. Rail transport regulated services are mainly operated by Keolis and SNCF Voyageurs (Transilien, TER and Intercités). They are included in the scope of IFRIC 12 when the assets used to provide a public service are controlled by the Transport Organising Authority (TOA). Control is deemed to occur when the following two conditions are met:

- the OA controls or regulates the public service, i.e. the OA controls or regulates the services that must be provided with the infrastructure that is the subject of the concession, and determines to whom it must provide them, and at what price; and

- the OA controls the infrastructure, i.e. is entitled to recover the equipment at the end of the contract.

Pursuant to IFRIC 12, the infrastructures developed by the public sector delegatee under the operating contract are not recorded as property, plant and equipment in the balance sheet, but rather as an intangible asset ("intangible asset model") and/or a financial asset ("financial asset model") according to the remuneration commitment given by the OA:

- the "intangible asset model" applies where the Group, as operator, receives a right to charge users of the public service and is paid in substance by the user, which means the operator bears a demand risk;

- the "financial asset model" applies where the Group has an unconditional right to receive cash or another financial asset, either directly from the OA or indirectly by means of guarantees given by the OA on the revenue from users of the public service. The consideration is independent of

user numbers. Investment grants are classified, in this case, as a repayment clause of the operating financial asset. The Group has opted to categorise these financial assets in loans and receivables pursuant to IFRS 9 and to record them at amortised cost.

IFRIC 12 is applied retrospectively to financial periods beginning on or after 1 January 2010 for investments carried out after the conclusion of such agreements. Prior investments continue to be recorded in property, plant and equipment.

Pursuant to IFRS 15 "Revenue from contracts with customers", SNCF Group presents passenger revenue from regulated activities as revenue from transport organising authorities and not from private individuals. For certain contracts, where the Group is not involved in the distribution process as an agent of the Operating Authority, the distribution service is recorded in the amount of service costs plus the margin attributable to this service.

Service concession agreements with Transport Organising Authorities (TOAs) have the following impacts on the SNCF Group's consolidated financial statements:

<i>In € millions</i>	31/12/2021	31/12/2020	Change
Services with OA	12,319	11,803	516
Revenue generated from passenger ticket sales	1,545	1,155	391
Services with the French state as OA of the Trains d'Équilibre du Territoire	187	169	17
Interest income arising from concession financial assets	64	73	-8
Impacts on revenue (*)	14,115	13,199	916
Cash outflows from concession financial assets	-1,853	-1,469	-384
Cash inflows from concession financial assets	2,003	1,863	140
Impacts on cash flow used in investing activities	150	394	-244
(*) of which Keolis revenue	5,831	5,386	445
of which SNCF Voyageurs revenue	8,284	7,813	471
<i>In € millions</i>	31/12/2021	31/12/2020	Change
Intangible concession assets	91	109	-18
Non-current concession financial assets	1,653	2,016	-363
Impacts on non-current assets	1,744	2,125	-381

The new concession financial assets presented in the table above represent the investments in returnable assets in connection with passenger transport regulated activities (Transilien €1,168 million, TER €395 million, Intercités €265 million and Keolis €25 million). The grants relating to these investments are presented under "cash inflows from concession financial assets" and are deducted from concession financial assets in the balance sheet.

3.4 OTHER ITEMS

3.4.1 Purchases and external charges

Purchases, sub-contracting and other external charges:

<i>In € millions</i>	31/12/2021	31/12/2020	Change
Sub-contracting	-8,066	-6,069	-1,997
Eurotunnel and other infrastructure fees	-603	-698	95
Other purchases and external charges	-5,519	-5,454	-65
Traction energy	-528	-507	-21
Purchases and external charges	-14,715	-12,729	-1,987

The increase in subcontracting was primarily due to the development of activity at Geodis.

The Group's consolidated financial statements were audited by the statutory auditors EY and PWC. The breakdown of their fees for work carried out for the parent company and its French subsidiaries included in "Purchases and external charges" is as follows. Services other than certification mainly include consistency reports, contractual audits and agreed-upon procedures.

This information is not required under IFRS, but disclosed in accordance with regulation 2016-09 of 2 December 2016 issued by the French Accounting Standards Authority (ANC).

<i>In € millions</i>	31/12/2021		31/12/2020	
	E&Y	PWC	E&Y	PWC
Accounts certification	-6	-4	-6	-5
Parent company	0	-1	0	0
French subsidiaries	-5	-3	-5	-5
Services other than certification	-1	0	-1	-1
Parent company	0	0	0	-1
French subsidiaries	-1	0	-1	0
Total	-7	-4	-6	-6

3.4.2 Employee benefit expenses and headcount

Employee benefit expenses mainly comprise wages, social security contributions, employee profit-sharing and expenses for other employee benefits, excluding changes in provisions for employee benefits.

Use of the furlough scheme in response to the COVID-19 crisis has been made easier by the latest government job protection measures. Ordinance no. 2020-346 of 27 March 2020 extended the scheme to "non-State employees of enterprises included in the national register of undertakings under majority State control, as mentioned in paragraph 3 of Article L.5424-1 of the French Labour Code", thereby bringing all SNCF Group companies within the scheme. As a result, the SNCF Group companies were able to use the scheme from mid-March onwards. The Group has recognised net furlough payments (excluding the portion self-financed under the UNEDIC unemployment insurance scheme), as a reduction in the expected cost of short-term employee benefits, decreasing employee benefit expenses. As from 1 January 2015, pursuant to Law 2014-288 of 5 March 2014 relating to professional training, employment and social democracy, the individual training entitlement (DIF) was replaced by the personal training account (CPF). This account is assigned to the individual (and not the employment contract) and accompanies the employee throughout his or her professional life. The personal training account is activated by the employee with or without the approval of the employer depending on whether the training is eligible within the meaning of Articles L. 6323-6, L. 6323-16 and L. 6323-21, and does or does not take place during working hours.

The DIF enabled employees to take continuing education courses, accumulating 20 hours of training per year, up to a limit of 120 hours. On the transition to the CPF in 2015, hours vested under the DIF could be retained, but had to be used before 31 December 2020. The order of 21 August 2019 cancelled this deadline, however employees have to transfer their DIF hours to their CPF before 30 June 2021 and convert the DIF into euros to benefit from their DIF balance.

The accounting treatment of the CPF is the same as that applied to the DIF: the sums paid to training organisations represent an expense for the period and no provision is recognised. As the case may be, and given that in most cases employee training will benefit the company's future activity, the outflow of resources relating to its funding obligation would be compensated.

As at 31 December 2021, employee benefit expenses and headcount break down as follows:

<i>In € millions</i>	31/12/2021	31/12/2020(*)	Change
Wages and salaries	-13,936	-13,505	-431
Other employee benefits	-111	-10	-101
Profit-sharing and incentive schemes	-52	-29	-23
Seconded and temporary employees	-631	-531	-101
Employee benefit expense	-14,620	-14,064	-555

The breakdown of the average number of employees by socio-professional category is as follows. Employees include those from fully consolidated companies and the share in those from joint operations. The calculation represents a mathematical average workforce at the end of each calendar year quarter, pursuant to the ruling 2016.09 of 2 December 2016.

<i>Average number of employees</i>	31/12/2021	31/12/2020
Managers	59,700	59,052
Supervisors	60,621	59,334
Labourers	149,975	153,123
Total	270,296	271,509

3.4.3 Taxes and duties other than income tax

Taxes and duties other than income tax included in EBITDA mainly comprise the flat rate taxation of network companies (IFER), the Territorial Economic Contribution (CET), and the Territorial Solidarity Tax (CST). The CET has two components: the Cotisation Foncière des Entreprises (CFE), assessed on the rental value of assets subject to real estate tax, and the Cotisation sur la Valeur Ajoutée des Entreprises (CVAE), computed on the basis of the added value generated by the company. The Territorial Solidarity Tax (CST) is based on total revenue collected on the year-end tax due date relating to non-regulated passenger rail transport services and commercial services, net of State contributions compensating reduced and regulated fares.

<i>In € millions</i>	31/12/2021	31/12/2020	Change
IFER	-284	-284	0
Property taxes	-114	-135	21
Territorial Economic Contribution	-193	-310	117
Territorial Solidarity Tax	-19	-16	-3
Payroll taxes	-127	-126	-1
Other taxes and duties other than income tax	-464	-425	-39
<i>Of which Other taxes based on compensation</i>	<i>-388</i>	<i>-364</i>	<i>-24</i>
Taxes and duties other than income tax	-1,201	-1,296	95

The decline in the CET was primarily attributable to the decrease in the CVAE.

As at 1 January 2018, the operating contributions paid by the Organising Authorities (Regions and Île-de-France Mobilités) to SNCF Voyageurs, in connection with its regional transport activity, are incorporated into the payroll tax calculation base.

4. OPERATING ASSETS AND LIABILITIES

4.1 GOODWILL

Pursuant to the purchase method, the identifiable assets and liabilities of the acquired company that meet IFRS recognition criteria are recognised at their fair value at the acquisition date, except for assets classified as held for sale, which are measured at fair value less costs to sell, deferred taxes which are recognised under IAS 12 "Income taxes" and employee benefits recognised in accordance with IAS 19.

Costs directly attributable to the acquisition are excluded from the acquisition cost and expensed directly to profit or loss.

Where control is acquired in stages, the previously-held interest is remeasured to fair value through operating profit. Additional consideration is recognised at fair value at the date of acquisition of control through goodwill, if and only if it is received during the allocation period and relates to new information on the existing situation at the date of control. Otherwise, it is recognised in profit or loss or in other comprehensive income in accordance with IFRS 9.

Only identifiable liabilities meeting the recognition criteria of a liability or contingent liability in the acquired company are recognised at the acquisition date for the purpose of allocating the cost of the business combination. Therefore, a restructuring liability of the acquired company is only recognised for the purpose of allocating the business combination cost if, at the date of the acquisition, the acquired entity has a present obligation to perform this restructuring.

Adjustments to the fair value of assets and liabilities acquired as part of a business combination initially recognised based on provisional values (due to ongoing external valuation procedures or outstanding additional analyses) are recognised as retrospective adjustments to goodwill if they arise in the 12 months following the acquisition date and relate to additional information obtained on situations prevailing at the acquisition date. After this period, any adjustments are recognised directly in profit or loss unless they represent corrections of an error.

The Group has opted for the partial goodwill method and recognises in the balance sheet only the portion of goodwill attributable to equity holders of the parent, excluding goodwill attributable to non-controlling interests. Goodwill is not amortised but is subject to impairment tests when there is an indication of impairment and at least once a year, according to the methods described in Note 4.4. Negative goodwill is recognised immediately in operating profit.

In the event of a loss of control of a subsidiary, the disposal capital gain or loss takes into account the net carrying amount of the allocated goodwill.

Purchases and disposals of non-controlling interests (minority interests) without a change in the level of control are allocated to equity.

Movements in goodwill in 2020 and 2021 break down as follows:

<i>In € millions</i>	Gross value	Impairment	Net value
As at 1 January 2020	2,914	-402	2,513
Acquisitions	0	0	0
Impairment losses	0	-4	-4
Disposals	-20	10	-11
Currency translation	-76	1	-75
Other changes	-302	7	-295
As at 31 December 2020	2,516	-389	2,127
As at 1 January 2021	2,516	-389	2,127
Acquisitions	92	0	92
Impairment losses	0	0	0
Disposals	-10	2	-8
Currency translation	75	-2	73
Other changes	0	0	0
As at 31 December 2021	2,673	-388	2,285

In 2021, the acquisitions of the subsidiaries Pekaes sp. Z.o.o and Gandon Transports generated goodwill of €86 million and €5 million, respectively. On the contrary, the sale of STSI led to a reduction in goodwill by -€8 million.

To recap, disposals in 2020 mainly included the sale of Ouicar for -€11 million. "Other changes" mainly included the reallocation of Effia goodwill (contractual rights of -€131 million and deferred tax liabilities of €32 million) and the reclassification of Ermewa goodwill into assets classified as held for sale for -€197 million.

4.2 INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT

4.2.1 Intangible assets

Intangible assets mainly consist of brands acquired during business combinations, purchased software and software developed in-house, as well as industrial processes. Intangible assets purchased for valuable consideration are recorded at initial acquisition cost or, where applicable, at fair value at the date of acquisition of control if such assets are acquired in connection with a business combination.

The main goodwill balances recorded by the group at the end of the reporting period were as follows:

<i>In € millions</i>	31/12/2021	31/12/2020	Change
Keolis	629	627	2
SNCF Voyageurs(*)	421	396	25
Freight & Logistics	1,234	1,104	130
<i>of which Geodis CGU</i>	<i>1,202</i>	<i>1,072</i>	<i>131</i>
<i>of which Other rail companies</i>	<i>32</i>	<i>32</i>	<i>0</i>
Total	2,285	2,127	158

(*) Includes €378 million for Eurostar (€353 million in 2020).

Intangible assets developed in-house are recorded in assets at production cost when they satisfy IAS 38 criteria. Amounts are recorded in the balance sheet net of amortisation and impairment losses. Intangible assets with a definite useful life are amortised over their period of use in accordance with the durations detailed in Note 4.2.5. Intangible assets with an indefinite useful life are tested periodically for impairment as disclosed in Note 4.4.

<i>In € millions</i>	31/12/2021			31/12/2020		
	Gross	Amortisation and impairment	Net	Gross	Amortisation and impairment	Net
Concessions, patents, software	2,845	-2,173	673	2,585	-1,956	629
Concession intangible assets (Note 3.3)	171	-80	91	177	-68	109
Other intangible assets	2,204	-1,256	948	2,131	-1,146	985
Intangible assets in the course of development	438	-36	403	444	-20	425
TOTAL	5,659	-3,545	2,114	5,338	-3,190	2,148

Other intangible assets mainly include brands acquired during business combinations for €394 million (€375 million in 2020), customers for €123 million (€143 million in 2020) and contractual rights for €304 million (€330 million in 2020).

Movements in intangible assets break down as follows:

<i>In € millions</i>	Concessions, patents, software	Intangible concession assets	Other intangible assets	Intangible assets in the course of development	Total
Net carrying amount as at 31/12/2019	706	112	1,068	483	2,368
Acquisitions	46	0	-1	268	312
Disposals	-8	0	0	-1	-8
Amortisation	-262	-20	-114	0	-396
Impairment losses	0	0	-32	-13	-45
Change in Group structure	1	0	8	0	9
Currency translation	-1	0	-31	-1	-33
Other changes	148	18	88	-311	-59
Net carrying amount as at 31/12/2020	629	109	985	425	2,148
Acquisitions	40	0	14	275	329
Disposals	-8	0	-3	0	-11
Amortisation	-268	-24	-100	0	-392
Impairment losses	0	0	-7	-17	-23
Change in Group structure	-2	0	25	0	23
Currency translation	1	0	32	0	33
Other changes	280	6	0	-280	6
Net carrying amount as at 31/12/2021	673	91	948	403	2,114

Acquisitions are described in Note 4.2.4.

In 2020, "Other changes" mainly included the allocation of Effia goodwill as contractual rights of €131 million and the reclassification of Ermewa intangible assets as assets classified as held for sale for -€99 million in accordance with IFRS 5.

4.2.2 Property, plant and equipment

Since 1 January 2020, Group property, plant and equipment has comprised:

- State-owned assets allocated to the Group (SNCF Réseau and Gares & Connexions).
- assets owned outright for all other Group entities that do not manage the infrastructure.

Property, plant and equipment owned outright are recorded in Consolidated assets at acquisition cost. Property, plant and equipment acquired as part of a business combination are recorded at their fair value on entry into the consolidation scope. Internally produced assets are recorded at production cost.

The production cost of assets manufactured comprises the cost of raw materials and labour used to manufacture the assets, including that of purchased spare parts. Borrowing costs directly attributable to the acquisition, construction or production of a qualified asset are capitalised as a cost component of the asset. Property, plant and equipment are not subject to periodic revaluation.

Maintenance and repair expenses are recognised as follows:

- for rolling stock:
 - current maintenance expenses borne during the useful life of equipment (repair work on faulty spare parts and replacement of unusable and missing parts) are recorded as operating expenses;
 - expenses under multi-year major overhaul programmes are capitalised as a separate overhaul component and depreciated;
 - overhauls performed at the end of the initial useful life of a component, together with refurbishment and transformation costs, are capitalised in assets where they extend the useful life;
 - dismantling obligations for rolling stock containing

asbestos are offset against an increase in the value of the equipment in balance sheet assets (see Note 4.6).

- for fixed installations:

- current maintenance and repair expenses (technical inspections, maintenance contracts, etc.) are recorded as operating expenses
- expenses under multi-year major building maintenance programmes are capitalised via the partial or total replacement of each component concerned.

Investment property

Investment property consists of property assets held by the Group in order to collect rents or for capital appreciation. Investment property is measured at acquisition cost and depreciated on a straight-line basis over the respective useful lives.

As part of the first-time adoption of IFRS, their balance sheet value was calculated using the most appropriate estimate based on the total value of land and buildings. This amount has since been depreciated and reduced by the value of the disposals.

Rail infrastructures

The expenses incurred for railway asset construction or renewal projects are capitalised in balance sheet assets from the "pre-project" phase or once the asset recognition criteria are met. Prior costs incurred are still expensed. For projects carried out directly, production cost includes the cost of studies, construction work, purchase cost and compensation paid for land acquisitions and direct operating expenses.

The production cost of work carried out under Public-Private-Partnerships (PPP) or concession arrangements is recognised in line with the physical progress of work based on the percentage completion communicated by the partners or concession holder. It consists of the sum of

fees invoiced by the partners or concession holder plus the present value of future fees payable, multiplied by the percentage completion.

SNCF Réseau recognises an impairment in respect of non-completion risk on so-called "dormant" projects. A progressive fixed impairment is recognised on these projects where no costs have been allocated for over one year. Furthermore, where a trigger event calls into question the completion of a project, an exceptional impairment is recognised covering 100% of expenditure incurred. Both the fixed impairment and the exceptional impairment are calculated net of earned grants associated with the corresponding projects.

When a project is effectively abandoned, all expenditure incurred and grants earned in respect of the project are

recognised in profit or loss and any impairment recorded is reversed.

Investment grants

The Group receives investment grants from third parties (French State, regional authorities, Regions, etc.) to finance the production of certain assets. Grants must be recognised when there is reasonable assurance that the company will satisfy the conditions attached to the grants and the grants will be received. For financing agreements relating to investments, the investment grant recognised in the balance sheet corresponds to the right to consideration from the entity with respect to expenses actually incurred. They are presented as a deduction from the corresponding asset. The methods used to amortise and release grants are specified in Note 4.2.5.

Property, plant and equipment breaks down as follows by category:

In € millions	31/12/2021			31/12/2020		
	Gross	Depreciation and impairment	Net	Gross	Depreciation and impairment	Net
Investment property	280	-21	259	302	-24	278
Land and buildings	26,569	-12,172	14,397	25,368	-11,472	13,895
Tracks, earthworks, engineering works and level crossings	59,046	-25,155	33,890	56,921	-24,023	32,898
Technical, electrical, telecoms and signalling equipment, plant and tooling, and other assets	30,372	-15,743	14,629	29,679	-14,873	14,806
Transport equipment(*)	32,174	-21,786	10,387	31,642	-21,293	10,349
Property, plant and equipment under construction	19,220	-18	19,203	16,841	-21	16,820
TOTAL EXCLUDING GRANTS	167,660	-74,894	92,766	160,753	-71,706	89,047
Investment grants	51,219	-11,040	40,179	47,109	-10,279	36,830
TOTAL	116,441	-63,854	52,587	113,644	-61,427	52,217

(*) Includes €1,340 million for transport equipment under construction (2020: €987 million).

Movements in property, plant and equipment, after investment grants, break down as follows:

<i>In € millions</i>	Investment property	Land and buildings	Tracks, earthworks, engineering works and level crossings	Technical, electrical, telecoms and signalling equipment, plant and tooling, and other assets	Transport equipment (*)	Property, plant and equipment under construction	Investment grants	Total net of grants
Net carrying amount as at 31/12/2019	288	13,581	32,659	15,426	12,296	14,857	-37,433	51,674
Acquisitions	0	6	0	194	784	6,166	-3,594	3,556
Disposals	-9	-3	0	-6	3	-1	0	-15
Net depreciation	-1	-628	-1,104	-1,177	-1,212	0	1,462	-2,660
Impairment losses	0	-75	0	-78	-23	0	0	-176
Change in Group structure	0	516	-534	7	-1	1	0	-10
Currency translation	0	-3	0	-11	-56	-1	1	-70
Other changes	0	501	1,877	452	-1,443	-4,202	2,733	-82
Net carrying amount as at 31/12/2020	278	13,895	32,898	14,806	10,349	16,820	-36,830	52,217
Acquisitions	0	-5	0	149	1,109	6,858	-5,198	2,913
Disposals	-18	-70	0	-89	-36	0	1	-212
Net depreciation	-1	-691	-1,132	-1,187	-921	0	1,427	-2,505
Impairment losses	0	-49	0	2	2	3	0	-42
Change in Group structure	0	36	0	2	-1	1	0	37
Currency translation	0	3	0	10	66	1	0	80
Other changes	0	1,278	2,124	935	-179	-4,480	421	99
Net carrying amount as at 31/12/2021	259	14,397	33,890	14,629	10,387	19,203	-40,179	52,587

(*) Includes transport equipment under construction.

In 2021, movements in property, plant and equipment mainly include:

- Acquisitions in the amount of €8,111 million, described in Note 4.2.3;
- Disposals in the amount of €212 million, including the sale of property, plant and equipment relating to the Wales and Borders contract for €36 million.
- "Other changes" mainly correspond to the commissioning of completed PP&E previously recognised as PP&E under construction and the acquisitions of the Ermewa Group during the period which were reclassified as assets held for sale and then sold in October 2021 (see Note 4.3.2).

Depreciation charges in 2021 and the impacts of impairment losses on the income statement are presented in Notes 4.2.5 and 4.4.

4.2.3 Leases

Pursuant to IFRS 16, the existence of a lease in a contract is mainly based on the control exercised by the lessee over the right to use an identified asset for a period of time. Eligible contracts are therefore presented on the balance sheet by recording:

- an asset corresponding to the right-of-use of the leased asset over the term of the lease;
 - a liability corresponding to the discounted value of the residual payments due to the lessor.
- Off-balance sheet lease commitments concern leases that have been signed but the leased assets have not yet been made available, as well as leases of assets with a low value and short-term leases.

In 2021, investment grants relating to property, plant and equipment increased by €5,198 million, including €4,722 million for fixed installations and rail infrastructure projects (expansions/renewals) and €476 million for rail equipment. The amount of investment grants received in cash flow during the period is provided in Note 4.2.4.

In 2020, "other changes" mainly included the commissioning of completed PP&E previously recognised as PP&E under construction, the reclassification of Ermewa PP&E for -€1,580 million (primarily transport equipment) as assets classified as held for sale, and the reclassification of Transilien PP&E as concession financial assets for -€993 million.

Acquisitions and the impacts of depreciation and impairment on the income statement in 2020 are also presented in Notes 4.2.3, 4.2.5 and 4.4, respectively.

Investment grants relating to property, plant and equipment are described in Note 4.2.4.

Measurement of the right-of-use asset

At the commencement date, the right-of-use asset is measured at cost and comprises:

- the initial amount of the lease liability plus any lease payments made to the lessor, less any lease incentives received;
- any initial direct costs incurred by the lessee for the conclusion of the lease;
- an estimate of costs in dismantling and restoring the leased asset, according to the terms and conditions of the lease.

The right-of-use asset is depreciated over the lease term or the useful life of the underlying asset when the contract

provides for a purchase option that the lessee is reasonably certain to exercise.

Measurement of the lease liability (see Note 6 Capital and financing)

At the commencement date, the lease liability shall be measured at an amount equal to the present value of the lease payments over the lease term.

The following amounts are taken into account when measuring lease liabilities:

- fixed payments (including in-substance fixed payments, i.e. payments that contain variability but are unavoidable);
- variable lease payments that depend on an index or a rate, using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- payments of penalties on the exercise of an option to terminate or not renew the lease, if the lease term was determined based on the assumption that the lessee would exercise such option.

Certain events may result in the values recorded on the balance sheet being re-estimated. This mainly involves the following situations:

- modification of the lease term, lease payment or scope of the leased assets;
- modification relating to whether it is considered reasonably certain (or not) to exercise an option;
- re-estimate relating to residual value guarantees;
- revised rates or index on which lease payments are based.

Broadly speaking, as the interest rate implicit in the lease is difficult to determine, the incremental borrowing rate is used to discount the lease liability. This rate is the rate of interest that the lessee would have to pay, at the lease commencement date, to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

This incremental borrowing rate is obtained by adding together the government bond rate and the credit spread.

The government bond rate is a rate at maturity, specific to the location, currency and term of the lease. Where necessary, an additional premium may be used to reflect the quality of the underlying asset.

The lease term corresponds to the negotiated contractual term. Termination and extension options are only taken into account if a specific context enables the Group to be reasonably certain to:

- exercise an extension option, for instance, if the leased asset is considered as “strategic” or is subject to “major” investments whereas the residual lease term is significantly low.
 - exercise a contractually agreed termination option.
- In its interpretation of 26/11/2019, IFRIC set forth the principle whereby an “economic” lease term measured beyond the contractual term is taken into account. The Group did not revise the term of its leases as a result of this interpretation.

In-substance purchases

Certain transactions are considered as in-substance purchases of property, plant and equipment. These are financial arrangements with the following features:

- the lessee has a retention of legal title used as a guarantee of the repayment and payment of interest;
 - the Group has initially purchased the equipment or has a predominant role in the purchase process with builders;
 - the option must be exercised at the lease term in accordance with contractual terms and conditions.
- As these financial arrangements are in-substance purchases and not leases, the corresponding liability is considered as a financial liability under IFRS 9 and as an item of property, plant and equipment in assets under IAS 16.

Practical expedients

Pursuant to the practical expedients set forth in the standard, the Group does not capitalise short-term leases (term of 12 months or less) and low value assets lease (indicative threshold of €5,000).

Right-of-use assets break down as follows by category:

	31/12/2021			31/12/2020		
<i>In € millions</i>	Gross	Depreciation and impairment	Net	Gross	Depreciation and impairment	Net
Land and buildings	3,433	-1,465	1,968	3,315	-1,137	2,178
Transport equipment	2,285	-1,000	1,284	2,433	-909	1,524
Other	304	-131	173	231	-98	133
TOTAL	6,022	-2,597	3,425	5,979	-2,143	3,836

Leases in the “Land and Buildings” category relate mainly to buildings such as warehousing, retail stores, offices, etc. Leases in the “Transport equipment” category include leases of rail and road transport equipment (including

buses, trains, locomotives, cars, etc.). Leased assets in the “Other” category mainly comprise technical equipment used in the operating cycle with significant financial implications.

Movements in leases break down as follows:

<i>In € millions</i>	Land and buildings	Transport equipment	Other	Total
Net carrying amount as at 31/12/2019	2,252	1,559	138	3,948
New leases contracted	534	415	65	1,015
Impact of expired or terminated leases	-78	-8	-7	-93
Depreciation	-530	-424	-55	-1,009
Impairment losses	-23	0	0	-23
Change in Group structure	12	-22	-1	-11
Other changes (lease amendments, remeasured assumptions, currency translation, etc.)	12	4	-7	9
Net carrying amount as at 31/12/2020	2,178	1,524	133	3,836
New leases contracted	365	512	99	976
Impact of expired or terminated leases	-154	-196	-3	-353
Depreciation	-507	-406	-60	-972
Impairment losses	-5	0	0	-5
Change in Group structure	6	-166	0	-159
Other changes (lease amendments, remeasured assumptions, currency translation, etc.)	84	16	3	103
Net carrying amount as at 31/12/2021	1,968	1,284	173	3,425

For details of depreciation charged to profit or loss, see Note 4.2.5.

In 2021, the increase in the “impact of expired or terminated leases” was mainly attributable to the exit of Keolis from the Wales and Borders contract, and the “change in Group structure” heading also includes the impacts relating to the sale of Keolis Germany.

The Group did not capitalise the following lease payments:

<i>In € millions</i>	31/12/2021	31/12/2020
Short-term leases	-129	-105
Low-value asset leases	-37	-40
Variable leases	-5	-3
Leases that are not eligible	-171	-147

4.2.4 Investments

Net cash outflows from investing activities relating to acquisitions of property, plant and equipment and intangible assets break down as follows:

<i>In € millions</i>	31/12/2021	31/12/2020
Intangible assets	-329	-312
Property, plant and equipment	-8,111	-7,150
Total acquisitions	-8,440	-7,462
Change in investment WCR	-11	82
Intangible assets and PP&E capital expenditure flows	-8,451	-7,381

Investments in intangible assets and property, plant and equipment in the period relate mainly to:

– software developed in-house, either already brought into service or still under development, of which €121 million for SNCF Voyageurs and €132 million for SNCF Réseau and its subsidiary Gares et Connexions.

– investment expenses at SNCF Réseau for rail infrastructures in the amount of €5,481 million, including capitalised interest of €228 million. These correspond to investments for network upgrade investments (track renewal, deployment of fibre optics, signalling and Centralised Network Command), network compliance and development projects (EOLE, CDG Express, regional development projects);

– investments at Gares & Connexions for €869 million mainly correspond to station upgrades, station

accessibility work, regional development projects financed by the French State-Region plan (CPER) and the EOLE project;

– acquisitions and upgrades of rail and road transport equipment amounting to €1,109 million (including TGV UFC trains, Eurostar trains, wagons, transcontainers and containers, TGV upgrades; and electric railcars).

Investment grants received during the period for property, plant and equipment amounted to €4,866 million. The difference with the amount of investment grants recognised during the period (€5,198 million, see Note 4.2.2) mainly corresponds to the change in working capital requirements relating to investment grant receivables.

Investments for 2020 primarily comprised:

– software developed in-house, either already brought into service or still under development, of which €129 million for SNCF Voyageurs and €85 million for SNCF Réseau and its subsidiary Gares et Connexions.

– investment expenses at SNCF Réseau for rail infrastructures in the amount of €4,851 million, mainly involving network upgrade investments (track renewal, deployment of fibre optics, signalling and Centralised Network Command), network compliance and development projects (EOLE, CDG Express, regional development projects), and capitalised interest of €128 million,

– investments at Gares & Connexions for €806 million mainly correspond to station upgrades, station accessibility work, regional development projects financed by the French State-Region plan (CPER) and the EOLE project,

– acquisitions and upgrades of rail and road transport equipment amounting to €784 million (including acquisitions of “NAT” trains for Transilien, Océane trains, the “TGV of the future”, TGV UFC trains, Eurostar trains, wagons, transcontainers and containers, TGV upgrades, and electric railcars).

– Upgrades to SNCF Voyageurs buildings for €196 million, (mainly work relating to the Tangentielle Ouest, the modernisation and adaptation of technicentres and workshops, primarily for Régiolis or Régio2N train maintenance).

In 2020, investment grants relating to property, plant and equipment totalled €3,594 million, including €3,347 million for fixed installations and rail infrastructure projects and €247 million for rail equipment. The difference with the amount of investment grants received (€3,319 million) mainly involved the change in working capital requirements relating to investment grant receivables.

4.2.5 Depreciation and amortisation

Amortisation of intangible assets

Intangible assets:

- are amortised on a straight-line basis over their useful life, which is generally less than five years, where they have a definite useful life.
- are amortised over the term of the arrangement, in the case of concession intangible assets.
- where an intangible asset has an indefinite life, it is not amortised but is subject to impairment tests at least once a year, according to the methods described in Note 4.4.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful life mainly on a straight-line basis. Any improvements and installations that cannot be separated from the leased asset are depreciated using the same assumptions adopted to determine the term of the relevant leases.

Depreciation periods are as follows:

- Fixed installations:

	Complex constructions (stations, administrative buildings, etc.)	Simple constructions (workshops, warehouses, etc.)
Building shell	50 years	30 years
Enclosure	25 years	30 years
Light work	25 years	30 years
Fixtures and fittings	10 to 15 years	10 to 15 years
Technical work	15 years	15 years

- Rolling stock:

	TGV and motorised carriages	Passenger carriages	Electric and diesel locomotives
Structure	30 years	30 years	30 years
Interior fittings	15 years	15 years	Not applicable
Overhaul work	15 years	10 to 15 years	15 years

- Other property, plant and equipment:

Land development	20 to 30 years
Plant and equipment	5 to 20 years
Earthworks	10 years
Tracks	20 to 100 years
Electrical energy facilities	10 to 75 years
Signalling	15 to 50 years

Telecommunications	5 to 30 years
Level crossings	15 years
Engineering works	30 to 70 years
Improvements to buildings owned by third parties	10 to 15 years
Cars	5 years
Freight cars	30 years ± 20%
Ships	20 years
IT equipment	Declining over 4 years
Other property, plant and equipment	3 to 7 years

Depreciation of lease right of use assets

The right-of-use asset is depreciated over the lease term or the useful life of the underlying asset when the contract provides for a purchase option that the lessee is reasonably certain to exercise.

Reversals of investment grants

Investment grants are recorded in operating profit (decrease in depreciation and amortisation) based on the estimated useful life of the related assets.

For non-depreciable land, grants are reversed to profit or loss according to the average depreciation period of the assets associated with the land.

Liabilities related to non-current concession assets outside the scope of IFRIC 12

In certain cases, the Group recognises liabilities in the same amount as the investments carried out under concession arrangements that are excluded from the scope of IFRIC 12. These liabilities are reversed each year based on the depreciation and amortisation recognised for the related assets and under the same line item in the statement of income. They mainly comprise a liability called “an operator’s right of use”.

Depreciation and amortisation break down as follows:

In € millions	31/12/2021	31/12/2020	Change
Amortisation of intangible assets	-393	-393	1
Depreciation of property, plant and equipment	-3,933	-4,121	189
Depreciation of right-of-use assets	-972	-1,010	38
Grants released to profit or loss	1,429	1,463	-34
Reversal of liabilities relating to concession assets excluded from the scope of IFRIC 12	46	50	-3
Depreciation and amortisation	-3,822	-4,012	190

The decrease in depreciation and amortisation was mainly due to the discontinued recognition of depreciation and amortisation for Ermewa group assets, which were classified as assets held for sale as at 31 December 2020 (see Note 4.3.2).

4.2.6 Net proceeds from asset disposals

Real estate disposals and asset disposals not directly related to the activity are included in separate transactions below current operating profit due to their unusual nature in terms of both their frequency and amount. This presentation has been adopted in order to provide the most reliable overview possible of the Group’s recurring performance.

The net proceeds from disposal correspond to the

difference between the sale price (net of costs directly attributable to the transaction) and the net carrying amount of the asset.

With respect to leases:

Net disposal proceeds represent the impact of lease cancellations and transfers. They are calculated as the difference between the net carrying amount of the rights-of-use and the amount of lease liabilities at the lease term. The Group classifies sale and lease-back transactions as transactions that result in a sale within the meaning of IFRS 15. A transaction will be considered as a sale if control of the asset is transferred to the buyer (for example, the lease does not provide for an option to purchase the asset at the lease term).

— Transaction considered as a sale under IFRS 15
The transfer of the asset by the seller-lessee is a sale under IFRS 15, the seller-lessee shall: (i) derecognise the underlying asset, (ii) recognise a right of use corresponding to the retained share of the net carrying amount of the transferred asset.

— Transaction not considered as a sale under IFRS 15
The transfer of the asset by the seller-lessee is a sale under IFRS 15, the seller-lessee shall retain the transferred asset in its assets and recognise a financial liability equal to the transfer proceeds (received by the buyer-lessor).

Asset disposals had the following impacts on profit or loss:

<i>In € millions</i>	31/12/2021	31/12/2020	Change
Disposals of intangible assets	-4	-8	4
Disposals of property, plant and equipment	117	134	-16
Disposals of right-of-use assets	2	10	-8
Disposals of financial assets	1,138	-1	1,140
Net proceeds from asset disposals	1,254	134	1,120

In 2021, net proceeds from asset disposals mainly relate to the sale of the Ermewa group for €1,125 million on 22 October 2021. The assets and liabilities of Ermewa were classified as being held for sale as of 31 December 2020.

Net proceeds from PP&E disposals related mainly to the sale of the Ordener building (€28 million) and various real estate assets by SNCF Réseau for €12 million (including Tolbiac and Docks de Saint Ouen) and by ICF-Novedis for €32 million.

In 2020, net proceeds from asset disposals related mainly to sales of real estate assets by SNCF Réseau (€83 million, including the sale of the Gare des Mines site in the 18th district of Paris), Fret SNCF (€15 million), SNCF Voyageurs (€11 million) and SNCF SA (€10 million).

4.3 EQUITY INVESTMENTS AND CHANGES IN GROUP STRUCTURE

4.3.1 Equity investments

The Group holds several investments in joint ventures and associates, consolidated under the equity method. The recognition principles are described in Note 1.4.1.

The movements in this heading over the year break down as follows:

<i>In € millions</i>	31/12/2021	31/12/2020
As at 1 January	1,014	1,026
Group share in net profit/loss	7	19
Impairment	0	0
<i>Share of net profit/loss of companies consolidated under the equity method</i>	<i>7</i>	<i>19</i>
Change in Group structure	3	-1
Reclassification to assets classified as held for sale	0	-5
Share in other comprehensive income	-3	-2
Distribution	-15	-16
Currency translation	7	-6
As at 31 December	1,014	1,014
<i>Of which Significant joint ventures</i>	<i>208</i>	<i>222</i>
<i>Significant associates</i>	<i>623</i>	<i>620</i>
<i>Other companies consolidated under the equity method</i>	<i>184</i>	<i>172</i>

4.3.1.1 Significant joint ventures

The SNCF Group's two main joint ventures are GoVia and Akiem.

Govia is a joint venture set up between Keolis, which owns 35%, and the UK group Go-Ahead. This joint venture and its 6 subsidiaries operate in the local passenger transport sector in the UK.

Akiem is 50% owned by the SNCF Group since 30 June 2016. The Akiem Group, comprising 10 companies, provides locomotive and locotractor leasing and maintenance services to SNCF Group companies and other European rail operators.

<i>In € millions</i>	31/12/2021		31/12/2020	
STATEMENT OF FINANCIAL POSITION	Govia	Akiem	Govia	Akiem
Cash and cash equivalents	352	0	506	72
Other current assets	569	92	491	148
Total current assets	921	92	997	220
Non-current assets	93	1,712	403	1,553
Current financial liabilities (excluding trade payables, other creditors and provisions)	14	107	389	2
Other current liabilities	938	150	758	142
Total current liabilities	952	257	1,147	144
Non-current financial liabilities (excluding trade payables, other creditors and provisions)	0	1,231	0	1,321
Other non-current liabilities	2	17	138	19
Total non-current liabilities	2	1,248	138	1,340
Net assets	61	299	114	290
<i>Reconciliation of financial data with value of investments in companies consolidated under the equity method:</i>				
Group share in net assets	21	149	40	145
Goodwill	0	37	0	37
Other	0		0	0
Net carrying amount of investments in companies consolidated under the equity method	21	187	40	182

The operating companies of the Govia activity in the UK are contractually required to have a certain level of cash and cash equivalents and comply with a Liquidity Maintenance Ratio in order to sustain the public service offering should one of the operators fail. The required amount corresponds to the activity's direct costs for a certain number of weeks until the term of the franchise.

Because of this restriction, this liquidity held by the operating companies is qualified as cash and cash equivalents that cannot be transferred to the Go Ahead group, Govia's majority shareholder. These cash and cash equivalents were estimated at around €250 million as at 31 December 2021 (approximately €483 million as at 31 December 2020).

<i>In € millions</i>	31/12/2021		31/12/2020	
INCOME STATEMENT	Govia	Akiem	Govia	Akiem
Revenue	2,990	218	3,234	180
Operating profit/loss	-31	38	54	34
<i>Of which depreciation and amortisation</i>	<i>-510</i>	<i>-114</i>	<i>-502</i>	<i>-91</i>
Net finance costs	-14	-25	-11	-29
<i>Of which interest expense on debt</i>	<i>-10</i>	<i>0</i>	<i>-2</i>	<i>0</i>
<i>Of which revenue from financial assets</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>0</i>
Income tax expense	-3	-4	-6	5
Net profit/loss from ordinary activities	-48	9	37	10
Net profit/loss from discontinued operations, net of tax	0	0	0	0
Net profit/loss for the year	-48	9	37	10
Group share in net profit/loss	-17	5	13	5

<i>In € millions</i>	31/12/2021		31/12/2020	
OTHER INFORMATION	Govia	Akiem	Govia	Akiem
Net profit/loss for the year	-48	9	37	10
Other comprehensive income and gains/losses recognised directly in equity (net of tax)	11	0	-9	0
Total comprehensive income/loss	-36	9	28	10
Dividends paid to the Group	4	0	2	0

4.3.1.2 Significant associates

EUROFIMA is a transnational company based in Basel, Switzerland, 22.6% owned by the SNCF Group, whose purpose is to finance rolling stock equipment and support the development of rail transport in Europe.

Vesta is a real estate company over which the SNCF Group has exercised 20% significant influence since 31

December 2018. It manages and operates a real estate portfolio of around 4,000 housing units.

The Systra group comprises around fifty companies (percentage interests of between 17% and 43%) present worldwide. It specialises in consulting and engineering for the design of transport infrastructures.

The summarised financial statements of associates are shown at 100% and after cancellations of any internal profits.

<i>In € millions</i>	31/12/2021			31/12/2020		
STATEMENT OF FINANCIAL POSITION	Eurofima	Vesta	Systra	Eurofima	Vesta	Systra
Current assets	4,592	45	512	5,508	22	528
Non-current assets	11,317	1,256	242	11,501	1,278	246
Current liabilities	2,392	11	421	2,292	12	478
Non-current liabilities	11,960	566	184	13,169	559	151
Net assets	1,557	725	149	1,548	730	144
<i>Reconciliation of financial data with value of investments in companies consolidated under the equity method</i>						
Group share in net assets	352	145	65	350	146	62
Goodwill	0	12	49	0	12	49
Other		0	0		0	0
Net carrying amount of investments in companies consolidated under the equity method	352	157	113	350	158	111

<i>In € millions</i>	31/12/2021			31/12/2020		
INCOME STATEMENT	Eurofima	Vesta	Systra	Eurofima	Vesta	Systra
Revenue	0	47	755	0	46	651
Operating profit/loss	-8	20	22	-9	12	22
Net profit/loss from ordinary activities	22	10	6	25	2	1
Net profit/loss from discontinued operations, net of tax	0	0	0			
Net profit/loss for the year	22	10	6	25	2	1
Group share in net profit/loss	5	2	3	6	0	0

<i>In € millions</i>	31/12/2021			31/12/2020		
OTHER INFORMATION	Eurofima	Vesta	Systra	Eurofima	Vesta	Systra
Net profit/loss for the year	22	10	6	25	2	1
Other comprehensive income and gains/losses recognised directly in equity (net of tax)	-8	0	-1	5	0	-16
Total comprehensive income/loss	15	10	5	30	2	-15
Dividends paid to the Group	1	3	0	2	4	0

Items of property, plant and equipment financed by EUROFIMA were capitalised in the Group financial statements for a gross value of €95 million as at 31 December 2021 (same amount as at 31 December 2020). The related financing liability amounted to €118 million as at 31 December 2021, the same amount as at 31 December 2020. Eurofima's share capital was not fully called up as at 31 December 2021. The callable share capital attributed to SNCF amounted to €455 million as at 31 December 2021 (€435 million as at 31 December 2020).

On this same date, the share of loans granted by Eurofima to members of countries whose sovereign debt is rated non-investment grade (i.e. rating granted by rating agencies of less than BBB-/Baa3) stood at €153 million (€161 million as at 31 December 2020). These loans are included in the non-current assets of the company's statement of financial position. In addition, Eurofima shareholders are jointly and severally liable for the undertakings falling under the financing agreements granted by Eurofima to the latter, each shareholder in proportion to its shareholding interest and the maximum amount thereof. This guarantee can only be called

following a payment default by the borrower and the related State, which issued the guarantee and when the Eurofima guarantee reserve (€701 million) is insufficient to cover the loss arising from the payment default. The maximum commitment of SNCF SA amounts to €569 million as at 31 December 2021 (€544 million as at 31 December 2020). The French State guarantees all SNCF SA obligations towards Eurofima (the portion of share capital to be paid up, the fulfilment of financing agreements granted by Eurofima to SNCF SA and the guarantee granted by SNCF SA with respect to these financing agreements).

4.3.1.3 Other companies consolidated under the equity method

The Group also holds interests in other joint ventures and associates which, considered individually, are immaterial. The aggregate contributions of these companies to the Group's net profit are as follows:

<i>In € millions</i>	31/12/2021		31/12/2020	
Group share	Non-material joint ventures	Non-material associates	Non-material joint ventures	Non-material associates
Net profit/loss from ordinary activities	0	9	-4	-2
Net profit/loss from discontinued operations, net of tax	0	0	0	0
Net profit/loss for the year	0	9	-4	-2
Other comprehensive income and gains/losses recognised directly in equity (net of tax)	0	4	0	-1
Net profit/loss and gains/losses recognised directly in equity	0	13	-5	-2
Net carrying amount of investments in companies consolidated under the equity method	84	100	80	92

4.3.1.4 Transactions with companies accounted for under the equity method

Transactions with associates, excluding Eurofima, are not material.

The following tables present the main transactions with joint ventures and Group balance sheet headings with respect to these companies. These transactions were conducted on an arm's length basis.

<i>In € millions</i>	31/12/2021	31/12/2020
Revenue	53	41
Purchases and external charges	-61	-47
Other income and expenses	6	7
EBITDA with joint ventures	-1	1

<i>In € millions</i>	31/12/2021	31/12/2020
Current financial assets	2	9
Non-current financial assets	72	99
Current financial liabilities	5	0
Non-current financial liabilities	0	0

4.3.2 Assets and liabilities classified as held for sale

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations":

Non-current assets held for sale are assets whose accounting value will be recovered essentially through sale and not continued use. They are presented on a separate line of the balance sheet at the lower of their net carrying amount and fair value less costs to sell. A non-current asset can only be considered as held for sale when a certain number of criteria listed in the standard are met: asset available in its present condition for immediate sale, sale initiated, decided and planned and highly probable within twelve months. In the case of a Group of assets held for sale, any related liabilities are also presented on a separate line under a liability heading.

- Pursuant to the terms used by IFRS 5, a "discontinued operation" is a component from which the Group is separated or which it has transferred to a third party or which is classified as held for sale, and which represents a separate major line of business or geographical area of operations for the Group or which is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. In addition to the reclassification of assets and liabilities under a separate balance sheet heading, the impact on profit or loss of the period of all discontinued operations, including any expected capital losses, is presented on a separate line of the income statement, after ordinary activities. The

impacts of discontinued operations on cash flows are presented in the notes to the financial statements.

There were no assets and liabilities classified as held for sale as at 31 December 2021.

As at 31 December 2020, assets and liabilities classified as held for sale solely concerned the Ermewa group. Following its effective sale on 22 October 2021, the ERMEWA group was no longer considered as a group of assets classified as held for sale, in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations".

As a reminder, the following main asset and liability categories were reclassified in accordance with IFRS 5 as at 31 December 2020:

<i>In € millions</i>	31/12/2020
Goodwill	197
Intangible assets	99
Right-of-use assets	21
Property, plant and equipment	1,580
Equity investments	5
Deferred tax assets	0
Inventories and work-in-progress	16
Operating receivables	153
Financial assets	5
Cash and cash equivalents	37
Assets classified as held for sale	2,113

<i>In € millions</i>	31/12/2020
Employee benefit obligations	12
Provisions	6
Lease liabilities	21
Deferred tax liabilities	178
Financial liabilities	1,114
Operating payables	113
Liabilities associated with assets classified as held for sale	1,444

4.4 IMPAIRMENT TESTING OF NON-CURRENT ASSETS

The Group assesses whether there is an indication that an asset has been significantly impaired at each balance sheet date. Where there is such an indication, an impairment test is performed.

Goodwill and indefinite life intangible assets are subject to an impairment test each year and whenever there is an indication of impairment. Impairment losses recorded on goodwill cannot be reversed.

When performing impairment tests, goodwill is allocated to the Cash-Generating Unit (CGU) or Group of CGUs that are expected to benefit from the synergies of the combination, regardless of whether other assets and liabilities of the acquired entity are allocated to these CGUs or Groups of CGUs. The CGU (or Group of CGUs) in question represents the lowest level at which the goodwill is monitored for internal management purposes. A CGU represents one or more legal entities or is defined based on the purpose of the assets used.

Property, plant and equipment and finite life intangible assets are subject to impairment when events or circumstances during the period (obsolescence, physical deterioration, significant changes in the method of utilisation, performances falling short of forecasts, decline in revenues, other external indicators, etc.) indicate that a loss in value may have occurred and that the recoverable amount may be less than the net carrying amount.

Impairment tests consist of comparing the net carrying amount of an asset or goodwill balance with its recoverable amount, equal to the higher of the fair value less costs to sell and the value in use. The recoverable amount of an asset is determined individually, unless the asset does not generate cash flows independent of those of other assets or Groups of assets. In such cases, which encompass the majority of property, plant and equipment and intangible assets of SNCF and goodwill balances, the Group determines the recoverable amount of the Group of assets (CGU) to which the tested asset belongs. If the net carrying amount, net of grants, exceeds the recoverable amount, an impairment is recorded in the amount of the difference.

The value in use corresponds to the value of the future economic benefits expected from the asset's use or removal. It is assessed based on discounted future cash flows determined according to economic assumptions and projected operating conditions adopted by SNCF management:

- cash flows are determined in business plans, drawn up for periods of 5 to 11 years and validated by the management bodies;
- beyond this timeframe, the flows are extrapolated by applying a long-term growth rate that is close to the long-term inflation rate expected by the Group, within the limit of the contractual period, if applicable, or otherwise indefinitely;
- flows are discounted at a rate appropriate to the activity segment.

Gross profit corresponds to the EBITDA/revenue ratio.

For investment property, the SNCF Group calculates a fair value less costs to sell for land comprising bare and build- on land based on:

- its location in a geographical area.
- a m² market value, taking into account the general use of the land after its sale.

Impacts on the income statement were as follows:

In € millions	31/12/2021	31/12/2020	Change
Intangible assets and property, plant & equipment	-69	-234	165
Goodwill	0	-4	4
Other	18	-28	46
Impairment losses	-51	-266	215

4.4.1 Contextual items

A new Group strategic plan was drafted and approved by the Board of Directors on 29 July 2021.

This updated financial trajectory corresponds to Management's best estimate of the 2021-2030 business outlook for the Group's business segments.

It was prepared in a context of ongoing uncertainty and difficult assessment relating to:

- the COVID 19 crisis and the imposed restrictions,
- the gradual opening-up to competition and its impacts on passenger traffic revenue,
- the completion of the investment trajectory in line with the financing granted under the recovery plans.

No impairment was recorded for Group CGU assets following the tests.

The values for assets tested as presented in the tables below are shown net of impairment losses charged or reversed during prior periods, and exclude any acquisition or loss of control during the period.

4.4.2 CGUs carrying high levels of goodwill relative to total goodwill

Those CGUs that carry high levels of goodwill are described below.

4.4.2.1 Geodis CGU

Of the total amount of goodwill (net of impairment), €1,202 million (€1,072 million as at 31 December 2020) is allocated to the Geodis cash generating unit, which houses the logistics and freight transport operations of the Freight and Logistics business line. The CGU is tested for impairment at least once annually.

The main assumptions used to determine the recoverable amount are:

	2021	2020
Segment	Freight & Logistics	Freight & Logistics
CGU	Geodis	Geodis
Assets tested	€1,518 million	€1,516 million
Base used for recoverable amount	Value in use	Value in use
	5-year plan	5-year plan
Source used	and indefinite projection of a normative year	and indefinite projection of a normative year
Discount rate (minimum - maximum)	7.1% - 8.1%	7.3% - 8.3%
Long-term growth rate	1.60%	1.60%

The test performed as at 31 December 2021 substantiates the carrying amount of the CGU's assets. The sensitivity analyses performed on the discount rate (± 50 bp), the long-term growth rate (± 10 bp) and the EBITDA rate (± 50 bp) did not call into question the positive difference between the CGU's recoverable amount and the net carrying amount of the tested assets.

4.4.2.2 Keolis CGU

Of the total amount of goodwill, €629 million (€627 million as at 31 December 2020) is allocated to the Keolis cash generating unit, which houses all operations in the multi-modal passenger transport solutions business of the Keolis segment. Indefinite life intangible assets allocated to this CGU amount to €83 million (€83

million as at 31 December 2020), and mainly comprise brands and licences. The CGU is tested for impairment at least once annually.

The main assumptions used to determine the recoverable amount are:

	2021	2020
Segment	Keolis	Keolis
CGU	Keolis	Keolis
Assets tested	€1,579 million	€1,582 million
Base used for recoverable amount	Value in use	Value in use
	5-year plan	5-year plan
Source used	and indefinite projection of a normative year	and indefinite projection of a normative year
Discount rate (min - max)	5.9% - 6.8%	5.9% - 6.8%
Long-term growth rate	1.70%	1.60%

No impairment was recognised as at 31 December 2021. The sensitivity analyses performed did not call into question the positive difference between the CGU's recoverable amount and the net carrying amount of the tested assets.

Sensitivity analyses performed on the discount rate (± 50 bp) and the long-term growth rate (± 50 bp) show a variation of \pm €339 million in the recoverable amount. The same method applied in 2020 would have resulted in a variation of \pm €377 million in the recoverable amount. The sensitivity analysis performed on the EBITDA rate (± 50 bp) shows a variation of \pm €285 million in the recoverable amount (\pm €464 million in 2020 using an equivalent method).

4.4.2.3 Rail Freight Fleet Management CGU

Following the sale of Ermewa in H2 2021 (see Note 2.1.4 Sale of Ermewa), the economic assets of this CGU were no longer included in the scope of the tests conducted as at 31/12/2021.

4.4.2.4 Eurostar CGU

Of the total amount of goodwill, €378 million (€353 million as at 31 December 2020) is allocated to the Eurostar cash generating unit, which houses all the cross-channel passenger operations of the TGV - Intercités segment. Indefinite life intangible assets allocated to this CGU amount to €277 million (€259 million as at 31 December 2020), and mainly comprise brands. The CGU is tested for impairment at least once annually.

The main assumptions used to determine the recoverable amount are:

	2021	2020
Segment	TGV-Intercités	TGV-Intercités
CGU	Eurostar	Eurostar
Assets tested	€1,740 million	€1,724 million
Base used for recoverable amount	Value in use	Value in use
	19-year plan	15-year plan
Source used	and indefinite projection of a normative year	and indefinite projection of a normative year
Discount rate (min - max)	7% - 8%	7.2% - 8.3%
Long-term growth rate	1.90%	1.60%

In 2021, the recoverable amount was based on the cash flow in the 2021 Business Plan approved by the Board of Directors on 26 November 2021. This trajectory was based on the following main key assumptions:

- The ability of Eurostar to continue as a going concern (secured by new financing in H2 2021);
- Trends in traffic revenue including the gradual recovery of business after the slowdown due to the COVID crisis in 2021;
- Amounts for expenses (employee benefits, purchases, etc.) which were, in some cases, subject to performance plans;
- Infrastructure fee projections;
- The emergence of rail competition, whose positioning was advanced by several years under the 2021 test to take into account the current context (crisis, regulatory changes, other rail company announcements, etc.)
- The level of investment required to upgrade the fleet, taking account of performance plans relating to train use optimisation and the arrival of new rolling stock and competitors.

The normative year cash flow is calculated by extrapolating the terminal year target gross profit rate (relative to revenue) derived from the new trajectory prepared in November 2021. It takes into account the assumed positioning of the emergence of rail competition.

The estimates and assumptions used in the financial trajectory that was adopted for the test were made in the context of uncertainties and represent the Board of Directors' best estimate of the impact of:

- the COVID-19 health crisis on business recovery
- the intensity of competition impacts (multimodal competition with low cost airlines, emergence of rail competition, etc.)
- the trade and cooperation agreement which determines the rules applicable to relations between the UK and the European Union since 1 January 2021.

Note that the financial liability relating to the irrevocable purchase commitments given by SNCF to buy out the stakes in Eurostar held by the CDPQ/Hermès consortium and SNCB are valued on the same bases.

No impairment was recognised, as the recoverable amount exceeded the value of the tested assets.

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The sensitivity analyses performed did not call into question the positive difference between the CGU's recoverable amount and the net carrying amount of the tested assets:

- A \pm €10 million change in the normative year investment would have an impact of \pm €38 million on the recoverable amount (\pm €50 million in 2020);
- A 1-year delay in the date of arrival of competition would lead to a variation of approximately \pm €96 million in the recoverable amount (\pm €172 million in 2020);
- A \pm 25 bp change in the discount rate would result in a variation of \pm €64 million in the recoverable amount (\pm €65 million in 2020);
- A \pm 10 bp change in the normative year growth rate would have an impact of \pm €10 million on the recoverable amount (\pm €10 million in 2020).
- A \pm 100 bp change in the normative year EBITDA rate would have an impact of \pm €66 million on the recoverable amount (\pm €66 million in 2020);
- a greater decline in the EBITDA rate (around -400 bp) in the normative year would give rise to a value in use equal to the net carrying amount of the tested assets and implementation by Eurostar of corrective measures to curb the impacts.

Note that this decline in EBITDA would have a positive impact on the financial liability relating to the aforementioned purchase commitment granted by SNCF Voyageurs.

4.4.3 CGUs with indications of impairment losses or reversals in 2021 and/or 2020

4.4.3.1 TGV France and Europe CGU (excluding Eurostar, Thalys and Ouigo España)

As at 31 December 2021, no impairment was identified for TGV France CGU assets; no impairment test was therefore performed.

The performance observed in 2021 was in line with business forecasts and certain recent government announcements (gradual lifting of restrictions, cancellation of the CST and TREF expense) were positive signs with regard to the goals of the new 2021/2030 strategic plan. This updated trajectory mainly includes:

- A more ambitious commercial revenue trajectory than that used for the most recent test, reflecting the strong results of the vaccination campaign and the slowdown of the pandemic;
- The assumption of a postponed and less intense arrival of rail competition in the domestic market. This assumption was mainly based on technical delays, the decline in the financial results reported by our main competitors and the lower appeal of the French rail market (high infrastructure fees, etc.) compared to other European countries.
- More ambitious performance plans, particularly regarding fleet output and rolling stock maintenance costs. The aforementioned events led to an improvement in the TGV activity's financial trajectory and did not highlight any new indications of impairment.

In 2020, the slump in activity caused by the fallout from the COVID-19 health crisis and the lockdown measures imposed by the public authorities had given rise to an impairment test. The main methodological parameters are listed below:

2020	
Segment	TGV-Intercités
CGU	TGV France and Europe (excluding Eurostar, Thalys and Ouigo España)
Assets tested	€5,641 million
Base used for recoverable amount	Value in use
Source used	10-year plan and indefinite projection of a normative year
Discount rate (min - max)	6.7% - 7.7%
Long-term growth rate	1.60%

4.4.3.2 Intercités CGU and Affrètement Voyageurs division CGU

Considering the expiry of the operating agreement as at 31/12/2021 and the ongoing negotiations with the French State on the financial trajectory for 2022 and thereafter, no impairment test was performed in 2021.

As a reminder, the net carrying amount of the following items was fully impaired:

- Rolling stock investments prior to 2011 (excluding the OSLO CGU);
- The asbestos component;
- The net carrying amount of all fixed installation assets (excluding lease right-of-use assets).

4.4.3.3 Infrastructure CGU

The year-end impairment test on the Infrastructure CGU assets, carried out as at 31 December 2015, had led to an impairment loss of €9.6 billion based on a financial trajectory approved by the SNCF Réseau Board of Directors on 9 March 2015, which considered that it represented the best business forecast for the next 15 years.

In 2018, the adoption on 14 June 2018 of the authorisation law for a new railway pact and the various announcements by the French government, particularly regarding the change in SNCF Réseau infrastructure fee terms and conditions represented new indications of impairment. A new test was therefore carried out using available information taken from the reference framework for the PRG economic and financial trajectory and its roll-out for SNCF Réseau that was presented for information purposes to the Board of Directors on 25 July 2018. This test gave rise to the recognition of additional impairment of €3.4 billion.

In 2019, the following regulatory changes represented indications of impairment:

- The publication in September 2019 of the terms and conditions for the implementation of the Didier Law promulgated on 7 July 2014 on the sharing of responsibilities and financial expenses regarding the maintenance of engineering works;
- The scheduled ban on the use of glyphosate announced by the government, and illustrated by the Egalim law of 30 October 2018, regarding agriculture, and the set-up in 2019 of a parliamentary mission in charge of the strategy for the complete removal of glyphosate. The implementation of this regulatory change was confirmed by the SNCF Chairman to terminate the use of glyphosate in 2021.

The scope of the Infrastructure CGU test was adapted to the asset transfers carried out on 1 January 2020 under the rail reform. The Infrastructure CGU impairment test did not take into account the station assets transferred on 1 January 2020 representing a net carrying amount of €0.9 billion (on the transfer date). Taking into account the previously recognised impairment, as at 31 December 2019 the impairment tests confirmed the net carrying amounts of the Infrastructure CGU's assets and the transferred station assets. It was however noted that the recoverable amount also depends on the French State's implementation of all the resources and commitments necessary for its support and the company's ability to meet its productivity plans.

In 2020, the impacts of the COVID 19 health crisis on the accounts of SNCF Réseau SA (decline in infrastructure fees, level of resources of the French State support fund coming from the national company SNCF, work postponements and excess costs) were identified as indications of impairment.

An impairment test was therefore carried out as at 31 December 2020 using the cash flows from the financial trajectory of the SNCF Group strategic plan. This strategic plan was presented to the SNCF SA Board of Directors on 8 October 2020. It reiterated and updated the items already presented to the SNCF SA Board of Directors on 24 June 2020. It included the repercussions from a strategic viewpoint of the French State's announcements in September 2020 on the support for SNCF and, more generally, the rail sector. The financial trajectory used for the test also included the impacts of the economic and health situation assessed as at 31 December 2020 by SNCF Réseau Management.

As at 31 December 2021, the impairment test was based on the financial trajectory of the 2021-2030 performance contract. The trajectory was determined using the SNCF Réseau 2021-2030 strategic plan, prepared in connection with the SNCF Group strategic plan adopted by the SNCF Board of Directors on 29 July 2021, and adjusted for subsequent requests made by the French State when finalising the performance contract:

- The French State sought to increase the renewal investment budgets for 2022/2024 and 2027/2030.
- The performance target was also updated to €1.5 billion in 2026.
- The amount of development investments was reviewed to only include major projects whose financing was fully completed on the contract signature date.
- The disbursement of disposal gains was adjusted between 2024 and 2025 in line with the recovery plan disposal procedure.
- Support fund investment grants were increased by €284 million in line with the aforementioned rise in renewal investments

The SNCF Réseau performance contract and financial trajectory, which represent Management's best assessment of the assumptions known to date, were approved by the SNCF Réseau Board of Directors on 4 November 2021, and are currently being signed by the French State; this signing should be completed in April 2022.

The primary focal points in this financial trajectory are as follows:

- Consideration of a macro-economic scenario involving the gradual recovery of business from 2022 following the substantial decline in revenue in 2020 and 2021.
- Gradual opening of passenger traffic to competition.

– Alignment of infrastructure fee volumes and prices with the SNCF Group strategic plan.

– Steady level of investment needed to restore the resilience of the network in line with the railway pact.

– Revision of the trajectory for renewal grants obtained through the French State support fund, by including grants from the French State recovery plan for €4.05 billion from 2021 and payments arising from Group disposal proceeds for -€480 million.

– Balance of cash flows in 2024 and a debt level equal to six times gross profit in 2026, in accordance with railway pact commitments, investment grants derived from the State allocation of all or part of the dividends received from the national company SNCF.

– The key assumptions used in the 31 December 2021 test relate to the level of infrastructure fees, the level of investment and performance, as well as government funding.

The key assumptions are described below:

Regarding infrastructure fees:

– The increase in TGV and freight infrastructure fees was limited to the CPI and the indexing of regulated infrastructure fees (TER and TET access fees) was aligned with the opinion of the ART delivered on 9 February 2021 for 2022 (-2.2%) and 2023 (-2.4%) then set at 3.6% per year as from 2024.

– Furthermore, the State compensation scheme for freight activity ("freight compensation"), the amount of which is revised annually to reflect changes in indexing and the switch to the new directly attributable cost model starting with 2019 pricing scales, is assumed to be maintained until 2023.

– Finally, the 2030 traffic projections for SNCF Group passenger and freight operations were approved under the group strategic plan, ensuring their reciprocity with the relevant entities, as well as an updated valuation of assumptions on the opening to competition, particularly at the end of the plan.

Regarding the level of performance:

– The performance target was revised to recurring €1.5 billion between 2017 and 2026, with a ramp-up in savings between 2021 and 2024 and further performance measures without activating new levers starting 2025. This performance trajectory is in line with the objectives set out in the operational programmes.

– This performance will contribute to achieving a normative profitability rate of 46% (EBITDA/revenue) in 2030 as taken into account in the terminal value calculation.

Regarding the level of investments:

– It is based on an average renewal investment trajectory (including OpEx) of €2.84 billion.

– The compliance trajectory was revised downwards compared to the previous performance contract to take into account French State available financing. SNCF Réseau decided to reduce the projected budgets as from 2023 to limit the impact of these investments on equity. This decision was approved by the SNCF Réseau Security Committee.

Regarding government support:

– The investment grants derived from the State allocation of all or part of the dividends received from the national company SNCF out of the profits of its subsidiaries, topped up as necessary by the transfer of a share of the tax gain generated by the Unified Public Group (UPG) tax consolidation, were revised downwards

4 - OPERATING ASSETS AND LIABILITIES

following the 2020 year-end test for around €1.4 billion over a 9-year period. The renewal investment grant amounts are based on the SNCF Group's economic and financial trajectory and its distribution capacity. The normative amount of these investment grants was €0.91 billion as from 2030.

– The investment grants to be paid by the French State support fund under the railway recovery plan will amount to €2,405 billion taking into account the €1.6 billion received in 2021. These grants will be earmarked for network renewal investment financing. Divestment proceeds paid under the recovery plan were included for the amount of investments taken into account in the test, i.e. €390 million (compliance investments)

– The measures relating to the new pension scheme, and, more generally, the new labour agreement resulting from the division agreements for rail activity were still being negotiated at the accounts closing date and therefore cannot impact expected future performance.

The other methodological components used to determine the recoverable amount as at 31 December 2021 are:

– The methodology used is the same as that applied in the previous impairment test carried out in 2020;

– A financial trajectory that was fully reconstructed in 2021 using complete and updated assumptions taken from the new performance contract;

– Discounted cash flow projections are calculated for the years covered by the new 2021-2030 economic trajectory, updated for newly available information; 2030 remains the normative year as it is considered that the network will have stabilised at a performance/upgrade level to optimise the amount of maintenance;

– The impairment test includes assets and cash flows corresponding to minor historical regional or local routes that may eventually be subject to management transfer request by the Organising Authorities. No transfers have been anticipated for these routes

– As regards the Sud Europe Atlantique (SEA) concession, the cash flow projections assume that operation of the line will be taken back from 2061, when the concession held by the current operator expires; the update of current data (tax rate, WACC, inflation) and the application of a discount on future cash flows corresponding to the uncertainty of these future projections do not change the normative value historically calculated in cash flow.

The terminal value, representing 91% of the recoverable amount, is calculated by projecting the values for the normative year (2030) to infinity at a long-term growth rate of 1.4%;

– The projected cash flows are after tax, adopting a theoretical tax charge calculated using a known rate at each date that is then applied to projected current operating profit;

– Future cash flows were discounted at 4.9% (versus 5.6% as at 31 December 2020). The use of the floor WACC rate taken from the appraisal report drawn up by the external expert (between 4.7% and 5.5%) is explained by the following contextual items:

4.4.3.4 Gares & Connexions CGU

The impairment test conducted at the end of 2020 based on the financial trajectory prepared on that date confirmed the net carrying amount of the Gares & Connexions CGU assets.

In H1 2021, in connection with the drafting of the new Group strategic plan, SNCF Gares & Connexions updated

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- A financial trajectory totally reconstructed in the first half of 2021 based on fully documented assumptions,
- A prudent assessment of COVID crisis risks in relation to the traffic turnaround trends observed since May, and a long-term growth rate reduced to 1.4%/year from 2024, based on a long-term growth assumption produced by the IMF deemed prudent.
- A performance plan amounting to €1.5 billion between 2017 and 2026 (compared to €1.6 billion as at 31 December 2020) subject to specific coordination by the SNCF Réseau Management Committee
- A trajectory safeguard process concluded with the French State (review clauses every 3 years with adjustment of upgrade expenses to safeguard cash flow).

The carrying amount of Infrastructure CGU assets as at 31 December 2021 was €33.16 billion, versus €32.89 billion as at 31 December 2020. Those assets cover lines currently in service, plus upgrade works in progress. The recoverable amount determined by the 31 December 2021 test was close to this net carrying amount.

Other property, plant and equipment under construction (€2.3 billion as at 31 December 2021, versus €2.1 billion as at 31 December 2020) relate to capacity investments under development, the value of which is analysed separately in a specific review.

The results of the sensitivity analyses carried out as part of the test are:

	2021	2020
Segment	SNCF Réseau	SNCF Réseau
CGU	Infrastructure	Infrastructure
Assets tested	€33.2 billion	€32.9 billion
Base used for recoverable amount	Value in use	Value in use
Source used	(1)	(1)
Discount rate	4.7% - 5.5%	5.0% - 5.9%
Long-term growth rate	1.40%	1.60%

(1) Financial trajectory of the performance contract presented to the SNCF Réseau Board of Directors on 4 November 2021 and currently being signed by the French State

A change of +/- 10 bp in the discount rate represents a variation of +/- €1.1 billion in the recoverable amount;

A change of +/- 10 bp in the perpetual growth rate represents a variation of +€0.9 billion;

A change of +/- €100 million in net annual renewal expenses represents a variation of +/- €2 billion in the recoverable amount. This amount is for information only since, beyond a certain threshold, the impact of the change in renewal expenses on the recoverable amount of assets is not linear and the impacts may be material for maintenance, traffic and therefore infrastructure fees;

An annual change of +/- €100 million in the infrastructure fees or the backing of the French State represents a variation of +/- €2 billion in the recoverable amount.

its strategic plan which was approved by the SNCF and SNCF Gares & Connexions Boards of Directors in July 2021. The corresponding financial trajectory mainly included:

– Updating of the concession fee trajectory based on the most recent known short and medium-term factors (including health crisis impacts);

– The 2021-2024 multi-annual investment programme, updated at the end of 2020 and including the savings plan rolled out following the health crisis, as well as an estimate of the forecast investment requirements for the period 2025-2030;

– The 2021 station reference document validated by the ART, with a regulated WACC reduced to 4.5% before tax and non-regulated WACC reduced to 8.0% before tax - these rates were maintained in 2022 (in accordance with the assumptions of the 2022 station reference document subject to consultation) and over the entire plan duration;

– Integration of a more ambitious savings plan for Opex and Capex;

In September 2021, SNCF Gares & Connexions announced the cancellation of the concession agreement for the transformation of the Gare du Nord, due to the failure of the concessionaire. This event was identified as an indication of impairment. An impairment test was therefore conducted on 31 December 2021 using the cash flows of the new strategic plan's financial trajectory as reflected in the performance contract with the French State, readjusted to take into account the impacts of the Gare du Nord 2024 project termination. SNCF Gares & Connexions also reviewed the technical parameters used, particularly for the CGU's scope and the normative discounting and growth rates updated according to the most recent available data. These parameters are listed below:

	2021	2020
Segment	SNCF Gares & Connexions	SNCF Gares & Connexions
CGU	Gares & Connexions	Gares & Connexions
Assets tested	€3.2 billion	€2.9 billion
Base used for recoverable amount	Value in use	Value in use
Source used	10-year plan and indefinite projection of a normative year	10-year plan and indefinite projection of a normative year
Discount rate	4.3% - 5.1%	5.16%
Long-term growth rate	1.40%	1.60%

The sensitivity analyses conducted on the value of the economic assets as at 31 December 2021 had the following results:

– A ± 100 bp change in the normative year gross profit rate would have an impact of \pm €281 million on the recoverable amount.

– A \pm €10 million change in normative year investments would have an impact of \pm €146 million on the recoverable amount.

– A ± 20 bp change in the discount rate would result in a variation of between -€228 million and +€257 million in the recoverable amount.

– A ± 10 bp change in the normative year growth rate would have an impact of between +€104 million and -€98 million on the recoverable amount.

4.5 WORKING CAPITAL REQUIREMENT

In € millions	31/12/2021	31/12/2020
Change in inventories and work-in-progress	89	-30
Change in operating receivables (excluding share disposals and capital expenditure flows)	355	-476
Change in operating payables (excluding capital expenditure flows and liabilities relating to assets excluded from IFRIC 12)	546	478
Impact of the change in WCR in the consolidated cash flow statement	102	984

4.5.1 Inventories and work-in-progress

Inventories are valued at the lower of cost price and net realisable value. Cost price is equal to acquisition or production cost. Production cost includes both direct and indirect production expenses.

Inventory is valued using the weighted average cost method.

Inventories are written down based on the turnover, nature, age and useful life of items.

As at 31 December 2021, inventories break down as follows:

	31/12/2021		31/12/2020		
In € millions	Gross	Impairment	Net	Net	Change
Raw materials	1,137	-151	985	959	26
Finished goods	333	0	333	307	26
Work-in-progress	80	-13	67	22	45
Inventories and work-in-progress	1,549	-164	1,385	1,288	97

Movements in inventory impairment break down as follows:

In € millions	31/12/2020	Charges	Reversals	Reclassifications	Change in Group structure	31/12/2021
Raw materials and supplies - impairment	-150	-25	24	0	0	-151
Work-in-progress - impairment	-28	8	6	0	0	-13
Impairment of inventories	-177	-18	30	0	0	-164

4.5.2 Operating receivables

Receivables are recorded at nominal value on issue, except recognised over a five-year period, reflecting a normal for receivables with a maturity of more than one year, operating cycle for the Group's activities. Operating receivables are subject to the impairment model for expected losses within the meaning of IFRS 9, measured by the Group using the simplified approach that consists in estimating such losses over the life of the relevant receivables. The estimate is based on the ratio between losses on irrecoverable receivables and revenue

recognised over a five-year period, reflecting a normal operating cycle for the Group's activities. Furthermore, impairment is recognised when there is a potential risk of non-recovery (substantial payment delays, disputes, litigation, insolvency proceedings, etc.). This impairment is determined based on an individual or statistical appraisal of non-recovery risk using historical data.

Operating receivables break down as follows:

In € millions	31/12/2021		31/12/2020		Change
	Gross	Impairment	Net	Net	
Trade receivables and related accounts	4,448	-206	4,241	3,580	661
Amounts receivable from the French State and local authorities	1,943	0	1,943	2,470	-527
Other operating receivables	3,127	-4	3,123	3,771	-648
Capital expenditure flow receivables and share disposals	116	0	116	97	19
Commodity asset derivatives and foreign exchange on business transactions	226		226	6	219
Net operating receivables	9,859	-210	9,649	9,924	-275

Movements in impairment of trade receivables and other operating receivables were as follows in 2021 and 2020:

In € millions	31/12/2020	Charges	Reversals	Reclassifications	Changes in Group structure	Change and other	31/12/2021
Trade receivables and related accounts - impairment	-186	-109	84	1	4	-1	-206
Other operating receivables - impairment	-17	-2	14	0	0	0	-4
Total	-203	-111	98	1	4	-1	-210

In € millions	31/12/2019	Charges	Reversals	Reclassifications	Changes in Group structure	Change and other	31/12/2020
Trade receivables and related accounts - impairment	-167	-93	66	5	1	2	-186
Other operating receivables - impairment	-26	-3	12	0	0	0	-17
Total	-194	-96	78	5	1	2	-203

Due to its business, Group exposure to credit risk is limited. Tickets are sold to passengers on a cash basis. In addition, the Group has significant relations with a number of public-sector customers (regional authorities, RATP, Île de France Mobilités (formerly STIF), armed forces, etc.). In the Freight and Logistics activity, dependence on

customers is reduced by their low number. In carrying out its transport and/or freight forwarding activities, the Group also has the right to hold the merchandise with which it is entrusted, which reduces the risk of non-payment for services. Finally, based on an assessment of customer

credit risk, payment terms and conditions before transport may be determined to limit the risk of non-payment.

While receivables from these customers may be past due, the Group considers that there are no grounds for Trade receivables past due break down as follows (gross value):

In € millions	Not past due	Impaired	Past due but not impaired				Total
			< 3 months	4 to 6 months	7 to 12 months	> 12 months	
Trade receivables and related accounts	3,100	566	481	54	101	145	4,448
Total	3,100	566	481	54	101	145	4,448

In € millions	Not past due	Impaired	Past due but not impaired				Total
			< 3 months	4 to 6 months	7 to 12 months	> 12 months	
Trade receivables and related accounts	2,572	425	365	82	180	142	3,766
Total	2,572	425	365	82	180	142	3,766

4.5.3 Operating payables and other accounts in credit

Operating payables include payments to third parties with respect to operating activities (trade payables, employee-related payables, taxes and duties other than income tax, etc.), and asset acquisitions.

Payables are recorded at nominal value on issue, except for payables with a maturity of more than one year, which are discounted to present value where the impact of discount is material.

Operating payables break down as follows:

In € millions	31/12/2021	31/12/2020	Change
Trade payables and related accounts	7,455	7,110	345
<i>o/w amounts payable on purchases of PP&E</i>	1,098	1,353	-256
Payments received on account for orders	824	983	-158
<i>o/w advances received on sales of PP&E</i>	461	653	-192
Employee-related liabilities	2,690	2,414	276
Amounts payable to the French State and local authorities	1,558	1,977	-419
Other operating payables	2,194	2,896	-702
Deferred income	2,302	1,953	349
Commodity liability derivatives and foreign exchange on business transactions	1	10	-9
Total operating payables	17,025	17,343	-318

For the liabilities relating to concession assets excluded from the scope of IFRIC 12, see Note 4.2.5

4.5.4 Customer contract assets and liabilities

Contract assets represent a conditional right to consideration in exchange for goods or services that have already been transferred to a customer. They are reclassified to trade receivables once the right to payment becomes unconditional, i.e. it is no longer subject to any conditions other than the passage of time. They are recognised in operating receivables.

Contract liabilities correspond to cash received from a customer, or a right to payment already obtained, for services that have yet to be performed and recognised in revenue. They are recognised in operating payables.

The main contract assets identified at the Group level involve:

- Sales invoice accruals arising from customer contracts representing the difference between revenue invoiced and revenue to be recognised depending on the completion of costs or the service provided;
- Other contract assets, mainly corresponding to variable consideration for the Group promised in a customer contract.

Contract liabilities include:

- Payments received on account for customer orders;
- Customer loyalty programmes, measured and recognised at the fair value of the unused point's consideration in deferred income, with an offsetting decrease in revenue. These contract liabilities are transferred through profit or loss under the revenue heading as and when the loyalty points are used by customers;
- Deferred income relating to issued tickets that have been paid for during the period but which are used for a transport service expected in future periods;
- Deferred income relating to customer contracts recognised in revenue over time according to the percentage of completion method as well as any other deferred income arising from customer contracts;
- Other contract liabilities, including travel vouchers issued to compensate for disruptions and any other variable consideration for customers.

Contract asset and liability balances for the period reconcile as follows:

In € millions	31/12/2020	Increase	Decrease	Change in Group structure	Change and other	31/12/2021
Sales invoice accruals	886	734	-729	-18	16	889
Other customer contract assets	16	13	-15	0	0	14
Contract assets	902	747	-745	-18	16	903
Payments received on account for customer contracts	336	204	-170	-8	0	362
Deferred income from customer contracts	1,477	1,191	-1,034	-15	20	1,637
Other customer contract liabilities	472	323	-198	0	0	597
Contract liabilities	2,285	1,718	-1,402	-24	20	2,597

Contract asset and liability balances for the comparative period reconcile as follows:

In € millions	31/12/2019	Increase	Decrease	Change in Group structure	Change and other	31/12/2020
Sales invoice accruals	644	1,044	-795	0	-8	886
Other customer contract assets	20	8	-12	0	0	16
Contract assets	665	1,052	-807	0	-8	902
Payments received on account for customer contracts	224	200	-84	0	-4	336
Deferred income from customer contracts	1,641	761	-935	0	9	1,477
Other customer contract liabilities	545	343	-416	0	0	472
Contract liabilities	2,410	1,305	-1,435	0	5	2,285

4.6 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions are recorded when, at the balance sheet date, the Group has a present obligation to a third party as a result of a past event and the settlement of this obligation will require an outflow of company resources with no consideration.

This obligation may be legal, regulatory or contractual. It may also result from Group practice or external commitments that create valid expectations in third parties that the Group will assume certain responsibilities.

The estimated amount of the provision reflects the outflow of resources that is likely to be necessary to settle the Group's obligation. If a reliable estimate of this amount cannot be made, no provision is recorded. Disclosure is provided in the notes to the financial statements.

Provisions are discounted when the impact of the time value of money is deemed material. The discount rate is determined with reference to a closing market rate based on leading corporate bonds with a maturity comparable to the estimated maturity of the provision. The reference used is Bloomberg AA for the Eurozone.

A contingent liability is a possible obligation that arises from past events whose existence will only be confirmed by the occurrence of uncertain future events not wholly within the control of the Group, or a probable obligation where it is not probable that an outflow of resources will be required. Except for contingent liabilities recognised as part of a business combination, contingent liabilities are not recorded, but disclosed in the note on off-balance sheet commitments.

Movements in provisions for liabilities and charges break down as follows:

In € millions	01/01/2021	Charges	Reversals in the period (used)	Reversals in the period (unused)	Other changes	31/12/2021	of which current	of which non-current
Litigation and contractual risks	348	87	-75	-47	-87	226	38	188
Tax, employee-related and customs risks	136	35	-14	-25	-2	131	54	77
Environmental risks	796	8	-48	-23	-14	719	0	719
Restructuring costs	47	21	-31	-5	0	32	11	20
Other	236	44	-51	-70	-3	157	40	117
Total provisions	1,562	194	-218	-169	-105	1,264	144	1,121

4.6.1 Provisions for environmental risks

These provisions cover the costs of environmental protection, site restoration and equipment dismantling. The

main provisions concern the following risks:

- The risk relating to the Group's legal liability with respect to asbestos and removing asbestos:
- obligation on the Group to remove asbestos from

dismantled rolling stock and, in certain cases, to remove asbestos from buildings. With respect to rolling stock containing asbestos, there is a present obligation from the time the asbestos is detected. Any increase in the dismantlement provision is offset by an increase in the value of the equipment on the balance sheet for equipment not fully depreciated and in profit or loss for equipment at the end of its useful life. An impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount. The cost of dismantlement is amortised over the asset's remaining useful life. Should there be a decrease in the estimated probable outflow of resources, the provision is reversed against the corresponding asset in the balance sheet and in profit or loss for the portion exceeding the net carrying amount of this asset. The provision is gradually extinguished in profit or loss as the dismantlement is completed.

- Decontamination and destruction of creosoted railway sleepers: the obligation to destroy creosoted network railway sleepers in classified installations results from a commitment undertaken by SNCF Réseau. The resulting obligation is recognised in full in liabilities and discounted to present value based on the wooden railway sleeper removal schedule.

The main environmental risks covered by provisions at the reporting date are as follows:

- asbestos-related costs: asbestos-related costs: €576 million (€637 million in 2020).
- creosoted railway sleeper treatment costs: €89 million (€97 million in 2020).
- site decontamination costs: €51 million (€52 million in 2020).

The decline in the provision for asbestos-related costs was attributable for €50 million to the provision for rolling stock asbestos removal: asbestos-removal work gave rise to a reversal of €32 million while the change in the discounting rate and the downward revision of forecast treatment costs resulted in respective decreases of €11 million and €9 million. Finally, financial reverse discounting led to a €1.5 million increase in the provision.

This change was recorded for €14 million as a reduction in the capitalised rolling stock dismantling component recorded under "Other changes" and for €35 million as a reversal to current operating profit recorded under "Net movement in provisions". The reverse discounting impact was recognised in net finance costs.

The decrease in the provision for the cost of eliminating creosoted railway sleepers breaks down into costs incurred for €2 million and the increase in the discounting rate for €7.7 million.

The provisions for rolling stock asbestos removal and laying of creosoted railway sleepers were updated. The resulting time value effect generated a financial expense of €2.9 million in 2021.

4.6.2 Provisions for litigation and contractual risks

The provision for litigation and contractual risks primarily covers risks associated with legal disputes and contract completions, plus other contractual risks.

4.6.2.1 Litigation

The Group is involved in several unresolved legal disputes arising in the normal course of its activities. Such disputes are provided based on an assessment of the related risk and the probability of realisation. Unused reversals were mainly attributable to the

elimination of risks related to current litigation or the adjustment to their measurement.

Resolved litigation

Following the signing of a memorandum of understanding with SERNAM's liquidator, the provision of €15 million set aside in 2017 was reversed in full.

Ongoing litigation

- SEAFRANCE litigation

On 26 January 2021, SNCF SA was ordered to pay €20 million to the Association pour la gestion du régime de Garantie des créances des Salariés (Association for the management of employee claims, AGS) in connection with the liquidation of SEAFRANCE. SNCF SA has appealed the ruling. The litigation provision was reversed in the amount of the recorded expense.

- Industrial Tribunal litigation - ITIREMIA

Employees of ITIREMIA took a case to the Bobigny Industrial Tribunal to order SNCF Mobilités, SNCF Participations and ITIREMIA to pay damages for illegal supply of labour and obtain reclassification of their employment contract as an "SNCF employment contract" and "remaining wages relating to the collective status of SNCF employees". The ruling is pending.

- Eckwersheim LGV accident

On 14 November 2015, a test train derailed on the new East European high-speed line from Paris - Strasbourg, leaving 11 dead and 42 injured.

A provision for "civil liability" excess has been recorded in the accounts since the accident.

- Tunnel des Montets

On 20 February 2012, SNCF Réseau (formerly RFF) entrusted the grouping comprising SPIE BATIGNOLLES TPCI, SOTRABAS, CEGELEC CENTRE EST, SPIE Batignolles ENERGIE FONTELEC and BG INGENIEURS CONSEILS with a design and build contract for the renovation of the Tunnel des Montets. During the performance of this contract, the designer filed claims regarding the work statement of account following the work carried out in connection with the tunnel's renovation. Despite the exchanges aimed at settling the contract through an agreement, the grouping filed suit and on 23 October 2015 filed an application to institute proceedings to approve the contract balance. The proceedings are still ongoing.

- The Bretagne-Pays-de-Loire High-speed line

The commissioning of the Bretagne-Pays-de-Loire high-speed line generated a litigation involving claims for compensation for public works damage. Prior compensation claims mostly in Sarthe and Ile et Vilaine and expert appraisal requests in Mayenne were notified mainly for the noise pollution generated by the operation of the line.

The remaining provisions cover contractual litigation and risks that are individually immaterial.

New litigation

New immaterial litigation was subject to a provision adapted according to the assessed risk of an outflow of resources.

4.6.3 Provisions for onerous contracts

Provisions are recognised for long-term contracts when they become onerous, that is to say when the inevitable costs required to satisfy the contractual obligations exceed

the future economic benefits expected from these contracts. Provisions are valued based on inevitable costs, which reflect the net contract exit cost, that is to say the lower of the contract performance cost or any other compensation or penalty arising from failure of performance.

The provision for contract losses decreased by €83 following the sale of the subsidiary Keolis Germany. The residual provision totalling €16 million covered losses on certain Keolis contracts.

4.6.4 Provisions for tax, employee-related and customs risks

Provisions for tax risks primarily cover risks relating to taxes and duties other than income taxes; uncertain tax treatments relating to income taxes are recognised as operating payables in accordance with IAS 12, "Income taxes".

Provisions for tax, employee-related and customs risks mainly relate to URSSAF social security audits.

4.6.5 Provisions for restructuring costs

The cost of restructuring measures is provided in full in the year when such measures are decided and announced in sufficient detail prior to the period-end closing so as to create a valid expectation that they will be implemented.

Provisions for restructuring costs mainly covered the Keolis and Geodis activities.

4.6.6 Other provisions

Other provisions mainly cover risks relating to contract performance, provisions for renewal of concession assets or other operational risks.

5. EMPLOYEE BENEFITS

5.1 DESCRIPTION OF EMPLOYEE BENEFITS

5.1.1 Collective agreements and industry agreements

The main collective agreements in force within the Group are as follows:

- urban public transport collective agreement (CCN_3099) within the Keolis subsidiaries;
 - road transport collective agreement (CCN_3085).
 - rail sector collective agreement (CCN_3217); negotiations relating to the creation of this agreement began in December 2013. Imposed by the Law of 4 August 2014 on rail reform, they encompass the mandatory sections of an industry collective agreement under French law.
- Accordingly, five industry agreements each covering a future section of the CCN have already been negotiated and signed:
- agreement of 23 April 2015 on the application scope;
 - agreement of 17 December 2015 appointing the rail industry OPCA (joint body for collection of funding for training);
 - agreement of 31 May 2016 on the general provisions;
 - agreement of 31 May 2016 on employment contracts and the organisation of working time;
 - agreement of 6 June 2017 on professional training.

All these agreements were extended by ministerial order and are therefore applicable in full in all rail industry companies. All companies whose principal activity is covered by the application scope of the CCN are therefore concerned.

Exceptionally, the "organisation of working hours" section of the CCN covered by the agreement of 31 May 2016 is applicable since 1 January 2017 not only to rail industry

companies, but also to employees of companies holding a security certificate or authorisation allocated to rail activities, irrespective of the main activity of their company.

Furthermore, a "Classifications and remunerations" decree was passed on 25 August 2021. This decree sets out the conditions for the implementation and interaction of classification and remuneration rules in the railway sector. It provides that each employee falling within their scope of application is given a classification, as well as a corresponding guaranteed annual remuneration, and this classification results from the allocation of the job or job-type for this employee from one of the nine classes set out in the decree. This decree shall be applicable until the coming into force of any ruling to extend a national bargaining agreement containing the same clauses and, failing this, it shall cease to be effective on 20 January 2024, i.e. 36 months following the publication of Order 2021-49 of 20 January 2021 on classifications and remunerations within the railway sector.

On 15 December 2021, two new sector collective bargaining agreements were signed on these topics:

- the agreement on classifications and remunerations, which will apply to all rail sector companies and their 160,000 employees as of 1 January 2022;
- the agreement on corporate guarantees for transferred employees in connection with the opening of public passenger rail transport services to competition (the "Sac à dos social" or "social backpack" agreement). Signed by UNSA Ferroviaire and CFDT-FGTE Cheminots which represent 42.96% of rail industry employees, this agreement will be valid provided that it is not challenged by trade unions grouping over 50% of the employees as of its notification date. As SUD Rail representatives have stated that their trade union would not oppose the agreement, it should be applicable in early January 2022.

The remaining sections of the rail sector national bargaining agreement to be covered are:

- industry employee collective guarantees (provident plan);
- union rights.

5.1.2 Pension plans and other benefits

Through its subsidiaries, the Group participates in pension plans and other employee benefits in accordance with the laws and customs of each country where it is established and outside of the statutory pension plans governed by law. These benefits comprise end-of-career or retirement benefits (France), defined benefit pension plans (United Kingdom, Italy (TFR), Germany, the Netherlands, Sweden, Norway, Australia and Canada) and retiree health costs (Canada).

In France, pension benefits paid to an employee at the retirement date are determined in accordance with the national collective agreement or the company agreement in force in the entity.

These plans can be partially funded.

In Italy, employees receive the *Trattamento di Fine Rapporto di lavoro subordinato* (TFR). This employment termination benefit, payable by the employer regardless of the reason for the contract's termination, takes the form of a single payment representing approximately 1/14th of the annual compensation per year of service. This plan is recorded as a post-employment benefit since the benefits are granted in respect of the service rendered during the working period.

5.1.3 Provident obligations

The provident plan concerns the supplementary benefits plan for top executives with SNCF special regime status.

5.1.4 Social welfare initiatives

A number of social welfare initiatives have been implemented by SNCF, SNCF Voyageurs, SNCF Réseau, Gares et Connexions and FRET SNCF: access to infrastructures, consultation of social workers, etc. All active (short-term benefits) and retired employees with qualifying status (post-employment benefits) may benefit from these initiatives. A provision in the amount of benefit granted to retired employees was therefore recognised.

5.1.5 Compensation for work-related injuries

Compensation for work-related injuries is self-financed for active and retired SNCF, SNCF Voyageurs, SNCF Réseau, Gares et Connexions and FRET SNCF employees, independently of the current general regime.

Life annuities are provided in full at the date of grant to injured employees without any seniority conditions. They represent long-term benefits for active employees during their period of employment and post-employment benefits during their period of retirement.

5.1.6 Long- service awards and other benefits

This heading combines the other long-term benefits granted to employees, particularly bonuses with respect to long-service awards (France) and employment termination benefits under the unemployment self-insurance and the voluntary retirement schemes of SNCF, SNCF Voyageurs, SNCF Réseau, Gares et Connexions and FRET SNCF.

5.1.7 Gradual cessation of activity

The Gradual Cessation of Activity programme seeks to adjust the work time of employees who have reached the end of their careers. A work-time formula is thus arranged to provide a transition period between professional activity and retirement. The agreement, effective since July 2008, offers the possibility of a gradual or complete cessation for SNCF, SNCF Voyageurs, SNCF Réseau, Gares et Connexions and FRET SNCF personnel. The granting of benefits is based on a combination of criteria: years of service, hardship and employee category. The agreement is treated as a long-term benefit in the consolidated financial statements. The calculation is mainly based on the assumption related to the expected proportion of employees that will benefit from the programme.

5.1.8 Time savings account

Following the publication of the law 2005-296 of 31 March 2005 on the change in the organisation of working time in companies and the decree of 3 September 2008 on the application of the purchasing power law of 8 February 2008, a collective agreement was signed by the former EPIC SNCF Mobilités on 6 June 2008, providing for the creation of a Time Savings Account in order to save paid holidays to be used either during employment, in addition to the annual paid holidays (short-term benefit) or at employment termination or in connection with a gradual cessation of activity. This agreement is applicable to the employees of SNCF, SNCF Voyageurs, SNCF Réseau, Gares et Connexions and FRET SNCF.

5.1.9 Travel facilities

SNCF, SNCF Voyageurs, SNCF Réseau, Gares et Connexions and FRET SNCF active and retired employees and their beneficiaries receive travel facilities (TF) which enable them to travel under certain circumstances at prices that differ from the market. The Group considers that these travel facilities do not have a material impact on its production resources.

In the case of active personnel (during their period of activity), the TF satisfy the definition of short-term benefits as they are granted in consideration for services rendered by the beneficiaries during the period.

In the case of the post-employment period for active employees, current retirees and their beneficiaries, the Group considers the marginal average cost of the programme to be lower than the average price paid on reservation. A liability is not therefore recognised in respect of this post-employment benefit.

5.2 CHANGE IN THE NET POSITION OF PLANS

5.2.1 Breakdown of net liabilities (assets)

In € millions	31/12/2021	31/12/2020
Present value of the obligations	3,226	3,370
Fair value of plan assets	-481	-394
Net position of the plans	2,746	2,976
Effect of the asset ceiling	0	0
Total net liabilities (assets) at closing date	2,746	2,976
<i>Of which net liabilities recorded</i>	<i>2,745</i>	<i>2,976</i>
<i>Of which net assets recorded</i>	<i>0</i>	<i>0</i>

The Group's main employee benefit plans gave rise to the recognition of the following liabilities:

In € millions	31/12/2021	31/12/2020
Pensions and other similar benefits	452	516
Provident obligations	63	69
Social welfare initiatives	267	350
Compensation for work-related injuries	1,038	1,155
Liabilities relating to post-employment benefits	1,819	2,090
Compensation for work-related injuries	48	48
Long-service awards and other benefits	244	208
Gradual cessation of activity	341	356
Time savings account	295	274
Liabilities relating to other long-term benefits	928	886
Total liabilities	2,746	2,976
- of which non-current	2,579	2,814
- of which current	167	163

5.2.2 Change in net liabilities (assets)

The items explaining the change in net liabilities over the period are as follows:

In € millions	31/12/2021	31/12/2020
Total net liabilities (assets) at opening date	2,976	2,947
Current service cost	304	221
Past service cost	3	-11
Effect of plan settlements	-3	-5
Net financial interest	15	19
Actuarial gains and losses generated during the period	-334	19
Benefits paid to employees by the company	-188	-185
Employer's fund contribution	-8	-9
Effect of changes in Group structure	1	-9
Foreign exchange impact	14	-10
Other	-36	1
Total net liabilities (assets) at closing date	2,746	2,976

The increase in current service cost was primarily due to the rise in the volume of days saved in time-savings accounts, a change in accounting estimate of the provision relating to the unemployment risk managed by the SNCF Group, and the rise in the number of voluntary retirement plans identified as at 31 December 2021.

The net actuarial gain of €334 million recorded in 2021 was due to the rise in the discount rate observed for all the monetary zones, the adjustment of demographic and

financial assumptions (mainly new mortality tables) and experience adjustments.

The actuarial gain recognised in "Non-recyclable reserves" with respect to post-employment benefits totalled €250 million. The net gain recognised in finance costs under other long-term benefits amounted to €84 million.

In 2020, the net actuarial loss of €19 million was essentially due to the drop in the discount rate observed for all the monetary zones, the adjustment of demographic and financial assumptions and experience adjustments: an actuarial loss of -€28 million was recognised in "Non-recyclable reserves" with respect to post-employment benefits, while an actuarial gain of €9 million was recognised in finance costs under other long-term benefits.

In 2020, the effect of changes in Group structure included the reclassification of provisions for Ermewa employee benefits as assets classified as held for sale for -€11 million, in accordance with IFRS 5 (see Note 4.3.2).

The foreign exchange impacts mainly involved the pension plans of UK subsidiaries and stemmed from the decrease in the pound sterling / Euro parity observed since Brexit.

Finally, the application of the change in method resulting from the IFRIC decision validated in May 2021 by the IASB (see Note 1.2) gave rise to a decrease in the opening provision for termination benefits of €37 million: the adjustment is presented above under the "Other" heading. It was offset by an increase in 2021 opening equity. Considering the limited impact of this change in method, the Group opted for the simplified approach and recognised the impact of the change at the start of 2021.

Changes in the present value of obligations, the fair value of plan assets and the net liabilities (assets) for 2021 are as follows:

31/12/2021 In € millions	Pensions and other similar benefits	Provident plan	Social welfare initiatives	Compensation for work-related injuries	Gradual cessation of activity and time savings account	Long- service awards and other benefits	TOTAL
Present value of the obligation at opening date	910	69	350	1,203	630	208	3,370
Current service cost	44	2	-4	40	107	116	304
Employee contribution	0						0
Past service cost arising from a plan amendment	3	0	0	0	0	0	3
Past service cost arising from a plan curtailment	0	0	0	0	0	0	0
Effect of settlements	-3	0	0	0	0	0	-3
Finance cost	11	0	1	5	3	0	21
Actuarial gains and losses generated during the period	-9	-6	-72	-106	-72	-10	-276
Benefits paid to employees by the company	-19	-2	-8	-57	-31	-70	-188
Benefits paid by the fund	-13						-13
Effect of changes in Group structure	2	0	0	0	0	-1	1
Foreign exchange impact	42					0	43
Other	-37	0	0	0	0	0	-37
Present value of the obligation at closing date	932	62	267	1,085	636	244	3,226
<i>Of which present value of unfunded obligations</i>	<i>247</i>	<i>62</i>	<i>267</i>	<i>1,085</i>	<i>636</i>	<i>244</i>	<i>2,541</i>
<i>Of which present value of fully or partially funded</i>	<i>685</i>						<i>685</i>

31/12/2021 In € millions	Pensions and other similar benefits
Fair value of plan assets at opening date	394
Implicit return on plan assets	6
Actuarial gains and losses generated during the period	58
Effect of curtailments and settlements	0
Employer's fund contribution	8
Employee fund contribution	0
Benefits paid by the fund	-13
Effect of changes in Group structure	0
Foreign exchange impact	28
Other	-1
Fair value of plan assets at closing date	481
Effect of the asset ceiling at opening date	0
Change in effect of the asset ceiling	0
Interest expense on effect of the asset ceiling	0
Effect of the asset ceiling at closing date	0

31/12/2021 In € millions	Pensions and other similar benefits	Provident plan	Social welfare initiativ es	Compe nsation for work- related injuries	Gradual cessation of activity and time savings account	Long- service awards and other benefits	TOTAL
(+) Present value of the obligation at closing date	932	62	267	1,085	636	244	3,226
(-) Fair value of plan assets at closing date	-481	0	0	0	0	0	-481
(-) Effect of the asset ceiling at closing date	0	0	0	0	0	0	0
Total net liabilities (assets) at closing date	451	62	267	1,085	636	244	2,746
Assets available after effect of the asset ceiling	0						0
Total liabilities at closing date	451	62	267	1,085	636	244	2,746

Changes in the present value of obligations, the fair value of plan assets and the net liabilities (assets) for 2020 were as follows:

31/12/2020 In € millions	Pensions and other similar benefits	Provident plan	Social welfare initiatives	Compens ation for work- related injuries	Gradual cessation of activity and time savings account	Long- service awards and other benefits	TOTAL
Present value of the obligation at opening date	841	68	341	1,276	595	217	3,338
Current service cost	41	2	7	37	72	63	221
Employee contribution	0						0
Past service cost arising from a plan amendment	0	0	-11	0	0	0	-11
Past service cost arising from a plan curtailment	0	0	0	0	0	0	0
Effect of settlements	-6	0	0	0	0	0	-6
Finance cost	13	0	2	7	3	1	26
Actuarial gains and losses generated during the period	86	1	21	-59	-5	-2	41
Benefits paid to employees by the company	-18	-2	-10	-58	-34	-63	-185
Benefits paid by the fund	-11						-11
Effect of changes in Group structure	-5	0	0	0	0	-6	-12
Foreign exchange impact	-30					-1	-31
Other	0	0	0	0	0	0	0
Present value of the obligation at closing date	910	69	350	1,203	630	208	3,370
<i>Of which present value of unfunded obligations</i>	<i>280</i>	<i>69</i>	<i>350</i>	<i>1,203</i>	<i>630</i>	<i>208</i>	<i>2,740</i>
<i>Of which present value of fully or partially funded</i>	<i>630</i>						<i>630</i>

31/12/2020 In € millions	Pensions and other similar benefits
Fair value of plan assets at opening date	391
Implicit return on plan assets	8
Actuarial gains and losses generated during the period	22
Effect of curtailments and settlements	0
Employer's fund contribution	9
Employee fund contribution	0
Benefits paid by the fund	-11
Effect of changes in Group structure	-3
Foreign exchange impact	-21
Other	-1
Fair value of plan assets at closing date	394
Effect of the asset ceiling at opening date	0
Change in effect of the asset ceiling	0
Interest expense on effect of the asset ceiling	0
Effect of the asset ceiling at closing date	0

31/12/2020 In € millions	Pensions and other similar benefits	Provident plan	Social welfare initiativ es	Compe nsation for work- related injuries	Gradual cessation of activity and time savings account	Long- service awards and other benefits	TOTAL
(+) Present value of the obligation at closing date	910	69	350	1,203	630	208	3,370
(-) Fair value of plan assets at closing date	-394	0	0	0	0	0	-394
(+) Effect of the asset ceiling at closing date	0	0	0	0	0	0	0
Total net liabilities (assets) at closing date	516	69	350	1,203	630	208	2,976
Assets available after effect of the asset ceiling	0						0
Total liabilities at closing date	516	69	350	1,203	630	208	2,976

5.2.3 Breakdown of plan assets

In € millions	31/12/2021	31/12/2020
Bonds	87	79
Shares	369	293
Real estate	1	1
Cash and cash equivalents	2	2
Other	22	18
Total fair value of plan assets	481	394
<i>Of which active market</i>	<i>484</i>	<i>397</i>
<i>Of which Euro zone</i>	<i>12</i>	<i>11</i>

Assets mainly concern the pension plans for the Group's UK subsidiaries.

5.2.4 Reimbursement rights

The plans for certain Geodis subsidiaries, mainly in Germany, have reimbursement rights (€14 million as at 31 December 2021, and €13 million as at 31 December 2020). They are recognised at fair value as a separate asset in the statement of financial position. Actuarial gains and losses generated over the period with respect to these reimbursement rights are recognised immediately in non-

recyclable reserves, under the same terms and conditions as the actuarial gains and losses arising from the plan assets.

5.2.5 Analysis of contributions payable to the pension fund in Y+1

Under plans totally or partially funded by plan assets (mainly in Anglo-Saxon countries), the contributions payable in Y+1 by companies and/or beneficiaries break down as follows:

31/12/2021 In € millions	Pensions and other similar benefits
Employer's fund contribution	8
Employee fund contribution	5
Total contributions payable	13

31/12/2020 In € millions	Pensions and other similar benefits
Employer's fund contribution	8
Employee fund contribution	5
Total contributions payable	13

5.3 EMPLOYEE BENEFIT PLAN EXPENSES

For the basic plans and other defined-contribution plans, the Group expenses contributions payable when they are due. No provisions are recognised as the Group does not have any obligation beyond the contributions paid.

This has primarily involved the special retirement plan for Group company employees with qualifying status since the creation of the SNCF Employee Pension and Provident Fund in 2007.

In the case of defined-benefit plans, when benefits are covered by third parties (insurance contracts, provident organisations unrelated to the Group), and the Group has no legal or implicit obligation to cover any losses relating to past services over the period or prior periods, no obligation is recognised and the insurance/provident premiums paid are recognised as payments to a defined contribution plan, the obligation to provide benefits to employees being the

sole responsibility of the third party organisation.

In the other cases, the obligations are subject to actuarial valuations and provisions are recorded on the balance sheet upon vesting of benefit rights by employees. The actuarial liability (or present value of the obligation with respect to defined benefits) is determined according to the projected unit credit actuarial method, which stipulates that each period of service gives rise to an additional unit of benefit and measures each unit separately to determine the final obligation.

These calculations include assumptions concerning the discount rate, mortality, employee turnover and expected future salary levels.

In the case of plans partially or fully funded by plan assets, the net liability (asset) is recognised in the amount of the negative or positive difference between the present value of the obligation and the fair value of the plan assets.

5.3.1 Defined benefit plan net expense

The income statement expense for 2021 and 2020 breaks down as follows.

31/12/2021	Pensions and other similar benefits	Provident plan	Social welfare initiatives	Compensation for work-related injuries	Gradual cessation of activity and time savings account	Long-service awards and other benefits	TOTAL
In € millions							
Current service cost	44	2	-4	40	107	116	304
Past service cost	3	0	0	0	0	0	3
<i>Of which effect of plan amendments</i>	3	0	0	0	0	0	3
<i>Of which effect of plan curtailments</i>	0	0	0	0	0	0	0
Effect of settlements on the obligation	-3	0	0	0	0	0	-3
Effect of settlements on plan assets	0						0
Other	0	0	0	0	0	0	0
Current operating profit/loss	44	2	-4	40	107	116	304
Net financial interest	5	0	1	5	3	0	15
<i>Of which finance cost</i>	11	0	1	5	3	0	21
<i>Of which implicit return on plan assets</i>	-6						-6
<i>Of which interest on asset ceiling</i>	0						0
Actuarial gains and losses generated during the year with respect to long-term benefits				-2	-72	-10	-84
Other	1	0	0	0	0	0	1
Net finance costs	6	0	1	3	-70	-9	-68
Total expense recognised	50	2	-3	44	37	107	236

The increase in current service cost under the "Gradual cessation of activity and time savings account" heading was due to the rise in the number of days saved by Group employees.

The increase in current service cost under the "Long-service awards and other benefits" heading was due to a change in accounting estimate of provision for return to work allowances under the SNCF Group self-insurance scheme (+€37 million), and the rise in the number of voluntary retirement plans identified as at 31 December 2021 (+€17 million).

The application of the change in method (see Note 1.2) resulting from the IFRIC decision, which had an impact on the provision for termination benefits, had no material impact on the volume of expenses for the year.

31/12/2020	Pensions and other similar benefits	Provident plan	Social welfare initiatives	Compensation for work-related injuries	Gradual cessation of activity and time savings account	Long-service awards and other benefits	TOTAL
In € millions							
Current service cost	41	2	7	37	72	63	221
Past service cost	0	0	-11	0	0	0	-11
<i>Of which effect of plan amendments</i>	0	0	-11	0	0	0	-11
<i>Of which effect of plan curtailments</i>	0	0	0	0	0	0	0
Effect of settlements on the obligation	-6	0	0	0	0	0	-6
Effect of settlements on plan assets	0						0
Other	0	0	0	0	0	0	0
Current operating profit/loss	35	2	-4	37	72	63	204
Net financial interest	5	0	2	7	3	1	19
<i>Of which finance cost</i>	13	0	2	7	3	1	26
<i>Of which implicit return on plan assets</i>	-8						-8
<i>Of which interest on asset ceiling</i>	0						0
Actuarial gains and losses generated during the year with respect to long-term benefits				-3	-5	-2	-10
Other	1	0	0	0	0	0	1
Net finance costs	6	0	2	5	-2	-2	9
Total expense recognised	41	2	-2	41	70	61	213

5.3.2 Defined contribution plan net expense

The expense recorded for defined contribution plans included in "Employee benefits expense" amounted to €1.5 billion in 2021 (€1.5 billion in 2020). It has primarily involved the special retirement plan for SNCF, SNCF Voyageurs, SNCF Réseau, Gares et Connexions and FRET SNCF employees with qualifying status since the creation of the SNCF Employee Pension and Provident Fund in 2007.

5.3.3 Remeasurement of the net defined liability (asset) benefit in non-recyclable reserves

Actuarial gains and losses generated over the period for post-employment benefits are immediately offset in non-

recyclable reserves (equity).

In the event of the partial or total derecognition of the liability, the gains and losses will never be transferred to profit or loss in subsequent periods. Where necessary, they may be transferred to another equity component (mainly Other reserves).

Actuarial gains and losses generated for other long-term benefits (compensation for work-related injuries of active employees over the period of service, long service awards, time-savings account and gradual cessation of activity) continue to be immediately recognised in finance costs over the period.

31/12/2021 In € millions	Pensions and other similar benefits	Provident plan	Social welfare initiatives	Post- employment compensation for work- related injuries	TOTAL
<i>(losses) and gains</i>					
Remeasurement at opening date	-221	-23	-8	-451	-702
Actuarial gains and losses generated during the year with respect to obligations	9	6	72	105	192
Actuarial gains and losses generated during the year with respect to plan assets	58				58
Actuarial gains and losses generated during the year with respect to reimbursement rights	1				1
Net change in effect of the asset ceiling	0				0
Foreign exchange impact	-11				-11
Other	1	0	0	0	1
Remeasurement at closing date	-164	-17	64	-347	-463
31/12/2020 In € millions	Pensions and other similar benefits	Provident plan	Social welfare initiatives	Post- employment compensation for work- related injuries	TOTAL
<i>(losses) and gains</i>					
Remeasurement at opening date	-158	-22	8	-508	-680
Actuarial gains and losses generated during the year with respect to obligations	-86	-1	-21	56	-51
Actuarial gains and losses generated during the year with respect to plan assets	21				21
Actuarial gains and losses generated during the year with respect to reimbursement rights	0				0
Net change in effect of the asset ceiling	0				0
Foreign exchange impact	7				7
Other	-5	0	5	0	0
Remeasurement at closing date	-221	-23	-8	-451	-702

5.4 ACTUARIAL ASSUMPTIONS AND GAINS AND LOSSES

5.4.1 Main actuarial assumptions used

Provisions for employee obligations are calculated on an actuarial basis, using the projected unit credit method. The parameters used in the modelling of the main employee benefits are as follows:

Discount rate

Obligations relating to the main post-employment benefits were discounted at the closing date market rate based on leading corporate bonds of comparable maturity. The benchmark used to determine the discount rate is Bloomberg AA for the Eurozone. The last two rates indicated correspond to the plans of the subsidiaries that apply the non-rail (Geodis) and freight transport collective agreements. The rate for Sweden concerns the plans covering the subsidiaries of the Freight and Logistics business unit, while that for the UK concerns Eurostar, the subsidiary of the SNCF Voyageurs business unit.

Mortality table

Since the second half of 2013, social welfare initiative and provident obligations of SNCF, SNCF Voyageurs, SNCF

Réseau, SNCF Gares et Connexion and FRET SNCF have been measured using a prospective mortality table by gender specific to railway employees (special pension plan base) prepared by the Caisse de Prévoyance Retraite (provident pension fund) and validated by a certifying actuary.

A table including a degradation coefficient was extrapolated for compensation for work-related injuries/illnesses. Based on the CPRP certified table, the mortality tables of the other plans were also modified.

These mortality table changes satisfy the requirement of the revised standard according to which mortality assumptions must reflect that of the plan members both during and after employment.

Gradual cessation of activity plan membership

The amount of the obligation under the gradual cessation of activity agreement was calculated using a membership assumption. In connection with the rail reform and the transfers on 1 July 2015, the breakdown of the commitment between the 5 SAs was determined using different rates. The membership rate is 22.14% for SNCF Voyageurs, 20.98% for FRET SNCF, 8.96% for SNCF SA, 14.55% for SNCF Gares & Connexions and 25.46% for SNCF Réseau in 2021.

5.4.1.1 Assumptions used for the main Group plans

As the obligations under the 5 SA plans represent more than 83% of the Group total, the actuarial assumptions used for their measurement are described below.

Comparative figures are presented below.

	31/12/2021	31/12/2020
Discount rate	0.92%	0.43%
Inflation rate	1.80%	1.60%
Benefit remeasurement rate		
Provident plan	2.40%	2.40%
Social welfare initiatives	1.80%	1.60%
Compensation for work-related injuries	1.80%	1.60%
Gradual cessation of activity and time savings account	2.37%	2.37%
Retirement benefits and long-service awards	2.37%	2.37%
Mortality table		
Provident obligation and social welfare initiatives	CPRM 2070 / CPRW	CPRM / CPRW
Active and retired employees with work-related injuries	CPR AT 2070	CPR AT
Widows of employees with work-related injuries	CPRW 2070	CPRW
Gradual cessation of activity and time savings account	CPR80%M /20%W	CPR80%M /20%W
Retirement benefits and long-service awards	CPR80%M /20%W	CPR80%M /20%W
Gradual cessation of activity plan membership - SNCF Voyageurs	22.14%	22.14%
Gradual cessation of activity plan membership- FRET SNCF	20.98%	20.98%
Gradual cessation of activity plan membership- SNCF SA	8.96%	8.96%
Gradual cessation of activity plan membership - SNCF Gares et connexions	14.55%	14.55%
Gradual cessation of activity plan membership - SNCF Réseau	25.46%	25.46%

5.4.1.2 Assumptions used for other plans by geographical area

With respect to the plans granted by Group subsidiaries, the assumptions used for the principal monetary zones according to the plan terms are as follows:

	31/12/2021					31/12/2020				
	Eurozone					Eurozone				
	Geodis CL Germany GmbH	Geodis France	Keolis	Eurostar	Geodis Holding Sweden AB	Geodis CL Germany GmbH	Geodis France	Keolis	Eurostar	Geodis Holding Sweden AB
Discount rate	0.90%	0.70%	0.56%	1.90%	1.90%	0.46%	0.31%	0.21%	1.60%	1.20%
Salary increase rate	2.50%	2.76%	4.06%	2.80%	3.10%	2.00%	2.75%	4.13%	2.70%	2.50%
Inflation rate	1.60%	1.60%	1.80%	3.30%	2.10%	1.60%	1.60%	1.60%	2.90%	1.50%

5.4.2 Analysis by nature of actuarial gains and losses

Actuarial gains and losses are recognised according to the plan's qualification:

- for defined benefit plans covering post-employment benefits, actuarial gains and losses are recognised in other comprehensive income under non-recyclable reserves. They are never recycled in profit or loss but can be

reclassified in undistributed reserves if the entity concerned is removed from the consolidation scope;

- for other long-term defined benefit plans (long-service awards, unemployment, salary maintenance, gradual cessation of activity, etc.), actuarial gains and losses are immediately recognised in finance cost.

5.4.2.1 Change and breakdown of actuarial gains and losses

31/12/2021 In € millions	Pensions and other similar benefits	Provident plan	Social welfare initiatives	Post- employment compensation for work- related injuries	TOTAL post- employment benefits	Long-term compensation for work- related injuries	Gradual cessation of activity and time savings account	Long- service awards and other benefits	TOTAL Long- term benefits (*)
Opening actuarial gains (losses)	-221	-23	-8	-451	-703				
Experience adjustments relating to liabilities	6	-1	33	17	56	1	31	5	37
Effects of changes in demographic assumptions relating to liabilities	1	2	6	39	48	0	0	0	0
Effects of changes in financial assumptions relating to liabilities	1	5	33	48	88	1	41	5	47
Actuarial gains and losses on the obligation generated over the year	9	6	72	105	192	2	72	10	84
Experience adjustments relating to assets	58				58				
Effects of changes in financial assumptions relating to assets	0				0				
Actuarial gains and losses generated during the year with respect to plan assets	58				58				
Foreign exchange impact	-11				-11				
Other	1	0	0	0	1				
Closing actuarial gains (losses)	-164	-17	64	-347	-463				
<i>Total experience adjustments</i>	<i>64</i>	<i>-1</i>	<i>33</i>	<i>17</i>	<i>114</i>	<i>1</i>	<i>31</i>	<i>5</i>	<i>37</i>
<i>Total impacts relating to changes in actuarial assumptions</i>	<i>3</i>	<i>7</i>	<i>39</i>	<i>88</i>	<i>136</i>	<i>1</i>	<i>41</i>	<i>5</i>	<i>47</i>

(*) For other long-term benefits, actuarial gains and losses were not monitored as they have always been recognised immediately in net finance cost for the period.

31/12/2020 In € millions	Pensions and other similar benefits	Provident plan	Social welfare initiatives	Post- employment compensation for work- related injuries	TOTAL post- employment benefits	Long-term compensation for work- related injuries	Gradual cessation of activity and time savings account	Long- service awards and other benefits	TOTAL Long- term benefits (*)
Opening actuarial gains (losses)	-158	-22	8	-508	-680				
Experience adjustments relating to liabilities	9	1	-6	33	37	2	19	4	26
Effects of changes in demographic assumptions relating to liabilities	0	0	0	0	0	0	0	0	0
Effects of changes in financial assumptions relating to liabilities	-95	-2	-15	24	-88	1	-14	-2	-15
Actuarial gains and losses on the obligation generated over the year	-86	-1	-21	56	-51	3	5	2	10
Experience adjustments relating to assets	22				22				0
Effects of changes in financial assumptions relating to assets	0				0				0
Actuarial gains and losses generated during the year with respect to plan assets	22				22				0
Foreign exchange impact	7				7				0
Other	-5	0	5	0	0				0
Closing actuarial gains (losses)	-221	-23	-8	-451	-703				0
<i>Total experience adjustments</i>	<i>31</i>	<i>1</i>	<i>-6</i>	<i>33</i>	<i>59</i>	<i>2</i>	<i>19</i>	<i>4</i>	<i>26</i>
<i>Total impacts relating to changes in actuarial assumptions</i>	<i>-95</i>	<i>-2</i>	<i>-15</i>	<i>24</i>	<i>-88</i>	<i>1</i>	<i>-14</i>	<i>-2</i>	<i>-15</i>

(*) For other long-term benefits, actuarial gains and losses were not monitored as they have always been recognised immediately in net finance cost for the period.

5.4.2.2 Analysis of the obligation's sensitivity to the main actuarial assumptions

The amounts below correspond to the decrease (actuarial gain) or increase (actuarial loss) in obligations as

recognised as at 31 December 2021 according to changes in actuarial assumptions.

31/12/2021 In € millions Gains (-) / Losses (+)	Pensions and other similar benefits	Provident plan	Social welfare initiatives	Compensation for work- related injuries	Gradual cessation of activity and time savings account
Sensitivity to the discount rate					
Change of + 0.25pt	-48	-2	-12	-39	-19
Change of - 0.25pt	48	2	13	42	20
Sensitivity to the inflation rate					
Change of + 0.25pt		2	12	41	
Change of - 0.25pt		-2	-12	-39	
Sensitivity to gradual cessation of activity membership rate					
Change of + 1pt					15
Change of - 1pt					-15

31/12/2020 In € millions Gains (-) / Losses (+)	Pensions and other similar benefits	Provident plan	Social welfare initiatives	Compensation for work- related injuries	Gradual cessation of activity and time savings account
Sensitivity to the discount rate					
Change of + 0.25pt	-49	-3	-16	-46	-20
Change of - 0.25pt	49	3	17	49	21
Sensitivity to the inflation rate					
Change of + 0.25pt		3	17	48	
Change of - 0.25pt		-3	-16	-45	
Sensitivity to gradual cessation of activity membership rate					
Change of + 1pt					16
Change of - 1pt					-16

5.5 MANAGEMENT COMPENSATION

The main Group managers are members of the Group management committee. Their cumulative taxable compensation indicated below corresponds to short-term benefits.

In € millions	31/12/2021	31/12/2020
Short-term employee benefits	3.9	4.0
Long-term benefits	-	-
Post-employment benefits	0.1	0.1
Termination benefits	0.2	0.4
Total	4.2	4.5

6. CAPITAL AND FINANCING

6.1 LIQUIDITY MANAGEMENT DURING THE HEALTH CRISIS

Sluggish economic activity and the measures taken to contain the spread of coronavirus have again had a very significant impact on both corporate cash flows and the financial markets. Companies had considerably higher than normal cash requirements. Despite a turnaround in the financial markets ahead of the recovery of economic activity, short and medium-term uncertainty remains a source of market volatility.

The SNCF Group, like all businesses in the transport and tourism sectors, has remained very severely affected in 2021 by the consequences of the COVID-19 health crisis and by the lockdown or restriction measures imposed by

the authorities in the various countries where the Group operates, especially France.

6.1.1 Financing and liquidity management

Faced with this liquidity crisis, and potentially a credit risk at some of its subsidiaries and partners, the SNCF Group continued in 2021 to roll out the measures implemented in 2020. They are summarised as follows.

Changes to forecasting and liquidity management tools

To obtain a best estimate of the impact of the health crisis, SNCF's Financing and Treasury Department prepared several scenarios and built them into its liquidity forecasting tools. The assumptions used took account of the potential losses arising from flat economic activity, and the impact of strong volatility in the financial markets on weekly margin calls (posting of collateral).

The Financing and Treasury Department continued its daily review of changes in its liquidity position as introduced at the beginning of the crisis in 2020. A Liquidity dashboard was also set up to monitor liquidity risk. It is communicated to executive management twice a month.

These adaptations combined with proactive liquidity management ensures that a minimum cash amount of €1 billion is immediately available at all times (overnight).

Reorganisation of liquidity flows

The Financing and Treasury Department continued to reorganise the liquidity flows that began in 2020 by accelerating the transfer of cash via the cash pooling of subsidiaries, optimising working capital requirements within the subsidiaries, closely tracking the liquidity position of subsidiaries outside the cash pool, etc.

Expanding the Group's financing sources

The Group operates the following financing programmes:

- a Euro Commercial Paper (ECP) programme capped at €5 billion;
- a Negotiable European Commercial Paper (NEU CP) programme capped at €3 billion;
- a Euro Medium Term Note (EMTN) programme capped at €15 billion.

The Group also has a Revolving Credit Facility (RCF) of €3.5 billion, all of which is accessible, contracted with 20 partner banks.

In 2021, a total financing amount of €2.78 billion, including a green bond of €0.36 billion, was raised with an average maturity of 28 years. This amount comprises 16 long-term issues. The Group's available cash and cash equivalents totalled €10.4 billion.

6.1.2 Review of cash flow hedges and bank loan covenants

Due to the COVID-19 health crisis, future hedged transactions were analysed. This did not call into question the highly probable nature of the future cash flows or the relevant hedging relationships. This is the case for hedging relationships for fluctuations in the price of oil and other commodities as well as cash flow hedging relationships for bank loans (CFH).

The Group also checked whether the impacts of the COVID-19 crisis had led to potential breaches of commitments or covenants contained in bank loan agreements. Based on that analysis, there was no risk of any breach of covenants as at 31 December 2021.

6.1.3 Credit risk management

The SNCF Group is exposed to credit risk through its dealings with banks and credit institutions, and with its customers.

Bank credit risk arises from deposits placed with banks, and derivative financial instruments contracted with banks. No increase in the level of risk has been identified.

Pursuant to IFRS 9, the Group continued to assess the impact of the crisis on potential late payments. In the absence of any major default, no additional credit risk was identified as at 31 December 2021.

6.2 MANAGEMENT OF THE INTEREST RATE BENCHMARK REFORM

A fundamental reform of interest rate benchmarks is currently underway, including the replacement of several IBORs by risk-free rates, excluding any premium for the counterparty or liquidity risk.

The Group is mainly exposed to the EURIBOR rate through its financial instruments. In 2019, the Belgian FSMA handed down a favourable decision on EURIBOR's compliance with the Benchmark Regulation following the change in the method of determining the index as of October 2019. EURIBOR is currently maintained indefinitely. The Group therefore considers that, as of 31 December 2021, EURIBOR's continuity is not threatened by the interest rate benchmark reform.

To a lesser extent, the Group is exposed to the EONIA and USD LIBOR rates:

- Exposure to the EONIA solely results from the interest on margin calls (collateral).
- Exposure to the USD LIBOR results from:
 - short-term issues contracted by SNCF SA and renewed every three months, backed by a floating-rate payer (L3M) and fixed-rate receiver (benefiting from classification as a Cash Flow Hedge) swap in the nominal amount of USD 165 million.
 - floating-rate debt contracted by Keolis America for a nominal amount of USD 80 million maturing in February 2023, hedged by interest rate swaps and caps for a total nominal amount of USD 70 million.

The replacement rates for these rates are the ESTR and the SOFR, respectively. The EONIA ceased to be published on 3 January 2022. The LIBOR ceased to be published for the shortest maturities on 31 December 2021. It is scheduled to be terminated for other maturities from 30 June 2023.

As at 31 December 2021, a few collateral contracts were amended with respect to the EONIA. They gave rise to the payment of financial compensation for an immaterial amount.

Regarding the other contracts that have yet to be amended, SNCF Group counterparties were called upon to benefit from the Commission Implementing Regulation (EU) 2021/1848 of 21 October 2021 which provided an automatic replacement, the ESTR rate + 8.5 bp from 3 January 2022, the EONIA publication termination date.

As the USD LIBOR is scheduled to cease being published in 2023, contracts were yet to be renegotiated as at 31 December 2021.

The Group believes that the interest rate benchmark reform will not have a major impact on its financial statements or risk management and will not call into question its hedge accounting.

6.3 NET INDEBTEDNESS

Net indebtedness is the sum of current and non-current financial liabilities less current and non-current financial assets, when the latter arise from transactions which, in substance, only involve exchanges of cash flow: issue or receipt of cash in consideration for a cash reimbursement or expected cash reimbursement.

Net indebtedness excludes the following items:

- Pension assets and liabilities which are covered by IAS 19 and presented in Note 5.
- Concession financial assets and liabilities, as they compensate for a transportation service or the right to use an infrastructure under a concession agreement.
- Lease financial receivables and lease liabilities which compensate the right-of-use granted to an underlying asset under a lease.
- Non-controlling interest purchase commitments as they are equity transactions and do not involve an exchange of cash flow. Keeping in line with the exclusion of equity from

net indebtedness, the financial liabilities arising from these transactions are also excluded.

- Investments in equity instruments, corresponding to non-consolidated investments.
- Financial assets and liabilities resulting from public-private partnerships that reflect, in substance, a lender-borrower relationship.

6.3.1 Net borrowing costs

Net borrowing costs consist of:

- interest paid on Group borrowings;

- proceeds from the Public Debt Fund receivable (see Note 6.3.2.1);

- and interest received on available cash balances.

These items are presented after hedging transactions and include fair value gains and losses on derivative instruments not qualifying for IFRS hedge accounting. Net changes in fair value and hedges records gains and losses on financial instruments at fair value through profit or loss, the ineffective portion of hedges, and the change in fair value of borrowings using the fair value option.

Net borrowing costs break down as follows:

<i>In € millions</i>	31/12/2021	31/12/2020	Change
Net change in fair value and hedges	69	-21	90
Gains and losses on derivative instruments	543	-532	1,075
Gains and losses on fair value hedged items	-500	465	-965
Gains and losses on equity instruments at fair value through profit or loss	-1	13	-14
Gains and losses on debt instrument assets at fair value through profit or loss	0	0	0
Gains and losses on financial liabilities at fair value through profit or loss	7	8	-1
Other fair value gains and losses	21	25	-4
Net borrowing costs	-918	-902	-16
<i>Of which interest income (expense) on financial assets at amortised cost</i>	769	829	-60
<i>Of which interest income (expense) on financial liabilities at amortised cost</i>	-1,608	-1,757	149
<i>Of which interest income (expense) on financial instruments at fair value through equity</i>	2	-1	3
Other interest expense and income	-117	-196	79
<i>Of which interest expense on lease liabilities</i>	-143	-146	2
Net borrowing and other costs	-966	-1,119	153

<i>In € millions</i>	31/12/2021	31/12/2020	Change
Financial expenses	-2,176	-2,943	767
Financial income	1,210	1,824	-614
Net borrowing and other costs	-966	-1,119	153

6.3.2 Calculation of net indebtedness

The following tables present the categories and classes of financial assets and liabilities as well as the methods used for their fair value measurement.

The items excluded from the net indebtedness calculation do not appear in the "Net indebtedness" column or the "Group net indebtedness" sub-total.

The classification and measurement of financial assets requires an analysis of the cash flows generated by such assets, and their applied management model.

Cash flow analysis consists in defining whether or not the financial asset generates solely principal repayment flows and related interest payments. These are called SPPI assets (solely payments of principal and interest on the principal amount).

Their management model is analysed to determine whether the financial asset is held by the Group in order to:

- Collect the contractual flows generated by the financial asset;
- Collect the contractual flows generated by the financial asset and following its sale;
- Any other grounds for holding, particularly for short-term trading or optimisation.

This double analysis is carried out to determine the measurement method applicable to each financial asset:

- Measurement at amortised cost;
- Measurement at fair value through other comprehensive income;
- Measurement at fair value through the income statement.

Furthermore, debt instruments in assets (loans, receivables, bonds and other securities) measured at amortised cost are subject to the impairment model for expected losses. This impairment, representing the counterparty's credit risk, is recognised against the income

statement as soon as loans and receivables have been granted or securities acquired, without the identification of any objective indication of impairment. It is estimated for the credit losses that the Group expects to incur over a one-year period, based on the historical data or financial rating of the counterparty. In the event of significant credit risk deterioration, it is remeasured to represent the loss expected over the life of the financial asset.

The Group does not recognise impairment for losses expected on the following financial assets:

- Assets held with a government counterparty presenting a negligible credit risk;
- Assets held with an entity included within the Group's scope of consolidation;
- Assets whose expected losses are estimated to be immaterial.

In the event of an objective indication of impairment, which is to say a long-term and material decline in an asset's value, an impairment loss is recognised through profit or loss for the loss in value. An objective indication arises from the Group's knowledge of the debtor's financial difficulties (payment default, liquidation, etc.).

Financial assets or liabilities maturing in less than 12 months at the balance sheet date are recorded in current financial assets or current financial liabilities. The fair value of asset or liability derivative instruments is classified as current or non-current based on the final maturity of the derivative.

The loans, borrowings and fair value of derivative instrument line items include accrued interest.

"Regular way" purchases are recorded at the settlement date.

The level of hierarchy used to calculate the fair value of financial instruments, whether recognised at fair value or amortised cost, is shown by category and comprises the

following three levels under IFRS 13:

- Level 1: fair value measured using quoted prices by reference to the closing stock market price for listed financial instruments.
- Level 2: fair value measured using inputs other than quoted prices that are observable directly or indirectly on the market. It is used for unlisted financial instruments, for which there exists listed instruments of a similar nature and

maturity and by reference to the stock market price of such instruments.

- Level 3: fair value determined using valuation techniques not based on observable market data. It is used for other unlisted instruments. The fair value is determined using valuation techniques such as the revalued net asset method, discounted cash flows or option valuation models.

31/12/2021				Financial instruments				Total	Fair value			
Balance sheet heading and classes of financial instruments								Net carrying amount of the class on the balance sheet				
In € millions	Non current	Current	Net indebtedness	At fair value through equity	At amortised cost	At fair value through profit or loss	Derivatives qualifying as hedges		Fair value of class	Level 1	Level 2	Level 3
Public-private partnership (PPP) receivables	1,956	268	2,224	-	2,224	-	-	2,224	2,224	-	2,224	-
Public Debt Fund (PDF) receivable	25,685	2,508	28,193	-	28,193	-	-	28,193	34,721	-	34,721	-
Cash collateral assets	-	1,401	1,401	-	1,401	-	-	1,401	1,401	-	1,401	-
Other loans and receivables	1,091	37	1,128	-	1,127	0	-	1,128	1,126	0	1,125	1
Concession financial assets	1,653	124	-	-	1,776	-	-	1,776	1,807	0	1,807	-
Lease receivables	9	0	-	-	9	-	-	9	-	-	-	-
Debt securities	85	-	85	-	-	85	-	85	85	-	85	-
Sub-total debt instruments	30,478	4,338	33,030	-	34,731	85	-	34,816	41,363	0	41,362	1
Pension plan assets	14	-	-	-	-	-	-	-	-	-	-	-
Investments in equity instruments	285	0	-	262	-	23	-	285	285	8	-	277
Trading instruments	-	14	14	-	-	14	-	14	14	14	-	-
Positive fair value of hedging derivatives	1,223	47	1,269	-	-	-	1,269	1,269	1,269	-	1,269	-
Positive fair value of trading derivatives (*)	364	137	501	-	-	501	-	501	501	-	501	-
Cash and cash equivalents	-	10,772	10,772	-	-	10,772	-	10,772	10,772	9,197	1,575	0
Total current and non-current financial assets	32,364	15,308	45,587	262	34,731	11,395	1,269	47,657	54,204	9,219	44,707	278
Bond issues	60,158	5,935	66,093	-	66,023	70	-	66,093	77,063	-	77,063	-
Bank borrowings	3,133	260	3,393	-	3,393	-	-	3,393	3,805	0	3,805	-
Asset financing liabilities	120	-0	120	-	120	-	-	120	119	-	119	-
Sub-total borrowings	63,411	6,195	69,606	-	69,536	70	-	69,606	80,987	0	80,987	-
<i>of which:</i>												
- not hedged	48,657	4,423	53,079	-	53,079	-	-	53,079	64,209	0	64,209	-
- recognised using cash flow hedge accounting	12,061	1,534	13,595	-	13,595	-	-	13,595	13,785	-	13,785	-
- recognised using fair value hedge accounting	2,624	238	2,862	-	2,862	-	-	2,862	2,924	-	2,924	-
- designated at fair value(**)	69	0	70	-	-	70	-	70	70	-0	70	-
Negative fair value of hedging derivatives	2,421	22	2,443	-	-	-	2,443	2,443	2,443	-	2,443	-
Negative fair value of trading derivatives (*)	279	91	370	-	-	370	-	370	370	-	370	-
Loans and borrowings	66,111	6,308	72,419	-	69,536	439	2,443	72,419	83,800	0	83,800	-
Cash borrowings and overdrafts	-	2,291	2,291	-	2,291	-	-	2,291	2,292	389	1,904	-
Amounts payable on non-controlling interest purchase commitments	867	-	-	867	-	-	-	867	867	-	-	867
Lease liabilities	2,677	902	-	-	3,580	-	-	3,580	-	-	-	-
Public-Private Partnership (PPP) payables	2,008	279	2,287	-	2,287	-	-	2,287	2,287	-	2,287	-
Financial grant	4,886	-	4,886	-	4,886	-	-	4,886	4,886	-	4,886	-
Concession financial liabilities	133	2	-	-	135	-	-	135	135	-	135	-
Total current and non-current financial liabilities (***)	76,683	9,782	81,883	867	82,715	439	2,443	86,465	94,268	389	93,012	867
Group net indebtedness	42,601	-6,306	36,296	-	46,055	-10,933	1,174	36,297	41,154	-8,823	49,977	-1

(*) The instruments shown as trading derivatives mainly correspond to Group debt economic hedging transactions (see Note 6.4.1).

(**) The nominal amount of liabilities recorded under the fair value option was €60 million. Those liabilities were designated at fair value on initial recognition.

(***) Includes lease liabilities, presented as a separate line item in the consolidated statement of financial position.

31/12/2020				Financial instruments				Total	Fair value			
Balance sheet heading and classes of financial instruments	Non current	Current	Net indebtedness	At fair value through equity	At amortised cost	At fair value through profit or loss	Derivatives qualifying as hedges	Net carrying amount of the class on the balance sheet	Fair value of class	Level 1	Level 2	Level 3
In € millions												
Public-private partnership (PPP) receivables	2,108	268	2,376	-	2,376	-	-	2,376	2,376	-	2,376	-
Public Debt Fund (PDF) receivable	28,411	1,665	30,076	-	30,076	-	-	30,076	34,973	-	34,973	-
Cash collateral assets	-	2,482	2,482	-	2,482	-	-	2,482	2,482	1,761	721	-
Other loans and receivables	1,156	65	1,221	-	1,220	0	-	1,221	1,225	0	1,222	2
Concession financial assets	2,016	136	-	-	2,152	-	-	2,152	2,270	-	2,270	-
Lease receivables	9	0	-	-	9	-	-	9	-	-	-	-
Debt securities	162	-	162	-	-	162	-	162	162	-	82	81
Sub-total loans and receivables	33,862	4,617	36,318	-	38,316	163	-	38,479	43,488	1,761	41,644	83
Pension plan assets	13	-	-	-	-	-	-	-	-	-	-	-
Investments in equity instruments	203	0	-	174	-	29	-	203	203	15	1	187
Trading instruments	-	9	9	-	-	9	-	9	9	9	-	-
Positive fair value of hedging derivatives	1,105	242	1,347	-	-	-	1,347	1,347	1,347	-	1,347	-
Positive fair value of trading derivatives (*)	547	129	676	-	-	676	-	676	676	-	676	-
Cash and cash equivalents	-	7,939	7,939	-	-	7,939	-	7,939	7,940	6,404	1,535	0
Total current and non-current financial assets	35,732	12,935	46,288	174	38,316	8,816	1,347	48,653	53,662	8,189	45,203	271
Bond issues	61,562	4,326	65,887	-	65,749	139	-	65,887	79,241	-	79,241	-
Bank borrowings	2,947	248	3,195	-	3,195	-	-	3,195	3,291	0	3,291	-
Asset financing liabilities	123	-0	123	-	123	-	-	123	123	-	123	-
Sub-total borrowings	64,633	4,573	69,206	-	69,067	139	-	69,206	82,655	0	82,655	-
<i>of which:</i>												
- not hedged	49,612	2,518	52,130	-	52,130	-	-	52,130	65,298	0	65,298	-
- recognised using cash flow hedge accounting	11,973	848	12,821	-	12,821	-	-	12,821	13,043	-	13,043	-
- recognised using fair value hedge accounting	2,974	1,142	4,116	-	4,116	-	-	4,116	4,175	-	4,175	-
- designated at fair value(**)	73	66	139	-	-	139	-	139	139	-0	139	0
Negative fair value of hedging derivatives	3,421	366	3,787	-	-	-	3,787	3,787	3,787	-	3,787	-
Negative fair value of trading derivatives (*)	502	110	612	-	-	612	-	612	612	-	612	-
Loans and borrowings	68,556	5,049	73,605	-	69,067	750	3,787	73,605	87,054	0	87,054	-
Cash borrowings and overdrafts	-	2,913	2,913	-	2,913	-	-	2,913	2,912	420	2,492	-
Amounts payable on non-controlling interest purchase commitments	812	-	-	812	-	-	-	812	812	-	-	812
Lease liabilities	3,127	888	-	-	4,016	-	-	4,016	-	-	-	-
Public-Private Partnership (PPP) payables	2,160	279	2,439	-	2,439	-	-	2,439	2,439	-	2,439	-
Financial grant	5,480	-	5,480	-	5,480	-	-	5,480	5,480	-	5,480	-
Concession financial liabilities	141	1	-	-	143	-	-	143	143	-	143	-
Total current and non-current financial liabilities (***)	80,277	9,130	84,437	812	84,057	750	3,787	89,407	98,840	420	97,608	812
Group net indebtedness (****)	42,706	-4,558	38,148	-	43,744	-8,036	2,441	38,148	46,695	-7,754	54,533	-84

(*) The instruments shown as trading derivatives mainly correspond to Group debt economic hedging transactions (see Note 6.4.1).

(**) The nominal amount of liabilities recorded under the fair value option was €122 million. Those liabilities were designated at fair value on initial recognition.

(***) Includes lease liabilities, presented as a separate line item in the consolidated statement of financial position.

(****) The State has assumed €25 billion (at nominal value on redemption) of SNCF Réseau debt.

6.3.2.1 Financial assets at amortised cost

Loans, receivables and debt securities are recognised at amortised cost in the balance sheet when they generate solely payments of principal and interest on the principal amount (SPPI) and are held for the sole purpose of collecting these same cash flows.

Public private partnership (PPP) receivables and payables

As part of its infrastructure activity, the group has entered into public-private partnerships (PPP) via SNCF Réseau for projects relating to:

- the Bretagne-Pays-de-Loire (BPL) high-speed line with the manufacturer Eiffage.
- the high-speed line for the Nîmes Montpellier Bypass with the manufacturer Oc'Via.
- the Global System for Mobile communication for Railways (GSM-R) with the manufacturer Synerail.

A portion of the projects is pre-financed by the manufacturers, which are subsidised by the French State and regional authorities. Therefore, according to the percentage completion of work, the Group recorded:

- The amount of grants to be claimed from the French State and regional authorities under "Public-Private Partnership receivables" in current and non-current financial assets, of which €1,026 million for BPL, €1,083 million for CNM and €193 million for GSM-R (€1,072 million, €1,045 million and €260 million as at 31 December 2020, respectively).
- The amounts payable to manufacturers under "Public-Private Partnership payables" in current and non-current financial liabilities.

Regarding BPL and CNM, SNCF Réseau has received grants and repaid the related borrowings (same amounts as the grants) since 2017, the year of project completion. As for GSM-R, the grant received is lower than the related borrowing as the project is not 100% subsidised. The payment schedules are identical for both receivables and payables and all relevant projects.

Information on investments and investment grants recorded is disclosed in Note 4.2.2.

Claims were received by SNCF Réseau for 2015 and 2018 for the BPL and CNM PPPs. These claims were mostly challenged by the company and only those accepted amounts were recognised.

Public debt fund receivable

Receivable carried by SNCF SA (originating from SNCF Mobilités)

In accordance with the corporate plan (contrat de plan) signed by the French State and SNCF SA (formerly SNCF Mobilités) in 1990, a Special Debt Account was set up on 1 January 1991 in order to isolate a portion of SNCF Mobilités' debt.

On the preparation of SNCF Mobilités opening IFRS balance sheet as at 1 January 2006, the debt from the Special Debt Account was transferred to the EPIC Mobilités balance sheet. At the same time, confirmation of the French State's commitment to contribute to the amortisation and servicing of the debt led to the recognition of a receivable in respect of expected payments from the French State.

In December 2007, in order to find a long-term and definitive solution to the future of these commitments and the financing of Special Debt Account debts, a series of transactions were carried out in order to replace the French State receivable with a Public Debt Fund

receivable, the terms and conditions of which reflect commitments to third-parties ring-fenced in the Special Debt Account.

Following these transactions, SNCF Mobilités:

- remained indebted towards holders of securities with the banking counterparties of forward financial instruments (foreign currency and interest rate swaps) it has contracted;
- held a receivable on the Public Debt Fund exactly reflecting the amount of the Special Debt Account debt and its terms and conditions and also covering the related derivatives.

The method of accounting for the receivable is unchanged in relation to the method that had been adopted for the recognition of a receivable in respect of expected payments from the French State in the opening IFRS balance sheet as at 1 January 2006, namely:

- the receivable is initially recorded, at the transfer date, at the fair value of debts transferred and subsequently at amortised cost;
- derivative instruments relating to the receivable are recorded at fair value, with gains and losses on remeasurement recognised in profit or loss.

The net carrying amounts do not include derivative instruments.

Receivable carried by SNCF Réseau

Following the reform resulting from the New Railway Pact law which entered into effect on 01/01/2020, the 2020 Initial Finance Law introduced the principle of a transfer of SNCF Réseau debt of €25 billion to the French State effective 1 January 2020. At the same time, the French State announced that this transfer would be accompanied by an additional transfer of €10 billion effective 1 January 2022 which was confirmed by the 2022 French Budget Act.

As at 1 January 2020, this debt transfer was conducted in two stages:

- set-up of a liability and a mirror receivable of a nominal amount of €25 billion between SNCF Réseau and CDP, effective 1 January 2020;
- substitution of the French State in favour of SNCF Réseau as debtor vis-à-vis CDP, and then waiver by the French State of its receivable from SNCF Réseau, also effective 1 January 2020.

In accounting terms, this transaction resulted in:

- The recognition of the loan receivable and the mirror loan payable at market value, including a €6.1 billion fair value remeasurement in assets and liabilities compared to the €25 million nominal value.
- Simultaneously, the SNCF Group recognised the State's debt waiver by (i) incorporating into reserves the €25 billion nominal value of the assumed debt and (ii) recognising a financial grant on liabilities corresponding to the difference between the Réseau debt average interest rate and the current market rate.

With effect from 1 January 2020, the PDF loan receivable is accounted for as a financial asset at amortised cost. In parallel, the financial grant is being written back to profit or loss on an actuarial basis, as and when the fair value remeasurement associated with the receivable is reclassified to profit or loss via the amortised cost calculation.

Consequently, the impact of this transaction on net finance costs is an amount of net financial income that exactly

mirrors the finance cost effectively borne by SNCF Réseau on the portion of its historical debt assumed by the State.

The PDF receivable repaid by the French State offset the repayments of its debt by SNCF Réseau.

The assumption of the additional €10 billion debt effective on 1 January 2022 will be recognised using the same accounting entries.

Other loans and receivables

Other loans and receivables include the employee-profit sharing receivables, "construction assistance" loans and other loans and guarantee deposits (excluding cash collateral assets) as well the EOLE porting. For the most part, these financial instruments are initially valued at fair value and then subsequently at amortised cost based on the effective interest rate (EIR). When they do not satisfy SPPI criteria, these assets are measured at fair value (see Note 6.3.2.3).

These instruments are presented in non-current assets, except for assets maturing in less than 12 months at the balance sheet date, which are recorded in current assets.

6.3.2.2 Financial assets at fair value through equity

Debt instruments in assets (other loans and receivables, debt securities) that generate solely payments of principal and interest on the principal amount (SPPI) and are held for the sole purpose of collecting these same cash flows and the proceeds from their subsequent disposal are recognised at fair value through recyclable equity.

Equity instruments (shares and non-consolidated investments) may be measured at fair value through non-recyclable equity if irrevocably chosen by the Group. A method is chosen for each security.

Investments in equity instruments include Group investments in non-consolidated companies for €262 million (€174 million as at 31 December 2020) that the Group does not hold for short-term profit (particularly the low-rental housing companies (LRHC) described in Note 10.2) and are not held for sale.

These equity investments are measured at fair value at each balance sheet date and any changes in fair value are recorded directly in equity in a specific account under other comprehensive income. Fair value is determined based on the financial criteria most appropriate to the specific situation of each company. It is measured according to Level 1 when quoted prices are available, according to Level 2 when similar transaction prices are observable on the market, and, otherwise, according to Level 3, based on profitability outlooks or the share of equity when it provides a good indication of the investment's market value. In the event of disposal, amounts recorded in equity are not transferred to profit or loss. The capital gain or loss is therefore maintained in equity.

These instruments are not subject to impairment.

6.3.2.3 Assets at fair value through profit or loss

Financial assets that do not generate solely principal repayment flows and related interest payments (non-SPPI) and those held for a short-term profit (trading assets) are recognised at fair value through profit and loss.

Non-SPPI assets include bonds redeemable in shares, Group shares in venture capital funds and any shares and equity investments that the Group has not elected to measure at fair value through equity (see Note 6.2.2.2).

Trading assets consist of assets that the Group intends to sell in the near term in order to realise a capital gain and assets recorded in this category by designation when the required criteria are satisfied.

In particular, SNCF Group cash flow is globally managed pursuant to a general market risk management framework approved by the Board of Directors and combining investments in negotiable debt instruments and French money market mutual funds (UCITS). Its performance is measured, in the same way as that of UCITS, by reference to EONIA (Euro Overnight Index Average). As UCITS are measured at net asset value taking into account portfolio fair value, and in order to achieve overall consistency, investments with an initial maturity of more than three months are recorded in this category by designation.

6.3.2.4 Current and non-current financial liabilities

Financial liabilities are measured according to one of the following methods:

- At fair value through the income statement for liabilities held for trading and those that the Group elects to measure under the fair value option when the required criteria are satisfied;
- At amortised cost using the effective interest rate (EIR) method for other financial liabilities.

As at 31 December 2021, the Group did not hold any debt instruments measured at fair value through equity.

Financial liabilities include guarantee deposits received in respect of derivative instruments. The outstanding amounts of these deposits are included in the aggregate "Cash collateral liabilities."

Borrowings and other financial liabilities are initially measured at fair value less transaction costs and subsequently at amortised cost determined using the effective interest rate.

Certain borrowings are subject to fair value or cash flow hedge accounting. In addition, certain borrowings with detachable embedded derivatives recorded using hedge accounting are recorded at fair value ("fair value" option). This option is used when the corresponding liabilities comprise an embedded derivative significantly modifying the cash flows which would otherwise result in the contract or where the Group is unable to value the embedded derivative separately. Any change in this fair value is recorded in net finance cost, apart from the specific credit risk component which is to be recognised directly in equity. This option only concerns liabilities of SNCF SA. The Group considers that exposure to own credit risk does not give rise to any change in value.

The fair value of financial liabilities is determined using measurement techniques such as option valuation models or the discounted cash flow method. The models take into account assumptions based on market data at the balance sheet date.

IFRS 10, "Consolidated financial statements", and IAS 32, "Financial instruments: presentation", as they currently stand, lead the Group to record firm and conditional non-controlling interest purchase commitments as a financial liability with an offsetting reduction in non-controlling interests. Where the commitment value exceeds the amount of non-controlling interests, the residual balance is deducted from Group equity. The fair value of non-controlling interest purchase commitments is reviewed at each balance sheet date. It is measured according to Level 1 when quoted prices are available, Level 2 when the commitment stems from a recent transaction and, otherwise, Level 3. The corresponding financial liability is offset in equity.

6.3.2.5 Cash and cash equivalents

Cash and cash equivalents consist of immediately available liquid assets (cash) and short-term investments,

easily converted into a known amount of cash with an initial maturity of less than or equal to three months and which are exposed to a negligible risk of change in value. In particular, investments in French mutual funds (SICAV) and monetary funds with marginal sensitivity are classified in this category. This primarily involves French mutual funds and monetary funds classified by the French Financial Markets Authority (AMF) in the Euro monetary category or which have a sensitivity of less than 0.25 basis points

For these securities, the fair value adopted is the UCITS net asset value. The fair value falls under Level 1 of the fair value hierarchy set forth in paragraph 72 of IFRS 13. However, considering their residual life at closing, other investments, particularly, negotiable debt securities, are recognised at nominal value, as the Group considers this to be a reasonable estimate of their market value.

Current bank facilities classified as current financial liabilities are included in cash and cash equivalents in the cash flow statement.

In € millions	31/12/2021	31/12/2020	Change
Monetary mutual funds equivalent to cash and negotiable debt securities maturing in less than three months (*)	7,391	4,545	2,846
Cash at bank and in hand	3,381	3,394	-13
Cash and cash equivalents in the statement of financial position	10,772	7,939	2,833
Accrued interest payable	-1	-1	0
Current bank facilities	-387	-418	31
Cash and cash equivalents in the cash flow statement	10,384	7,556	2,828

(*) Including deposits and commercial paper

The Group considers the nominal value of negotiable debt securities recorded in cash and cash equivalents to be a reasonable estimate of their market value. The Group considers the nominal value of negotiable debt securities recorded in cash and cash equivalents to be a reasonable estimate of their market value. The risk of changes in value is immaterial for these instruments. Monetary mutual funds equivalent to cash are stated at fair value and amounted to €5,796 million as at 31 December 2021 (€2,999 million as at 31 December 2020).

For its internal financing and cash management, SNCF also uses both national and international short-term financing instruments such as "Treasury bills" and "Commercial Paper", granting diversified access to liquid

financial resources. Foreign-currency denominated negotiable debt securities are hedged using currency swaps.

Net cash from operating activities posted a net inflow of €4,415 million in 2021 (€2,731 million in 2020), primarily generated from operations for €3,129 million (€856 million in 2020).

Net cash from investing activities totalled €52 million in 2021 (net cash of €4,531 million was used in investing activities in 2020).

– The cash outflows were primarily attributable to:

- capital expenditure on intangible assets and property, plant and equipment, including capitalised interest, in the amount of -€8,451 million in 2021 (-€7,381 million in 2020); it is described in Note 4.2;
- new concession financial assets for €1,853 million in 2021 (€1,469 million in 2020);
- a change in cash assets for -€1,079 million in 2021 (€863 million in 2020).
- scope change impacts for -€130 million in 2021 (€44 million in 2020);

– They were offset by:

- scope change impacts for €2,082 million in 2021 (€0 million in 2020);
- disposals of intangible assets and property, plant and equipment for €367 million in 2021, compared to €137 million in 2020;
- investment grants received for €4,866 million in 2021, compared to €3,319 million in 2020;
- amounts received from concession financial assets for €2,003 million in 2021, compared to €1,863 million in 2020.

Net cash used in financing activities totalled €1,585 million in 2021 (net cash of €2,110 million was used in financing activities in 2020): The item essentially stems from:

- net financial interest payment for €921 million (€1,349 million in 2020);
- cash liability repayments for -€636 million (compared to repayments of €307 million in 2020);
- borrowing repayments, net of amounts received on the PDF receivable, for €2,747 million (€2,452 million in 2020). Amounts received on the PDF receivable totalled -€1,271 million (-€2,227 million in 2020);
- new borrowings, net of issue costs and premiums, for €3,942 million (€7,364 million in 2020).

6.3.2.6 Reconciliation with "cash flow from/(used in) financing activities"

The table below reconciles movements in components of net debt presented in the statement of financial position with cash flow from/used in financing activities:

In € millions	31/12/ 2020	Cash flow from/used in financing activities							Non-cash movements					31/12/ 2021
	Total	New borrowings	Repayments of borrowings	Cash inflows/ (outflows) on PPP receivables and payables	Net interest paid	Repayments of lease liabilities	Interest paid on lease liabilities	Increase/decrease in cash borrowings	Changes in fair value	Exchange rate fluctuations	Change in Group structure	Non-cash lease	Other	Total
Liabilities (A)	88,847	3,942	-4,014	-282	-2	-965	0	-636	-1,342	152	-594	976	-138	85,942
Bond issues	65,887	2,787	-3,128		8				532				6	66,093
Bank borrowings	3,195	1,155	-886	0	0		0	0	-25	91	30	0	-166	3,393
Asset financing liabilities	123	0	-1	0	0	0	0	0	0	0	0	0	-3	120
Cash borrowings (excluding overdrafts)	2,493	0	0	0	0	0	0	-636	46	0	0	0	1	1,903
Lease liabilities	4,015					-965	0	0	113	58	-624	976	6	3,580
Liabilities for commitments to buy out non-controlling interests	812	0	0	0	0	0	0	0	55	0	0	0	0	867
Public-private partnership (PPP) payables	2,439	0	0	-282	0	0	0	0	131	0	0	0	0	2,287
Negative fair value of hedging and trading derivatives	4,399	0	0	0	-9	0	0	0	-1,599	3	0	0	19	2,813
Financial grant	5,480	0	0	0	0	0	0	0	-594	0	0	0	0	4,886
Assets (B)	34,514	0	-1,268	-279	-9	0	0	0	-735	1	0	0	6	32,231
Public Debt Fund (PDF) receivable	30,076	0	-1,271	0	-2	0	0	0	-610	0	0	0	0	28,193
Public-private partnership (PPP) receivables	2,376	0	0	-279	0	0	0	0	127				0	2,224
Other loans and receivables - Accrued interest	5	0	0	0	1							0	-1	5
Deposits and caution money	34	0	4	0	0	0	0	0		1	0	0	0	39
Positive fair value of hedging and trading derivatives	2,023	0	0	0	-8	0	0	0	-252	0	0	0	7	1,770
Financial income and expenses (C)					-928	0	-143							
Expenses					-2,035	0	-143							
Income					1,107	0	0							
Financing cash flows per the cash flow statement (A - B + C)	54,332	3,942	-2,747	-4	-921	-965	-143	-636	-606	150	-594	976	-144	53,711

In € millions	31/12/ 2019	Cash flow from/used in financing activities							Non-cash movements					31/12/ 2020
	Total	New borrowings	Repayments of borrowings	Cash inflows/ (outflows) on PPP receivables and payables	Net interest paid	Repayments of lease liabilities	Interest paid on lease liabilities	Increase/ decrease in cash borrowings	Changes in fair value	Exchange rate fluctuations	Change in Group structure	Non-cash lease	Other	Total
Liabilities (A)	82,697	7,464	-4,677	-283	-117	-962	-2	307	-1,239	-126	-209	1,015	4,979	88,848
Bond issues	64,459	6,375	-4,129	0	-107	0	0	0	-711	0	0	0	0	65,887
Bank borrowings	3,711	1,089	-438	0	3	0	0	0	-18	-59	6	0	-1,099	3,195
Asset financing liabilities	223	0	-111	0	0	0	0	0	0	0	0	0	11	123
Cash borrowings (excluding overdrafts)	2,192	0	0	0	0	0	0	307	-8	0	-1	0	3	2,493
Lease liabilities	4,050	0	0	0	0	-962	-2	0	166	-63	-213	1,015	25	4,015
Liabilities for commitments to buy out non-controlling interests	1,840	0	0	0	0	0	0	0	-1,027	0	0	0	0	812
Public-private partnership (PPP) payables	2,631	0	0	-283	0	0	0	0	140	0	0	0	-50	2,439
Negative fair value of hedging and trading derivatives	3,589	0	0	0	-13	0	0	0	870	-3	0	0	-44	4,399
Financial grant	0	0	0	0	0	0	0	0	-652	0	0	0	6,132	5,480
Assets (B)	6,337	0	-2,225	-277	301	0	0	0	-723	-1	15	0	31,088	34,514
Public Debt Fund (PDF) receivable	1,507	0	-2,227	0	331	0	0	0	-667	0	0	0	31,132	30,076
Public-private partnership (PPP) receivables	2,518	0	0	-277	0	0	0	0	135	0	0	0	0	2,376
Other loans and receivables - Accrued interest	3	0	0	0	-13	0	0	0	0	0	15	0	0	5
Deposits and caution money	34	0	2	0	0	0	0	0	0	-1	0	0	-1	34
Positive fair value of hedging and trading derivatives	2,276	0	0	0	-18	0	0	0	-192	0	0	0	-43	2,023
Financial income and expenses (C)		0	0	0	-932	0	-146	0	0	0	0	0	0	
Expenses		0	0	0	-2,005	0	-146	0	0	0	0	0	0	
Income		0	0	0	1,074	0	0	0	0	0	0	0	0	
Financing cash flows per the cash flow statement (A - B + C)	76,359	7,464	-2,452	-6	-1,349	-962	-148	307	-516	-125	-223	1,015	-26,109	54,332

6.3.2.7 Debt classified as French State debt

In a press release published on 6 September 2018, INSEE announced that it had decided in agreement with Eurostat to reclassify SNCF Réseau as a public administration, as

defined by the Maastricht Treaty, from 2016 considering that this operator is a Centrally Administered Body Accordingly.

The SNCF Réseau operating loss was incorporated into the French State's operating loss and its debt has been included in the public debt since 2016. This reclassification

did not lead to a change in the SNCF Réseau financial statements. SNCF Réseau remains responsible for the operating management of the debt, without any change in former practices.

Pursuant to Article 2111-17-1 of the rail reform, SNCF Réseau publishes every year the amount of reclassified debt in the French State debt as well as the related forecast changes.

6.4 MANAGEMENT OF MARKET RISKS AND HEDGING

The management of financial risks in the Group is strictly governed by the "Financial risk management framework", a document approved by the SNCF SA Board of Directors.

This management framework details the central role within the Group of SNCF SA, which is responsible for strategic and financial management. In this respect, in 2021 SNCF SA backed Keolis for the set-up of a €600 million bank loan as part of its refinancing. This transaction has enabled Keolis to maintain a solid liquidity by diversifying its financing sources, reducing its refinancing risk and reducing its number of credit lines. As the sole issuer on financial markets, SNCF SA secures financing for the entire Group. The subsidiaries may be financed in the short-term through current account advances and in the long-term through loans granted by SNCF SA. In 2021, SNCF SA therefore granted three long-term loans to SNCF Réseau for a total of €4.6 billion. A bank account cash pooling system was also set up by 22 Group subsidiaries.

The management framework approved by the Board of Directors defines the financial risk management process and details authorised instruments and trading limits.

SNCF SA ensures compliance with the financial risk management framework on a day-to-day basis by preparing daily reports.

6.4.1 Interest rate risk management

The cost of long-term net indebtedness is optimised, with regard to interest rates, by managing the mix of fixed and floating rate borrowings. The current historically low interest rates and the desire to maintain medium- and long-term economic equilibrium led the SNCF SA Board of Directors to opt for a target long-term debt structure that is at least 90% fixed-rate. A limited margin of +/- 10 points around this target is nonetheless authorised.

In order to manage the allocation of its debt by interest-rate type, the Group uses firm and optional interest rate swap instruments within the limits defined by the above general framework.

The fixed-rate portion of gross long-term borrowings minus the PDF receivables of the Group's two main contributors (SNCF SA and SNCF Réseau) as at 31 December 2021 represented €89.96% compared to 89.20% as at 31 December 2020. This allocation is monitored on a daily basis.

For this same scope, the cost of long-term debt net of the PDF receivable was 2.71% for fiscal year 2021, compared to 2.87% for fiscal year 2020.

In managing its interest rate risk, SNCF SA is also authorised to enter into advanced hedges of future issues.

Sensitivity analysis

The sensitivity of profit or loss to the risk of interest rate fluctuations is related to:

- floating-rate net debt after taking into account hedges;
- fair value option debt;
- derivative instruments not qualified as hedges within the meaning of IFRS 9.

The sensitivity of recyclable reserves (equity) to the risk of interest rate fluctuations is related to derivatives qualified as cash flow hedges.

The sensitivity analysis was determined based on a 50 basis point (bp) increase and decrease in the interest rate curve at the year-end, and breaks down as follows:

In € millions	31/12/2021				31/12/2020			
	+50 bp		-50 bp		+50 bp		-50 bp	
	Net profit	Recyclable reserves	Net profit	Recyclable reserves	Net profit	Recyclable reserves	Net profit	Recyclable reserves
Floating-rate financial instruments (after taking into account fair value hedges)	23	0	-24	0	10	1	-11	-1
Fair value option debt	2	0	-2	0	2	0	-3	0
Derivatives not qualified as hedges	0	0	-2	0	7	0	-10	0
Derivatives qualified as cash flow hedges	40	662	-47	-747	58	828	-68	-921
Total	65	662	-74	-748	78	829	-92	-922

The breakdown by interest rate of loans and borrowings, before and after adjustment for derivatives (hedging and trading), is as follows:

In € millions	Initial debt structure		Structure after IFRS hedging	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Fixed rate	61,113	60,896	61,988	60,273
Floating rate	4,472	4,541	5,256	6,785
Inflation rate	4,021	3,769	2,362	2,148
Total loans and borrowings	69,606	69,206	69,606	69,206

6.4.2 Economic hedging transactions

The interest rate derivatives presented under trading instruments all relate to economic hedging transactions.

The transactions can be broken down into two debt rate hedging strategy groups. Their nominal amounts and fair values as at 31 December 2021 are presented below:

<i>In € millions</i>		Nominal amount	Carrying amount (assets)	Carrying amount (liabilities)	31/12/2021 Total carrying amount
Group debt floating-rate payer swaps	(1)	3,376	454		98
Floating-rate debt reset swaps		3,376		357	
Cross currency swaps hedging debt under the fair value option	(2)	61	7		7
Debt economic hedge swaps	(3)	220	1	13	-11
Total		7,033	463	369	93

(1) Prior to the transition to IFRS 9, the Group reset debts hedged by fixed-rate receiver/floating-rate payer swaps by setting up cross currency swaps. It could not be classified as a hedging relationship as the combination of instruments was not eligible for hedging under IAS 39. The floating-rate payer and reset swaps are perfectly matched and do not expose the Group to interest rate risk. These swaps were recognised as trading instruments as the floating-rate payer swaps were declassified upon setting up the reset swaps. The impacts of these swaps on Group net finance costs were immaterial as changes in fair value were offset against net interest income.

(2) Derivatives were set up as an economic hedge of a debt recognised at fair value through profit or loss (fair value option). The changes in fair value of the derivatives recognised in profit or loss were offset by the changes in fair value of the hedged debt recognised in profit or loss. These transactions did not generate any P&L volatility.

(3) This heading contains debt economic hedging derivatives that do not qualify for hedging in accounting terms. These transactions did not generate any major P&L volatility.

The breakdown by currency of loans and borrowings, before and after adjustment for derivatives (hedging and trading), is as follows:

<i>In € millions</i>	Initial debt structure		Structure after currency hedging	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Euro	57,802	57,109	68,728	68,432
Swiss franc	1,228	1,934	0	0
US dollar	3,262	2,927	114	101
Canadian dollar	223	217	0	0
Pound sterling	5,464	5,736	625	581
Yen	657	605	0	0
Australian dollar	396	120	64	62
Hong Kong dollar	165	236	0	0
Norwegian krone	60	62	0	0
Swedish krona	275	231	0	0
Singapore dollar	0	0	0	0
Other	75	29	75	29
Total loans and borrowings	69,606	69,206	69,606	69,206

Regarding SNCF Réseau, the foreign currency risk relating to resources raised in foreign currencies is hedged by currency hedges that convert such resources into euros.

6.4.4 Commodity risk management

The Group's production requirements expose it to the risk of fluctuations in the price of petroleum products and more broadly energy. This risk is managed using firm and optional derivatives (swaps, options, caps, floors).

– In September 2021, a cash flow hedge was set up by SNCF SA for a volume of 4,275,000 litres of diesel in the name and on behalf of RAILTRAXX Belgium, by implementing derivatives maturing on 31 December 2022.

6.4.3 Foreign currency risk management

Foreign currency-denominated transactions are translated by the subsidiary into its functional currency at the exchange rate prevailing on the transaction date. Monetary items in the balance sheet are retranslated at the closing exchange rate at each balance sheet date. The resulting translation differences are recorded in profit or loss or as a separate equity component if they relate to hedging transactions qualifying as net investments or cash flows under IFRS.

The commercial activities of the Group do not expose it to material foreign currency risk.

As part of its financial strategy which aims to diversify access to sources of finance and optimise finance costs, SNCF SA issues bonds in foreign currencies that are covered by currency hedges from the bond issue date. The foreign currency denominated cash flows (principal payments and interest) are hedged by currency derivatives which convert this debt into euro debt.

Given the small percentage of unhedged foreign currency denominated borrowings, net profit or loss is not, in the Group's opinion, sensitive to foreign currency risk.

– At Keolis, nine zero premium diesel hedging collars for a volume of 9,850 tonnes of diesel as at 31 December 2021 were set up by Keolis SA and designated as cash flow hedges. These collars are accounted for as operating receivables and present a fair value of €0.8 million as at the end of December. These collars expire between 31 March 2022 and 30 June 2023.

To recap, Keolis had set up and designated as cash flow hedges five diesel hedges involving zero-premium collars for a volume of 8,100 tonnes of diesel as at 31 December

2020. These collars presented a fair value of €0 million as at the end of December.

– SNCF Énergie, in its capacity as electricity supplier to the Group's subsidiaries for their energy needs on the French traction network, enters into forward contracts with the market or regulatory bodies.

When the volumes contracted are exclusively intended to cover the Group's physical needs, they are not qualified as derivatives, under the "own use" exemption stipulated in IFRS 9. This classification covers monthly or quarterly purchase agreements.

From 1 January 2020, forward electricity purchases on an annual basis (excluding ARENH nuclear power quotas) performed by SNCF Énergie are classified as cash flow hedges. The objective of the strategy remains to hedge the purchase price of electricity and purchase energy at the lowest possible cost.

Conversely, and marginally, when the volumes can be settled on the market for financial optimisation purposes, they are qualified as trading derivatives.

6.4.5 Counterparty risk management

The Group is exposed to counterparty risk in connection with its cash investments and the subscription of derivatives from its financial partners, insofar as the debtor refuses to honour all or part of its commitment or does not have the means to respect it. To manage and limit this risk, investment instruments and derivatives are only entered into with financial institutions corresponding to the credit rating and equity criteria validated by the SNCF SA Board of Directors. A limited commitment amount by institution is determined according to these criteria. Compliance with the authorised limit by counterparty is monitored daily. To hedge counterparty risk regarding its derivative financial instruments, SNCF SA performs weekly margin calls with its financial counterparties. Collateral (in cash only) is called up in the amount of the market value of the financial instrument portfolios for each counterparty with whom SNCF Réseau and SNCF SA are at risk.

Customer credit risk is limited and presented in Note 4.5.2.

6.4.5.1 Financial investments

The aforementioned general framework defines the counterparty approval procedure, which is based on a quantitative and qualitative analysis of counterparties.

Volume limits according to investment terms are defined for each counterparty, taking into account its equity, rating and nationality. The extent to which authorised limits are used, based on the nominal amount of the transactions, is measured daily and reported.

Cash and cash equivalents

Financial investments are diversified. They primarily consist of negotiable debt instruments (commercial paper) and subscriptions to French money market mutual funds (UCITS). Given their short residual term and breakdown, no major credit risk exposure is generated.

Portfolio of investments in equity instruments

Investments in equity instruments solely comprise non-consolidated investments. The fair value of these instruments is determined at each balance sheet date.

6.4.5.2 Derivative financial instruments

The purpose of derivative instruments is to manage interest rate, foreign currency and commodity risk.

The financial risk management framework defines the counterparty approval procedure for derivatives, which is based on a quantitative and qualitative analysis of counterparties.

Volume limits are defined for each counterparty, taking into account its equity, rating and geographic zone. The extent to which authorised limits are used, based for investments on the nominal amount of transactions, is measured daily and reported. The counterparty approval procedure for derivative instruments also involves the signature of a framework agreement. A collateral agreement defining the collateral management terms is signed with all bank counterparties working with SNCF SA and SNCF Réseau in order to limit credit risk. All the medium and long-term derivative financial instruments (interest rate swaps, currency swaps) negotiated with bank counterparties are hedged by these collateral agreements.

The table below presents the information required by IFRS 7 "Disclosures: offsetting financial assets and financial liabilities." For financial assets and liabilities subscribed as part of agreements with a legally enforceable netting clause, this involves a presentation of amounts before and after offsetting as at 31 December. It includes commodity derivatives. These derivatives are recorded in operating payables and receivables when they qualify as hedging instruments within the meaning of IFRS 9.

As at 31 December 2021, they were classified as assets for €226 million (€6 million as at 31 December 2020) and liabilities for €1 million (€10 million as at 31 December 2020). The "Cash collateral" column corresponds to the outstanding on collateralisation agreements for derivative financial instruments that do not meet the offsetting criteria established by IAS 32 "Financial instruments: Presentation."

31/12/2021 In € millions	Gross	Amounts offset in the balance sheet	Net amounts presented in the balance sheet	Amounts not offset in the balance sheet		Net amounts
				Cash collateral	Derivatives with netting agreement	
Asset derivatives	1,996	0	1,996	375	1,068	553
Liability derivatives	2,814	0	2,814	1,345	1,056	413
Net derivative position	-818	0	-818	-971	12	140

31/12/2020 In € millions	Gross	Amounts offset in the balance sheet	Net amounts presented in the balance sheet	Amounts not offset in the balance sheet		Net amounts
				Cash collateral	Derivatives with netting agreement	
Asset derivatives	2,029	0	2,029	560	1,413	57
Liability derivatives	4,410	0	4,410	2,418	1,409	583
Net derivative position	-2,381	0	-2,381	-1,859	4	-527

As at 31 December 2021:

– Three counterparties represented 95% of the credit risk for SNCF SA's active position. The remaining exposure is explained by trigger thresholds in the collateralisation agreements and weekly margin calls.

– Three counterparties represented 100% of the credit risk for SNCF Réseau's active position, before taking into account the collateralisation agreements.

As at 31 December 2020:

– Three counterparties represented 98% of the credit risk for SNCF SA's active position. The remaining exposure is explained by trigger thresholds in the collateralisation agreements and monthly margin calls.

– One counterparty represented 100% of the credit risk for SNCF Réseau's active position, before taking into account the collateralisation agreements.

6.4.6 Liquidity risk management

Due to the proactive management of its liquidity, the quality of its signature and its frequent presence on international capital markets, SNCF SA enjoys diversified access to both short-term (treasury bills, commercial paper) and long-term (public and private bond issues and monetisation of receivables) financing sources.

SNCF SA assures its daily liquidity through a Neu-CP programme (formerly a commercial paper programme) capped at €3,000 million and used in the amount of €664.2 million as at 31 December 2021 (€1,333 million as at 31 December 2020) and in the amount of €662.4 million on average in 2021.

SNCF SA has set-up an EMTN programme capped at €15 billion on the long-term financial markets for financing purposes. Programme outstandings stood at €9.2 billion as at 31 December 2021.

In 2021, SNCF financed €2.78 billion on the markets in 16 long-term deals. These deals, mostly in foreign currencies (10 deals out of 16) enabled SNCF to boost its international positioning with:

An issue of GBP 300 million (€347.4 million), a first GBP issue for SNCF SA and the first GBP return for the Group since 2015

– Six issues totalling AUD 420 million (€268.84 million)

– An issue of JPY 20 billion (€158.98 million)

An issue of SEK 500 million (€49.3 million)

And an issue of USD 100 million (€82.9 million)

SNCF also performed an initial 40-year public issue for a nominal amount of €1.5 billion. The long-term maturity of this benchmark and the diversified number of investors illustrate the significant market confidence in the SNCF signature.

SNCF SA set up a Euro Commercial Paper program in early 2020 for a maximum amount of €5,000 million, used in the amount of €210.7 million as at 31 December 2021 and in the amount of €463.3 million on average in 2021. In October 2021, SNCF issued its first Green ECP for €50 million and became the first company on the market to issue a green short-term debt in Euro CP format.

Furthermore, SNCF SA has an unused syndicated credit facility in the amount of €3,500 million in 2021.

Total confirmed credit lines of the Group break down as follows:

In € millions	Total	Maturity schedule		
		<1 year	1 to 5 years	>5 years
Confirmed credit lines as at 31/12/2021	4,466	129	4,283	54
Confirmed credit lines as at 31/12/2020	4,906	354	4,499	54

The maturity schedule for the carrying amounts of loans and borrowings is as follows:

In € millions	31/12/2021	31/12/2020
Less than 1 year	6,193	4,712
1 to 5 years	21,395	20,711
5 to 10 years	14,153	16,661
10 to 20 years	12,975	14,218
20 years and thereafter	14,944	13,485
Changes in fair value (designated at "fair value")	5	12
Changes in fair value (hedge accounting)	-61	-592
Total	69,606	69,207
Fair value of non-current derivatives	2,701	3,923
Fair value of current derivatives	113	476
Total loans and borrowings	72,420	73,606

The maturity schedule of financial assets and liabilities included into the definition of indebtedness based on year-end exchange and interest rates (outflows in negative and inflows in positive) is as follows:

Maturity schedule						31/12/2021
<i>In € millions</i>	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Bonds	-86,429	-8,082	-24,842	-17,345	-16,612	-19,547
<i>Principal</i>	-64,665	-4,856	-19,333	-13,220	-11,958	-15,297
<i>Interest cash flow</i>	-21,764	-3,226	-5,509	-4,125	-4,654	-4,250
Bank borrowings	-3,491	-310	-2,355	-366	-459	-2
<i>Principal</i>	-3,258	-256	-2,232	-342	-427	-2
<i>Interest cash flow</i>	-233	-54	-123	-24	-32	0
Asset financing liabilities	-123	1	-2	-3	-118	0
<i>Principal</i>	-120	0	-2	0	-118	0
<i>Interest cash flow</i>	-3	1	0	-3	0	0
Borrowings sub-total	-90,043	-8,392	-27,200	-17,714	-17,189	-19,548
<i>Principal</i>	-68,043	-5,112	-21,567	-13,562	-12,503	-15,299
<i>Interest cash flow</i>	-22,001	-3,280	-5,633	-4,152	-4,687	-4,250
Cash borrowings and overdrafts	-2,291	-2,291	0	0	0	0
Public-Private Partnership (PPP) payables	-3,456	-487	-980	-993	-997	0
<i>Principal</i>	-2,287	-279	-838	-663	-508	0
<i>Interest cash flow</i>	-1,169	-208	-142	-330	-489	0
I - Total borrowings	-95,790	-11,170	-28,180	-18,706	-18,186	-19,548
Public-private partnership (PPP) receivables	3,385	475	918	990	1,003	0
<i>Principal</i>	2,224	268	783	660	513	0
<i>Interest cash flow</i>	1,161	207	135	330	489	0
Public Debt Fund receivable	30,677	2,809	9,047	5,802	6,888	6,131
<i>Principal</i>	22,909	2,109	6,880	4,144	5,090	4,686
<i>Interest cash flow</i>	7,768	699	2,167	1,658	1,799	1,445
Other loans and receivables and cash collateral	2,788	1,454	921	313	94	5
<i>Principal</i>	2,705	1,432	874	300	94	5
<i>Interest cash flow</i>	83	22	48	13	0	0
Cash and cash equivalents	10,772	10,772	0	0	0	0
II - Financial assets	47,622	15,510	10,886	7,105	7,985	6,136
<i>Interest cash flow on hedging derivatives with a negative fair value</i>	-889	-15	-229	-289	-288	-68
<i>Interest cash flow on trading derivatives with a negative fair value</i>	-365	-106	-236	-13	-5	-5
<i>Interest cash flow on hedging derivatives with a positive fair value</i>	1,093	70	278	293	286	165
<i>Interest cash flow on trading derivatives with a positive fair value</i>	463	143	303	17	0	0
III - Derivative financial instruments	303	92	117	9	-6	92
Net indebtedness (I + II + III)	-47,865	4,432	-17,177	-11,593	-10,207	-13,321

Maturity schedule						31/12/2020
In € millions						20 years and thereafter
	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	
Bonds	-85,660	-6,651	-24,674	-19,614	-17,631	-17,090
Principal	-63,477	-3,374	-18,663	-15,314	-12,998	-13,127
Interest cash flow	-22,183	-3,277	-6,010	-4,300	-4,633	-3,962
Bank borrowings	-3,303	-288	-1,970	-563	-481	-1
Principal	-3,091	-244	-1,866	-535	-444	-1
Interest cash flow	-212	-45	-104	-28	-36	0
Finance lease liabilities	-120	1	-4	1	-118	0
Principal	-123	0	-6	0	-118	0
Interest cash flow	3	1	2	1	0	0
Borrowings sub-total	-89,083	-6,939	-26,647	-20,176	-18,230	-17,091
Principal	-66,691	-3,617	-20,535	-15,850	-13,560	-13,129
Interest cash flow	-22,392	-3,321	-6,112	-4,326	-4,670	-3,962
Cash borrowings and overdrafts	-2,913	-2,913	0	0	0	0
Public-Private Partnership (PPP) payables	-3,642	-388	-1,067	-993	-1,195	0
Principal	-2,439	-279	-903	-663	-593	0
Interest cash flow	-1,204	-109	-163	-330	-602	0
I - Total borrowings	-95,638	-10,239	-27,714	-21,169	-19,425	-17,091
Public-private partnership (PPP) receivables	3,565	376	1,004	990	1,195	0
Principal	2,376	268	855	660	593	0
Interest cash flow	1,189	108	149	330	602	0
Public Debt Fund receivable	7,939	7,939	0	0	0	0
Principal	48,301	12,915	11,623	8,658	8,718	6,386
Interest cash flow	-1,183	-22	-302	-368	-377	-114
Other loans and receivables and cash collateral	-586	-120	-392	-59	-9	-6
Principal	899	73	230	258	233	105
Interest cash flow	651	146	448	54	3	0
Cash and cash equivalents	-219	77	-17	-116	-149	-15
II - Financial assets	-47,556	2,754	-16,107	-12,627	-10,855	-10,720
Interest cash flow on hedging derivatives with a negative fair value	-1,183	-22	-302	-368	-377	-114
Interest cash flow on trading derivatives with a negative fair value	-586	-120	-392	-59	-9	-6
Interest cash flow on hedging derivatives with a positive fair value	899	73	230	258	233	105
Interest cash flow on trading derivatives with a positive fair value	651	146	448	54	3	0
III - Derivative financial instruments	-219	77	-17	-116	-149	-15
Net indebtedness (I + II + III)	-47,556	2,754	-16,107	-12,627	-10,855	-10,720

The maturity schedule of financial assets included in the definition of indebtedness exchange and interest rates is as follows:

Maturity schedule		31/12/2021				
(In € millions)						
	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Lease liabilities	-3,880	-973	-2,183	-616	-92	-16
Principal	-3,566	-888	-2,018	-570	-80	-11
Interest cash flow	-314	-85	-165	-46	-12	-6
Concession financial liabilities	-133	1	-132	-2	0	0
Principal	-131	2	-131	-2	0	0
Interest cash flow	-2	-1	-1	0	0	0
Public-Private Partnership (PPP) payables	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest cash flow	0	0	0	0	0	0
I - Financial liabilities not included in net indebtedness	-4,013	-972	-2,315	-618	-92	-16
Public-private partnership (PPP) receivables	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest cash flow	0	0	0	0	0	0
Concession financial assets	1,907	180	1,725	2	0	0
Principal	1,799	124	1,673	2	0	0
Interest cash flow	108	57	51	0	0	0
Lease receivables	13	1	3	3	6	0
Principal	9	0	1	2	5	0
Interest cash flow	4	0	1	1	1	0
II - Financial assets not included in net indebtedness	1,920	181	1,727	5	6	0

Maturity schedule		31/12/2020				
(In € millions)						
	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Lease liabilities	-4,461	-990	-2,408	-872	-173	-18
Principal	-4,002	-873	-2,164	-793	-159	-13
Interest cash flow	-459	-117	-243	-79	-14	-6
Concession financial liabilities	-140	1	-141	0	0	0
Principal	-140	1	-141	0	0	0
Interest cash flow	0	0	0	0	0	0
Public-Private Partnership (PPP) payables	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest cash flow	0	0	0	0	0	0
I - Financial liabilities not included in net indebtedness	-4,601	-989	-2,549	-872	-173	-18
Public-private partnership (PPP) receivables	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Interest cash flow	0	0	0	0	0	0
Concession financial assets	2,163	141	2,022	0	0	0
Principal	2,158	136	2,022	0	0	0
Interest cash flow	5	5	1	0	0	0
Lease receivables	13	1	3	3	6	0
Principal	9	0	1	2	5	0
Interest cash flow	4	0	1	1	1	0
II - Financial assets not included in net indebtedness	2,176	142	2,025	3	6	0

6.5 HEDGING AND DERIVATIVE INSTRUMENTS

Under IFRS 9, derivative instruments are financial instruments that require no or little initial investment, whose value fluctuates in response to changes in an underlying item (interest rate, exchange rate, commodity prices, etc.) and are settled at future date.

The derivative instruments used by the Group to manage currency, interest rate and commodity risks are initially recognised at fair value and remeasured in the balance sheet to their fair value at closing.

Fair value is determined using measurement techniques such as option valuation models or the discounted cash flows method. The models fall under Level 2 of the fair value hierarchy set forth in paragraph 81 of IFRS 13.

Derivative instruments are by default recognised as trading derivatives, unless a hedging relationship has been documented at their inception.

Cash flow hedges

The Group trades on the derivatives market to hedge floating-rate receivables and payables and receipts and payments related to its commercial activities.

When IFRS 9 criteria are met, the derivative instruments are designated as cash flow hedges and fair value gains and losses are recorded directly in a specific account in other comprehensive income, except for the ineffective portion of the hedge, which is recorded in profit or loss. When the hedged item impacts profit or loss, the amounts deferred in other comprehensive income are released to profit or loss to match the flows of the hedged item.

Fair value hedges

The Group also uses derivative instruments to hedge the fair value of fixed-rate receivables and payables denominated in euro and foreign currencies.

When IFRS 9 criteria are met, the derivative instruments are designated as fair value hedges and:

- fair value gains and losses arising on the derivative are recorded in profit or loss for the period,
 - the hedged item is initially recognised at amortised cost and remeasured to its fair value at the balance sheet date, for the hedged portion of the risk, through profit or loss.
- As such, fair value gains and losses on the derivative and the hedged item cancel out in profit or loss, except for the ineffective portion of the hedge.

Hedging costs

Pursuant to IFRS 9, hedging costs, including foreign currency basis spread impacts and the time value of options, are excluded from hedging relationships. Changes in their fair value are recognised in recyclable equity and their actual cost is recognised in profit or loss consistently over the term of the hedging relationship (time period related approach).

Trading

When the conditions for hedge accounting are not satisfied within the meaning of IFRS 9, the instrument is classified as a trading derivative. Any changes in its fair value are recorded in profit or loss for the period within net finance cost, even when the derivative is associated to commodities.

The fair value of current and non-current asset and liability derivative instruments (excluding commodity derivatives qualified for hedging) breaks down as follows:

In € millions	31/12/2021			31/12/2020		
	Non-current	Current	Total	Non-current	Current	Total
Asset derivative instruments						
Cash flow hedging derivatives	797	0	797	569	117	686
Fair value hedging derivatives	425	47	472	536	124	661
Trading derivatives	364	137	501	547	129	676
Total asset derivative instruments	1,586	184	1,770	1,653	370	2,023
Liability derivative instruments						
Cash flow hedging derivatives	2,374	32	2,406	3,375	163	3,538
Fair value hedging derivatives	47	-10	38	46	203	249
Trading derivatives	279	91	370	502	110	612
Total liability derivative instruments	2,701	113	2,813	3,923	476	4,399

6.5.1 Economic relationship between derivative instruments and hedged items

Hedging relationships are defined by the Group to offset any changes in fair value or cash flow of a hedging instrument with those of a hedged item.

The SNCF Group operates regularly on the foreign currency derivatives market, primarily in order to hedge borrowings issued. The purpose is therefore to hedge against foreign currency risk that corresponds to changes in the value or cash flows of borrowings due to exchange rate fluctuations.

The Group operates in the interest rate swap and swaption market in order to manage its exposure to interest rate risk on borrowings. The hedged risk therefore

corresponds to the risk that the value or cash flow of the borrowings changes due to market interest rate fluctuations.

Furthermore, due to the price fluctuations of certain commodities that are essential to production, the Group enters into forward swaps or contracts in order to hedge the price risk.

Derivative instruments which are not classified as hedging instruments within the meaning of IFRS 9 are recognised as trading assets.

The following table presents, by type of risk, the economic relationship between derivative instruments and hedged items:

31/12/2021 In € millions	Nominal amount of derivative instruments		Carrying amount of derivative instruments (1)		Change in fair value of the derivative instrument over the period	Carrying amount of the hedged item (2)		Total change in fair value recognised on the hedged item	Change in fair value of the hedged item over the period (3)	Hedging ineffectiveness (4)
	Given	Received	Assets	Liabilities		Assets	Liabilities			
Interest rate risk	1,772	1,772	132	6	-69	778	1,397	-97	69	0
Interest rate swaps	1,772	1,772	132	6	-69					
Foreign currency risk	1,259	1,260	341	32	97	0	1,465	-280	-97	0
Cross-currency swaps (*)	1,259	1,260	341	32	97					
Foreign currency sales or purchases	0	0	0	0	0					
Fair value hedges	3,031	3,032	472	38	28	778	2,862	-377	-28	-1
Interest rate risk	4,591	5,007	225	935	413				-410	4
Interest rate swaps	4,591	4,556	223	935	411					
Swaptions	0	450	2	0	2					
Pre-hedging instruments	0	0	0	0	0					
Foreign currency risk	9,874	9,120	572	1,471	709				-727	0
Cross-currency swaps (**)	9,864	9,100	572	1,471	709					
Foreign currency sales or purchases	0	10	0	0	0					
Foreign currency options	10	10	0	0	0					
Pre-hedging instruments	0	0	0	0	0					
Price risk	(***)	(***)	226	0	216				208	0
Firm instruments			226	0	216					
Conditional instruments			0	0	0					
Cash flow hedges	14,466	14,127	1,023	2,406	1,339				-929	4
Interest rate instruments	6,972	6,972	456	369	32					
Interest rate swaps	6,972	6,972	456	369	32					
Swaptions	0	0	0	0	0					
Foreign currency instruments	940	864	34	0	26					
Currency swaps	844	772	28	0	34					
Cross-currency swaps	61	58	7	0	-7					
Foreign currency sales or purchases	34	34	0	0	0					
Pricing instruments	0	0	11	0	5					
Firm instruments			11	0	5					
Conditional instruments			0	0	0					
Trading	7,912	7,836	501	370	63					

(*) Of which interest rate risk hedging portion amounting to €130 million.

(**) Of which interest rate risk hedging portion amounting to -€412 million.

(***) The nominal amounts of price hedging instruments are measured in volumes, and presented in Note 6.4.2

- (1) The carrying amount of foreign currency and interest rate risk hedging instruments is recorded in the statement of financial position within current or non-current financial assets or financial liabilities depending on their type and maturity. The carrying amount of price risk hedging instruments is recorded in the statement of financial position within operating receivables or payables depending on their type.
- (2) The carrying amount of net indebtedness items is recorded in the statement of financial position within current and non-current financial liabilities depending on their maturity. The carrying amount of WCR items is recorded within operating receivables and payables. Future transactions are not recorded in summary reports.
- (3) The change in fair value shown corresponds to that used to calculate ineffectiveness.
- (4) Foreign currency and interest rate risk hedging ineffectiveness is recorded in the consolidated income statement within net borrowing and other costs. The ineffectiveness generated by price risk hedging is recorded within EBITDA. A positive amount corresponds to a gain, a negative amount corresponds to a loss.

The immaterial ineffectiveness shown may result from:

- Different benchmark rates between the hedging instrument and the hedging item;
- Different cash flow settlement dates (maturity date, payment date, etc.) between the hedging instrument and the hedged item;
- Difference in accrued interest between the hedged item and the hedging instrument.

	Nominal amount of derivative instruments		Carrying amount of derivative instruments		Change in fair value of the derivative instrument over the period	Carrying amount of the hedged item		Total change in fair value recognised on the hedged item	Change in fair value of the hedged item over the period	Hedging ineffectiveness
	Given	Received	Assets	Liabilities		Assets	Liabilities			
31/12/2020 <i>In € millions</i>										
Interest rate risk	1,874	1,874	206	12	25	783	1,478	-165	-27	-2
Interest rate swaps	1,874	1,874	206	12	25					
Foreign currency risk	2,528	2,594	454	237	-99	0	2,638	-158	76	-24
Cross-currency swaps (*)	2,528	2,594	454	237	-97					
Foreign currency sales or purchases	0	0	0	0	-3					
Fair value hedges	4,401	4,468	661	249	-74	783	4,116	-324	49	-26
Interest rate risk	4,966	5,331	155	1,278	-123				125	-1
Interest rate swaps	4,966	4,966	155	1,278	-123					
Swaptions	0	365	0	0	0					
Pre-hedging instruments	0	0	0	0	0					
Foreign currency risk	9,661	8,370	531	2,260	-751				769	0
Cross-currency swaps (**)	9,661	8,370	531	2,260	-751					
Foreign currency sales or purchases	0	0	0	0	0					
Pre-hedging instruments	0	0	0	0	0					
Price risk	(***)	(***)	6	3	4				7	0
Firm instruments			6	3	4					
Conditional instruments			0	0	0					
Cash flow hedges	14,627	13,700	692	3,541	-870				900	-1
Interest rate instruments	7,434	7,434	642	595	-28					
Interest rate swaps	7,434	7,434	642	595	-28					
Index swaps	0	0	0	0	0					
Swaptions	0	0	0	0	0					
Foreign currency instruments	372	296	22	15	-10					
Currency swaps	161	87	6	13	1					
Cross-currency swaps	122	119	16	0	-9					
Foreign currency sales or purchases	89	90	0	2	-2					
Pricing instruments			11	7	-11					
Firm instruments			11	7	-11					
Conditional instruments			0	0	0					
Trading	7,806	7,730	674	617	-49					

(*) Of which interest rate risk hedging portion amounting to -€98 million.

(**) Of which interest rate risk hedging portion amounting to -€710 million.

(***) The nominal amounts of price hedging instruments are measured in volumes, and presented in Note 6.4.2

6.5.2 Maturities of nominal commitments

As at 31 December 2021 and 2020, the nominal commitments and maturities, by type of hedged risk, of the different hedging instruments subscribed were as follows:

Nominal commitments received 31/12/2021						
<i>In € millions</i>	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Interest rate risk	1,772	352	460	850	110	0
Foreign currency risk	1,260	54	0	496	710	0
Fair value hedges	3,032	406	460	1,346	820	0
Interest rate risk	5,007	56	2,276	731	1,493	450
Foreign currency risk	9,120	1,344	2,697	1,734	1,331	2,013
Price risk	0	0	0	0	0	0
Cash flow hedges	14,127	1,401	4,973	2,465	2,824	2,463

Nominal commitments received 31/12/2020						
<i>In € millions</i>	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Interest rate risk	1,874	0	758	705	410	0
Foreign currency risk	2,594	1,099	340	362	792	0
Fair value hedges	4,468	1,099	1,099	1,068	1,202	0
Interest rate risk	5,331	445	2,022	910	1,304	650
Foreign currency risk	8,370	718	2,636	2,051	1,122	1,842
Price risk	0	0	0	0	0	0
Cash flow hedges	13,700	1,163	4,658	2,961	2,426	2,492

Nominal commitments given 31/12/2021						
<i>In € millions</i>	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Interest rate risk	1,772	352	460	850	110	0
Foreign currency risk	1,259	45	0	520	694	0
Fair value hedges	3,031	397	460	1,370	804	0
Interest rate risk	4,591	54	1,863	731	1,493	450
Foreign currency risk	9,874	1,344	2,052	2,835	1,485	2,158
Price risk	0	0	0	0	0	0
Cash flow hedges	14,466	1,398	3,915	3,566	2,979	2,608

Nominal commitments given 31/12/2020						
<i>In € millions</i>	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Interest rate risk	1,874	0	758	705	410	0
Foreign currency risk	2,528	983	330	425	789	0
Fair value hedges	4,401	983	1,088	1,131	1,199	0
Interest rate risk	4,966	303	1,799	910	1,304	650
Foreign currency risk	9,661	681	2,927	2,655	1,306	2,092
Price risk	0	0	0	0	0	0
Cash flow hedges	14,627	984	4,726	3,565	2,610	2,742

For diesel volume hedges, the nominal amounts are expressed in volumes, and presented as follows:

Nominal commitments received 31/12/2021						
<i>In tonnes</i>	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Price risk	53,155	43,255	9,900			
Cash flow hedges	53,155	43,255	9,900	0	0	0

Nominal commitments received 31/12/2020						
<i>In tonnes</i>	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Price risk	104,331	63,877	40,454	0	0	0
Cash flow hedges	104,331	63,877	40,454	0	0	0

Nominal commitments given as at 31/12/2021 in tonnes	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Price risk	53,155	43,255	9,900			
Cash flow hedges	53,155	43,255	9,900	0	0	0
Nominal commitments given as at 31/12/2020 in tonnes	Total	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Price risk	104,331	63,877	40,454	0	0	0
Cash flow hedges	104,331	63,877	40,454	0	0	0

6.5.3 Discontinuation of hedging relationships

A hedging relationship is discontinued once the conditions for effectiveness are no longer satisfied within the meaning of IFRS 9, or when the derivative instrument matures or is cancelled, exercised or sold, or when the hedged item is cancelled or sold. Furthermore, the Group

may at any time decide to discontinue a hedging relationship. In this case, hedge accounting is no longer applicable. The accounting impacts of a discontinued hedging relationship differ depending on whether it involves fair value hedging or cash flow hedging.

Fair value hedges

The hedged borrowing is no longer adjusted for changes in fair value relating to the hedged risk. Prior recognised remeasurements are amortised at the same rate as the hedged item:

	Total change in fair value of the item that is no longer hedged	
In € millions	31/12/2021	31/12/2020
Interest rate risk	-110	-149
Foreign currency risk	-184	57
Fair value hedges	-294	-92

Cash flow hedges

The total gains and losses on the hedging instrument recorded under other comprehensive income within equity are fixed and only reclassified to profit or loss when symmetrically impacted by the hedged item:

31/12/2021	Hedging reserves for continued hedging relationships	Hedging reserves for discontinued hedging relationships	Hedging reserves recycled as the hedged item has impacted P&L (*)	Hedging reserves recycled as the hedged item no longer exists (*)
In € millions				
Interest rate risk	-917	-109	4	-18
Foreign currency risk	-439	0	-80	0
Price risk	225	0	-5	0
Cash flow hedges	-1,132	-109	-81	-18

(*) The P&L reclassification of the other comprehensive income relating to foreign currency and interest rate risk hedging instruments is recorded in net borrowing and other costs within the consolidated income statement. The recycling of other comprehensive income relating to price risk hedging instruments is recorded in EBITDA within the consolidated income statement.

31/12/2020	Hedging reserves for continued hedging relationships	Hedging reserves for discontinued hedging relationships	Hedging reserves recycled as the hedged item has impacted P&L	Hedging reserves recycled as the hedged item no longer exists
In € millions				
Interest rate risk	-1,199	-288	-1	-12
Foreign currency risk	-595	0	199	2
Price risk	-1	0	7	3
Cash flow hedges	-1,794	-288	205	-7

6.5.4 Type of financial instruments subject to cash flow hedging

The fair value of derivatives designated as cash flow hedges (excluding commodity hedges) breaks down by hedged item as follows:

In € millions	31/12/2021	Maturity schedule				
		Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Bond issues	-1,534	21	152	-724	-361	-622
Non-bond borrowings	-72	-11	-23	0	-38	0
Asset financing liabilities	0	0	0	0	0	0
Loans and receivables	-3	0	-3	0	0	0
Fair value of derivatives designated as cash flow hedges	-1,609	10	126	-724	-398	-622

In € millions	31/12/2020	Maturity schedule				
		Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and thereafter
Bond issues	-2,740	2	-148	-897	-580	-1,116
Non-bond borrowings	-112	-15	-48	-2	-47	0
Finance lease borrowings	0	0	0	0	0	0
Loans and receivables	0	0	0	0	0	0
Fair value of derivatives designated as cash flow hedges	-2,852	-13	-196	-899	-628	-1,116

6.5.5 Impacts of hedging transactions on recyclable equity

The impacts on recyclable equity (other comprehensive income), excluding deferred tax impacts, break down as follows (- debit, + credit):

In € millions	Recyclable equity
Opening balance as at 01/01/2020	-1,929
Recycled in profit or loss	220
Change in the effectiveness of cash flow hedging instruments	-378
Interest rate risk hedge	-187
Foreign currency risk hedge	-179
Of which hedged future transactions	0
Price risk hedge	-12
Change in value of hedging costs	-49
Interest rate risk hedge	-49
Foreign currency risk hedge	0
Price risk hedge	0
Closing balance as at 31/12/2020	-2,137
Opening balance as at 01/01/2021	-2,137
Recycled in profit or loss	-88
Change in the effectiveness of cash flow hedging instruments	942
Interest rate risk hedge	666
Foreign currency risk hedge	42
Of which hedged future transactions	0
Price risk hedge	234
Change in value of hedging costs	116
Interest rate risk hedge	126
Foreign currency risk hedge	-10
Price risk hedge	0
Scope exit	-5
Closing balance as at 31/12/2021	-1,173

6.6 EQUITY

6.6.1 Share capital

In 2021, SNCF SA made two payments for a total of €140 million to the French State support fund (€20 million in October and €120 million in December). These payments were recognised as a distribution of reserves.

To recap, as at 1 January 2020, the share capital of the parent company SNCF SA - wholly owned by the State in accordance with Article L. 2101-1 of the French Transport Code - was €1 billion, divided into 10 million shares each with a par value of €100.

Recap of transactions recognised in 2020:

– An amount of €12,736 million was reclassified from "Share capital" to "Consolidated reserves" on 1 January 2020. This reclassification breaks down into the reclassification to Group consolidated reserves of the capital grant of the former EPIC SNCF Réseau, for €9.8 billion, previously presented under Share capital in the group accounts pursuant to the pooling of interests method, and the share capital decrease of the former EPIC Mobilités, which became SNCF SA, for €1 billion, resulting in a reclassification of €2.9 billion from Share capital to Consolidated reserves.

– In addition, the consolidated reserves of the SNCF Group increased by €25 billion following the assumption by the State of the SNCF Réseau debt.

– In the SNCF SA accounts, a dividend of €762 million was approved by the Board of Directors on 24 June 2020, and paid in July.

– In December 2020, a share capital increase was subscribed by the French State for €4,050 million. i.e. an increase in the par value of the shares by €405 followed by a share capital decrease not justified by losses in the same amount, via an allocation to a issue premium account. A payment in the same amount, recognised as a distribution of reserves, was then made to the support fund.

6.6.2 Non-controlling interests

Non-controlling interests break down according to the following sub-groups:

<i>In € millions</i>	31/12/2021	31/12/2020	Change
Geodis	7	7	-1
Rail Logistics Europe	33	26	6
Ermewa Group	0	11	-11
SNCF Voyageurs	-8	-9	1
Keolis	7	-33	40
Other	2	2	0
Total	40	4	36

The Keolis sub-group, whose main indicators are monitored by Group management (Note 3.1), is 30% owned by minority shareholders.

The condensed financial information for this sub-group, before cancellation of transactions with the rest of the Group, is as follows:

<i>In € millions</i>	31/12/2021	31/12/2020
Revenue	6,314	6,093
Net profit/loss for the year	65	-371
<i>Of which net profit attributable to minority interests</i>	28	-130
Total comprehensive income/loss	70	-367
Cash flow generated during the period	-93	197
<i>Of which dividends paid to minority shareholders</i>	-1	0
Current assets	1,845	1,758
Non-current assets	3,541	4,172
Current liabilities	2,840	2,751
Non-current liabilities	2,432	3,159
Net assets	113	19

The approval of Keolis' minority shareholders is required for divestments, disposals or restructurings exceeding a predefined threshold.

The net profit of the Keolis sub-group attributable to minority shareholders totalled €28 million for the year ended 31 December 2021 (-€130 million as at 31 December 2020)

7. INCOME TAXES

Income tax expense encompasses all taxes calculated on an accounting profit or loss net of income and expenses. The following items are recognised under this line item at the bottom of the income statement:

- Corporate income tax and the various additional contributions associated with it;
- Sponsorship and foreign tax credits;
- Fixed-rate taxes calculated on an item of net profit or loss;
- The tax on rail company profits (Taxe sur le Résultat des Entreprises Ferroviaires - TREF): established by Article 65 of the 2011 Finance Law, it is based on corporate taxable income, before the allocation of tax loss carry-forwards, with respect to the last year closed before the tax due date. The tax was capped at €226 million as from 1 January 2016 (€200 million as from 1 January 2013). Taking into account its base, this tax is recorded under "Income tax expense." Only SNCF Voyageurs SA is impacted by this tax within the Group;
- The impact of tax reassessments and uncertainties surrounding tax positions in respect of income tax and deferred tax;
- Deferred tax.

Deferred tax

The Group recognises, for each tax entity, deferred tax on all timing differences between the tax and book values of assets and liabilities in the consolidated balance sheet. Deferred tax is calculated using the liability method, applying the most recently voted tax rate at the year-end applicable to the period in which the timing differences are expected to reverse.

Deferred tax assets in respect of timing differences and tax losses or credits carried forward are recognised when recovery is deemed probable. The Group's ability to recover these tax assets is assessed through an analysis of its business plan and the uncertainties presented by the economy and Group markets. The bases used are the same as those used to calculate values in use in impairment tests.

A deferred tax liability is recognised in respect of investments in subsidiaries, joint ventures and associates on all temporary differences between the carrying amount

and tax base of shares, unless:

- the Group controls the date at which the temporary difference will reverse (e.g. through a dividend distribution or the sale of an investment); and
- it is probable that this difference will not reverse in the foreseeable future.

Therefore, a deferred tax liability is only recognised in respect of wholly or proportionately consolidated companies in the amount of any withholding tax due on dividend distributions planned by the Group.

A deferred tax asset is only recognised to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profits will exist against which this temporary difference can be offset.

Deferred tax assets and liabilities are not discounted and are offset in a separate line item under non-current assets and liabilities.

Income tax expense

The income tax expense other than deferred tax is offset against operating payables and receivables in the balance sheet.

7.1 INCOME TAX EXPENSE ANALYSIS

7.1.1 Tax in the income statement

<i>In € millions</i>	31/12/2021	31/12/2020	Change
Current tax (expense)/income	-183	-48	-135
Deferred tax (expense)/income	25	44	-19
Total	-158	-4	-155

The current income tax expense takes into account a TREF expense of €97 million in 2021. This expense takes into account a TREF adjustment of €18 million for 2020; the TREF, calculated using the budget, had been initially valued at €0 million in 2020 after validation by the collecting French State and taking into account the COVID19 impact. On 14 October 2021, the French Parliament adopted an amendment to the 2022 Finance

Bill in order to cancel the tax on rail companies as of 1 January 2023.

This tax has a negative impact on the tax proof in the "Rate vs Group rate difference" line item for €69 million.

The tax group within the meaning of Article 223 A bis of the French Tax Code created on 1 January 2015, whose parent was EPIC SNCF and members included EPIC SNCF Mobilités, EPIC SNCF Réseau and their subsidiaries, continues under Law no. 2018-515 of 27 June 2018 for a new railway pact and Order no. 2019-552 of 3 June 2019 including various clauses relating to the SNCF Group. The former EPIC SNCF MOBILITES, which became SNCF SA, has been the new tax grouping head since 1 January. The absorption of the former parent by its subsidiary did not call into question the former tax consolidation regime which remains in place (Art. 32If of the French Tax Code).

A tax approval was previously granted to EPIC SNCF Mobilités on 19 July 2019 to retain its tax losses that could be offset against a wider tax base in the event of a change in actual activity due to the merger between EPIC SNCF and EPIC SNCF Mobilités, pursuant to Article 32 of the 2019 Finance Law.

The new tax group scope, of which SA Société Nationale SNCF is the parent, comprises 219 companies as at 31 December 2021 (230 as at 31 December 2020) and has the following specificities:

– The loss carryforwards generated by SNCF Réseau until 31 December 2014 date back prior to its entry into the tax

7.2 TAX PROOF

For its tax proof, the Group adopted the corporate income tax rate (27.5%) applicable in France, plus the 3.3% social security contribution for the tax share exceeding €763,000.

consolidation and can only be allocated to its results. Considering its lifecycle, SNCF Réseau can make longer-term loss recovery forecasts than the rest of the Group. A 20-year timeframe is therefore considered as a reasonable period for the utilisation of the tax asset to recognise its deferred tax asset receivable.

– The 31 December 2014 losses of the former integrated group SNCF Mobilités may be allocated to the results generated by a selection of entities from the former scope and members of the new tax consolidation group, the group having opted for the wider tax base according to the tax measures applicable in France.

The wider tax base losses and any losses arising from 2015 may be offset against the future profits of the SNCF Group in place as of 1 January 2020.

SNCF deferred tax asset recovery forecasts are determined by taking into account these specificities. They were updated using the contextual items shown in Note 4.4.1.

As in 2020, the balance sheet deferred tax assets were subject to little change as at 31 December 2021.

7.1.2 Tax in comprehensive income

As at 31 December 2021, the deferred tax income recognised in other comprehensive income amounts to €6 million.

In 2020, the deferred tax income recognised in other comprehensive income amounted to €10 million.

<i>In € millions</i>	31/12/2021	31/12/2020
Net profit/loss for the year	767	-3,448
Share of net profit/loss of companies consolidated under the equity method	7	19
Income tax expense	-158	-4
Net profit/loss before tax from ordinary activities and before the share of net profit of companies	918	-3,464
Income tax rate applicable in France	28.41%	32.02%
THEORETICAL INCOME TAX (EXPENSE)/INCOME	-261	1,109
Permanent differences	242	19
Capitalisation of prior year losses	11	-1
Tax losses and temporary differences of the period not capitalised	-50	-1,072
Impairment of deferred taxes previously capitalised	-10	-11
Utilisation of tax losses and temporary differences not previously capitalised	-6	-16
Rate vs Group rate differences	-86	-73
Tax credits	8	5
Impacts of rate changes - deferred liability method	-7	38
INCOME TAX (EXPENSE)/INCOME RECORDED	-158	-4
EFFECTIVE TAX RATE	17.22%	0.10%

– The "Permanent differences" heading in 2021 mainly concerns the impact of the Ermewa Group sale.

– The "Tax losses and temporary differences not previously capitalised" heading in 2021 mainly corresponds to tax losses generated in the period that could not be offset against future taxable profits. In 2020,

the difference was mainly due to the loss of around €4 billion from the tax deductible support fund that was recognised in equity under IFRS

– The "Impairment of deferred taxes previously capitalised" heading corresponds to certain Freight and

logistics business subsidiaries, whose loss reduction forecasts were reviewed.

– The “Rate vs Group rate differences” line mainly corresponds to the TREF expense for €69 million and the rate difference for international subsidiaries.

– The “Tax credits” heading mainly comprises the Research Tax Credit (RTC).

– The income tax rate was 28.41% in 2021, 32.02% in 2020 and will decrease to 25.83% as from 1 January

2022. The rate reductions already voted under the 2018 French Finance Law were anticipated as of 2019 in the assessment of the deferred tax position when these rates were applicable to years in which temporary differences were reversed. In 2020, the €38 million impact in “Impacts of rate changes - Deferred liability method” was mainly due to the increase in the UK tax rate from 17% in 2019 to 19% in 2020.

7.3 DEFERRED TAX SOURCES

Group tax losses carried forward as at 31 December 2021 amounted to €32.5 billion, compared to €30.8 billion as at 31 December 2020. Out of this amount, €29.5 billion involve French entities for which the losses can be carried

forward indefinitely (€28.0 billion as at 31 December 2020). Tax assets not recognised at this date totalled €7.7 billion (€7.6 billion as at 31 December 2020).

<i>In € millions</i>	31/12/2020	Net profit	Equity	Reclassification	Change in Group structure and foreign exchange	31/12/2021
Tax losses carried forward	7,978	366	-9	5	1	8,341
<i>Employee benefits</i>	49	65	-58	-18	-1	37
<i>Differences in asset values</i>	-597	0	0	2	43	-552
<i>Finance leases</i>	23	3	0	0	-5	22
<i>Tax-driven provisions</i>	-144	1	0	0	109	-34
<i>Financial instruments</i>	623	-22	-260	-16	3	328
<i>Remeasurement of identifiable assets and liabilities acquired in business combinations</i>	-232	30	0	0	11	-191
<i>Internal profits and losses</i>	140	-9	-1	0	0	130
Total consolidation restatements	-138	67	-319	-32	161	-260
Non-deductible provisions and other tax differences	4,274	-155	15	43	-178	3,999
Deferred taxes not recognised	-7,610	-253	317	27	-145	-7,663
Net deferred taxes recognised	4,503	25	4	43	-160	4,417
Deferred tax assets	4,615					4,592
Deferred tax liabilities	112					175
Net deferred taxes on balance sheet	4,503					4,417

8. RELATED PARTY TRANSACTIONS

SNCF, a company wholly owned by the French State (via the French Government Shareholding Agency), is related, in the meaning of IAS 24, “Related Party Disclosures”, to all companies and entities controlled by the French State. Disclosures on individually or collectively material transactions with these entities concern the following related parties:

- The French State, as shareholder, and the transport organising authorities (Régions and Île de France Mobilités); conversely, taxes paid pursuant to ordinary law are excluded from the scope of related party transactions.
- ICF Group low-rental housing companies.

The transactions carried out by the SNCF Group as part of its everyday operations with other public service providers (EDF, Orange, La Poste, etc.) are excluded from this note.

8.1 TRANSACTIONS WITH THE FRENCH STATE AND LOCAL COMMUNITIES

The information presented below concerns transactions entered into with the French State via its ministries, central authorities and transport Organising Authorities (OA), not governed by ordinary law.

The operating grants transferred to SNCF Group by the State and local communities are presented in the following table:

<i>In € millions</i>	31/12/2021	31/12/2020
Operating grants received	294	159

Furthermore, the Group invoices the French State via SNCF Réseau SA for the access fees related to regional passenger trains (TER) and Trains d'Équilibre de Territoire (TET, Intercités). These fees also include rate compensation paid by the French State to cover the marginal cost of freight traffic, in addition to fees paid by freight companies. The following amounts are recognised in revenue.

<i>In € millions</i>	31/12/2021	31/12/2020
Access fees (*)	1,965	1,910
Freight compensation	159	124

(*) Of which TER fees of €1,530 million (€1,687 million in 2020) and TET fees of €435 million (€223 million in 2020)

The amounts received from the French State and the OA in connection with transport services are described in Note 3.3.

8.2 TRANSACTIONS WITH ICF GROUP LOW-RENTAL HOUSING COMPANIES (LRHC)

8.2.1 Balance sheet headings

<i>In € millions</i>	31/12/2021	31/12/2020
Current financial assets	13	8
Non-current financial assets	255	268
Current financial liabilities	0	0
Non-current financial liabilities	0	0

Non-current financial assets primarily comprise building loans granted by SNCF and ICF to LRHC subsidiaries and equity investments of the LRHC subsidiaries. The latter amounted to €145 million (€145 million as at 31 December 2020) and were included in financial assets at fair value through equity (see Note 6.2.2.2). Given the low rental housing regulations and the SNCF structure, these assets cannot be transferred to other Group entities.

8.2.2 Income and expenses

Transactions with low-rental housing companies recorded in the income statement are not material.

8.3 TRANSACTIONS WITH MANAGERS

A few employment contracts contain a clause allocating capped severance payments over and above contractual amounts in the event of dismissal. There were no transactions between a Group entity and its managers other than the compensation presented in Note 5.5.

9. OFF BALANCE SHEET COMMITMENTS

9.1 COMMITMENTS RECEIVED AND GIVEN

Commitments received and given are detailed in the following tables and the percentage of commitments with joint ventures included in the total amounted to:

– €2 million for commitments received as at 31 December 2021 (€1 million for 2020).

– €133 million for commitments given as at 31 December 2021 (€133 million for 2020).

Commitments received (In € millions)	Notes	31/12/2021				31/12/2020
		Amount of commitments per period				Total commitment
		Total commitment	Less than 1 year	From 1 to 5 years	More than 5 years	
Commitments relating to financing		4,572	141	4,332	98	5,074
Personal collateral	9.1.1.1	106	13	49	44	168
Unused confirmed credit lines	6.3.5	4,466	129	4,283	54	4,906
Commitments relating to operations		22,049	7,769	11,868	2,411	24,902
Investment commitments for operation of rail equipment	9.1.2.1	7,746	1,808	4,759	1,179	6,452
Purchase commitments for non-current assets other than rail equipment	9.1.2.2	10,250	4,300	5,693	257	12,422
Property sale undertakings	9.1.2.3	253	62	192	-	205
Operational and financial guarantees	9.1.2.4	2,196	1,393	752	51	2,392
Operating leases: equipment	9.1.2.5	21	18	4	-1	569
Operating leases: property	9.1.2.5	1,568	183	469	916	2,853
Commitments relating to operating and fixed asset purchase agreements		14	6	0	9	9
Firm commodity purchase commitments (electricity, diesel, etc.)		-	-	-	-	0
Commitments relating to the Group consolidation		17	0	17	-	534
Warranties	9.1.3	0	0	0	0	517
Security commitments (option contracts)		17	-	17	-	17
Other commitments received		4	4	0	0	4
Total commitments received		26,641	7,914	16,218	2,509	30,514

Commitments given (In € millions)	Notes	31/12/2021				31/12/2020
		Amount of commitments per period				Total commitment
		Total commitment	Less than 1 year	From 1 to 5 years	More than 5 years	
Commitments relating to financing		1,482	857	282	342	2,174
Personal collateral	9.1.1.1	309	75	193	41	218
Personal collateral: guarantees given for employee loans		350	21	81	249	443
Security interests	9.1.1.2	822	761	8	53	1,513
Commitments relating to operations		28,433	6,700	13,349	7,983	26,924
Investment commitments for operation of rail equipment	9.1.2.1	10,736	2,027	5,407	3,302	9,530
Purchase commitments for non-current assets other than rail equipment	9.1.2.2	10,914	3,461	6,649	804	10,934
Property sale undertakings	9.1.2.3	275	85	190	-	204
Operational and financial guarantees	9.1.2.4	2,455	442	871	1,142	2,094
Customs guarantees (Geodis)		276	236	5	35	268
Commitments relating to operating and fixed asset purchase agreements	9.1.2.6	3,109	151	508	2,449	3,329
Firm commodity purchase commitments (electricity, diesel, etc.)	9.1.2.7	668	298	120	251	566
Commitments relating to the Group consolidation scope		237	1	233	3	239
Security commitments		2	-	-	2	3
Other commitments relating to the Group consolidation scope		235	1	233	2	235
Total commitments given		107	85	14	8	97
Total commitments given		30,258	7,643	14,278	8,337	29,434

9.1.1 Commitments relating to financing

9.1.1.1 Personal collateral

The €91 million increase in personal collateral given was primarily due to the guarantee given by SNCF Voyageurs to the National Westminster Bank to finance Eurostar for €95 million.

The decrease in personal collateral received for €62 million was mainly attributable to the exit from the Wales and Borders contract at Keolis for -€67 million.

9.1.1.2 Security interests

The main changes in security interests given were mainly due to:

the removal of security interests for €882 million from the ERMEWA Group which was sold by the SNCF Group in October 2021;

guarantees on bank loans and additional trains for Eurostar totalling €183 million as part of new financing in 2021.

9.1.2 Commitments relating to operations

9.1.2.1 Investment commitments for operation of rail equipment

Commitments given concern investments concluded with rolling stock manufacturers, some of whom work in cooperation with the transport Organising Authorities (OA) for the future commissioning of equipment. The net decrease was due to the fact that investments carried out during the period were higher than the new commitments undertaken.

The €1,206 million increase in commitments given is explained by:

– the contractualisation of new investment programmes for €2,394 million, mainly including:

- the contract signed by Transilien for the acquisition of future rolling stock for the RER B line for €973 million;
- the signing of new contracts relating to the OPTER project to upgrade equipment for 7 regions in the amount of €1,421 million.

– a decline in residual equipment investments due to down-payments and deliveries made, primarily involving for €1,102 million:

- Regio2N trains for €392 million, NAT trains for €243 million and the St Cyr-Massy tram train for €62 million at Transilien;
- TGV trains for €99 million at TGV - Intercités;
- Omneo Normandie trains for €172 million at Intercités;
- Régiolis trains for €88 million at TER;

– removal of commitments given for €81 million by ERMEWA Group.

Commitments received correspond to investment funding receivable from the OA for ordered rolling stock. They decrease by the amount of the investments ordered by the Organising Authorities that have been carried out. Conversely, they increase in the amount of new investment orders.

The €1,294 million rise in commitments received in 2021 was attributable to:

- new guarantees for the payment of €1,050 million received by Transilien from Ile-de-France Mobilités under the MI20 contract, the future rolling stock for the RER B line;
- new investment grants receivable by TER from the regions in the amount of €1,040 million; these investments

concern the renovation and modernisation of AGC and TER 2N NG (OPTER agreement) trains as well as the roll-out of a programme to replace Diesel engines with batteries on AGC equipment (BMU agreement).

– deferred grant due dates at TER due to the health crisis for + €357 million;

– calls for funds at Transilien (Regio2N trains for – €406 million, NAT trains for – €263 million) and at Intercités for – €83 million;

– repayment at TER of the debt for Régio2N Normandie trains for €218 million and Régiolis trains for €78 million;

– a decrease in grants receivable from Organising Authorities for €95 million (€70 million at Intercités and €25 million for Transilien).

9.1.2.2 Purchase and financing commitments for non-current assets other than rail equipment

Non-current asset purchase commitments given decreased by €19 million with:

– the signing at SNCF Réseau of financing and investment purchase agreements in connection with a renewal project for €134 million;

– the increase at SNCF Gares et Connexions of investment programmes as part of the 4-year Investment Plan, including €129 million for the renovation of the main passenger concourse at Gare de Lyon station;

– the €151 million increase at Transilien in investment programmes relating to the State/Region plan;

– signing at Intercités for €58 million of a work agreement in line with the acquisition of 28 AMLD train at the end of 2020.

Furthermore:

– the decrease at SNCF Gares et Connexions of investment programmes as part of the 4-year Investment Plan under the SNCF/Ile-de-France agreement for €278 million;

– the decline at Transilien of investment programmes not covered by the State/Region contract for €177 million;

– the decline in commitments at SNCF Réseau of PPI work projects for €50 million (including the training centres in Lyon €19 million and Bordeaux €16 million).

Financing commitments received for the purchase of non-current assets other than rail equipment decreased by €2,172 million in line with:

– payment by the French State to SNCF Réseau in February 2021 of a renewal grant for €1,645 million. The payments were recognised at SNCF Réseau as an investment grant in the balance sheet.

For the record, SNCF Réseau had reported under commitments received as at 31 December 2020 a grant of €4,050 million corresponding to the rail sector recovery plan.

– a decline in investment grants receivable from the Organising Authorities by SNCF Gares et Connexions and Transilien for €278 million and a €70 million increase at Intercités with the agreement for the maintenance of 28 AMLD trains (sites of Villeneuve St Georges, Massena, Brive and Clermont).

– a decrease in investment grants receivable at SNCF Réseau pursuant to financing agreements for €319 million with the CDG Express and EOLE projects and the modification of St Jean station in Rhône Alpes.

In addition to the Eole project, a commitment received in the amount of €135 million for grants receivable from the

support fund and a commitment given in the amount of €250 million for the financial guarantee covering commitments undertaken by SNCF Réseau between December 2021 and January 2022 should be taken into account.

9.1.2.3 Property sale undertakings

The €71 million increase in commitments relating to property sale undertakings is mainly due to new sale undertakings for assets including the Ordener project for €49 million.

9.1.2.4 Operational and financial guarantees

Operational and financial guarantees rose by €361 million, mainly due to new guarantees given by Keolis under the Dubai contract for €201 million and a €84 million increase in bond performance guarantees.

Likewise, at Geodis the €55 increase was due to the rise in bank guarantees given by the parent company to its subsidiaries.

Operational and financial guarantees received decline by €195 million; this decrease was primarily attributable to:

– the €145 million decrease in guarantees at SNCF Réseau;

– a €75 million decrease at SNCF Voyageurs relating to the delivery of TGV 2N2 trains for €40 million and 3UFC trains for €27 million.

9.1.2.5 Commitments relating to equipment and property operating leases

As at 31 December 2021, the payment schedule of lease commitments received breaks down as follows:

In € millions	31/12/2021	31/12/2020
Equipment operating leases		
Less than 1 year	18	242
1 to 2 years	3	130
2 to 3 years	1	85
3 to 4 years	0	51
4 to 5 years	0	29
5 years and thereafter	-1	31
Total	21	569
Property operating leases		
Less than 1 year	183	206
1 to 2 years	131	205
2 to 3 years	120	178
3 to 4 years	110	174
4 to 5 years	108	152
5 years and thereafter	916	1,938
Total	1,568	2,853

Equipment and real estate operating leases received decreased by €1,833 million mainly due to:

– the cancellation of concession agreements at SNCF Réseau for €208 million;

– the decrease in real estate leases at SNCF Gares et Connexions for €1,035 million (including the termination of the StatioNord project for €914 million and the decline in concessionaire contracts for various stations for €127 million);

– the removal of commitments relating to equipment operating leases of the ERMEWA Group for €543 million.

9.1.2.6 Commitments relating to operating and fixed asset purchase agreements

These commitments include purchase commitments for rail and station access and track reservations.

Commitments relating to operating and fixed asset purchase agreements will by nature have a positive offset for the Group in connection with its roles or activities.

Operating purchase commitments totalled +€3,109 million and primarily involved as at 31 December 2021 future payments to Eurotunnel relating to network access and rail traffic in the Eurotunnel.

Other operating purchase commitments given fell by €220 million mainly due to the exit of Keolis from the Wales and Borders contract and the same of Keolis Germany.

Non-current asset purchase commitments totalled +€17 million.

9.1.2.7 Firm commodity purchase commitments (electricity, diesel, etc.)

Commodity purchase commitments in particular concern PPA ENR contracts (Power Purchase Agreement for renewable energies) for €280 million.

9.1.3 Commitments relating to the Group consolidation scope

9.1.3.1 Warranties

The €517 million decrease in warranties received as at 31 December 2021 was due to the exit of Keolis from the Wales & Borders contract in February 2021.

9.2 TRANSFERS OF FINANCIAL ASSETS

Geodis factoring

SNCF uses a revolving trade receivables factoring facility in the Geodis segment. Factoring transactions cover the entire amount of the receivables assigned, and can be carried out on a monthly basis. Counterparty and late payment risks are transferred to the factor, as are the benefits associated with the receivables. As the receivables are denominated and assigned in euros, there is no foreign exchange risk. Consequently, the Group is deemed to have transferred substantially all the risks and rewards relating to the receivables. As this involves operating receivables, assignments give rise to net receipts for the Group presented in "Net cash from operating activities" on the cash flow statement. Assignments at the year-end resulted in a net receipt of €227 million in 2021 (€177 million in 2020) being obtained in advance from the factor compared to the usual debt collection period.

9.3 CONTINGENT LIABILITIES

9.3.1 Alleged aid from the French State and the Île de France Regional Council

The Optile consortium of transport operators, including Keolis, was affected by the ruling of the Conseil d'État on the recovery of grants allocated by the Île-de-France Regional Council on the grounds that it had illegally profited from the State aid programme. The Optile consortium of transport operators, including Keolis, was affected by the ruling of the Conseil d'État on the recovery of grants allocated by the Île-de-France Regional Council on the grounds that it had illegally profited from the State aid programme. As the programme was deemed compatible with the internal market, but not notified to the Commission, the Conseil d'État, in a ruling handed down on 18 March 2020, requested the Île-de-France region to "take the necessary measures to ensure that each company that had operated in a market open to competition and illegally benefited from the aid programme pays amounts corresponding to the interest...that the company would have paid had it been required to borrow funds".

In the absence of methods for implementing this decision and determining the relevant net amounts, the Keolis Group did not record a provision for this litigation.

9.3.2 Termination of the Gare du Nord concession agreement

Following the notification by SNCF Gares & Connexions as Concession Granting Authority on 21 September 2021 of the termination due to breach of contract of the concession agreement, an analysis was conducted to estimate the forfeiture compensation for the concessionaire and the damage incurred by the Concession Granting Authority. This analysis led the Concession Granting Authority to notify the Concessionaire on 21 December 2021 by presenting it with the provisional breakdown of expenses incurred for the cancellation.

At the same time, on 24 December 2021 the Concessionaire notified the Concession Granting Authority of a Preliminary Compensation Claim, which was included in the action for damages filed on 6 January 2022 with the Paris Administrative Court.

Considering the legitimate nature of the concession agreement cancellation and the analysis of its impacts, no provision for litigation was recorded as at 31 December 2021

10. SCOPE

10.1 NUMBER OF CONSOLIDATED COMPANIES

The number of companies consolidated by SNCF Group breaks down as follows:

	31/12/2021	31/12/2020	Change
Parent company and fully consolidated companies	840	894	-54
Companies consolidated by percentage shares (joint operations)	0	0	0
Equity-accounted companies (joint ventures)	48	49	-1
Equity-accounted companies (significant influence)	67	70	-3
Total scope of consolidation	955	1,013	-58

The decrease in the number of consolidated companies was primarily due to the sale of the Ermewa sub-group.

10.2 ANALYSIS OF THE CONTROL OF CERTAIN ENTITIES

10.2.1 LRHC (Low-rental housing companies)

The assessment of control exercised over low-rental housing companies (LRHC) is a complex issue that the Group has approached, taking into account the constraints resulting from the extremely strict regulatory framework governing low-rental housing and the focus set for its housing policy. It would appear that consolidation is not appropriate as:

- if SNCF exercises influence over certain aspects of management of the LRHC, it cannot be qualified as a controlling influence; SNCF neither directs the relevant activities of the LRHC pursuant to IFRS 10, nor influences policy-making pursuant to IAS 28 revised, due to the restrictions and strict supervision imposed by the Law;
- the SNCF Group's decision to own the four LRHC concerned is primarily based on institutional and general interest arguments and not on financial and asset ownership considerations, whether direct or indirect, the potential returns being very limited.

Shares in LRHC are therefore retained in balance sheet assets and classified in available-for-sale financial assets (see Notes 6.1.2.4 and 8.2.2).

The main consolidated balance sheet headings of these companies were as follows:

- Non-current assets: €4,738 million (€4,567 million in 2020).
- Non-current liabilities: €2,431 million (€2,331 million in 2020).

The net indebtedness of unconsolidated low-rental housing companies amounted to €2.38 billion (€2.26 billion as at 31 December 2020).

10.2.2 SOFIAP

SNCF holds shares in a group of real-estate financing companies. Under the SOCRIF brand, the group comprises SNCF Habitat (a wholly-owned public interest cooperative), Sofiap (a credit institution 34% held and controlled by La Banque Postale since 20 May 2014 after having been 49% held by Crédit Immobilier de France Développement) and Soprim (a wholly-owned simplified joint stock company). Given the legal restrictions governing the returns obtained by investors from public interest cooperatives for home ownership (specific statutory regulations enacted by the French Construction and Housing Code), the Group is neither exposed to the variable returns of SNCF Habitat, nor can it exercise any power on these returns. Consequently, SNCF Habitat is not consolidated according to IFRS 10. The same is true for Sofiap and Soprim, which are indirectly held through SNCF Habitat, due to the absence of effective control. Soprim has a very limited activity. The shares are therefore retained in balance sheet assets and classified under investments in equity instruments. The year-end financial aggregates of Sofiap were as follows:

- non-current assets: €2,212 million (€2,186 million as at 31 December 2020)
- non-current liabilities: €2,178 million (€2,175 million as at 31 December 2020)

10.2.3 SNCF Réseau, Fret SNCF, SNCF Gares & Connexions and SNCF Voyageurs

Pursuant to Article L. 2102-10 of the French Transport Code, the financial statements of SNCF Réseau, Fret SNCF, SNCF Gares & Connexions and SNCF Voyageurs were fully consolidated by the SNCF Group.

10.3 MAIN ENTITIES WITHIN THE SCOPE OF CONSOLIDATION

The following table lists only the main significant entities. A significant entity is any entity with revenue of over €30 million or total assets of over €50 million.

Consolidation methods:

FC: Full Consolidation

JO: Joint Operation - Recognition of shares of assets, liabilities, revenues and expenses

JV: Joint Venture - Equity-accounted

SI: Significant Influence - Equity-accounted

NC: Non consolidated

F: Company absorbed by another Group company

Percentage interest: share in the share capital of the consolidated company held by the consolidating company, either directly or indirectly.

Percentage control: percentage of voting rights held by the consolidating company in the consolidated company, either directly or indirectly.

Geographical area	Country	Company	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
Parent Company							
FRANCE	FRANCE	Société Nationale SNCF	FC	100%	100%	100%	100%
	Business line	Infrastructure Management					
	Segment	SNCF Réseau					
FRANCE	FRANCE	SNCF Réseau	FC	100%	100%	100%	100%
	FRANCE	GI CDG Express	JV	33%	33%	33%	33%
	Segment	SNCF Gares & Connexions					
FRANCE	FRANCE	SNCF Gares & Connexions	FC	100%	100%	100%	100%
	FRANCE	Retail & Connexions	FC	100%	100%	100%	100%
	FRANCE	Lagardère & Connexions	JV	50%	50%	50%	50%
	FRANCE	GARE DU NORD 2024	SI	34%	34%	34%	34%
	FRANCE	AREP Groupe	FC	100%	100%	100%	100%
	Business line	Passenger activity					
	Segment	SNCF Voyageurs					
EUROPE (EXCLUDING FRANCE)	AUSTRIA	Rail Holding AG	SI	17%	17%	17%	17%
	BELGIUM	THI Factory	FC	60%	60%	60%	60%
	SPAIN	Ouigo Espana SA	FC	100%	100%	100%	100%
	UK	Groupe Eurostar	FC	55%	55%	55%	55%
FRANCE	FRANCE	SNCF Voyageurs	FC	100%	100%	100%	100%
	FRANCE	SNCF Energie	FC	100%	100%	100%	100%
	FRANCE	MASTERIS	FC	100%	100%	100%	100%
	FRANCE	SVD SAS	FC	100%	100%	100%	100%
	Segment	Keolis					
AFRICA, MIDDLE-EAST	QATAR	RKH Qitarat LLC	SI	33%	23%	33%	23%
	UNITED ARAB EMIRATES	Keolis -MHI Rail Management and Operation LLC	FC	70%	49%	0%	0%
AMERICAS	CANADA	Keolis Canada Inc	FC	100%	70%	100%	70%
	UNITED STATES	Keolis Transit America	FC	100%	70%	100%	70%
		Keolis Commuter Services LLC	FC	100%	82%	100%	82%
ASIA, PACIFIC	AUSTRALIA	KDR Victoria Pty Ltd	FC	100%	36%	100%	36%
		KD Hunter Pty Ltd	FC	100%	36%	100%	36%
		Path Transit Pty Ltd	FC	100%	36%	100%	36%
		KDR Gold Coast PTY LTD	FC	100%	36%	100%	36%
		Keolis Downer Adelaide	FC	100%	36%	100%	36%
		Shangai Keolis Public Transport operation Management Co.	SI	49%	34%	49%	34%
EUROPE (EXCLUDING FRANCE)	CHINA	Keolis Deutschland COKG	FC	0%	0%	100%	70%
	GERMANY	Parking Cathedrale SA	FC	100%	70%	100%	70%
	BELGIUM	Keolis Danmark	FC	100%	70%	100%	70%
	DENMARK	Nottingham Trams Ltd	FC	80%	56%	80%	56%
	UK	London&South Eastern Railway - LSER	JV	35%	24%	35%	24%
		KeolisAmey Metrolink	FC	60%	42%	60%	42%
		Keolis-Amey Docklands Ltd	FC	70%	49%	70%	49%
		Keolis Amey Operations/Gweithrediadau Keolis Amey Limited – the Operating Entity	FC	64%	45%	64%	45%
		Govia Thameslink Railway Limited	JV	35%	24%	35%	24%
	NORWAY	Keolis Norge AS	FC	100%	70%	100%	70%
	NETHERLANDS	Keolis Nederland BV (formerly Syntus)	FC	100%	70%	100%	70%
	SWEDEN	Keolis Sverige	FC	100%	70%	100%	70%
FRANCE	FRANCE	Transport Daniel MEYER	FC	100%	70%	100%	70%
		SAEMES	JV	33%	23%	33%	23%
		KeoMotion	FC	100%	70%	100%	70%
		Keolis Tours	FC	100%	70%	100%	70%

Geographical area	Country	Company	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
FRANCE	FRANCE	Keolis Rennes	FC	100%	70%	100%	70%
		Keolis Pays d'Aix	FC	100%	70%	100%	70%
		Keolis Métropole Orléans	FC	100%	70%	100%	70%
		Keolis Lyon	FC	100%	70%	100%	70%
		Keolis Lille Métropole	FC	100%	70%	100%	70%
		Keolis Grand Nancy	FC	100%	70%	100%	70%
		Keolis Dijon Mobilités	FC	100%	70%	100%	70%
		Keolis CIF	FC	100%	70%	100%	70%
		Keolis Caen Mobilités	FC	100%	70%	100%	70%
		Keolis Bordeaux Métropole	FC	100%	70%	100%	70%
		Keolis Besançon Mobilités	FC	100%	70%	100%	70%
		Keolis Atlantique	FC	100%	70%	100%	70%
		Keolis Amiens	FC	100%	70%	100%	70%
		Keolis	FC	100%	70%	100%	70%
		Keolis Versailles	FC	100%	70%	100%	70%
		Keolis Sophia Antipolis	FC	100%	70%	100%	70%
		Keolis Côte Basque - Adour	FC	100%	70%	100%	70%
		Hello Paris	JV	100%	35%	100%	35%
		Effia Stationnement et Mobilité	FC	100%	70%	100%	70%
		EFFIA Park	FC	100%	70%	100%	70%
		Effia Concessions	FC	100%	70%	100%	70%
	Business line	Freight & Logistics activity					
	Segment	Ermewa Group					
FRANCE	FRANCE	INVEHO UFO	FC	0%	0%	100%	100%
		Eurotainer SAS	FC	0%	0%	100%	100%
		Ermewa Intermodal	FC	0%	0%	100%	100%
		Ermewa Holding	FC	0%	0%	100%	100%
		Ermewa Ferroviaire	FC	0%	0%	100%	100%
		Ermewa (Paris)	FC	0%	0%	100%	100%
		Groupe AKIEM	JV	50%	50%	50%	50%
	Segment	Geodis					
AFRICA	SOUTH AFRICA	Geodis South Africa Pty Ltd	FC	100%	100%	100%	100%
AMERICAS	BRAZIL	Geodis Gerenciamento de Fretes do Brasil Ltda (formerly GW Freight Management Brazil)	FC	100%	100%	100%	100%
		Geodis Chile Soluciones Integrales De Logistica Limitada (formerly Geodis Wilson Chile Limitada)	FC	100%	100%	100%	100%
	CHILE	Geodis USA, Inc.	FC	100%	100%	100%	100%
	UNITED STATES	Geodis Transportation, LLC	FC	100%	100%	100%	100%
		Geodis SCO USA Inc (formerly Geodis Global Solutions USA Inc)	FC	100%	100%	100%	100%
	Geodis Logistics, LLC (Logistic activity)	FC	100%	100%	100%	100%	
	Geodis America	FC	100%	100%	100%	100%	
	MEXICO	Geodis Mexico S.A. de C.V. (formerly Geodis Wilson Mexico S.A. de C.V.)	FC	100%	100%	100%	100%
		Geodis Mexico Solutions SA de CV (formerly Geodis Global Solutions Mexico)	FC	100%	100%	100%	100%
ASIA, PACIFIC	AUSTRALIA	Geodis Australia Pty Ltd (formerly Geodis Wilson Pty Ltd Australia)	FC	100%	100%	100%	100%
		Geodis Hong Kong Ltd. (formerly Geodis Wilson Hong Kong Ltd.)	FC	100%	100%	100%	100%
	CHINA	Geodis China Limited (formerly Geodis Wilson China Limited)	FC	100%	100%	100%	100%
		Combined Logistics (Hong Kong) Limited	FC	100%	100%	100%	100%

Geographical area	Country	Company	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
EUROPE (EXCLUDING FRANCE)	INDIA	Geodis India Pvt Ltd (formerly Geodis Overseas India)	FC	100%	100%	100%	100%
	NEW ZEALAND	Geodis New Zealand Limited (formerly Geodis Wilson. New Zealand Ltd)	FC	100%	100%	100%	100%
	SINGAPORE	Geodis Singapore Pte Ltd (formerly Geodis Wilson Singapore Pte Ltd)	FC	100%	100%	100%	100%
	THAILAND	Geodis Thai Ltd	FC	100%	100%	100%	100%
	TURKEY	GEODIS TURKEY NAKLİYAT A.Ş.	FC	100%	100%	100%	100%
	SOUTH KOREA	Geodis Korea Co. Ltd.	FC	100%	100%	100%	100%
	GERMANY	Geodis CL Germany GmbH (formerly Geodis Logistics Deutschland GmbH)	FC	100%	100%	100%	100%
		Geodis FF Germany GmbH & Co. KG (formerly Geodis Wilson Germany GmbH & Co KG)	FC	100%	100%	100%	100%
	BELGIUM	Geodis FF Belgium (formerly Geodis FF Belgium N.V)	FC	100%	100%	100%	100%
		Sealogis Freight Forwarding Belgium	FC	100%	99%	100%	99%
	DENMARK	Geodis Denmark A/S (formerly Geodis Wilson Denmark A/S)	FC	100%	100%	100%	100%
	SPAIN	Geodis RT Spain SA	FC	100%	100%	100%	100%
		Geodis FF Spain SL (formerly Geodis Wilson Spain, S.L.U.)	FC	100%	100%	100%	100%
	UK	Geodis FF United Kingdom Ltd (formerly Geodis Wilson UK Ltd)	FC	100%	100%	100%	100%
		Geodis Contract Logistics United Kingdom Ltd	FC	100%	100%	0%	0%
	IRELAND	Geodis Ireland Ltd	FC	100%	100%	100%	100%
	ITALY	Geodis CL Italia Spa (formerly Geodis Logistics S.P.A.)	FC	100%	100%	100%	100%
		Geodis RT Italia Srl	FC	100%	100%	100%	100%
		Geodis FF Italia Spa (formerly Geodis Wilson Italia Spa)	FC	100%	100%	100%	100%
	LUXEMBOURG	Lexsis	FC	100%	100%	100%	100%
	NETHERLANDS	Geodis Benelux Holding BV (formerly Geodis Holding BV)	FC	100%	100%	100%	100%
		Geodis CL Netherlands B.V. (formerly Geodis Logistics Netherlands BV)	FC	100%	100%	100%	100%
		Geodis RT Netherlands B.V.	FC	100%	100%	100%	100%
		Geodis FF Netherlands B.V. (formerly Geodis Wilson Netherlands B.V.)	FC	100%	100%	100%	100%
	POLAND	Pekaes sp. z o.o.	FC	100%	100%	0%	0%
		Geodis Poland Sp. z o.o.	FC	100%	100%	100%	100%
	SWEDEN	Geodis Holding Sweden AB	FC	100%	100%	100%	100%
		Geodis Sweden AB	FC	100%	100%	100%	100%
FRANCE	FRANCE	BM Virolle	SI	35%	35%	35%	35%
		Bourgey Montreuil Alsace	FC	100%	100%	100%	100%
		Calberson Alsace	FC	100%	100%	100%	100%
		Calberson Armorique	FC	100%	100%	100%	100%
		Calberson Bretagne	FC	100%	100%	100%	100%
		Calberson Ile de France	FC	100%	100%	100%	100%
		Geodis D&E Loiret (formerly Calberson Loiret)	FC	100%	100%	100%	100%
		Geodis D&E Mediterranée (formerly Calberson Méditerranée)	FC	100%	100%	100%	100%
		Calberson Normandie	FC	100%	100%	100%	100%
		Calberson Paris Europe	FC	100%	100%	100%	100%
		Calberson Picardie	FC	100%	100%	100%	100%
		Calberson Rhône Alpes	FC	100%	100%	100%	100%
		Calberson SAS	FC	100%	100%	100%	100%
		Calberson Sud-Ouest	FC	100%	100%	100%	100%
		Chaveneau Bernis Transport	FC	100%	72%	100%	72%
		Dusolier Calberson	FC	100%	100%	100%	100%
		Flandre Express	FC	100%	100%	100%	100%
		Geodis CL Automotive Est	FC	100%	100%	100%	100%

Geographical area	Country	Company	M	PC Year Y	PI Year Y	PC Year Y-1	PI Year Y-1
		Geodis D&E Aquitaine (formerly Geodis Calberson Aquitaine)	FC	100%	100%	100%	100%
		Geodis D&E Lille Europe (formerly Geodis Calberson Lille Europe)	FC	100%	100%	100%	100%
		Geodis D&E Valenciennes (formerly Geodis Calberson Valenciennes)	FC	100%	100%	100%	100%
		Geodis FF France (formerly Geodis Freight Forwarding France)	FC	100%	100%	100%	100%
		Geodis CL Ile de France (formerly Geodis Logistics Ile-de-France)	FC	100%	100%	100%	100%
		Geodis CL Nord (formerly Geodis Logistics Nord)	FC	100%	100%	100%	100%
		Geodis CL Rhône-Alpes (formerly Geodis Logistics Rhône-Alpes)	FC	100%	100%	100%	100%
		Geodis SA	FC	100%	100%	100%	100%
		Grimaldi ACL France	JV	60%	60%	60%	60%
		Giraud Rhône-Alpes	FC	100%	100%	100%	100%
		Rhône Dauphiné Express	FC	100%	100%	100%	100%
		SCI Ney - Geodis	FC	100%	100%	100%	100%
		SCO Aerospace and Defence	FC	100%	100%	100%	100%
		Sealogis	FC	100%	100%	100%	100%
		SEALOGIS FREIGHT FORWARDING	FC	99%	99%	99%	99%
		Seine Express	FC	100%	100%	100%	100%
		Transports Bernis	FC	68%	68%	68%	68%
		XP LOG	FC	100%	99%	100%	99%
		Walbaum	FC	100%	100%	100%	100%
	Segment	Holding company - Logistics activity					
		Transport Logistique Partenaires	FC	100%	100%	100%	100%
	Segment	Rail Logistics Europe					
EUROPE (EXCLUDING FRANCE)	GERMANY	Captrain Deutschland CargoWest	FC	100%	100%	100%	100%
		Forwardis GmbH	FC	100%	100%	100%	100%
		ITL Eisenbahngesellschaft GmbH	FC	100%	100%	100%	100%
		NEB AG	JV	67%	34%	67%	34%
	BELGIUM	Railtraxx	FC	100%	100%	100%	100%
	SPAIN	Captrain España	FC	100%	100%	100%	100%
	ITALY	Captrain Italia	FC	100%	100%	100%	100%
	LUXEMBOURG	LORRY Rail	FC	60%	60%	63%	63%
	SWITZERLAND	BLS CARGO	SI	45%	45%	45%	45%
FRANCE	FRANCE	VIIA	FC	100%	100%	100%	100%
		VFLI	FC	100%	100%	100%	100%
		SAS Fret SNCF	FC	100%	100%	100%	100%
		Naviland Cargo	FC	100%	100%	100%	100%
		Forwardis SAS	FC	100%	100%	100%	100%
	Business line	SNCF Corporate activity					
	Segment	Property					
FRANCE	FRANCE	S2FIT1	FC	100%	100%	100%	100%
		NOVEDIS-ICF	FC	100%	100%	100%	100%
		ICF	FC	100%	100%	100%	100%
		Hébert	FC	100%	100%	100%	100%
		FONCIERE VESTA (EQ)	SI	20%	20%	20%	20%
	Segment	SUGE & Corporate					
EUROPE (EXCLUDING FRANCE)	SWITZERLAND	EUROFIMA	SI	23%	23%	23%	23%
FRANCE	FRANCE	Palier Systra	SI	43%	43%	43%	43%
	FRANCE	SNCF Participations	FC	100%	100%	100%	100%

04 – STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Société Nationale SNCF

**Statutory Auditors' report
on the consolidated financial statements**

(For the year ended 31 December 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex, France

Statutory Auditor
Member of the *Compagnie
régionale de Versailles et du Centre*

Ernst & Young Audit
Tour First TSA 14444
92037 Paris-La Défense Cedex, France
Simplified joint-stock company (*société
par actions simplifiée*) with variable
capital
344 366 315 R.C.S. Nanterre

Statutory Auditor
Member of the *Compagnie
régionale de Versailles et du Centre*

Statutory Auditors' report on the consolidated financial statements

(For the year ended 31 December 2021)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Société Nationale SNCF
2 Place aux Etoiles
93210 La Plaine Saint-Denis, France

To the Sole Shareholder,

Qualified opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Société Nationale SNCF for the year ended 31 December 2021.

Subject to the qualification described in the "Basis of the qualified audit opinion" section of our report, in our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit, Accounts and Risk Committee.

Basis of the qualified audit opinion

Reason for issuing a qualified opinion

As stated in Notes 4.4.1 and 4.4.3.3 to the consolidated financial statements concerning impairment testing of the assets of the Infrastructure cash-generating unit (the "Infrastructure CGU"), the health crisis that began in 2020 and is still ongoing today continued to impact the Infrastructure CGU's revenue and business outlook. It is in this context that SNCF Réseau drew up its new strategic plan and finalised the draft 2021-2030 performance contract with the French State.

This context constituted an indication of impairment and led SNCF Réseau to carry out another impairment test at 31 December 2021 based on a similar methodology to that used during the previous test carried out at 31 December 2020.

This new test did not result in the recognition of any additional impairment against the Infrastructure CGU's assets. The balance in the negotiations between the French State and SNCF Réseau underlying the financial trajectory used in the test remains based on the assumption that (i) SNCF Réseau will achieve its productivity goals and (ii) the French State will effectively implement all means and make all commitments necessary to support the recoverable amounts of the Infrastructure CGU's assets in the context of the ongoing health crisis and the gradual business recovery. This is reflected, in particular, in the recapitalising of Société Nationale SNCF at the end of 2020 and the subsequent dividend distribution made to the support fund (*fonds de concours*) and intended to contribute to the financing of infrastructure investments.

The cash flow forecasts used for the impairment test were based on the financial trajectory set out in the 2021-2030 performance contract. It is based on SNCF Réseau's 2021-2030 strategic plan prepared as part of the SNCF Group's strategic plan adopted by the SNCF Board of Directors on 29 July 2021, and revised at the French State's request as reflected in the new 2021-2030 performance contract. These cash flow forecasts comprised (i) cash inflows (infrastructure fees, investment subsidies) mainly arising from commitments received from the French State, (ii) operating expenses (particularly installation work and maintenance), net of productivity gains, and (iii) capital investment, particularly in network renovations.

The assumptions underlying these projections remain subject to major risks and uncertainties accentuated by the current health crisis:

- The forecasts used in the impairment test carried out on the Infrastructure CGU at 31 December 2021 are based on the 2021-2030 performance contract approved by SNCF Réseau's Board of Directors on 4 November 2021 and currently pending signature by the French State. Certain assumptions, particularly those which rely on a decision by the French State or are linked to the health situation, may change over time.
- The infrastructure fee projections are based in particular on:
 - Traffic trajectories revised by Group SNCF carriers and competition assumptions updated by SNCF Réseau. These forecasts remain subject to uncertainties, particularly given the potentially lasting impacts of the health crisis on the economy and travellers' behaviour.

- Certain pricing assumptions are submitted to the French transport authority (ART) for an opinion. Toll rate indexing was aligned with the ART's opinion dated 9 February 2021 for the years 2022 and 2023 and then maintained at 3.6% thereafter. The increase in the pricing indexation rates for the contractual activities used in the test for the years following 2023, which should be subject to the ART's opinion, cannot be confirmed at present.
- The investment subsidies allocated to renovation work and financed through the support fund are based on the payment by the French State to SNCF Réseau of:
 - €4.05 billion paid in December 2020 to the support fund by Société Nationale SNCF subsequent to its recapitalisation by the French State, of which €1.6 billion was paid to SNCF Réseau in 2021.
 - Dividends to be received from Société Nationale SNCF, the estimation of which is based on (i) the disposal of assets for €390 million and on (ii) Société Nationale SNCF's capacity to make distributions, as updated based on the SNCF Group's new strategic plan, for the rest.
- 2030 was maintained by SNCF Réseau as the standard final year for the railway network currently in service, considering that 2030 will correspond to the year in which the network will be stabilised at expected performance levels, although these levels have never previously been attained. Terminal value therefore represents the essential factor in measuring the recoverable amount.
- The measures concerning the future pension scheme and, more broadly, the new social framework resulting from the rail industry agreements were still under negotiation at the reporting date and may consequently affect the projected future performance.

These major risks and uncertainties, the impact of which should be assessed in conjunction with the discount rate used, weigh on the discounted future cash flow forecasts used to measure the Infrastructure CGU's property, plant and equipment and intangible assets as presented in the Company's statement of financial position at 31 December 2021. Consequently, the amount of the related impairment loss could be underestimated. These projections are also used to assess the recoverability of deferred tax assets and therefore to determine their amount in the statement of financial position. The amount of deferred tax assets in the statement of financial position may be overestimated.

As a result, we are unable to assess the pertinence of the projections used and are therefore unable to express an opinion on the carrying amount of the assets concerned which, at 31 December 2021, amounted to €33.2 billion (excluding work-in-progress) for property, plant and equipment and intangible assets, and €4.6 billion for deferred tax assets.

In our report dated 26 February 2021 on the consolidated financial statements for the year ended 31 December 2020, we also expressed a qualified opinion on the carrying amount of the assets concerned, which amounted to €32.9 billion (excluding work-in-progress) for property, plant and equipment and intangible assets, and €4.6 billion for deferred tax assets.

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, apart from the matters described in the "Basis of the qualified audit opinion" section of our report, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional

judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the Eurostar CGU's assets and the associated purchase commitments

Notes 2.1.2, 4.4.2.4 and 6.3.2 to the consolidated financial statements

Description of risk

As stated in Notes 2.1.2 and 4.4.2.4 to the consolidated financial statements concerning impairment testing of the assets of the Eurostar cash-generating unit (the "Eurostar CGU"), the health crisis and the continued restrictions on cross-border movement due to the emergence of new strains had a significant impact on the Eurostar CGU's revenue and financial position. The impairment test performed by management to determine the recoverable amount of the CGU's assets, whose carrying amount at 31 December 2021 was €1,740 million (including €378 million in goodwill and €277 million in intangible assets with an indefinite useful life), consisted in discounting the CGU's estimated future cash flows on the basis of a going concern assumption.

Furthermore, a financial liability corresponding to the irrevocable commitment made by SNCF to purchase the interests in Eurostar owned by the CDPQ/Hermès consortium and SNCB, which is included in the liability corresponding to non-controlling interest purchase commitments and referred to in Notes 4.4.2.4 and 6.3.2 to the consolidated financial statements concerning impairment testing of the assets of the Eurostar CGU and financial liabilities, has been recognised at fair value on the same basis.

Given (i) the materiality of these assets and liabilities in the Group's financial statements, (ii) the uncertainty of the cash flow forecasts used to determine their recoverable amount and fair value in the above-described context, and (iii) the high level of sensitivity of these amounts to the assumptions used, we deemed management's measurement of the recoverable amount of these assets and the fair value of the associated purchase commitments to be a key audit matter.

How our audit addressed this risk

We verified the consistency of the methodology used by management with the appropriate accounting standards and examined the methods for implementing the test.

Our work consisted primarily in:

- based on the impairment test prepared by management, reconciling the net economic assets tested and the financial liabilities with the underlying accounting data;
- assessing any differences between the forecasts and past outcomes;
- comparing the cash flows used in the impairment test with the strategic plan defined by management and approved by the Board of Directors of Eurostar on 27 November 2021;
- assessing the consistency of the cash flow projections with available sources of information;
- examining the methodology for calculating the recoverable amount of the Eurostar CGU's assets and the fair value of the financial liability;
- assessing the measurement inputs used by management (discount rates and long-term growth rates) with the support of our valuation experts;
- recalculating the sensitivity tests performed by management and comparing our results with those described in Note 4.4.2.4 to the consolidated financial statements.

Lastly, we obtained assurance that Notes 2.1.2 and 4.4.2.4 to the consolidated financial statements provide appropriate disclosures on the going concern principle, the uncertainties surrounding the assumptions used and the analysis of the sensitivity of the recoverable amounts to changes in those assumptions.

Measurement of employee benefit obligations

Note 5 to the consolidated financial statements

Description of risk

Employees of the SNCF Group qualify for various post-employment benefit plans which are classified as either defined-benefit or defined-contribution plans.

At 31 December 2021, the defined-benefit plans gave rise to the recognition of an obligation in liabilities for a net amount of €2,746 million after taking into account plan assets measured at €481 million. Employee benefit obligations mainly comprise:

- post-employment benefit plans, social welfare initiatives and compensation for work-related injuries;
- other long-term benefit plans such as long-service awards and similar benefits, and gradual cessation of activity.

As indicated in Note 5 to the consolidated financial statements, these obligations are primarily measured on an actuarial basis using financial and demographic assumptions such as discount rate, mortality, staff turnover and projected future salary increases.

As indicated in Note 5 to the consolidated financial statements, since the creation of the SNCF employee pension and provident fund (*Caisse autonome de Prévoyance et de Retraite du Personnel*

de SNCF), the special retirement plan for employees of SNCF, SNCF Réseau, SNCF Voyageurs, Gares & Connexions and Fret SNCF with qualifying status is considered to be a defined-contribution plan. No liability is recognised for defined-contribution plans as the Group does not have any obligation beyond the contributions paid each year.

Given the complexity of the plans and the analysis underlying their classification, the number of employee benefit plans in the Group and the materiality of the associated liabilities, the complexity of the actuarial calculations performed, the degree of uncertainty surrounding the underlying financial and demographic assumptions, and the very high level of sensitivity of the actuarial value of the liability to those assumptions, we deemed management's measurement of employee benefit obligations to be a key audit matter.

How our audit addressed this risk

We familiarised ourselves with the procedure used by management to classify and measure its main employee benefit obligations.

Our work also consisted in:

- obtaining and examining internal and external documentation relating to these benefit obligations, including statements of plan assets;
- assessing, on the basis of management's analyses:
 - the classification of post-employment benefit plans as defined-benefit or defined-contribution,
 - the potential impact of developments and events during the year on the classification of existing plans, and in particular changes in contribution rates;
- examining, on a sample basis, the basic data used in the actuarial calculations against the underlying accounting data;
- assessing, with the guidance of our actuarial experts, the appropriateness of the main actuarial assumptions used to measure the benefit obligations according to the type and duration thereof and the available market data (discount and inflation rate, mortality, staff turnover and projected future salary increases);
- examining the consistency of the principles and methods used to measure and recognise the net liability with the prevailing contractual, collectively-negotiated, legal and regulatory provisions.

Lastly, we verified that Note 5 to the consolidated financial statements provides appropriate disclosures, particularly concerning the classification of certain obligations and the sensitivity of the value of the obligations to the assumptions used.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

With the exception of the potential impact of the matters described in the "Basis of the qualified audit opinion" section of our report, we have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial performance statement required under article L.225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the management report. However, in accordance with article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the consolidated financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Société Nationale SNCF by the French Minister for the Economy, Industry and Employment on 21 April 2008 for PricewaterhouseCoopers Audit and by the French Minister for the Economy, Industrial Renewal and Digital Affairs on 18 April 2014 for Ernst & Young Audit.

At 31 December 2021, PricewaterhouseCoopers Audit and Ernst & Young Audit were in the fourteenth and eighth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit, Accounts and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit, Accounts and Risk Committee

We submit a report to the Audit, Accounts and Risk Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit, Accounts and Risk Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit, Accounts and Risk Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit, Accounts and Risk Committee.

Neuilly-sur-Seine and Paris-La Défense, 25 February 2022

The Statutory Auditors

PricewaterhouseCoopers Audit

Ernst & Young Audit

François Guillon

Philippe Vogt

Valérie Desclève

Nicolas Pfeuty

